

# Melksham & Melksham Without

Housing Needs Assessment (HNA)

July 2022

## Quality information

<b>Prepared by</b>	<b>Checked by</b>	<b>Approved by</b>
Olivia Carr Graduate Housing Consultant	Paul Avery Principal Housing Consultant	Paul Avery Principal Housing Consultant

## Revision History

<b>Revision</b>	<b>Revision date</b>	<b>Details</b>	<b>Authorized</b>	<b>Name</b>	<b>Position</b>
1	June 2022	First Draft	OC	Olivia Carr	Graduate Housing Consultant
2	June 2022	Internal Review	PA	Paul Avery	Principal Housing Consultant
3	July 2022	Group Review	TS	Teresa Strange	Clerk Melksham Without PC
4	July 2022	Locality Review	HB	Hannah Barter	Urban Vision
5	July 2022	Final Report	OC	Olivia Carr	Graduate Housing Consultant

Prepared for: Melksham & Melksham Without Neighbourhood Plan Steering Group

Prepared by:

AECOM Infrastructure & Environment UK Limited  
Aldgate Tower  
2 Leman Street  
London E1 8FA  
United Kingdom  
aecom.com

© 2022 AECOM Infrastructure & Environment UK Limited. All Rights Reserved.

This document has been prepared by AECOM Infrastructure & Environment UK Limited (“AECOM”) for sole use of our client (the “Client”) in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. No third party may rely upon this document without the prior and express written agreement of AECOM.

## Table of Contents

1.	Executive Summary.....	6
2.	Context.....	13
	Local context.....	13
	The Housing Market Area Context.....	18
	Planning policy context.....	18
	Policies in the adopted local plan.....	19
	Policies in the emerging local plan.....	22
	Quantity of housing to provide.....	24
3.	Approach.....	25
	Research Questions.....	25
	Tenure and Affordability.....	25
	Type and Size.....	25
	Specialist Housing for Older People.....	26
	Relevant Data.....	26
4.	RQ 1: Tenure, Affordability and the Need for Affordable Housing.....	27
	Introduction.....	27
	Current tenure profile.....	28
	Affordability.....	30
	House prices.....	30
	Income.....	31
	Affordability Thresholds.....	31
	Affordable housing- quantity needed.....	40
	Additional SHMA findings.....	46
	Affordable Housing policy guidance.....	46
	Conclusions- Tenure and Affordability.....	52
5.	RQ 2: Type and Size.....	56
	Introduction.....	56
	Existing types and sizes.....	56
	Background and definitions.....	56
	Dwelling type.....	57
	Dwelling size.....	59
	Age and household composition.....	60
	Age structure.....	61
	Household composition.....	63
	Occupancy ratings.....	64
	Dwelling mix determined by life-stage modelling.....	65
	Suggested future dwelling size mix.....	65
	The SHMA findings.....	70
	Conclusions- Type and Size.....	70
6.	RQ 3: Specialist housing for older people.....	73
	Introduction.....	73
	Current supply of specialist housing for older people.....	74
	Tenure-led projections.....	75
	Housing LIN-recommended provision.....	79
	SHMA findings.....	81

Conclusions- Specialist Housing for Older People .....	81
7. Next Steps .....	85
Recommendations for next steps .....	85
Appendix A : Calculation of Affordability Thresholds.....	86
A.1 Assessment geography .....	86
A.2 Market housing .....	87
i) Market sales .....	87
ii) Private Rented Sector (PRS).....	88
A.3 Affordable Housing .....	88
i) Social rent.....	88
ii) Affordable rent .....	89
iii) Affordable home ownership .....	90
Appendix B : Housing Needs Assessment Glossary .....	93

**List of acronyms used in the text:**

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
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
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
NA	Neighbourhood Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
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. The Office for National Statistics (ONS) mid-2020 population estimate for Melksham & Melksham Without is 24,117 people, showing an increase of 2,210 individuals since the 2011 Census.
2. There has been significant development in Melksham & Melksham Without since 2011, with Wiltshire Council providing dwelling completions data from 2011/12 to present which showed the development of 1,653 dwellings. Of these, it is estimated that 28.7% were delivered as Affordable Housing. The total quantity of dwellings using 2011 dwelling stock and completions data in the NA is estimated to be 11,017, with this further updated by Wiltshire Council's electoral services to 11,363 in June 2022.

