

# Hugglescote and Donington le Heath

Neighbourhood Plan  
Housing Needs Assessment (HNA)

March 2025

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## Quality information

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## List of acronyms used in the text:

HDH	Hugglescote and Donington le Heath
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
NWLDC	North West Leicestershire District Council
OA	Output Area
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

# 1. Executive Summary

- 1.1.1. Hugglescote and Donington le Heath is a Neighbourhood Area (NA) located in the district of North West Leicestershire. The NA boundary covers the areas administered by the parish of Hugglescote and Donington le Heath.
- 1.1.2. The 2021 Census recorded 6,329 individuals in Hugglescote and Donington le Heath, indicating an increase of 1,883 people since the 2011 Census.
- 1.1.3. There have been some significant developments in Hugglescote and Donington le Heath in recent years. In particular, development around Grange Road has provided significant amounts of new housing in the NA. North West Leicestershire District Council has provided data showing that of the new housing delivered in the NA since 2013-14, 116 dwellings have been delivered as Affordable Housing<sup>1</sup>. The current total number of dwellings in the NA is therefore estimated to be 2,796.
- 1.1.4. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Advisory Group at the outset of the research.
- 1.1.5. Data from the 2021 Census is continuing 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.
- 1.1.6. This HNA has been undertaken in line with the National Planning Policy Framework (NPPF)<sup>2</sup> and practice guidance (both published in December 2024).<sup>3</sup>

## 1.2. Affordability and Affordable Housing

### Current tenure profile

- 1.2.1. Home ownership is the dominant tenure in Hugglescote and Donington le Heath, representing a slightly higher share of the total (around 76%) than the wider District (72%) and national average (61%). The prevalence of home ownership comes at the expense of private renting (12.8%), and especially, social renting (9.8%). The lack of alternatives to ownership are likely to present a challenge for those on the lowest incomes seeking to remain in the Parish.
- 1.2.2. There has been some significant change in the tenure mix since 2011. Most notably, social rent increased by 90% over the decade, with significant growth seen in

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<sup>1</sup> According to data provided by NWLDC (data up to end of December 2024)

<sup>2</sup> [National Planning Policy Framework](#) published in December 2024

<sup>3</sup> [Housing and economic needs assessment - GOV.UK](#) published in December 2024

ownership (40% increase) and private rented accommodation (55% increase) as well. Shared ownership also increased more modestly (25%).

### **Affordability**

- 1.2.3. Home values in the NA have followed a general upward trajectory, despite some minor year-on-year fluctuations according to Census data. The current median house price (middle number when arranged from lowest to highest) is £299,473, which is 110.9% higher than the 2014 average. The lower quartile price (the lowest 25% of prices, used as a good proxy for entry-level housing) stands at £247,624. This is relatively lower than the median, though it is still relatively unaffordable to many lower income households, indicating that people may struggle to find truly affordable entry-level properties.
- 1.2.4. It is also worth noting that the current median house price in Hugglescote and Donington le Heath is 9.8% higher than the current median for North West Leicestershire as a whole. Although Hugglescote and Donington le Heath is dominated by detached and larger (4+ bedroom) homes and, correspondingly, District averages are strongly influenced by the smaller and flatted accommodation that is more plentiful in more urban locations, it remains clear that Hugglescote and Donington le Heath is a slightly higher-value housing market for the local area. This presents a barrier to entry for households with lower incomes or wealth.
- 1.2.5. AECOM has estimated the annual income required to afford various tenures of housing in Hugglescote and Donington le Heath – 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 was £41,600 in 2020 and the lower quartile household income for North West Leicestershire was £19,284 in 2023.
- 1.2.6. 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 around two times the current average. Private renting is more affordable, but is generally only accessible to average earning households and dual lower income households. A broader challenge in relation to private renting is that, though potentially cheaper, too few properties are regularly available to make this a reliable option for lower income households.
- 1.2.7. 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 Hugglescote and Donington le Heath, there is a large gap between the income needed to afford to rent (£32,240) and to buy (£63,675), who may benefit from these products.
- 1.2.8. The discount on First Homes can be set at 30%, 40%, or 50% in Neighbourhood Plans. In Hugglescote and Donington le Heath, the minimum 30% discount appears insufficiently affordable to average earners. A higher discount of 40% would only be marginally affordable to average earners. A 50% discount would make a more meaningful difference, expanding affordability to average earners as well as

households with two lower income earners, although this might have implications on the viability of Affordable Housing more widely.

- 1.2.9. Affordable rented housing appears generally affordable to households on lower quartile incomes. The evidence in this chapter indicates a clear divide in housing affordability in Hugglescote and Donington le Heath, with higher earners and those already on the housing ladder potentially able to buy their own homes, average earners able to afford some alternative options (such as private renting and affordable routes to ownership), and lower earners able to access nothing but affordable rented housing. This suggests that the affordable rented sector performs a vital function in Hugglescote and Donington le Heath as the only option for a large segment of those in the most acute need.

### **The need for Affordable Housing**

- 1.2.10. AECOM estimates a modest shortfall of affordable rented housing in Hugglescote and Donington le Heath, with annual need surpassing the current provision. Over the plan period, it is expected that 120 affordable rented dwellings will be needed. The calculations can be found in Appendix D.
- 1.2.11. AECOM estimate potential demand for 13 affordable home ownership dwellings per annum in Hugglescote and Donington le Heath, equating to a total of 195 over the Neighbourhood Plan period. It is important to keep in mind that households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent.
- 1.2.12. 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 (currently 11 dwellings on greenfield sites, and 30 dwellings on brownfield sites). Given the NA's absence of a housing requirement at this time and the likelihood that future development sites will be smaller than this threshold, the future delivery of Affordable Housing is likely to be extremely limited. This could be addressed through the allocation of mainstream or affordable exception sites should this align with the wishes of the community.

### **Affordable Housing policy**

- 1.2.13. Affordable housing is typically provided and made financially viable by District-wide planning policies that require it to be included at a set proportion of market housing developments. North West Leicestershire's adopted policy does not set a specific target for affordable housing. This is a policy area within the remit of North West Leicestershire District Council, but it is worth considering what the most appropriate mix of Affordable Housing products might be in the NA specifically.
- 1.2.14. AECOM recommends that the tenure mix of Affordable Housing secured in future years gives some priority to affordable rented provision (60%) with adequate provision of affordable home ownership options (40%). There is an opportunity here to boost levels of affordable home ownership to meet high levels of potential demand in a

context where home ownership through the open market is relatively unaffordable. The trade-off is that this would lower delivery of affordable rented housing, which serves those in the greatest need.

- 1.2.15. There is no obligation to follow this recommendation, but it may provide a target to work towards within North West Leicestershire's case-by-case determination of levels of affordable tenure mix. Further discussion with North West Leicestershire District Council about the options and their advice would be beneficial and could cover issues beyond the scope of this report, such as development viability.

## 1.3. Housing Mix: Type and Size

### The current housing mix

- 1.3.1. The current housing mix in Hugglescote and Donington le Heath is not dominated by a single dwelling type, although detached and semi-detached housing makes up a combined 71% of the total. Bungalows exist at a slightly lower proportion (7.5%) than District rates (11.4%) and nationally (9.1%). Terraced housing makes up 24.8% of housing, while flats are relatively absent making up only 3.8% of the housing mix as compared to 22.2% at a national level. This can be explained by the suburban nature of the NA which is characterized by mostly detached and semi-detached dwellings. The general housing mix provides fewer affordable options with the lack of flats.
- 1.3.2. There has been relatively little change in the housing mix between 2011 and 2021, with the most growth occurring in the number of detached and semi-detached houses.
- 1.3.3. In terms of size, Hugglescote and Donington deviates from the national average. It has a much higher proportion of 3-bedroom homes (45.3% compared to 40.0% nationally), and a smaller proportion of 1-bedroom homes (4.5% compared to 11.6% nationally). This highlights the high number of detached homes, as well as potentially a higher proportion of older people who may remain in larger homes without downsizing for longer periods of time.
- 1.3.4. Changes since 2011 may be unreliable due to changes in how the relevant datasets are recorded, however, overall it shows that most of the new homes have been 4 bedroom houses, indicating a potential demand for larger family homes.

### Population characteristics

- 1.3.5. The Hugglescote and Donington le Heath population, which is comparatively younger than that of the district and England, has experienced some ageing in the decade since 2011, with the highest growth seen in the 85+ (59% increase), 25-44 (51.7% increase) and 65-84 (50.8% increase) age categories. The two youngest cohorts also grew but at a slower rate (around 30%).
- 1.3.6. This data suggests that the NA has a relatively well-balanced population with ageing occurring at a slower rate than at the district level. It suggests that the NA is still able to retain younger family households, while experiencing some ageing. This evidence would support the potential for any future development to specifically continue to attract and retain younger families if that is the community's wish, alongside an



imperative to accommodate the growing population of older people – who may be seeking to downsize or may be experiencing changing mobility and support needs.

- 1.3.7. Applying ONS household projections for North West Leicestershire to the Hugglescote and Donington le Heath population in 2011 suggests that population growth can be expected to be driven by the oldest households, with the 65+ age group expected to increase by 105% to become the cohort containing 30% of all residents. However, significant growth is also expected in the 25-34 age group (36% increase) and in the 55-64 age group (34% increase). Growth in younger age groups is expected to be more modest (around 27%).
- 1.3.8. The composition of Hugglescote and Donington le Heath's households (in terms of the number of people, their age, and their relationships to one another) is similar to North West Leicestershire's household composition, but diverges slightly from the national household composition. In particular, the NA has a higher proportion of single family households (69%) than nationally (63%), and correspondingly has a lower proportion of single person households (27%) than nationally (30%). Most of the family households have dependent children, with a slightly smaller proportion appearing with no children. There is a similar proportion as nationally of families with non-dependent children living at home (11%).
- 1.3.9. As of the 2021 Census, around 80% of households in the NA had at least one more bedroom than they would be expected to need, and 45% had at least two extra bedrooms. Under-occupancy was most common among older couples, families with no children, and single person households. While not uncommon in rural areas, this might suggest that Hugglescote and Donington le Heath'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. A very small proportion of families under 66 with dependent and with non-dependent children are over occupied (a total of 1.9% of all households). Over occupation is an indicator of acute need, and in this case suggests a number of children in the NA are living in overcrowded homes.

### **Future population and size needs**

- 1.3.10. 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 future housing delivery focuses particularly on 1-bedroom and 3-bedroom housing, with the existing supply of 2-bedroom and 4+ bedroom homes anticipated to meet future demand. This could help with affordability issues, and provide homes for older households looking to downsize.
- 1.3.11. However, the absence of 2-bedroom and 4+ bedroom homes in the model results means that this recommendation is fairly restrictive and relies heavily on current preferences. This is partly due to differences in the starting mix of the geographies used for the key data inputs. As such, there is scope to adjust the model results to arrive at a more rational final recommendation that offers wider choice in the market and reflects affordability and other secondary evidence. One potential option, based

on AECOM's professional judgement of the model results alongside such additional evidence, would be the following mix:

- 50% 1-2 bedroom homes;
- 40% 3-bedroom homes; and
- 10% 4+ bedroom homes.

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.

## 1.4. Specialist Housing for Older People

### Characteristics of the current older population

- 1.4.1. 2021 Census data identifies around 471 individuals aged 75 or over in Hugglescote, representing around 7% of the population. There are 2 specialist accommodations in the NA at present, and another accommodation that provides some retirement housing providing around 80 units, according to the Elderly Accommodation Counsel search tool. These include one full retirement housing option, one that offers some retirement housing, and one care home providing social rent options as well as leasehold ownership options.
- 1.4.2. A clear majority (80.6%) of households aged 55-75 in 2011 (and therefore likely to reach the 75+ bracket by 2040) are owner occupiers, and the remainder predominantly rent from a social landlord. This is important because those currently owning will require specialist accommodation for market purchase, being largely ineligible for subsidized housing, while those in private or social rent will need to rely on subsidized rented housing because they are unlikely to have the funds to buy. Rates of disability in Hugglescote and Donington le Heath are also higher among social tenants than owner-occupiers (see Table E-2 in Appendix E).

### Projected demographic change and need for specialist housing

- 1.4.3. The 75+ population of the NA is projected to increase to 864 people over the Plan period, to become 10.6% of the population in 2041. As established in the previous chapter, Hugglescote and Donington le Heath has a slightly younger population than the wider District, and is projected to age slightly slower than the District. This means that the NA will have to deal with problems related to an ageing population to a lesser extent, or less quickly than the wider District.
- 1.4.4. 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 2041 among those aged 75+ in Hugglescote and Donington le Heath is 222 new older households.

- 1.4.5. 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.
- 1.4.6. The two Hugglescote and Donington le Heath specific estimates suggest a range of 99 to 135 specialist accommodation units might be required during the Plan period. These estimates are also broken down by tenure and level of support required. Broadly 65-75% of the need is for accommodation offered for market purchase. This chimes with the higher propensity of older households to be homeowners. Around 50-70% of the need is found to be for sheltered housing with limited support rather than additional care arrangements.
- 1.4.7. The potential (total rather than additional) need for care and nursing home beds in Hugglescote and Donington le Heath to 2041 can be roughly estimated at 310 bedspaces. It is likely that this provision may be serviced by schemes in nearby settlements.
- 1.4.8. It may not be considered prudent to prioritise the potential demand from older people to the exclusion of other groups, such as those in need of Affordable Housing, young families and others important to maintaining a balanced and vibrant community.
- 1.4.9. Currently, specialist older people's housing in the vicinity of Hugglescote is concentrated in Coalville. This may be a sustainable situation going forward. However, there may also be an opportunity to attract specialist housing development to Hugglescote and Donington le Heath itself for people who do not want to leave their immediate surroundings and social networks when their housing needs change in old age. Given its proximity and connection to Coalville, Hugglescote and Donington le Heath is generally considered a sustainable location for the development of specialist accommodation. The HNA evidence can be used to support specialist housing development but does not make that obligatory. How far to promote this is a choice for the Advisory Group and wider community. Given the parish already faces insufficient NHS provision, this may decrease its suitability for the development of specialist accommodation.

#### **Accessibility and adaptability**

- 1.4.10. Depending on whether there is likely to be a large volume of additional specialist supply during the Plan period, an alternative or additional avenue to the provision of additional specialist homes is to discuss the standards of accessibility and adaptability required of new development with North West Leicestershire District Council. 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.
- 1.4.11. The current adopted Local Plan does not set any targets for housing accessibility standards. However, the emerging Local Plan sets targets for all new housing to meet M4(2) standards, and on housing developments of 10 or more dwellings, 9% of market homes to meet M4(3)(2)(a), and 23% of affordable homes to meet M4(3).

## **2. Context**

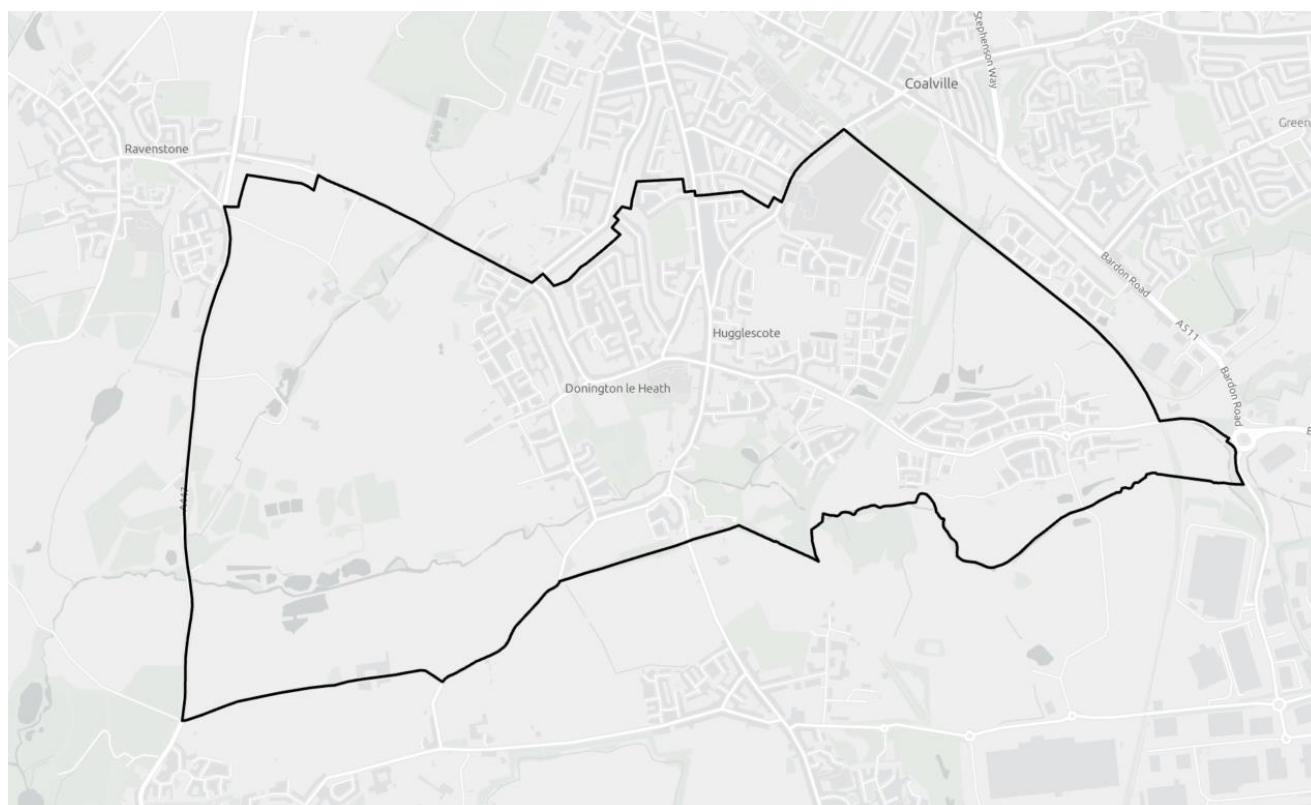
### **2.1. Local context**

- 2.1.1. Hugglescote and Donington le Heath is a Neighbourhood Area (NA) located in the district of North West Leicestershire in the East Midlands. The NA boundary matches the parish boundary of Hugglescote and Donington le Heath and was designated in 2017.
- 2.1.2. The Neighbourhood Plan is envisaged to start in 2025 and extend to 2040, therefore covering a period of 15 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 Neighbourhood Plan period changes.
- 2.1.3. The parish of Hugglescote and Donington le Heath contains the villages of Hugglescote and Donington le Heath. Both villages lie approximately 1 mile south of the centre of Coalville, and around 5 miles south east from Ashby de la Zouch. Hugglescote lies on the river Sence. The built-up area of Hugglescote is now connected to the built form of Coalville, and considered part of the Coalville urban area.

### **2.2. The NA boundary and key statistics**

- 2.2.1. 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 Hugglescote and Donington le Heath is provided in Appendix A. A map of the Plan area appears below in Figure 2-1.

**Figure 2-1: Map of the Hugglescote and Donington le Heath Neighbourhood Area**



Source: AECOM

2.2.2. At the time of the 2021 Census the NA was home to 6,329 residents, formed into 2,716 households and occupying 2,796 dwellings. This indicates a low level of dwellings which are unoccupied by households ie empty at the time of the Census 2021. This data indicates significant population growth of around 1,883 people (or 42%) since 2011, when the Census 2011 recorded a total of 4,446 residents and 1,855 households. Comparing Census 2021 dwellings figures with 2011 suggests growth of around 900 in the number of dwellings over the 10-year period.

## 2.3. The housing market area context

2.3.1. Whilst this Housing Needs Assessment (HNA) focuses on Hugglescote and Donington le Heath 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.

2.3.2. In the case of Hugglescote and Donington le Heath, the 2017 HEDNA identifies that the NA sits within a housing market area which covers all of Leicestershire including Leicester, Melton, Charnwood, Cadby and Wigston, Harborough, Blaby, Hinckley and Bosworth, and North West Leicestershire.<sup>4</sup> This means that when households who live in these authorities move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas however,

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<sup>4</sup> Housing & Economic Development Needs Assessment for Leicester & Leicestershire Authorities. Available at: [General Report Template](#)

including South Derbyshire, southern Nottinghamshire and northern Warwickshire. There has also been an increasing trend of moving inwards, as the area is becoming part of a commuter belt to Birmingham and other cities.

- 2.3.3. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Hugglescote and Donington le Heath, are closely linked to other areas. In the case of Hugglescote and Donington le Heath, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. Much of the growth in North West Leicestershire is expected around south-east Coalville which is likely to meet some of the needs of Hugglescote and Donington le Heath.
- 2.3.4. In summary, Hugglescote and Donington le Heath functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (North West Leicestershire 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.

## 2.4. Planning policy context

- 2.4.1. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>5</sup> In the case of North West Leicestershire District Council, the relevant adopted Local Plan consists of:
- The North West Leicestershire Local Plan 2011 to 2031 (adopted 2017); and
  - The draft North West Leicestershire Local Plan 2020-2040 (January 2024).
- 2.4.2. A detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B. Here, it is worth summarising the most important points of the adopted and emerging Local Plan:
- Adopted Local Plan policy S1 identifies an overall housing target of 481 dwellings per year for the district. Draft Policy S1 in the emerging local plan increases this target to 686 per year for the district.
  - Adopted Local Plan policy S2 identifies Hugglescote and Donington le Heath as part of the Coalville Urban Area and as such under Principal Town in the settlement hierarchy which will be a higher focus for development than smaller settlements. This classification remains unchanged in the emerging local plan.
  - Adopted local plan policy H4 states that 20% affordable housing will be sought on greenfield sites of 11 or more dwellings, and 5% will be sought on previously

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<sup>5</sup> 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>

developed sites of 30 or more dwellings. The suggested tenure mix is to be determined at the time of application. Emerging Local Plan Policy H5 adapts the affordable housing requirements whereby percentages and tenure mix sought will be determined after whole-plan viability testing of proposals.

- Emerging Local Plan Policy H4 sets out a target house size mix for number of bedrooms and type of tenure:

	<b>1-bed</b>	<b>2-bed</b>	<b>3-bed</b>	<b>4-bed</b>
<b>Market</b>	5%	35%	45%	15%
<b>Affordable for Rent</b>	35%	40%	20%	5%
<b>Affordable Ownership</b>	15%	40%	35%	10%

- Emerging Local Plan Policy H11 sets out that all new homes will be required to meet Part M4(2) of the Building Regulations. Additionally, on housing developments comprising 10 or more dwellings, at least 9% of all market homes will be required to meet Part M4(3)(2)(a), and at least 23% of all affordable homes will be required to meet Part M4(3).

## 2.5. Quantity of housing to provide

- 2.5.1. The NPPF 2024 (paragraphs 69 and 70) requires LPAs to provide designated neighbourhood areas with a housing requirement which reflects the overall strategy for the pattern and scale of development and any relevant allocations. Where it is not possible for the LPA to provide a requirement figure for a neighbourhood area the NPPF states that the LPA should provide an indicative figure, if requested to do so by the neighbourhood planning body.
- 2.5.2. Hugglescote and Donington le Heath have fulfilled the previous required figure provided by North West Leicestershire District Council, and have not been given a new figure at this time.

## 3. Objectives and Approach

### 3.1. Objectives

3.1.1. This HNA is structured according to a number of themes or topics that were agreed at the outset of the research with the Hugglescote and Donington le Heath Advisory Group. These themes are broadly aligned with the kinds of housing policy areas available to neighbourhood plans, and each will form a distinct chapter of this report. The sub-sections below give a brief overview of the objectives of each chapter.

#### **Affordability and Affordable Housing**

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

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

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

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

#### **Housing Mix: Type and Size**

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

3.1.6. The focus of this section 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 change over time and what mix of homes would be most appropriate to build.



3.1.7. In addition to the direction of travel revealed by data, a variety of reasons sit behind the choices that households make that are less easy to predict, including wealth, accessibility requirements and personal preference. The evidence in this section provides a starting point for developing and justifying planning policies but does not provide definitive recommendations as it may be appropriate to take into account other factors and site specific circumstances.

## Specialist Housing for Older People

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

3.1.9. This chapter supplements the demographic evidence in the previous section (Housing Mix: 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**.

3.1.10. 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.

## 3.2. Approach

3.2.1. 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;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from [Home.co.uk](https://www.home.co.uk) ;
- Local Authority housing waiting list data; and
- Housing and Economic Development Needs Assessment – Leicester and Leicestershire Authorities (2017).

3.2.2. 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 for parishes, and some datasets which compare

numerous variables, has not yet been made available. As such, this HNA draws 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 to build up evidence at the neighbourhood level.

## 4. Affordability and Affordable Housing

### 4.1. Introduction

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

4.1.2. 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.

4.1.3. 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.

4.1.4. This HNA has been undertaken in line with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) (published 2024).

### 4.2. Definitions

4.2.1. 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 2024 (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 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 products are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring to own a home. This includes discounted market sales housing and other affordable routes to home ownership (shared ownership, rent to buy etc) which are defined in Annex 2. First Homes are also part of the range of affordable home ownership products,

but the definition of First Homes and policy is covered in a Ministerial Statement (2021) and not defined in Annex 2.<sup>6</sup>

### 4.3. Current tenure profile

- 4.3.1. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
- 4.3.2. Table 4-1 presents data on tenure in Hugglescote and Donington le Heath compared with North West Leicestershire and England from the 2021 Census. It shows that the tenure mix is relatively similar to the district wide mix, but with notably higher ownership levels, and fewer socially rented properties. Compared to England, a much higher proportion of the population owned their homes (76.2% compared to 61.3%). Hugglescote and Donington had a much lower proportion of social rented properties (9.8%) as compared to England (17.1%). In line with the higher levels of ownership, Hugglescote and Donington also had a lower proportion of private renting (12.8%) than the national proportion (20.6%).

**Table 4-1: Tenure (households) in Hugglescote and Donington le Heath and comparator geographies, 2021**

Tenure	HDH	North West Leicestershire	England
Owned	76.2%	71.8%	61.3%
Shared ownership	1.3%	1.1%	1.0%
Social rented	9.8%	13.5%	17.1%
Private rented	12.8%	13.6%	20.6%

Sources: Census 2021, AECOM Calculations

- 4.3.3. It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-2). This shows that there has been some increase in ownership, a large increase in social and private rented homes, and smaller growth in shared ownership. This suggests that there has been significant growth in the NA over the period of 2011 to 2021, with significant growth seen in all tenure categories.

<sup>6</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

**Table 4-2: Tenure change (households) in Hugglescote and Donington le Heath, 2011-2021**

Tenure	2011	2021	% Change
Owned	1,462	2,069	41.5%
Shared ownership	27	34	25.9%
Social rented	140	266	90.0%
Private rented	226	347	53.5%

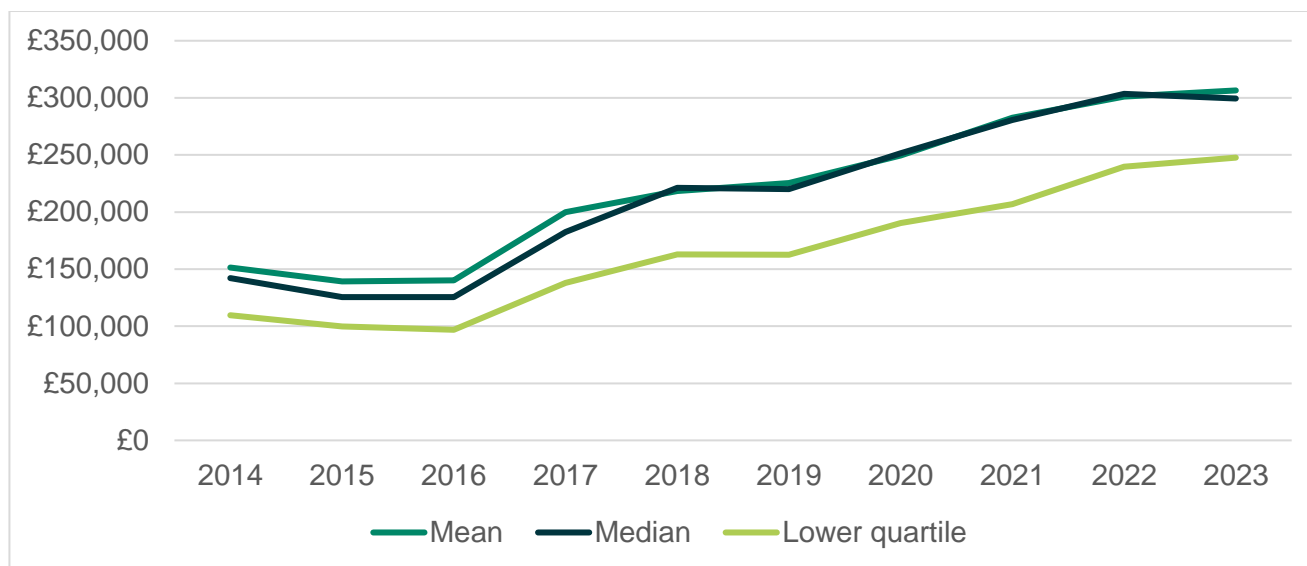
Sources: Census 2021 and 2011, AECOM Calculations

## 4.4. Affordability

### House prices

- 4.4.1. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
- 4.4.2. Figure 4-1 looks at the average and lower quartile house prices in Hugglescote and Donington le Heath based on sales price data published by the Land Registry. It shows that between 2014 and 2023 there has been steady growth in house prices in the NA. There is some year-on-year fluctuation in prices, likely due to relatively small sample sizes.
- 4.4.3. The median (the middle number when you sort the data from smallest to largest) house price grew by 110.9% between 2014 and 2023, with a peak in 2022 at £303,498.
- 4.4.4. The lower quartile is the middle figure of the lowest 50% of prices and a good representation of entry-level housing. The lower quartile house price grew to a larger extent, by 126.1% lying at £247,624 in 2023.
- 4.4.5. The median house price across North West Leicestershire in 2023 was £270,000, with a lower quartile price of £200,000. This is lower than prices in Hugglescote and Donington and suggests that the NA is a slightly higher value area of the district. It also suggests a difference in the housing mix with more large and detached homes and fewer entry-level homes, as will be examined in the Type and Size chapter.