## Conclusions- Tenure and Affordability

### Current dwelling stock

3. In 2011, the majority of households in Melksham & Melksham Without owned their own home at 72.4%, significantly above both local authority wide and national levels. The private rented sector is limited, with the levels of social/affordable rented housing also below national levels. Data provided by Wiltshire Council indicates that there were 1,653 net dwelling completions between 2011/2012 and 2020/2021 and 474 Affordable Housing completions. Of these Affordable Housing completions, 83.1% were for affordable/social rent, with 16.9% for affordable home ownership.
4. It is also helpful to look at the sub area tenure splits. Melksham Town & Bowerhill sub area has very similar proportions of tenures to the wider NA. The most notable differences to the NA area seen in the Large Village of Whitley/Shaw, where a significantly higher proportion of households own their own home, and a significantly lower proportion of households live in social rented housing. The wider countryside area's proportional tenure split generally lies between Melksham Town & Bowerhill and Whitley & Shaw. The tenure mix across the sub areas suggests that households with greater wealth are likely to reside in Whitley & Shaw, with owner occupation dominating and very little provision of Affordable Housing. The greatest proportion of Affordable Housing is located in the more urban sub area of Melksham Town & Bowerhill.
5. Median and lower quartile house prices in Melksham & Melksham Without rose relatively steadily between 2012 and 2021, with little fluctuation. The median increased by 47.1% in this time, with the lower quartile price increasing by 51.3%. These prices peak at £250,000 and £205,000 respectively. Semi-detached dwellings experienced the greatest house price growth, but house prices overall were highest for detached properties.

### Affordability

6. Local households on average incomes are unable to access even entry-level homes in Melksham & Melksham Without unless they have the advantage of a large deposit. Private renting is generally only affordable to average earners, with households made up of two

lower quartile earners only able to afford the given rental thresholds for entry-level (1-bedroom) private rented housing.

7. Turning to affordable home ownership, it is recommended that First Homes in the NA are delivered at a 40% discount, which extends ownership accessibility to households on below average (mean) incomes. Shared ownership appears to be similarly affordable to First Homes and is broadly accessible to the same groups. Shared ownership at 25% equity is considered to be marginally affordable to households with two lower quartile earners, with 10% equity also accessible to this group.
8. Affordable rented housing is generally affordable to households with two lower earners. However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units.

### **Affordable Housing need**

9. AECOM have calculated an estimate of the total need for Affordable Housing in Melksham & Melksham Without over the plan period. This study estimates that the NA over the plan period would meet the need for affordable rented housing through turnover of existing homes, and that there is the demand for around 882 units of affordable home ownership. The report suggests that both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes, and the potential surplus of affordable rented units does not mean that affordable housing for rent should not be brought forward.
10. In order to balance the needs of the significant number of households currently on the Housing Register in need and take into account the fact that modelling suggests the need for affordable rented housing generated in the NA would be met over the plan period, it is suggested that 45% of new Affordable Housing is affordable rented tenures, either affordable or social rent. It is suggested that the remaining 55% is delivered as affordable home ownership in the following split:
  - 25% First Homes (at 40% discount); and
  - 30% shared ownership (at a flexible range between 25% and 10% equity).
11. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations explored further in the report, the potential variation in need and demand in the sub-areas, and in particular the views and objectives of the community.
12. Table 4-10 summarises Melksham & Melksham Without's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

13. In addition to the expected delivery in the NA as a whole, the sub-areas of Melksham & Bowerhill and Whitley & Shaw are also considered as they have individual housing requirement figures in the emerging Local Plan. This therefore gives an indication of the level of delivery that could be expected in these two sub-areas.
14. This expected level of delivery does not meet the quantity of demand identified in estimates for affordable home ownership due to the high demand identified. However, as previously discussed in the report, the need for affordable home ownership is not as acute as for affordable rented housing as it is assumed that on the whole these households are adequately housed elsewhere, such as in the private rented sector. Whilst the expected delivery of affordable rented housing exceeds the need identified in modelling, delivery will help to contribute to the significant backlog of need identified by the local Housing Register for the NA.
15. If the community wish to encourage further delivery of Affordable Housing, it is recommended that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored. If the group considered exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.
16. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

## **Conclusions- Type and Size**

17. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

### **Current dwelling mix**

18. The greatest proportion of dwellings in the NA in both 2011 and 2021 was semi-detached dwellings, followed by detached dwellings. Dwelling completions data from 2011/12 to 2020/21 showed that 13.1% of completions were flats, with the vast majority (86.9%) being houses. The proportion of bungalows in Melksham & Melksham Without is above

levels for England but below Wiltshire. The proportion of terraced dwellings in the NA is below national levels whilst the proportion of semi-detached and especially detached dwellings, is significantly higher in Melksham & Melksham Without than nationally.