**Figure 4-1: House prices by quartile in Hugglescote and Donington le Heath, 2014-2023**



Source: Land Registry PPD

4.4.6. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that the greatest growth has been in semi-detached house prices between 2014 and 2023, with prices almost doubling over that time. Detached house prices grew at almost the same rate, whereas terraced flats only rose in price by about 60%. There were too few flat transactions over the period to determine price growth over the decade. Overall, the average house price has more than doubled over the decade. There is some year-on-year fluctuation in prices within the dwelling types, likely due to the annual average by type being derived from a smaller sample size. This means that variation in the homes that happen to be sold in a given year, and their characteristics in terms of size, location and condition, have a greater impact on the average.

**Table 4-3: Median house prices by type in Hugglescote and Donington le Heath, 2015-2023**

Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Growth
Detached	£187,000	£184,500	£199,475	£237,725	£265,577	£279,975	£285,498	£332,500	£349,973	£349,995	87.2%
Semi-detached	£134,950	£120,000	£137,950	£150,000	£193,950	£194,950	£191,000	£208,475	£244,995	£253,500	87.8%
Terraced	£98,000	£94,750	£96,150	£114,475	£120,000	£125,482	£127,000	£175,000	£167,000	£155,000	58.2%
Flats	-	-	-	-	£125,000	£133,000	-	-	£159,000	£132,000	-
<b>All Types</b>	<b>£142,000</b>	<b>£125,500</b>	<b>£125,500</b>	<b>£182,475</b>	<b>£221,250</b>	<b>£220,000</b>	<b>£251,498</b>	<b>£280,495</b>	<b>£303,498</b>	<b>£299,473</b>	110.9%

Source: Land Registry PPD

## Income

4.4.7. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.

- 4.4.8. 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 £41,600 in 2020 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.
- 4.4.9. 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. North West Leicestershire's gross individual lower quartile annual earnings were £19,284 in 2023. To estimate the income of households with two lower quartile earners, this figure is doubled to £38,568.
- 4.4.10. It is clear from this data that there is a large gap between the spending power of average income households and those earning the lowest 25% of incomes where the household in question has one earner only.

### **Affordability Thresholds**

- 4.4.11. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent, or a mortgage given local housing prices.
- 4.4.12. AECOM has determined thresholds for the income required in Hugglescote and Donington le Heath to buy a home in the open market (average and entry-level prices), and the income required to afford private rents and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix C.
- 4.4.13. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives. This is discussed in more detail at the start of Appendix C.
- 4.4.14. Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

**Table 4-4: Affordability thresholds in Hugglescote and Donington le Heath (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £41,600	Affordable on LQ earnings (single earner)? £19,284	Affordable on LQ earnings (2 earners)? £38,568
<b>Market Housing</b>						
Median House Price	£269,525	-	<b>£77,007</b>	No	No	No
Estimated NA New Build Entry-Level House Price	£279,995		<b>£71,999</b>	No	No	No
LQ/Entry-level House Price	£222,861	-	<b>£63,675</b>	No	No	No
LA New Build Median House Price	£295,085	-	<b>£84,310</b>	No	No	No
Average Market Rent (and Rent to Buy)	-	£11,004	<b>£36,680</b>	Yes	No	Yes
Entry-level Market Rent (and Rent to Buy)	-	£9,672	<b>£32,240</b>	Yes	No	Yes
<b>Affordable Home Ownership</b>						
Discounted Market Sale (-20%)	£201,596	-	<b>£57,599</b>	No	No	No
First Homes (-30%)	£176,397	-	<b>£50,399</b>	No	No	No
First Homes (-40%)	£151,197	-	<b>£43,199</b>	Marginal	No	No
First Homes (-50%)	£125,998	-	<b>£35,999</b>	Yes	No	Yes
Shared Ownership (50%)	£125,998	£3,500	<b>£47,666</b>	No	No	No
Shared Ownership (25%)	£62,999	£5,250	<b>£35,499</b>	Yes	No	Yes
Shared Ownership (10%)	£25,200	£6,300	<b>£28,199</b>	Yes	No	Yes
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£5,540	<b>£18,467</b>	Yes	Yes	Yes
Social Rent	-	£4,384	<b>£14,612</b>	Yes	Yes	Yes

Source: AECOM Calculations

4.4.15. 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**

4.4.16. 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 annual income around 85% higher than the current average.

4.4.17. Private renting is generally affordable to average income households, and households made up of two 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**

4.4.18. There is a relatively large group of households in Hugglescote and Donington le Heath who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £35,000 per year (at which point entry-level rents become affordable) and £50,000 (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 Discounted Market Sale, First Homes, Shared Ownership and Rent to Buy.

4.4.19. Discounted Market Sale homes are offered at a discount at least 20% on market prices. First Homes are offered at a discount of at least 30% on market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.

4.4.20. This report has estimated the income required to afford discounts of 20-50% to cover the range of discounts likely to be available on these different products.

4.4.21. It is important to note that the evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. In some cases, higher discount levels could create a financial burden on a scheme which leads developers to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be reduced. The latter might put at risk the delivery of Social/Affordable rented housing which may be an unintended consequence. 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 Advisory Group intend to set higher discount levels (eg. on First Homes) than that set at local authority level, further discussions with the LPA are advised.

4.4.22. Shared ownership appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. The minimum equity share for shared ownership is 10% of the property value.<sup>7</sup> If this is delivered in the NA, it will make

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<sup>7</sup> 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

shared ownership easier to access for more households. 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 or discounted market sale products) for those who can afford them.

4.4.23. Rent to Buy provides households with the option to rent at a discount (an intermediate rent at least 20% lower than the market rent) in order that they can save for a deposit to buy their property within a set period. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. As both average and entry level rents appear to be affordable to households with average incomes and households containing two lower quartile earners, this product could be valuable route for extending home ownership. 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.

4.4.24. The range of 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:

- Discounted Market Sale and 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 DMS/First Homes, but there are additional costs associated with the rented portion.
- Shared ownership at low equity shares can usually be accessed by lower income 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 likely to be 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.

### **Social and Affordable Rented housing**

4.4.25. Social and Affordable Rented housing performs a critical role in supporting households with the most acute housing needs. These households are likely to be on the lowest incomes and unable to afford market housing without subsidy.

4.4.26. 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

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ministerial statement confirming and detailing the changes is available here:  
<https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

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 Hugglescote and Donington le Heath.

- 4.4.27. Affordable rented housing is generally affordable to households with two lower earners, and even single lower earners depending on their household size (average income households are unlikely to be eligible). However, many households eligible for Social/Affordable Rented homes will require additional subsidy through Housing Benefit/Universal Credit to access housing.
- 4.4.28. The NPPF 2024 makes explicit reference of the need to set out the proportion of Social Rented homes needed as part of the Affordable Housing to be delivered in a local authority area (paragraph 64, NPPF)<sup>8</sup>.
- 4.4.29. Social Rents are cheaper than Affordable Rents and, in theory, would leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. This is particularly the case for households who are supported by Housing Benefit and subject to the overall benefit cap since their benefit income is limited by the cap and they may not be able to claim enough to cover the Affordable Rent.
- 4.4.30. Where households are supported by housing benefit and not affected by benefit caps, 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 these households may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.
- 4.4.31. Households who are not supported by benefits, for example those whose earnings are higher and making them ineligible for benefits, would clearly benefit by the lower Social Rent levels because it would reduce their outgoings. However, these households are less likely to be in acute need on housing waiting lists. Rather, this scenario might apply to those already living in Social Rented housing where their financial circumstances have improved.
- 4.4.32. On balance, the relative need for Social Rented homes versus Affordable Rented homes is a complex area because of the interaction of benefits, rents and earnings. AECOM suggests that the local authority is best placed to assess what proportion of Affordable Housing should be provided as Social Rent, drawing on their waiting list data and more detailed evidence in the HEDNA. If the neighbourhood group wishes to develop localised policy in this area, this will be best achieved through liaison with the LPA (and local housing officers) as well as local registered providers.

## 4.5. Estimates of the need for Affordable Housing

- 4.5.1. This section estimates the need for Affordable Housing which should be considered separately for Social/ Affordable rented housing and affordable home ownership. The

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<sup>8</sup> [National Planning Policy Framework](#)

appropriate approach is taken based on the evidence available at Local Authority and NA scale.

- 4.5.2. A Housing and Economic Development Needs Assessment (HEDNA) was undertaken for Leicester and Leicestershire Authorities in 2017<sup>9</sup>. As this is relatively dated, AECOM have undertaken independent estimates for a more updated understanding of the current need for affordable housing.

## AECOM Estimates

### The Need for Social/Affordable Rented Homes

- 4.5.3. AECOM estimates a modest long-term shortfall of rented housing in Hugglescote and Donington le Heath. The model summarized in Table 4-5 below and detailed in Appendix D indicates an annual shortfall of 7.5 units, or a total of around 120 dwellings over the plan period.

**Table 4-5: Estimate of need for Affordable Housing for rent in Hugglescote and Donington le Heath**

Component of need or supply in the AECOM estimate	Per annum
Current need	8.7
Newly arising need	6.8
Supply	8.0
<b>Net shortfall</b>	<b>7.5</b>

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

### The Need for Affordable Home Ownership Homes

- 4.5.4. AECOM estimate potential demand for 13 affordable home ownership dwellings per annum in Hugglescote and Donington le Heath, equating to a total of around 208 over the Neighbourhood Plan period. The estimate is summarized in Table 4-6 below and detailed in Appendix D.
- 4.5.5. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for social/affordable rented housing.

**Table 4-6: Estimate of need for Affordable Home Ownership Homes in Hugglescote and Donington le Heath**

Component of need or supply in the AECOM estimate	Per annum
Current need	11.7
Newly arising need	3.0

<sup>9</sup> [General Report Template](#)

Supply	1.7
<b>Net shortfall</b>	<b>13.0</b>

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

## Evidence in the HEDNA

- 4.5.6. A HEDNA was undertaken for the Leicester and Leicestershire Authorities Housing Market Area in 2017. This is considered relatively outdated, but still provides a useful evidence base.
- 4.5.7. The HEDNA 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. The study looked at the time periods of 2011-2031 and 2011-2036.
- 4.5.8. The HEDNA identifies the need for 194 net affordable dwellings per annum for North West Leicestershire over the period of 2011-2036, that should be distributed as 20% Intermediate housing products and 80% social/affordable rented. This would equate to a total of 38.8 affordable home ownership and 155.2 affordable rented homes.
- 4.5.9. When these HEDNA figures are pro-rated to Hugglescote and Donington le Heath based on its fair share of the population (6% of the district’s population<sup>10</sup>), this equates to around 2 affordable home ownership dwellings, and around 9 affordable rented homes per annum over the period until 2036.

## Additional evidence of Affordable Housing needs

- 4.5.10. A neighbourhood plan questionnaire was conducted in 2018. Respondents stated that bungalows and smaller houses are the most needed, with 1-bed and 4+ bed homes considered to be least needed. This identified need for smaller homes could suggest a lack of affordability for larger houses.
- 4.5.11. Additionally, NWLDC have provided data showing that bidding patterns have changed since 2023, with average bidding levels increasing across most property types and settlements. The average bidding levels have increased from 12 bids per advert in 2021-22, up to 40 bids per advert in 2024-25<sup>11</sup>. This increase in bidding suggests an increased need over recent years.
- 4.5.12. NWLDC also provided data highlighting that affordable housing delivery fell during 2023-24 due in particular to market caution resulting in delayed affordable housing triggers on planning gain sites. The reduced numbers delivered in the past year have coincided with an increase in demand, which has undermined the council’s ability to meet its statutory duties and demand from the wider housing register. Due to infrastructure requirements, it has been calculated that sites on the Coalville SUE (including Hugglescote) are only viable with 7.5% affordable housing provision. Across the wider development, viability restrictions have resulted in a loss of around

<sup>10</sup> According to Census 2021 data.

<sup>11</sup> According to data supplied by NWLDC (up to December 2024)

340 affordable units from the policy compliant figure, 70% of which would have been rented properties.

## **4.6. Affordable Housing policies in Neighbourhood Plans**

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

### **Application of Local Plan policies**

4.6.2. North West Leicestershire District Council's adopted policy on this subject Policy H4 requires 20% of all new housing on greenfield sites of 11 or more dwellings to be affordable, or 5% on previously developed land of 30 or more dwellings. Given that Affordable Housing made up approximately 13% of new housing in Hugglescote and Donington le Heath over the last decade according to North West Leicestershire District Council completions figures, it is understood that this target is not usually met on sites in the NA. In particular, it has been found that due to infrastructure requirements, sites in Hugglescote are only viable with 7.5% affordable housing provision.

4.6.3. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the LPA to ensure their support and to determine what additional evidence (e.g. about development viability) would be needed.

4.6.4. 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 as a matter to be informed by the latest evidence of local needs.

### **Affordable Housing at Neighbourhood level**

4.6.5. 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 Hugglescote and Donington le Heath on the basis of identified housing need and a range of other considerations detailed in Appendix D.

4.6.6. Both the adopted Local Plan and emerging Local Plan do not set out a specific tenure mix required for affordable rent and ownership products. Rather adequate mix should be determined based on specific need at the time of applications.

4.6.7. The Local Plan guideline mix appears to offer a suitable benchmark for the NA, as an appropriate mix can be determined on an individual case-by-case basis.