19. Looking at sub-areas, the most notable difference to the NA average is the fact that the vast majority of dwellings in Whitley & Shaw in 2011 were detached, at 60.4% compared to 29.1% across the NA as a whole. This is indicative of a settlement lacking smaller more affordable properties, with detached dwellings often the largest and the most expensive. It could therefore be surmised that a large amount of the wealth in the NA is concentrated in this sub-area and there is a clear lack of Affordable Housing here.
20. It is also important to look at dwelling sizes. In 2011, 3-bedroom dwellings dominated the NA, followed by smaller 2-bedroom dwellings. The majority of development in the last decade, at 33.2%, was for larger 4-bedroom dwellings. In 2021, the majority of dwellings were still 3-bedroom, although at a lower proportion than in 2011. The proportion of smaller dwellings remained similar to 2011 levels but there was an increase in the proportion of 4-bedroom dwellings. The proportion of smaller dwellings in the NA is significantly below national levels, and more in line with Wiltshire as a whole.
21. The proportion of mid-sized dwellings is relatively even across all comparator areas whilst the proportion of larger 4-bedroom dwellings is significantly above the proportion across England. The size mix for Melksham & Bowerhill closely aligns with the NA as a whole. Larger dwelling sizes are considerable in Whitley & Shaw, significantly above the levels of the other sub areas and the wider NA. The Wider Countryside Area has a greater proportion of 2-bedroom dwellings and a smaller proportion of 3-bedroom dwellings than the NA, and the sub areas of Melksham & Bowerhill, and Whitley & Shaw.

## **Demographics**

22. The overall NA population is estimated to have grown from 21,907 in 2011 to 24,117 in 2020. In 2011 the majority of the population was aged 45-64, followed by those aged 25-44, indicative of a predominance of family households. Looking to 2020, the proportion of the population aged 45+ grew in all categories. The population structure of Melksham & Melksham Without closely aligns with the population breakdown of the wider Wiltshire local authority area. The proportion of the population aged 45 and over is greater in the NA and local authority area than England, indicative of a more rapidly aging local population than nationally. Population growth to the end of the plan period can be expected to be driven by the oldest households, with 72% growth expected in households with a household reference person aged 65 and over.
23. Looking at the sub-areas, whilst Melksham & Bowerhill aligns with the NA, there is more significant variation when looking at Whitley & Shaw and the wider countryside area. The Whitley & Shaw sub-area is characterised by an older population than the NA as a whole. Melksham & Bowerhill had the largest proportion of young people. It may be that younger people and families tend to reside in the Market Town whilst those with older families or looking to retire live in Whitley & Shaw or the wider countryside.
24. Under-occupancy is relatively common in the NA, with 77.0% of households living in a dwelling with at least one extra bedroom in relation to their expected needs. This is most

common in family households aged 65+ and family households under 65 with no children, suggesting that larger housing is being occupied by households with the most wealth or by older people who have not chosen to or been able to move to smaller properties.

### **Future size mix**

25. AECOM modelling suggests that the target mix at the end of the plan period should remain dominated by mid-sized 3-bedroom dwellings, but to a lesser extent than in 2011. It is also suggested that this is followed by 2-bedroom dwellings and then 4-bedroom dwellings. This mix may require some adjustment for the sub-areas based on the existing dwelling mixes and populations in these areas. For example, the Steering Group may prefer to adjust the size mix when looking Whitley & Shaw, increasing the proportion of smaller dwellings. In order to reach the target mix shown in the model, it is suggested that new development is brought forward in a relatively even split for 2-bedroom, 3-bedroom, and 4-bedroom dwellings. As discussed, depending on what the Steering Group wish to achieve in each sub-area, this will likely need to be adjusted to account for the already existing imbalances in the size mix throughout the NA.
26. It would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

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

27. The existing stock of specialist older persons housing in Melksham & Melksham Without consists entirely of retirement housing, with no provision for extra-care. Just over half of this provision is for social rent, with the rest a mix of leasehold purchase, shared ownership, and market rent.
28. It is projected that there will be an increase of 1,768 individuals in the 75+ age category between 2011 and 2026 in Melksham & Melksham Without, increasing the proportion of those aged 75+ in the population from 8.6% to 14.5% by the end of the plan period, in line with the existing and projected proportions across Wiltshire.
29. 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.
30. These two methods of estimating the future need in Melksham & Melksham Without produce a range of 444 to 616 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well

accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.