- 4.6.8. AECOM estimates suggest a shortfall of affordable rented homes, with a relatively robust potential demand affordable ownership products. Whilst the need for affordable rented homes is relatively modest, it is likely to be challenging to deliver these given the relatively small Affordable Housing quota in the adopted Local Plan and viability evidence which suggest only 7.5% Affordable Housing can be secured on new developments in the NA. As such, it is likely that the delivery of Social/Affordable Rented homes will need to be prioritized within the mix so that acute needs can be met. However, it is also likely that a proportion of Affordable Homes should be delivered for affordable home ownership in order to meet identified potential demand, and widen choice within the market.
- 4.6.9. With this in mind, a starting point for the tenure mix in the NA might be 60% Social/Affordable rent and 40% affordable home ownership. This provides a relatively equal balance of affordable rent and ownership products in order to address the pressing demand for affordable rent, as well as the potential demand for affordable ownership products. This flexible approach will allow affordable products to be provided in the right mix as market conditions change over the plan period.
- 4.6.10. AECOM suggest that within the mix of affordable home ownership products, a higher proportion of shared ownership homes is likely to extend home ownership more widely than discounted market sale homes in the NA.
- 4.6.11. The NPPF 2024 makes explicit reference of the need to set out the proportion of Social Rented homes needed as part of the Affordable Housing to be delivered in a local authority area (paragraph 64, NPPF)<sup>12</sup>.
- 4.6.12. On balance, the relative need for Social Rented homes versus Affordable Rented homes is a complex area because of the interaction of benefits, rents and earnings. AECOM suggests that the local authority is best placed to assess what proportion of Affordable Housing should be provided as Social Rent, drawing on their waiting list data, housing benefit data, more detailed evidence in LHNAs and viability assessments. If the neighbourhood group wishes to develop localised policy in this area, this will be best achieved through liaison with the LPA (and local housing officers) as well as local registered providers.
- 4.6.13. In this NA, where there is no current requirement figure for housing over the plan period, the delivery of Affordable Housing is likely to be very limited unless it can be provided directly, eg. through an exception site which focuses on the provision of Affordable Housing. If small numbers of Affordable Homes do come forward from market led sites, the tenure mix discussed above may need to be different in order to reflect the delivery of small numbers of homes and in response to the site-specific context.
- 4.6.14. Where the Advisory Group 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 North West Leicestershire District Council to determine what

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<sup>12</sup> [National Planning Policy Framework](#)

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

## 4.7. Conclusions- Affordability and Affordable Housing

### Current tenure profile

- 4.7.1. Home ownership is the dominant tenure in Hugglescote and Donington le Heath, representing a notably higher share of the total (around 76%) than the wider District (72%) and national average (61%). The prevalence of home ownership comes at the expense of private renting, and especially, social renting. The lack of alternatives to ownership are likely to present a challenge for those on the lowest incomes seeking to remain in the Parish.
- 4.7.2. There has been some significant change in the tenure mix since 2011. Most notably, social rent increased by 90% over the decade, with significant growth seen in ownership (40% increase) and private rented accommodation (55% increase) as well. Shared ownership also increased more modestly (25%).

### Affordability

- 4.7.3. Home values in the NA have followed a general upward trajectory, despite some minor year-on-year fluctuations. The current median house price (middle number when arranged from lowest to highest) is £299,473, which is 110.9% higher than the 2014 average. The lower quartile price (the lowest 25% of prices, used as a good proxy for entry-level housing) stands at £247,624. This is relatively lower than the median, though it is still relatively unaffordable to many lower income households, indicating that people may struggle to find truly affordable entry-level properties.
- 4.7.4. It is also worth noting that the current median house price in Hugglescote and Donington le Heath is 9.8% higher than the current median for North West Leicestershire as a whole. Although Hugglescote and Donington le Heath is dominated by detached and larger (4+ bedroom) homes and, correspondingly, District averages are strongly influenced by the smaller and flatted accommodation that is more plentiful in more urban locations, it remains clear that Hugglescote and Donington le Heath is a slightly higher-value housing market for the local area. This presents a barrier to entry for households with lower incomes or wealth.
- 4.7.5. AECOM has estimated the annual income required to afford various tenures of housing in Hugglescote and Donington le Heath – 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 was £41,600 in 2020 and the lower quartile household income for North West Leicestershire was £19,284 in 2023.
- 4.7.6. 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 around two times the current average. This has the effect of pushing out local households that wish to afford to buy a house. Private renting is more affordable, but is generally only accessible to average earning



households and dual lower income households. A broader challenge in relation to private renting is that, though potentially cheaper, too few properties are regularly available to make this a reliable option for lower income households.

- 4.7.7. 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 Hugglescote and Donington le Heath, there is a large gap between the income needed to afford to rent (£32,240) and to buy (£63,675), who may benefit from these products.
- 4.7.8. The discount on First Homes can be set at 30%, 40%, or 50% in Neighbourhood Plans. In Hugglescote and Donington le Heath, the minimum 30% discount appears insufficiently affordable to average earners. A higher discount of 40% would only be marginally affordable to average earners. A 50% discount would make a more meaningful difference, expanding affordability to average earners as well as households with two lower income earners, although this might have implications on the viability of Affordable Housing more widely.
- 4.7.9. Affordable rented housing appears generally affordable to households on lower quartile incomes. The evidence in this chapter indicates a clear divide in housing affordability in Hugglescote and Donington le Heath, with higher earners and those already on the housing ladder potentially able to buy their own homes, average earners able to afford some alternative options (such as private renting and affordable routes to ownership), and lower earners able to access nothing but affordable rented housing. This suggests that the affordable rented sector performs a vital function in Hugglescote and Donington le Heath as the only option for a large segment of those in the most acute need.

### **The need for Affordable Housing**

- 4.7.10. AECOM estimates a modest shortfall of affordable rented housing in Hugglescote and Donington le Heath, with annual need surpassing the current provision. Over the plan period, it is expected that 120 affordable rented dwellings will be needed. The calculations can be found in Appendix D.
- 4.7.11. AECOM estimate potential demand for 13 affordable home ownership dwellings per annum in Hugglescote and Donington le Heath, equating to a total of 195 over the Neighbourhood Plan period. It is important to keep in mind that households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent.
- 4.7.12. 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 (currently 11 dwellings on greenfield sites, and 30 dwellings on brownfield sites). Given the NA's absence of a housing requirement at this time and the likelihood that future development sites will be smaller than this threshold, the future delivery of Affordable Housing is likely to be extremely limited. This could be addressed through the allocation of mainstream or affordable exception sites should this align with the wishes of the community.

## **Affordable Housing policy**

- 4.7.13. Affordable housing is typically provided and made financially viable by District-wide planning policies that require it to be included at a set proportion of market housing developments. North West Leicestershire's adopted policy does not set a specific target for affordable housing. This is a policy area within the remit of North West Leicestershire District Council, but it is worth considering what the most appropriate mix of Affordable Housing products might be in the NA specifically.
- 4.7.14. AECOM recommends that the tenure mix of Affordable Housing secured in future years gives some priority to affordable rented provision (60%) with adequate provision of affordable home ownership options (40%). There is an opportunity here to boost levels of affordable home ownership to meet high levels of potential demand in a context where home ownership through the open market is relatively unaffordable. The trade-off is that this would lower delivery of affordable rented housing, which serves those in the greatest need.
- 4.7.15. There is no obligation to follow this recommendation, but it may provide a target to work towards within North West Leicestershire's case-by-case determination of levels of affordable tenure mix. Further discussion with North West Leicestershire District Council about the options and their advice would be beneficial and could cover issues beyond the scope of this report, such as development viability.

## 5. Housing Mix: Type and Size

### 5.1. Introduction

- 5.1.1. It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of the type and size of new homes. This requires evidence of what local households need.
- 5.1.2. This can be done using statistics to identify relevant trends and potential gaps in the market. That is the focus of this section 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 aspirations of local residents. It will also build up a picture of the population and existing range of homes that may provide useful context for the neighbourhood plan.
- 5.1.3. This section has three aims, each given its own sub-section:
- To establish what **mix** of housing exists in the NA at present;
  - To describe characteristics of the local **population** that are relevant to housing need; and
  - To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.
- 5.1.4. It is important to keep in mind that housing need is not an exact science. To move 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 households tend to live in at different stages of life. However, a variety of other reasons sit behind their housing choices that are less easy to predict, including wealth, accessibility requirements and personal preferences. Some trends can also change rapidly over time, such as the increasing preference for home working in some sectors of the economy.
- 5.1.5. The analysis and conclusions provided in this section are therefore not definitive. Rather, they are what the data 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 where appropriate.

### Definitions

- **Dwelling type:** whether a home is detached, semi-detached, terraced, a flat, bungalow or other type. Which a household chooses to occupy tends to be more about wealth and preference than a specific need.
- **Dwelling size:** how many rooms or bedrooms a home contains. While this could also mean floor area or number of storeys, the number of bedrooms is most reliably recorded in housing statistics. Bedroom numbers are also closely linked to family size and life stage.

- **Household:** a unit of people who live together, commonly a family, couple or single person. Not all dwellings contain a household, including properties that are vacant and second homes, so the number of dwellings and the number of households in an area is usually different.
- **Household composition:** the specific combination of adults and children who form a household. The Census offers a number of categories, for example distinguishing between families with children who are dependent or non-dependent (i.e. adults). ‘Other’ households in the Census include house-sharers, groups of students, and multi-family households.
- **Household life stage:** the age of the lead member of a household – usually the oldest adult, or what used to be called the ‘head of household’. Life stage is correlated with dwelling size as well as wealth.
- **Housing mix:** the range of home sizes and types in an area.
- **Over- and under-occupancy:** the degree to which the size and composition of a household lines up with the number of bedrooms in their home. If there are more bedrooms than the household would be expected to need, the home is considered under-occupied, and vice versa.

## 5.2. The current housing mix

5.2.1. This section establishes the current housing mix of Hugglescote and Donington le Heath, highlighting recent changes to it and comparing the mix to wider averages. Given that a large amount of development has occurred since the last Census, the data provided here does not reflect all the new development and this should be kept in mind while reading this report.

### Dwelling type

5.2.2. Table 5-1 below shows that Hugglescote and Donington le Heath’s deviates from the wider comparator areas of North West Leicestershire and England, primarily due to its higher proportion of detached homes (41.6%) than England (22.9%). The parish also has a much smaller proportion of flatted accommodation (3.8% compared to national 22.2%). This absence of flats is not an unusual characteristic of more rural areas. The NA has a higher proportion of terraced housing (24.8%) as compared to the district (16.8%) and nationally (23.8%).

**Table 5-1: Accommodation type, Hugglescote and Donington le Heath and comparator geographies, 2021**

Type	HDH	North West Leicestershire	England
Detached	41.6%	41.1%	22.9%
Semi-detached	29.4%	34.9%	31.5%
Terrace	24.8%	16.8%	23.0%
Flat	3.8%	6.4%	22.2%

Source: Census 2021, AECOM Calculations

- 5.2.3. The Census divides dwellings into a standard set of categories that does not include bungalows: a detached bungalow will be counted only as a detached house, and so forth. It is therefore useful to refer to Valuation Office Agency (VOA) data, which separates bungalows out as a separate category. This data, however, is only available at certain geographical scales and in this case relates to an area slightly wider than the NA (see Appendix A for details). VOA data suggests that 7.5% of homes were bungalows in this area in 2023. This is slightly lower than the national average of 9.1%, and lower than the district wide rate of 11.4%. Bungalows tend to appeal to older households and those with mobility limitations, so this element of the housing stock may be linked to the age profile of the population, considered later in this chapter.
- 5.2.4. Unfortunately, a discrepancy in how Census data is recorded for bungalows means that it is not possible to meaningfully compare the 2021 and 2011 type mix at this scale.
- 5.2.5. Table 5-2 below indicates that there has been growth in the number of all dwelling types since 2011 but the growth in detached properties was most significant, followed by semi-detached, which resulted in higher proportion of housing being detached and semi-detached in 2021 compared to 2011, and a lower proportion of terraced and flatted accommodation.

**Table 5-2: Accommodation type, Hugglescote and Donington le Heath, 2011-2021**

Type	2011	%	2021	%
Detached	722	37.8%	1,124	41.6%
Semi-detached	517	27.1%	793	29.4%
Terrace	573	30.0%	670	24.8%
Flat	90	4.7%	102	3.8%
Total	1,910		2,699	

Source: ONS 2021 and 2011, AECOM Calculations

## Dwelling size

- 5.2.6. Table 5-3 below presents the current housing mix in terms of size compared to the wider local authority and country. It shows a similar mix to both the wider district as well as the wider national mix. The main differences are that there is a lower proportion of 1-bedroom dwellings than England as a whole, and there is a slightly higher proportion of 2-bedroom dwellings than the district. Overall, there is a higher proportion of larger dwellings, reflecting the higher proportion of detached or semi-detached dwellings.

**Table 5-3: Dwelling size (bedrooms), Hugglescote and Donington le Heath and comparator geographies, 2021**

Number of bedrooms	HDH	North West Leicestershire	England
1	4.5%	5.8%	11.6%
2	25.0%	22.4%	27.3%
3	45.3%	44.7%	40.0%
4+	25.2%	27.2%	21.1%

Source: Census 2021, AECOM Calculations

5.2.7. Table 5-4 shows that since 2011 the dwelling size mix has not changed markedly in terms of the proportional share of different sized dwellings. The data shows mainly an increase in 4-bedroom homes in absolute terms and as a share of the stock. New development broadly seems to have followed the size distribution of the existing stock with a slight skew towards larger dwellings, but relatively little change in the sizing mix since 2011.

**Table 5-4: Dwelling size (bedrooms), Hugglescote and Donington le Heath, 2011-2021**

Number of bedrooms	2011	%	2021	%
1	89	4.8%	123	4.5%
2	528	28.5%	678	25.0%
3	860	46.4%	1,230	45.3%
4+	378	20.4%	686	25.2%
Total	1,855		2,717	

Source: ONS 2021 and 2011, AECOM Calculations

## 5.3. Population characteristics

5.3.1. 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

5.3.2. Table 5-5 shows the most recent age structure of the NA population, alongside 2011 Census figures. This reveals a trend toward ageing in the NA, with the highest growth occurring in the 85+ age category, with a 59% increase since 2011. It is worth noting that an increasing proportion of the population is having to work past the normal retirement age. Significant growth of over 40% was seen in all 25+ categories, with lesser growth of around 30% seen in the two youngest age groups. This reflects national trends in the ageing population which are being experienced in Hugglescote, but population growth has occurred amongst all age groups in the NA as a result of significant new housing development.

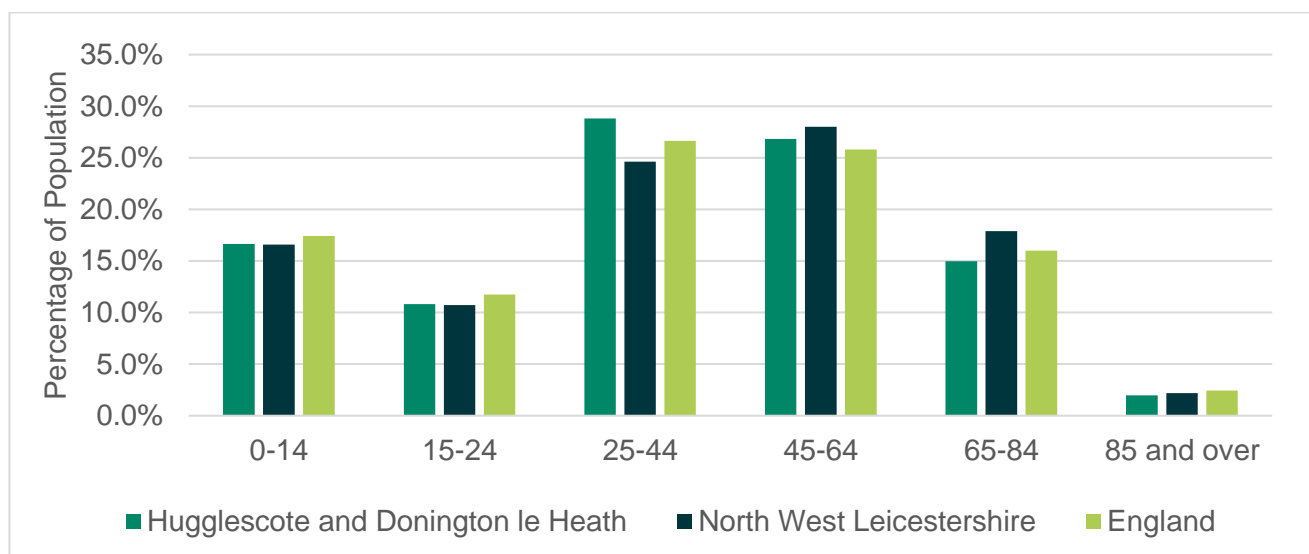
**Table 5-5: Age structure of Hugglescote and Donington le Heath, 2011 and 2021**

Age group	2011 (Census)		2021 (Census)		Change
0-14	819	18.4%	1,053	16.6%	28.6%
15-24	524	11.8%	684	10.8%	30.5%
25-44	1202	27.0%	1,824	28.8%	51.7%
45-64	1195	26.9%	1,697	26.8%	42.0%
65-84	628	14.1%	947	15.0%	50.8%
85 and over	78	1.8%	124	2.0%	59.0%
Total	4446	100.0%	6,329	100.0%	42.4%

Source: ONS 2011, ONS 2021, AECOM Calculations

5.3.3. For context, it is useful to look at the NA population structure alongside that of the district and country. Figure 5-1 (using 2021 Census data) shows that Hugglescote’s population is younger on the whole than the District or England. This can be seen especially through the higher proportion of 25-44 age group, and a smaller 65-84 age group. As such, it is likely that issues of ageing will be less impactful in the short term in Hugglescote than in the District and in England.

**Figure 5-1: Age structure in Hugglescote and Donington le Heath, 2021**



Source: ONS 2021, AECOM Calculations

## Household composition and occupancy

5.3.4. Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-6 shows that Hugglescote has a lower proportion of single person households than across England, with a higher proportion of single-family households. In particular, Hugglescote has a higher proportion of families with dependent children (26.6%) than North West Leicestershire (25.8%), and a higher proportion of families with no children (22.5%) than North West Leicestershire (20.5%).

5.3.5. 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 this category grew by around 60% between 2011 and 2021 in the NA – a faster rate than the district average of 19%. This would suggest that entry-level homes in the area may be relatively unaffordable to young adults and young families. However, it may also reflect the fact that some students returned to the family home at the time of the Census 2021 because of Covid 19 restrictions. At this time, many universities moved their studies online and many students returned to their family home to avoid isolation and/or reduce costs.

**Table 5-6: Household composition, Hugglescote and Donington le Heath and comparator geographies, 2021**

Household composition		HDH	North West Leicestershire	England
<b>One person household</b>	<b>Total</b>	<b>27.3%</b>	<b>27.8%</b>	<b>30.1%</b>
	Aged 66 and over	8.5%	12.5%	12.8%
	Other	15.6%	15.2%	17.3%
<b>One family only</b>	<b>Total</b>	<b>69.0%</b>	<b>67.9%</b>	<b>63.1%</b>
	All aged 66 and over	11.7%	10.8%	9.2%
	With no children	22.5%	20.5%	16.8%
	With dependent children	26.6%	25.8%	25.8%
	With non-dependent children <sup>13</sup>	10.7%	10.4%	10.5%
<b>Other household types</b>	<b>Total</b>	<b>3.7%</b>	<b>4.3%</b>	<b>6.9%</b>

Source: ONS 2021, AECOM Calculations

5.3.6. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A household 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.

5.3.7. The 2021 Census data presented in Table 5-7 shows that around 80% of the population have at least one more bedroom than they would be expected to need, and around 45% have two more. This is particularly the case for families over 66, and families under 66 with no children ie older households. While not uncommon, this might suggest that 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

<sup>13</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.



people who have not chosen or been able to move to smaller properties. Additional bedrooms are often used nowadays as home offices. A very small proportion of families under 66 with dependent and with non-dependent children are over occupied (a total of 1.9% of all households). Over occupation is an indicator of acute need, and in this case suggests a number of children in the NA are living in overcrowded homes.

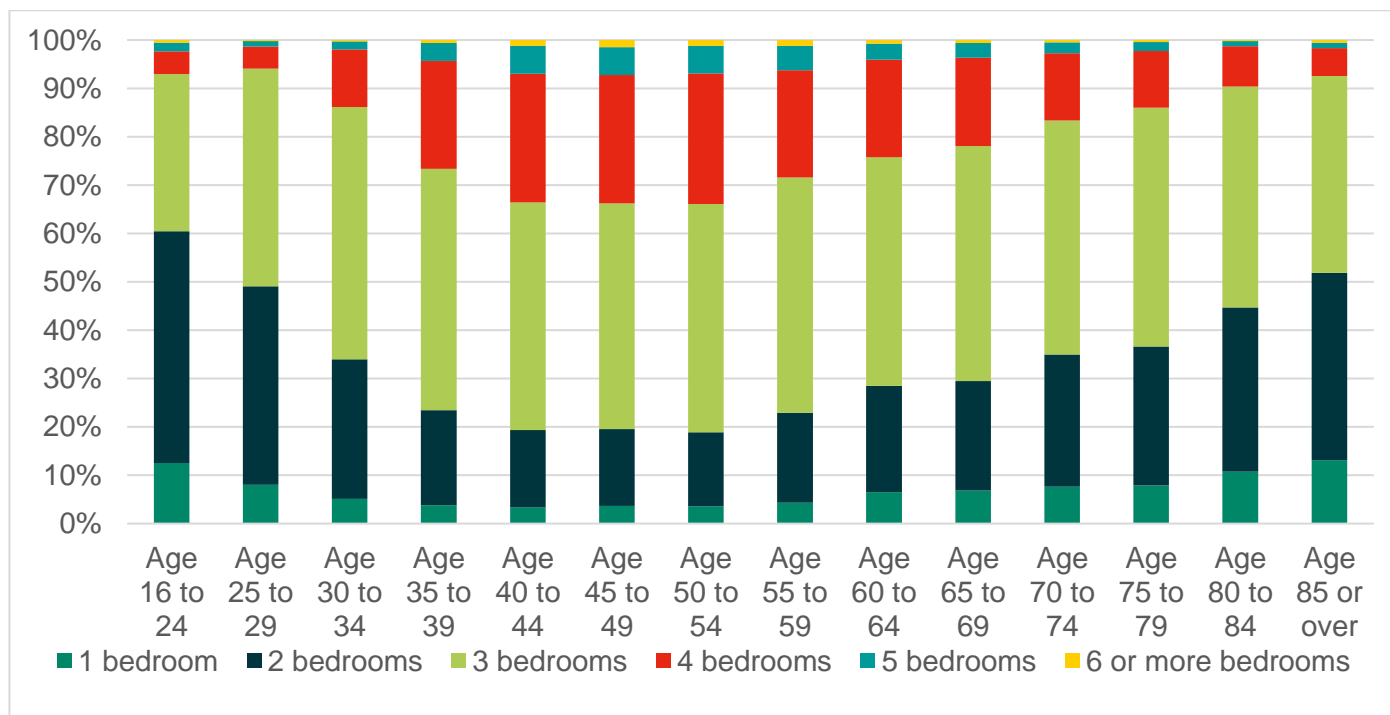
**Table 5-7: Occupancy rating by age in Hugglescote and Donington le Heath, 2021**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 66+	67.1%	31.6%	1.3%	0.0%
Single person 66+	45.7%	39.9%	14.4%	0.0%
Family under 66 - no children	77.4%	20.8%	1.8%	0.0%
Family under 66 - dependent children	24.4%	40.8%	32.2%	2.6%
Family under 66 - adult children	21.0%	50.3%	26.2%	2.4%
Single person under 66	49.6%	38.9%	11.5%	0.0%
All households	<b>45.4%</b>	<b>35.7%</b>	<b>17.0%</b>	<b>1.9%</b>

Source: Census 2021, AECOM Calculations

5.3.8. As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-2 sets out this relationship for North West Leicestershire 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 5-2: Age of household reference person by dwelling size in North West Leicestershire, 2011**



Source: ONS 2011, AECOM Calculations

## 5.4. Future population and size needs

5.4.1. This section projects the future age profile of the population in Hugglescote and Donington le Heath at the end of the Neighbourhood Plan period and then estimates the mix of dwelling sizes they may need.

### Age

5.4.2. The result of applying Local Authority level household projections to the age profile of Hugglescote and Donington le Heath households in 2011 is shown in Table 5-8. This makes clear that population growth can be expected to be driven by the oldest households, with the 65+ age group expected to grow by 105% to become around 30% of the total population. The 25 to 34 age group, and 55 to 64 age groups are anticipated to grow significantly as well with a growth rate of around 35% for each. Growth in the youngest age group is projected to be more limited. This is a simplistic projection based on trends at a wider scale. In practice, the rate of ageing may be sharper than indicated here, although continued successful efforts to attract and retain younger households could moderate these ageing trends.

**Table 5-8: Projected age of households, Hugglescote and Donington le Heath, 2011 - 2041**

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	50	195	799	319	492
2041	64	266	1,025	427	1,009
% change 2011-2041	27%	36%	28%	34%	105%

Source: AECOM Calculations

5.4.3. The demographic change discussed above can be translated into an ideal mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-2) onto the projected age profile for the NA in Table 5-8 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.

5.4.4. This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.

5.4.5. The result of this exercise is presented in Table 5-9. It suggests that future housing delivery should focus predominantly on 1-bedroom and 3-bedroom homes, with existing provision of 2-bedroom and 4+ bedroom homes expected to meet future need. AECOM would interpret this broadly to mean a greater need for smaller and

modest sized homes of 1-3 bedrooms and more limited need for larger 4+ bedroom properties. These smaller size categories tend variously to appeal to young people, starter families and some downsizing older households, and offer greater affordability than larger homes.

**Table 5-9: Suggested dwelling size mix to 2041, Hugglescote and Donington le Heath**

Number of bedrooms	Current mix (2021)	Suggested mix (2041)	Balance of new housing to reach suggested mix	Indicative policy range
1	4.5%	6.2%	35.9%	30-40%
2	25.0%	24.0%	0.0%	0-10%
3	45.3%	47.3%	64.1%	60-70%
4+	25.2%	22.5%	0.0%	0-10%

Source: AECOM Calculations

5.4.6. 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 2017 HEDNA modelling provides the following breakdown for housing size needs projected to 2036 in NWL:

	1-bed	2-bed	3-bed	4+ bed
Market	0-10%	25-35%	45-55%	10-20%
Social/Affordable Rented	35-40%	25-30%	25-30%	5-10%
Intermediate/Starter Homes	15-20%	50-55%	25-30%	0-5%

Source: HEDNA 2017

- Looking at the market housing size needs, this breakdown is relatively in line with AECOM estimates, suggesting the highest proportion of need for 3-bed properties, and relatively little need for 4+ bed homes. The HEDNA model suggests a higher proportion of 2-bed rather than 1-bed properties as found in the AECOM estimates. These findings may justify rebalancing the HNA recommendation if this is in line with the objectives of the community, by seeking fewer 1-bedroom and more 2-bedroom homes. One potential approach would be to combine the size categories and allow for greater flexibility between them, for example by requiring 40% of new homes to have 1-2 bedrooms rather than specifying percentages for each.
- It should be noted that the affordable housing size mix suggests a high need for 1-bed homes, suggesting that these properties should feature in the new housing mix in order to cater to affordable housing needs.
- The preceding chapter found that affordability is a 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 1-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 Neighbourhood 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 they existing stock of larger homes is sufficiently affordable.

## Tenure

- 5.4.7. The recommendation discussed immediately above applies to all housing in the NA over the Neighbourhood 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.
- 5.4.8. Generally speaking, the size mix estimated as needed within affordable tenures, particularly Affordable and Social rent, is smaller than the size mix of market housing. This is because under local authority allocation policies, which reflect the shortage of Affordable Housing overall, households are only eligible for the minimum sized home that meets their needs. This means that single people and couples will generally only be entitled to 1-bedroom properties. Families with two young children are only likely to be eligible for 2-bedroom properties (with the expectation that children share rooms until a certain age). In contrast, people buying their own homes tend to want more space than they technically 'need', such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter.
- 5.4.9. There are a few key sources of information for thinking through the size needs of different categories. These are:
- The relevant SHMA or LHNA for the Local Authority (in this case the HEDNA), which will (usually) set out the projected need by size within each tenure over the long-term. In this case, the HEDNA indicates that within market housing, 50% of long-term need should be 3-bed homes, and a further 30% should be 2-bed homes. For affordable tenure, 43% of long-term need should be met by 1-bed homes, and around 55% should be met by 2- and 3-bedroom homes.

- 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. In this case, LPA waiting list data from 2024 suggests that 44% of need is for 2-bed homes, 37% of need is for 1-bed homes, 14% of need is for 3-bed homes, and the remaining 5% is for 4-bed homes. This suggests that the highest acute need exists for 1- and 2-bedroom properties.
- The pattern of lettings within the existing stock of Social/Affordable Rented housing. Whilst there may be more households eligible for smaller properties, the availability of larger properties is often severely limited which puts pressure on these larger homes and often results in long waits for those needing larger family sized accommodation.

5.4.10. 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 to reflect the eligibility of those on the waiting list, while market homes focus on mid-sized homes and some larger options. That said, there is often acute pressure on larger Social/Affordable Rented homes because their availability through lettings is often limited. It is not necessary (and is potentially not appropriate) for Neighbourhood Plans to be prescriptive about the size mix within different tenures, but a range of data sources exist that indicate a direction of travel, which Local Planning Authorities will draw upon when determining applications, and which it is possible for the neighbourhood planners to monitor.

## Type

- 5.4.11. Planning policy also tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of wealth, personal preference, and the amount of outdoor space or other features sought than 'need' in the strict sense. This stands in contrast to the matter of dwelling size, where it can be more clearly established that a household with a certain number of members, closely correlated with age, requires a particular number of bedrooms.
- 5.4.12. The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to occupants with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence.
- 5.4.13. The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Hugglescote and Donington le Heath, 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.

5.4.14. 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 Advisory Group and community to consider.

## 5.5. Conclusions- Type and Size

### The current housing mix

- 5.5.1. The current housing mix in Hugglescote and Donington le Heath is not dominated by a single dwelling type, although detached and semi-detached housing makes up a combined 71% of the total. Bungalows exist at a slightly lower proportion (7.5%) than District rates (11.4%) and nationally (9.1%). Terraced housing makes up 24.8% of housing, while flats are relatively absent making up only 3.8% of the housing mix as compared to 22.2% at a national level. This can be explained by the suburban nature of the NA which is characterized by mostly detached and semi-detached dwellings. The general housing mix provides fewer affordable options with the lack of flats.
- 5.5.2. There has been relatively little change in the housing mix between 2011 and 2021, with the most growth occurring in the number of detached and semi-detached houses.
- 5.5.3. In terms of size, Hugglescote and Donington deviates from the national average. It has a much higher proportion of 3-bedroom homes (45.3% compared to 40.0% nationally), and a smaller proportion of 1-bedroom homes (4.5% compared to 11.6% nationally). This highlights the high number of detached homes, as well as potentially a higher proportion of older people who may remain in larger homes without downsizing for longer periods of time.
- 5.5.4. Changes since 2011 may be unreliable due to changes in how the relevant datasets are recorded, however, overall it shows that most of the new homes have been 4 bedroom houses, indicating a potential demand for larger family homes.

### Population characteristics

- 5.5.5. The Hugglescote and Donington le Heath population, which is comparatively younger than that of the district and England, has experienced some ageing in the decade since 2011, with the highest growth seen in the 85+ (59% increase), 25-44 (51.7% increase) and 65-84 (50.8% increase) age categories. The two youngest cohorts also grew but at a slower rate (around 30%).
- 5.5.6. This data suggests that the NA has a relatively well-balanced population with ageing occurring at a slower rate than at the district level. It suggests that the NA is still able to retain younger family households, while experiencing some ageing. This evidence would support the potential for any future development to specifically continue to attract and retain younger families if that is the community's wish, alongside an imperative to accommodate the growing population of older people – who may be seeking to downsize or may be experiencing changing mobility and support needs.

- 5.5.7. Applying ONS household projections for North West Leicestershire to the Hugglescote and Donington le Heath population in 2011 suggests that population growth can be expected to be driven by the oldest households, with the 65+ age group expected to increase by 105% to become the cohort containing 30% of all residents. However, significant growth is also expected in the 25-34 age group (36% increase) and in the 55-64 age group (34% increase). Growth in younger age groups is expected to be more modest (around 27%).
- 5.5.8. The composition of Hugglescote and Donington le Heath's households (in terms of the number of people, their age, and their relationships to one another) is similar to North West Leicestershire's household composition, but diverges slightly from the national household composition. In particular, the NA has a higher proportion of single family households (69%) than nationally (63%), and correspondingly has a lower proportion of single person households (27%) than nationally (30%). Most of the family households have dependent children, with a slightly smaller proportion appearing with no children. There is a similar proportion as nationally of families with non-dependent children living at home (11%).
- 5.5.9. As of the 2021 Census, around 80% of households in the NA had at least one more bedroom than they would be expected to need, and 45% had at least two extra bedrooms. Under-occupancy was most common among older couples, families with no children, and single person households. While not uncommon in rural areas, this might suggest that Hugglescote and Donington le Heath'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. A very small proportion of families under 66 with dependent and with non-dependent children are over occupied (a total of 1.9% of all households). Over occupation is an indicator of acute need, and in this case suggests a number of children in the NA are living in overcrowded homes.

### **Future population and size needs**

- 5.5.10. 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 future housing delivery focuses particularly on 1-bedroom and 3-bedroom housing, with the existing supply of 2-bedroom and 4+ bedroom homes anticipated to meet future demand. This could help with affordability issues, and provide homes for older households looking to downsize.
- 5.5.11. However, the absence of 2-bedroom and 4+ bedroom homes in the model results means that this recommendation is fairly restrictive and relies heavily on current preferences. This is partly due to differences in the starting mix of the geographies used for the key data inputs. As such, there is scope to adjust the model results to arrive at a more rational final recommendation that offers wider choice in the market and reflects affordability and other secondary evidence. One potential option, based on AECOM's professional judgement of the model results alongside such additional evidence, would be the following mix:
- 50% 1-2 bedroom homes;

- 40% 3-bedroom homes; and
- 10% 4+ bedroom homes.

5.5.12. 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.



## 6. Specialist Housing for Older People

### 6.1. Introduction

- 6.1.1. 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 Hugglescote and Donington le Heath. 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**.
- 6.1.2. 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.
- 6.1.3. 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.<sup>14</sup>
- 6.1.4. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>15</sup> Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.
- 6.1.5. 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 the home or not at all if the resident does not require it, and offered for sale or rent on the open market.

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<sup>14</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>15</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

## Definitions

- **Older people:** people over or approaching 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 Housing<sup>16</sup>:** 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. These standards can be applied to mainstream housing as well as in specialist accommodation such as sheltered housing and extra care.
- **Category M4(3):** dwellings which are capable of adaptation for wheelchair users, or are already built for use of wheelchair throughout. These standards can be applied to mainstream housing as well as in specialist accommodation such as sheltered housing and extra care.

## 6.2. Specialist housing for older people

- 6.2.1. There are currently around 80 units of specialist accommodation in the NA at present, over half of which is social rent, with some private rent and some being offered for leasehold. However, there is additional provision in neighbouring areas, notably in Coalville where there are upwards of 15 different specialist housing providers. Details are provided in Appendix E.

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<sup>16</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

6.2.2. The 2021 Census indicates that at this time there were 471 individuals aged 75 or over in Hugglescote and Donington le Heath. This suggests that current provision is in the region of 29 units 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+ population<sup>17</sup>, so provision in the NA is lower than the national average, suggesting that the population in need of specialist housing may need to seek it outside of the NA.

## Demographic characteristics

6.2.3. The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Hugglescote and Donington le Heath is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for North West Leicestershire. The results are set out in Table 6-1. Currently, around 7% of the population of Hugglescote and Donington le Heath are aged 75+, which is lower than that of the wider district (8.9%). Over the Neighbourhood Plan period, this is projected to rise further to just under 11%. This suggests ageing at a slower rate than the district.

6.2.4. 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 Neighbourhood Plan period is the key output of this calculation.

**Table 6-1: Modelled projection of older population in Hugglescote and Donington le Heath by end of Plan period**

Age group	Hugglescote and Donington le Heath (2021)	North West Leicestershire (2021)	Hugglescote and Donington le Heath (2041)	North West Leicestershire (2041)
All ages	6,329	104,704	8,163	135,039
75+	471	9,288	864	17,036
%	7.4%	8.9%	10.6%	12.6%

Source: ONS SNPP 2020, AECOM Calculations

6.2.5. The next step is to consider the need for different tenures of dwellings 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.

<sup>17</sup> Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now MHCLG) and the Care Services Improvement Partnership

- 6.2.6. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Neighbourhood Plan period to 2041. The top row in Table 6-2 outlines the tenure mix among households aged 55-75 at Local Authority level, which indicates that the vast majority of older households are homeowners and that, of the remainder, there is a higher percentage of households living in social rent as opposed to private rented accommodation.
- 6.2.7. The expected growth in the 75+ population in the NA is 393 additional individuals by the end of the plan period. This can be converted into 222 households based on the average number of people per household aged 75+ at Local Authority scale. Multiplying this figure by the percentages of 55-75 year olds occupying each tenure gives a breakdown of which tenures Hugglescote and Donington le Heath households are likely to need in 2041, and is shown in the bottom row of Table 6-2.

**Table 6-2: Tenure of households aged 55-75 in North West Leicestershire (2011) and projected aged 75+ in Hugglescote and Donington le Heath (2041)**

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
<b>North West Leicestershire (2011 mix)</b>	<b>80.6%</b>	59.4%	21.2%	<b>19.4%</b>	13.5%	4.9%	1.0%
<b>Hugglescote and Donington le Heath (2041 projection)</b>	<b>179</b>	132	47	<b>43</b>	30	11	2

Source: Census 2011

- 6.2.8. 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 Hugglescote and Donington le Heath from the 2011 Census.

### **Future needs for specialist accommodation and adaptations**

- 6.2.9. Based on the evidence outlined above, the number of households falling into potential need for specialist accommodation over the Neighbourhood Plan period is calculated to be 136.
- 6.2.10. AECOM’s modelling, summarised in Table 6-3, is based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important

to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

6.2.11. These estimates suggest that the greatest need is for market (as opposed to subsidized) specialist housing, which is unsurprising given that most older households are already homeowners, are likely to continue to want to own their homes, and would likely not qualify for subsidized housing. The need is relatively balanced between options with additional care and less specialised options – for which adaptations to market housing may represent a viable alternative. There is a slightly higher need for housing with additional care.

**Table 6-3: AECOM estimate of specialist housing for older people need in Hugglescote and Donington le Heath by the end of the Neighbourhood Plan period**

Type	Affordable	Market	Total
Housing with care	19	54	<b>73</b>
Adaptations, sheltered, or retirement living	14	50	<b>63</b>
<b>Total</b>	<b>32</b>	<b>104</b>	<b>136</b>

Source: Census 2011, AECOM Calculations

6.2.12. 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. HLIN calculations

6.2.13. Ta3 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 Hugglescote and Donington le Heath results in a total of 99 specialist dwellings that might be required to the end of the Neighbourhood Plan period. This is set out in Table 6-4.

**Table 6-4: HLIN estimate of specialist housing for older people need in Hugglescote and Donington le Heath by the end of the Neighbourhood Plan period**

Type	Affordable	Market	Total
Housing with care	12.18	15.72	<b>28</b>
Adaptations, sheltered, or retirement living	24	15.72	<b>71</b>
<b>Total</b>	<b>36</b>	<b>63</b>	<b>99</b>

Source: Housing LIN, AECOM calculations

## Further considerations

- 6.2.14. The above estimates suggest that potential need for specialist accommodation could be in the range of 99-136 units over the Neighbourhood Plan period. However, it may not be possible or appropriate to deliver this scale of new accommodation. It is proportionally high in relation to the overall housing delivery expectation in the NA, and therefore should not necessarily be prioritised to the exclusion of other groups, such as those in need of Affordable Housing.
- 6.2.15. In addition, specialist housing for older people should only be provided in sustainable, accessible locations that offer services and facilities, public transport options, and the necessary workforce of carers and others.
- 6.2.16. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist older persons housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
- 6.2.17. It is considered that Hugglescote and Donington le Heath 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 Hugglescote and Donington le Heath in other suitable locations near to but outside the Plan area boundaries).
- 6.2.18. It is also important to emphasise that the potential need for specialist housing for older people overlaps with the need for care home bedspaces and the need for adaptations to mainstream housing. These topics are considered in the sections below.

## 6.3. Care homes

- 6.3.1. Residential and nursing care homes are not defined as housing because they do not provide self-contained accommodation where an older person can live independently. Care home accommodation is defined as institutional accommodation rather than housing.
- 6.3.2. However, residents of care homes may be similar in terms of their care and support needs as those living in specialist housing, or even mainstream housing with appropriate care and support delivered in their homes. There may be some scope for older people who would otherwise have been accommodated in care homes to meet their needs within specialist or mainstream housing if sufficient appropriate accommodation can be provided. Nevertheless, there is likely to be continued need for care home accommodation to meet more acute and severe needs, and to offer choice to some older people and their families about how they are cared for and supported.
- 6.3.3. Given the overlap between people who might enter care home accommodation and those who might take up specialist housing or care and support in their own home if

available, estimates of the future need for care home accommodation, as with estimates of the need for specialist housing above, are uncertain and depend on both local and national policies, delivery, and the appetite of private developers.

- 6.3.4. 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 2041 there would be a need for 183 residential care beds and 126 nursing care beds in the NA, an increase of around 200 from present levels.
- 6.3.5. 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.

## 6.4. The Role of Mainstream Housing

- 6.4.1. The majority of older people live in mainstream housing and will continue to do so all of their lives. This is particularly the case in Hugglescote and Donington le Heath, where there is relatively low provision of specialist housing schemes and care homes.
- 6.4.2. It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation is suitable to their needs and whether adequate care or support is provided within the home when they need.
- 6.4.3. However, given that there is unlikely to be a large volume of additional specialist supply during the Neighbourhood 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 North West Leicestershire District Council.
- 6.4.4. 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 dwellings<sup>18</sup>, although changes to Building Regulations have not yet been made.
- 6.4.5. There are no explicit policies relating to accommodation for older people or housing accessibility requirements in the adopted Local Plan. However, Policy H11 in the emerging Local Plan states that all new homes will be required to meet Part M4(2) of the Building Regulations (accessible and adaptable). In addition, on housing

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<sup>18</sup> 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)

developments of 10 or more dwellings, at least 9% of all market homes will be required to meet Part M4(3)(2)(a) of the Building Regulations (wheelchair adaptable), and at least 23% of all affordable homes will be required to meet Part M4(3) of the Building Regulations (wheelchair user dwellings). It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

- 6.4.6. 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.
- 6.4.7. Across England as a whole, 0.6% of the population use a wheelchair all of the time, and 3% do so part of the time. 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. 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.

## **6.5. Conclusions- Specialist Housing for Older People**

### **Characteristics of the current older population**

- 6.5.1. There are currently around 470 individuals aged 75 or over in Hugglescote, representing around 7% of the population. There are 3 specialist accommodations in the NA at present providing around 80 units, according to the Elderly Accommodation Counsel search tool. These include two retirement housing options, and one care home providing social rent options as well as leasehold ownership options.
- 6.5.2. A clear majority (80.6%) of households aged 55-75 in 2011 (and therefore likely to reach the 75+ bracket by 2040) are owner occupiers, and the remainder predominantly rent from a social landlord. This is important because those currently owning will require specialist accommodation for market purchase, being largely ineligible for subsidized housing, while those in private or social rent will need to rely on subsidized rented housing because they are unlikely to have the funds to buy. Rates of disability in Hugglescote and Donington le Heath are also higher among social tenants than owner-occupiers (see Table E-2 in Appendix E).

### **Projected demographic change and need for specialist housing**

- 6.5.3. The 75+ population of the NA is projected to increase to 864 people over the Plan period, to become 10.4% of the population in 2041. As established in the previous chapter, Hugglescote and Donington le Heath has a slightly younger population than the wider District, and is projected to age slightly slower than the District. This means that the NA will have to deal with problems related to an ageing population to a lesser extent, or less quickly than the wider District.



- 6.5.4. 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 2041 among those aged 75+ in Hugglescote and Donington le Heath is 222.
- 6.5.5. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
- 6.5.6. The two Hugglescote and Donington le Heath specific estimates suggest a range of 99 to 135 specialist accommodation units might be required during the Plan period. These estimates are also broken down by tenure and level of support required. Broadly 65-75% of the need is for accommodation offered for market purchase. This chimes with the higher propensity of older households to be homeowners. Around 45-70% of the need is found to be for sheltered housing with limited support rather than additional care arrangements.
- 6.5.7. The potential (total rather than additional) need for care and nursing home beds in Hugglescote and Donington le Heath to 2041 can be roughly estimated at 310 bedspaces. It is likely that this provision may be serviced by schemes in nearby settlements.
- 6.5.8. It may not be considered prudent to prioritise the potential demand from older people to the exclusion of other groups, such as those in need of Affordable Housing, young families and others important to maintaining a balanced and vibrant community.
- 6.5.9. Currently, specialist older people's housing in the vicinity of Hugglescote is concentrated in Coalville. This may be a sustainable situation going forward. However, there may also be an opportunity to attract specialist housing development to Hugglescote and Donington le Heath itself for people who do not want to leave their immediate surroundings and social networks when their housing needs change in old age. Given its proximity and connection to Coalville, Hugglescote and Donington le Heath is generally considered a sustainable location for the development of specialist accommodation. The HNA evidence can be used to support specialist housing development but does not make that obligatory. How far to promote this is a choice for the Advisory Group and wider community.

#### **Accessibility and adaptability**

- 6.5.10. Depending on whether there is likely to be a large volume of additional specialist supply during the Plan period, an alternative or additional avenue to the provision of additional specialist homes is to discuss the standards of accessibility and adaptability required of new development with North West Leicestershire District Council. 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.
- 6.5.11. The current adopted Local Plan does not set any targets for housing accessibility standards. However, the emerging Local Plan sets targets for all new housing to meet

M4(2) standards, and on housing developments of 10 or more dwellings, 9% of market homes to meet M4(3)(2)(a), and 23% of affordable homes to meet M4(3).

## 7. Next Steps

### 7.1. Recommendations for next steps

- 7.1.1. This Neighbourhood Plan housing needs assessment aims to provide Advisory Group 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 North West Leicestershire 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 local residents;
  - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by North West Leicestershire District Council;
  - The views of North West Leicestershire District Council; and
  - The views of other relevant local stakeholders, including housing developers and estate agents.
- 7.1.2. 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.
- 7.1.3. Bearing this in mind, it is recommended that the Advisory Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, North West Leicestershire District Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
- 7.1.4. 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). The NA and parish do not line up exactly with OA outlines, but the best fit includes all OAs wholly in the parish and NA, and OAs where the majority of the area falls into the NA area. The best fit of OAs includes the following:

- E00131585
- E00131620
- E00131621
- E00131622
- E00131623
- E00131624
- E00131625
- E00131626
- E00131725
- E00131726
- E00131727
- E00131728
- E00131729
- E00131730

**Figure A-1: Map of OAs in the Neighbourhood Area**

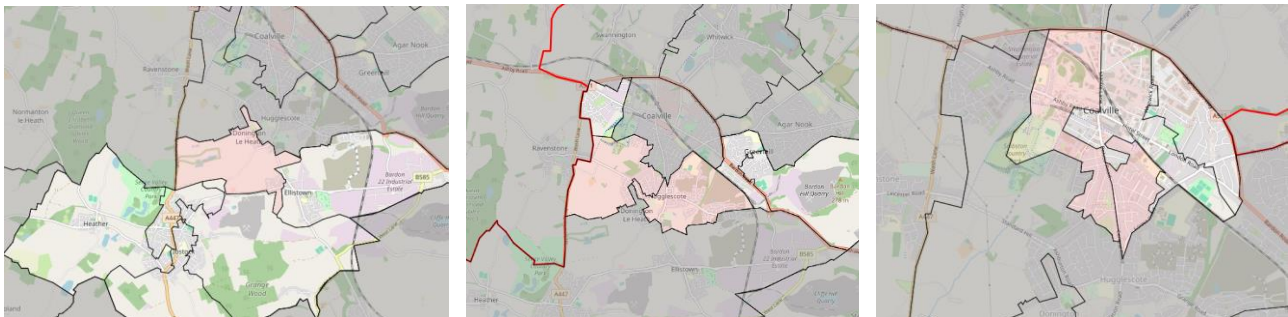


Source: NOMIS

A.2 Many other datasets besides the Census itself make use of OAs, but not necessarily down to the same level of detail. For example, Valuation Office Agency (VOA) data, which can be used to understand the type and size mix of housing, is only available down to the scale of LSOAs. The most relevant combination of LSOAs in this case, which will need to be used as a proxy for the NA, is:

- E01025938
- E01025937
- E01025959
- E01025931
- E01025957

**Figure A-2: Map of LSOAs for VOA Data**

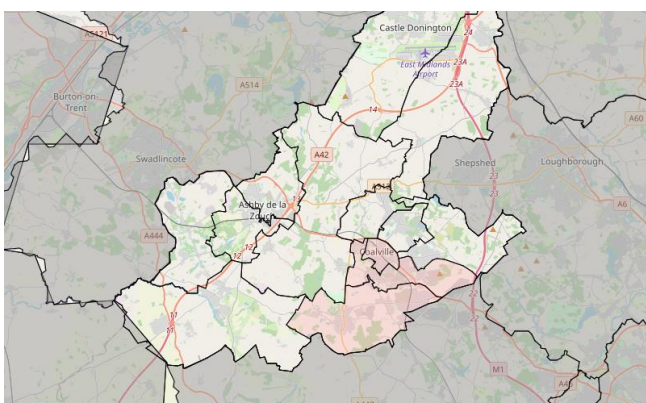


Source: NOMIS

A.3 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 MSOAs for Hugglescote and Donington le Heath extend south to the southern portion of North West Leicestershire. The relevant MSOAs, in which the NA is located and which will need to serve as a proxy for it, are:

- E02005406
- E02005407
- E02005409

**Figure A-3: Map of MSOA for Income Data**



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 Hugglescote and Donington le Heath.

**Table B-1: Summary of relevant adopted policies in the adopted Local Plan for North West Leicestershire District Council**

<b>Policy</b>	<b>Provisions</b>
Policy S1 – Future housing and economic development needs	Provision will be made for the development of a minimum of 9,620 dwellings (481 dwellings per annum) which is the Objectively Assessed Need (OAN) and Housing Requirement for the district;
Policy S2 – Settlement Hierarchy	Hugglescote and Donington-le-Heath are considered to be part of the Coalville Urban Area classed as the main Principal Town providing an extensive range of services and facilities to surrounding areas. The largest amount of new development will be directed here.  The redevelopment of previously developed land for housing should be within or well-related to the Principal Town and other classes.
Policy H1 – Housing provision: planning permissions	Some sites with planning permission for housing development will have planning permission renewed if it lapses. This includes some sites in the NA (H1h, H1i)
Policy H3 – Housing provision: new allocations	This policy outlines a number of sites that are allocated for housing development, subject to meeting the specified requirements set out.
Policy H4 – Affordable Housing	(1) To support the provision of mixed, sustainable communities the Council will seek the provision of affordable housing on new developments. The provision of affordable housing will be subject to the following thresholds above which the level of contributions will be sought: <ul style="list-style-type: none"> <li>- 20% will be sought on greenfield sites of 11 or more dwellings or 1,000sqm (gross) floor space</li> <li>- 5% will be sought on previously developed of 30 or more dwellings or sites of 1Ha or more</li> </ul> (2) Where it can be demonstrated that the full affordable housing requirement would adversely affect the viability of a proposed development then the Council will agree to look at other measures to

Policy	Provisions
	<p>increase viability in accordance with policy IM1 before agreeing to a lesser amount of affordable housing subject to the provision of part (4) below.</p> <p>(3) The Council’s preference is for on-site affordable housing provision which should:</p> <ul style="list-style-type: none"> <li>- include a mix of types and tenure that reflects the type and nature of any need at the time that the application is determined; and</li> <li>- be integrated within the design and layout of a development such that they are externally indistinguishable from market housing on the same site</li> </ul> <p>(4) Planning permission will be subject to a legal agreement to secure the provision of the agreed amount of affordable housing. Where a site is likely to be developed in phases over the longer term the agreement will include a suitable mechanism to review the amount of affordable housing provided over time as viability improves.</p> <p>(5) The Council will encourage the provision of affordable homes to meet the needs of elderly people. Where bungalow provision is made the Council will consider reducing the overall level of affordable housing contribution, having regard to the type and size of other affordable housing provided across the site.</p>
<p>Policy H6 – House types and mix</p>	<p>(1) We will seek a mix of housing types, size and tenures in new housing developments of 10 or more dwellings, in order to meet the identified needs of the whole community.</p> <p>(2) In considering proposals for developments of 10 or more dwellings we will have regard to the following:</p> <ul style="list-style-type: none"> <li>a. evidence of housing needs including the most up to date Housing and Economic Development Needs Assessment, Older People’s Housings Needs Study, local housing needs surveys, parish plans and other evidence of market demand; and</li> <li>b. the mix of house types and sizes already built and/or approved when compared to the available evidence; and</li> <li>c. the size of the proposed development in terms of numbers of dwellings proposed; and</li> <li>d. nature of the local housing sub-market; and</li> <li>e. needs and demands of all sectors of the community; and</li> <li>f. character and context of the individual site; and</li> <li>g. development viability and deliverability</li> </ul> <p>(3) Development of 50 or more dwellings will provide:</p> <ul style="list-style-type: none"> <li>a. a proportion of dwellings that are suitable for occupation by the elderly, including bungalows, having regard to factors (c) and (g) above; and</li> </ul>

Policy	Provisions
	b. a proportion of dwellings which are suitable for occupation or easily adaptable for people with disabilities in accordance with Part M4 (2) of the Building Regulations

Source: North West Leicestershire Local Plan, Adopted March 2021

## Policies in the emerging local plan

B.2 Table B-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Hugglescote and Donington le Heath.

**Table B-2: Summary of relevant emerging policies in the emerging Local Plan for North West Leicestershire District Council**

Policy	Provisions
Policy S1 – Future Development Needs	(1) The housing requirement for North West Leicestershire is 686 dwellings each year and 13,720 dwellings over the plan period of 2020-2040 as set out in the Statement of Common Ground for Leicester and Leicestershire Housing Market Area (June 2022).
Policy S2 – Settlement Hierarchy	Hugglescote and Donington le Heath are considered to be part of the Coalville Urban Area which is classed as Principal Town providing an extensive range of services and facilities to surrounding areas and other large settlements.
Policy H1 – Housing Strategy	<p>(1) The Council will plan, monitor and manage the delivery of housing development in accordance with the development strategy and the site allocations set out in this plan. In accordance with Policy S1, provision will be made to address the housing requirement of 13,720 new dwellings in the period to 31 March 2040. The provision will include both affordable housing and market housing.</p> <p>(2) The annualised district housing requirement for five year housing land supply and housing trajectory purposes will be 686 dwellings per year (net). The housing trajectory will be illustrated in an Appendix and the five year land supply forecast at the anticipated point of plan adoption will be set out in an Appendix in the plan.</p> <p>(3) The total provision made in this plan includes a 10% flexibility allowance. For the avoidance of doubt, this does not uplift the net housing provision requirement in this policy above the set out in Policy S1.</p> <p>(4) The overall distribution of new homes will be guided by the development strategy and settlement hierarchy (Policy S2)</p> <p>(5) To meet the affordable housing requirement, provision will be made in the district over the plan period for a mix of affordable housing types to be delivered through development in accordance with Policy H5</p>



**Policy**

**Provisions**

(6) To support the Plan objectives and delivery of the housing requirement, the Council will monitor and manage housing development in accordance with the monitoring framework.

(7) In addition to the allocations proposed by the Council in the Local Plan provision may also be made in Neighbourhood Plans. Any such allocations will contribute towards the overall requirement of 13,720 dwellings

(8) Proposals for residential development will be supported where they contribute positively towards meeting local housing needs and achieving sustainable development. Applications for major residential development should demonstrate how they will make an optimal use of land and provide a mix of homes including size, tenure and specialist adaptations to support people with different needs to ensure good quality homes are provided for all, both now and in the future.

Policy H4 –  
Housing Types  
and Mix

(1) To achieve mixed, balanced communities and to address the changing needs of households over time, planning applications for major residential and mixed-use schemes should provide a mix of housing types and sizes including custom and self-build plots.

(2) The Dwelling size breakdown in the HENA is the starting point:

	1-bed	2-bed	3-bed	4-bed
<b>Market</b>	5%	35%	45%	15%
<b>Affordable for Rent</b>	35%	40%	20%	5%
<b>Affordable Ownership</b>	15%	40%	35%	10%

(3) 100% affordable housing schemes are required to demonstrate how the proposal will contribute to the objective of creating mixed and balanced communities.

(4) Developments which include housing suitable for older people will be supported. For schemes of 50+ dwellings, and in addition to the requirements of Policy H11 – Accessible, Adaptable and Wheelchair-user Homes, a proportion of the 1- and 2-bed homes should be in the form of bungalows or other single level housing.

Policy H5 –  
Affordable  
Housing

(1) Affordable housing will be provided on site as part of major residential and mixed-use developments as follows:

a. *[percentage requirements will follow after whole-plan viability testing]*

b. *[tenure mix will follow after whole-plan viability testing]*

(2) Off-site provision will be accepted only where it is demonstrated that the circumstances set out in the NPPF (or its successor) are met

(3) A lower proportion of affordable housing will only be accepted where a viability assessment, prepared in accordance with national

Policy	Provisions
	<p>planning policy and guidance, clearly demonstrates that the full policy requirement cannot be achieved</p> <p>(4) The affordable housing should be integrated within the design and layout of the scheme such that they are externally indistinguishable from market housing on the same site</p> <p>(5) Schemes which artificially reduce the scale of development to avoid the requirement for affordable housing, for example by subdividing a site, will not be acceptable.</p> <p>(6) The Council's Local Connection Criteria will apply to prospective purchasers of a First Home for a period of three months from the date the property comes onto the market.</p>
Policy H10 – Space Standards	<p>All new housing will be required to meet or exceed the Nationally Described Space Standard (or any subsequent update) for gross internal floor areas and storage space. The standard also applies to housing created through conversions, subdivision or change of use.</p>
Policy H11 – Accessible, Adaptable and Wheelchair User Housing	<p>(1) All new homes will be required to meet Part M4(2) of the Building Regulations (accessible and adaptable homes).</p> <p>(2) On housing developments comprising 10 or more dwellings (or on a site of more than 0.5 hectares):</p> <p>a. at least 9% of all market homes will be required to meet Part M4(3)(2)(a) of the Building Regulations (wheelchair adaptable dwellings); and</p> <p>b. at least 23% of all affordable homes will be required to meet Part M4(3) of the Building Regulations (wheelchair user dwellings). The expectation is that these will be built to M3(3)(2)(b) standard (wheelchair accessible dwellings), although provision of M4(3)(2)(a) (wheelchair adaptable dwellings) will be considered where justified and agreed with the Council's Strategic Housing Team prior to the granting of planning permission.</p> <p>(3) Exceptions to the requirements in Parts (1) and (2) will be considered by the Council only when the applicant has demonstrated that provision of a safe, step-free access is not viable.</p>

*Source: Draft North West Leicestershire Local Plan 2020-2040 Proposed Policies for Consultation, January 2024*

## 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.

### 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 Hugglescote and Donington le Heath, 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) = £299,473;
  - Purchase deposit at 10% of value = £29,947;
  - Value of dwelling for mortgage purposes = £269,525;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £77,007.
- 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 £19,284, and the purchase threshold is therefore £63,675.
- 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. Land Registry records 45 sales of new build semi-detached properties in the NA between

2022 and 2023, as this represents a good proxy for entry-level housing. The median NA new build entry-level house price was £279,995 and gives a purchase threshold of £71,999.

- C.8 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 North West Leicestershire in 2023. The median cost of new build dwellings in North West Leicestershire was £327,873, with a purchase threshold of £84,310.

## **Private Rented Sector (PRS)**

- C.9 It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.
- C.10 This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
- C.11 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 LE67 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.
- C.12 According to home.co.uk, there were 41 properties for rent at the time of search in December 2024, with an average monthly rent of £917. There were 15 two-bed properties listed, with an average price of £806 per calendar month.
- C.13 The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £806 x 12 = £9,672;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £32,240.
- C.14 The calculation is repeated for the overall average to give an income threshold of £36,680.

## Affordable Housing

C.15 There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2024: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. The First Homes product was introduced in 2021 but is not included in the NPPF Annex 2 definitions. Each of the affordable housing tenures are considered below.

### Social rent

C.16 Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.

C.17 To determine social rent levels, 2021 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 Hugglescote and Donington le Heath. This data provides information about rents and the size and type of stock owned and managed by private registered providers and local authorities and is presented for North West Leicestershire in Table C-1.

C.18 To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table C-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£69.82	£80.78	£89.77	£96.21	<b>£84.30</b>
Annual average	£3,631	£4,201	£4,668	£5,003	<b>£4,384</b>
Income needed	£12,102	£14,002	£15,560	£16,676	<b>£14,612</b>

Source: Homes England, AECOM Calculations

### Affordable rent

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

C.20 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.21 Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for North West Leicestershire. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
- C.22 Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 60% 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	£88.26	£107.55	£121.64	£174.95	<b>£106.54</b>
Annual average	£4,590	£5,593	£6,325	£9,097	<b>£5,540</b>
Income needed	£15,298	£18,642	£21,084	£30,325	<b>£18,467</b>

Source: Homes England, AECOM Calculations

### **Affordable home ownership**

- C.23 Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.

#### **Discounted Market Sale/ First Homes**

- C.24 Discounted market sale homes are affordable home ownership products which offer a discount of at least 20% on market values.
- C.25 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.

- C.26 The starting point for considering whether Discounted Market Sale/First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £279,995.
- C.27 For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (estimated NA new build entry-level) = £279,995;
  - Discounted by 30% = £195,997;
  - Purchase deposit at 10% of value = £19,600;
  - Value of dwelling for mortgage purposes = £176,397;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £50,399.
- C.28 The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 20%, 40% and 50% discounted home. This would require an income threshold of £57,599, £43,199 and £35,999 respectively.
- C.29 All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
- C.30 Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m<sup>19</sup>) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Hugglescote and Donington le Heath.
- C.31 Table C-3 shows the discount required for market homes to be affordable to the three income groups. The cost of a typical discounted market sale property/First Home is calculated using an estimate for new build entry-level housing in the NA. However, it is worth thinking about these properties 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.

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<sup>19</sup> 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/>

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

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	46%	75%	50%
NA estimated new build entry-level house price	42%	73%	46%
NA entry-level house price	35%	70%	39%
LA median new build house price	51%	77%	54%

Source: Land Registry PPD; ONS MSOA total household income

### Shared ownership

- C.32 Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the 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.33 In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
- C.34 To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
- C.35 The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £279,995 is £69,999;
  - A 10% deposit of £7,000 is deducted, leaving a mortgage value of £62,999;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £18,000;
  - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £209,996;
  - The estimated annual rent at 2.5% of the unsold value is £5,250;



- This requires an income of £17,499 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £35,499 (£18,000 plus £17,499).

C.36 The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £28,199 and £47,666 respectively.

C.37 All of the calculated income thresholds are below the £80,000 cap for eligible households.

### **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.

# Appendix D : Affordable Housing need and policy

## Affordable Housing estimates

- D.1 In Table D-1 AECOM has calculated, using PPG as a starting point,<sup>20</sup> an estimate of the total need for affordable rented housing in Hugglescote and Donington le Heath over the Neighbourhood Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence available. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
- D.2 It should also be noted that figures in Table D-1 are largely dependent on information provided by North West Leicestershire District Council in its capacity as manager of the local housing waiting list.

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<sup>20</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

**Table D-1: Estimate of need for Affordable Housing for rent in Hugglescote and Donington le Heath**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	139.0	Latest waiting list data available from LA waiting list data for Hugglescote and Donington le Heath.
1.2 Per annum	<b>8.7</b>	Step 1.1 divided by the plan period to produce an annualised figure.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	642.4	MHCLG 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	17.0%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in NA	266.0	2021 Census social rented households
2.2.2 Number of private renters on housing benefits	93.9	Housing benefit caseload. Pro rata for NA.
2.3 New households unable to rent	108.9	Step 2.1 x Step 2.2.
2.4 Per annum	<b>6.8</b>	Step 2.3 divided by plan period.
<b>STAGE 3: TURNOVER OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	<b>8.0</b>	Step 3.1 x NA social rented stock (2.2.1).
<b>NET SHORTFALL OF RENTED UNITS PER ANNUM</b>		
Overall shortfall per annum	<b>7.5</b>	Step 1.2 + Step 2.4 - Step 3.2

Source: AECOM model, using Census 2021, English Housing Survey 2018, MHCLG 2018 based household projections and net additions to affordable housing stock. Figures may not sum due to rounding.

- D.3 Turning to Affordable Housing providing a route to home ownership, Table D-2 estimates the potential demand in Hugglescote and Donington le Heath. This model aims to estimate the number of households that might wish to own their own home but cannot afford to. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.
- D.4 There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home

ownership.<sup>21</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

**Table D-2: Estimate of the potential demand for affordable housing for sale in Hugglescote and Donington le Heath**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in NA	344.0	Census 2021 private rented households.
1.2 Percentage renters on housing benefit in LA	27.3%	% of renters in 2021 on Housing Benefit / Universal Credit with housing entitlement
1.3 Number of renters on housing benefits in the NA	93.9	Step 1.1 x Step 1.2.
1.4 Current need (households)	187.6	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>22</sup>
1.5 Per annum	<b>11.7</b>	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	642.4	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	7.5%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	48.4	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	<b>3.0</b>	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	34.0	Number of shared ownership homes in the NA (Census 2021).
3.2 Supply - intermediate resales	<b>1.7</b>	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL PER ANNUM</b>		
Overall shortfall per annum	<b>13.0</b>	(Step 1.5 + Step 2.4) - Step 3.2.

Source: AECOM model, using Census 2021, English Housing Survey 2018, MHCLG 2018 based household projections and net additions to affordable housing stock.

<sup>21</sup> <http://www.ipsos-mori-generations.com/housing.html>

<sup>22</sup> The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

- D.5 There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
- D.6 It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

## Affordable housing policy

- D.7 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><b>A. Evidence of need for Affordable Housing:</b></p> <p>The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.</p>	<p>This HNA suggests that the NA requires around 7.5 units of social/affordable rented housing and 13 units of affordable home ownership homes per annum over the Neighbourhood 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 affordable home ownership should be prioritized over affordable rented housing. However, the need for social/affordable rent is more acute which implies the need to prioritise these households.</p>
<p><b>B. Can Affordable Housing needs be met in full?</b></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>Given the NA has no updated housing requirement at this time, and it is likely that any housing delivery will occur on sites smaller than those that would trigger the affordable housing requirement, it is likely that very little affordable housing will come forward during the Neighbourhood Plan period.</p> <p>It is likely that any delivery will not be sufficient to meet all of the need identified. Given this shortfall, the more urgent and</p>

	acute need for rented housing should be prioritized within any affordable housing that does come forward in future.
<p><b>C. Government policy (eg NPPF) requirements:</b></p> <p>There is no required tenure mix set out in national policy (NPPF 2024) but local authorities are required to set out the minimum proportion of Social Rented housing needed in their areas as part of their Affordable Housing requirements.</p>	Implicit prioritisation of Social Rented homes within Affordable Housing policy at the nation level but local authorities have flexibility to set out the proportion needed in their areas. Local Plan tenure mix provides the starting point.
<p><b>D. Local Plan policy:</b></p>	The adopted Local Plan does not seek a specific a tenure split of affordable rent and affordable home ownership.
<p><b>E. Viability:</b></p>	HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on affordable home ownership properties.
<p><b>F. Funding:</b></p> <p>The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site.</p>	The Advisory Group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
<p><b>G. Existing tenure mix in Hugglescote and Donington le Heath:</b></p> <p>The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.</p>	Evidence suggests that there is some affordable housing in the Neighbourhood Area at present, including 93 affordable rented units built since 2018, and 23 affordable ownership properties built since 2018.
<p><b>H. Views of registered providers:</b></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 social/affordable rented

	<p>homes in the NA. The funding arrangements available to housing associations will also influence rent levels.</p>
<p><b>I. Wider policy objectives:</b></p>	<p>The Advisory Group may wish to take account of broader policy objectives for Hugglescote and Donington le Heath 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, Hugglescote and Donington le Heath

Name	Description	Dwellings	Tenure	Type	
1	Peggs Grange	Retirement housing	30	Leasehold and social rent	Bungalows
2	St Marys Court	Retirement housing	19	Social rent	Flats
3	Fairfield Court	Some retirement housing	37	Social rent	Flats

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

Table E-2: Tenure and mobility limitations of those aged 65+ in Hugglescote and Donington le Heath, 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	
<b>All categories</b>	<b>232</b>	<b>32.9%</b>	<b>201</b>	<b>28.5%</b>	<b>273</b>	<b>38.7%</b>
<b><i>Owned Total</i></b>	<b>171</b>	<b>30.3%</b>	<b>156</b>	<b>27.7%</b>	<b>237</b>	<b>42.0%</b>
Owned outright	150	29.5%	143	28.1%	216	42.4%
Owned (mortgage) or shared ownership	21	38.2%	13	23.6%	21	38.2%
<b><i>Rented Total</i></b>	<b>61</b>	<b>43.0%</b>	<b>45</b>	<b>31.7%</b>	<b>36</b>	<b>25.4%</b>
Social rented	54	46.6%	36	31.0%	26	22.4%
Private rented or living rent free	7	26.9%	9	34.6%	10	38.5%

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) <sup>36</sup>	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 6-1 in the main report shows, Hugglescote and Donington le Heath is forecast to see an increase of 393 individuals aged 75+ by the end of the Neighbourhood Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent =  $60 \times 0.393 = 24$
- Leasehold sheltered housing =  $120 \times 0.393 = 47$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 0.393 = 7.86$
- Extra care housing for rent =  $15 \times 0.393 = 5.89$
- Extra care housing for sale =  $30 \times 0.393 = 11.79$
- Housing based provision for dementia =  $6 \times 0.393 = 2.36$

# 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 =  $\text{£}200,000/\text{£}25,000 = 8$ , (the house price is 8 times income).

### **Affordable Housing (NPPF Definition)**

Affordable housing: 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) Social Rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent; (b) the landlord is 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.
- b) Other affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for 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).
- c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (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 methods<sup>23</sup>.

### **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 Standard<sup>24</sup>**

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

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<sup>23</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>24</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

### **Co-living**

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

### **Community-led developments (NPPF definition)**

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

### **Community Right to Build Order**

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. The NPPF 2024 specifically defines it as follows: An Order made by the local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a sitespecific development proposal or classes of development.

### **Concealed Families (Census definition)<sup>25</sup>**

The 2021 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**

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<sup>25</sup> See

[http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp/171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp/171776_350282.pdf)

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

### **Extra Care Housing or Housing-With-Care**

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

### **Fair Share**

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

### **First Homes**

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. 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 Need (NPPG 2024 definition)**

Housing need is an unconstrained assessment of the minimum 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.

## **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 Requirement (NPPF 2024 Definition)**

The housing requirement is the minimum number of homes that a plan seeks to provide during the plan period. Once local housing need has been assessed, as set out in this guidance, authorities should then make an assessment of the amount of new homes that can be provided in their area. This should be justified by evidence on land availability, constraints on development and any other relevant matters.

## **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 Neighbourhood 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/>. Lifetime Homes standards have been broadly wrapped up into the M4(2) optional building regulations standards which relate to accessibility and adaptability of dwellings.

### **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 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 years<sup>26</sup>, 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**

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<sup>26</sup> 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. 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 Housing<sup>27</sup>**

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 range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

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

## **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 Neighbourhood 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 (former NPPF 2012 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. SHMAs generally identify the scale and mix of housing and the range of tenures the local population likely to be needed over the Neighbourhood 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.<sup>28</sup>

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<sup>28</sup> See

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

 [aecom.com](https://www.aecom.com)