31. It is important to take into consideration the breakdown of levels of care and tenure within the need for specialist housing for older persons. When considering the AECOM calculation outlined in Table 6-6, the majority of the need, at 73.1%, is identified for market specialist housing. Slightly more need is identified for sheltered housing at 55.8% compared to 44.2% extra-care. The greatest sub-category of need was identified for market sheltered housing at 43.5% of the total need.
32. However, this need is for individuals with less severe mobility limitations and market housing is considered the most appropriate for adaptations, so at least some of this need could be met through adaptations or through ensuring that all new housing is accessible and adaptable for people with lower support needs. It is worth noting that the adopted Local Plan for Wiltshire expects proposals for extra-care schemes in the local authority area to provide an Affordable Housing contribution in line with other forms of development.
33. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. Groups could also explore site allocations or promoting this type of residential development. The local level evidence supplied in this report could be used to influence local authority level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
34. The adopted Local Plan Core Policy 46 (Meeting the needs of Wiltshire's vulnerable and older people) provides explicit encouragement for development to accommodate specific groups such as older people. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the Steering Group approaching the LPA to discuss setting requirements on accessibility and adaptability at a local authority level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
35. 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, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the local authority area falling into this category.

36. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
  - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
  - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
37. 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 elderly 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).
38. It is considered that Melksham & Melksham Without 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 Melksham & Melksham Without in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Area, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself.
39. It is important to note the differences in the settlements of Melksham & Melksham Without. Whilst the provision of specialist housing for older persons would likely be appropriate in Melksham & Bowerhill due to public transport links and access to amenities, it would likely be less appropriate in the smaller settlements of Beanacre and Berryfield. Therefore, it may be appropriate that specialist older persons housing is focussed on the more built-up areas of Melksham & Bowerhill, and potentially at a smaller scale in Whitley & Shaw. Due to the greater suitability of Melksham Town for the provision of specialist older persons housing, the need figures have not been pro-rated for the sub areas as it is likely that regardless of the location of need, the provision would be delivered in the larger settlement.
40. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

## 2. Context

### Local context

41. Melksham & Melksham Without is a Neighbourhood Area located in Wiltshire, in the South West of England. The Neighbourhood Area (NA) aligns with the boundary of the parish of Melksham and the parish of Melksham Without in their entirety. This was designated and then amended in November 2017 due to a Community Governance Review. This led to several changes to the boundary between Melksham and Melksham Without, with no changes to the NA as a whole. In addition, there was an external change to the boundary between Melksham Without and Broughton Gifford, although there were no dwellings recorded within this area so there is no effect on the data in this report.
42. The NA is split into three main sub-areas for the purposes of this report, the main urban settlement of Melksham & Bowerhill, the villages of Whitley & Shaw, and the wider countryside area, which is comprised of the small villages of Beanacre and Berryfield as well as smaller hamlets and clusters of dwellings. Melksham Town is located around 13 miles east of Bath and c. 25 miles south-west of Swindon.
43. In terms of transport links, there are regular bus links in the NA locally as well as the National Express to London. Melksham also has a train station which provides connection to Swindon, Chippenham, Bristol, and London. The A350 runs north/south through the NA whilst the A3102 runs east/west. Melksham & Bowerhill are home to the majority of the amenities in the NA, including a secondary school, multiple primary schools, and a variety of high street shops. The Steering Group are however aware of a lack of some amenities such as GPs and dentists. It is also important to note that parts of the NA are not connected to mains gas and therefore tend to rely on oil, with potential cost of living implications.
44. The proposed Neighbourhood Plan period starts in 2022 and extends to 2036, therefore comprising a planning period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2036, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
45. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas (OAs). These make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs). The Plan area equates to the following areas, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
  - MSOA E02006680
  - MSOA E02006678
  - LSOA E01032044
  - LSOA E01032070
  - LSOA E01032071

- LSOA E01032072

46. The statistics show that in the 2011 Census the NA had a total of 21,907 residents, formed into 9,151 households and occupying 9,364 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates. The mid-2020 population estimate for Melksham & Melksham Without is 24,117 – indicating population growth of around 2,210 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.

47. Data provided by Wiltshire Council indicated 1,653 net dwellings completions between 2011/12 and 2020/21, bringing the estimated total number of dwellings in 2021 to 11,017. This increase is broadly in line with the population growth between 2011 and 2020 outlined above.

48. A map of the Neighbourhood Area appears below in Figure 2-1.

**Figure 2-1: Map of the Melksham & Melksham Without Neighbourhood Area<sup>1</sup>**



Source: Wiltshire Council

49. The Steering Group are also aware that there is some variation in the housing market and demographics within the Melksham & Melksham Without Neighbourhood Area. Therefore, throughout this report, in appropriate places, the data has been

<sup>1</sup> Available at <https://www.wiltshire.gov.uk/media/900/Designation-of-Melksham-Neighbourhood-Area-decision-notice/pdf/sppnp-melksham-2017-area-designation-report.pdf?m=637105533813030000>

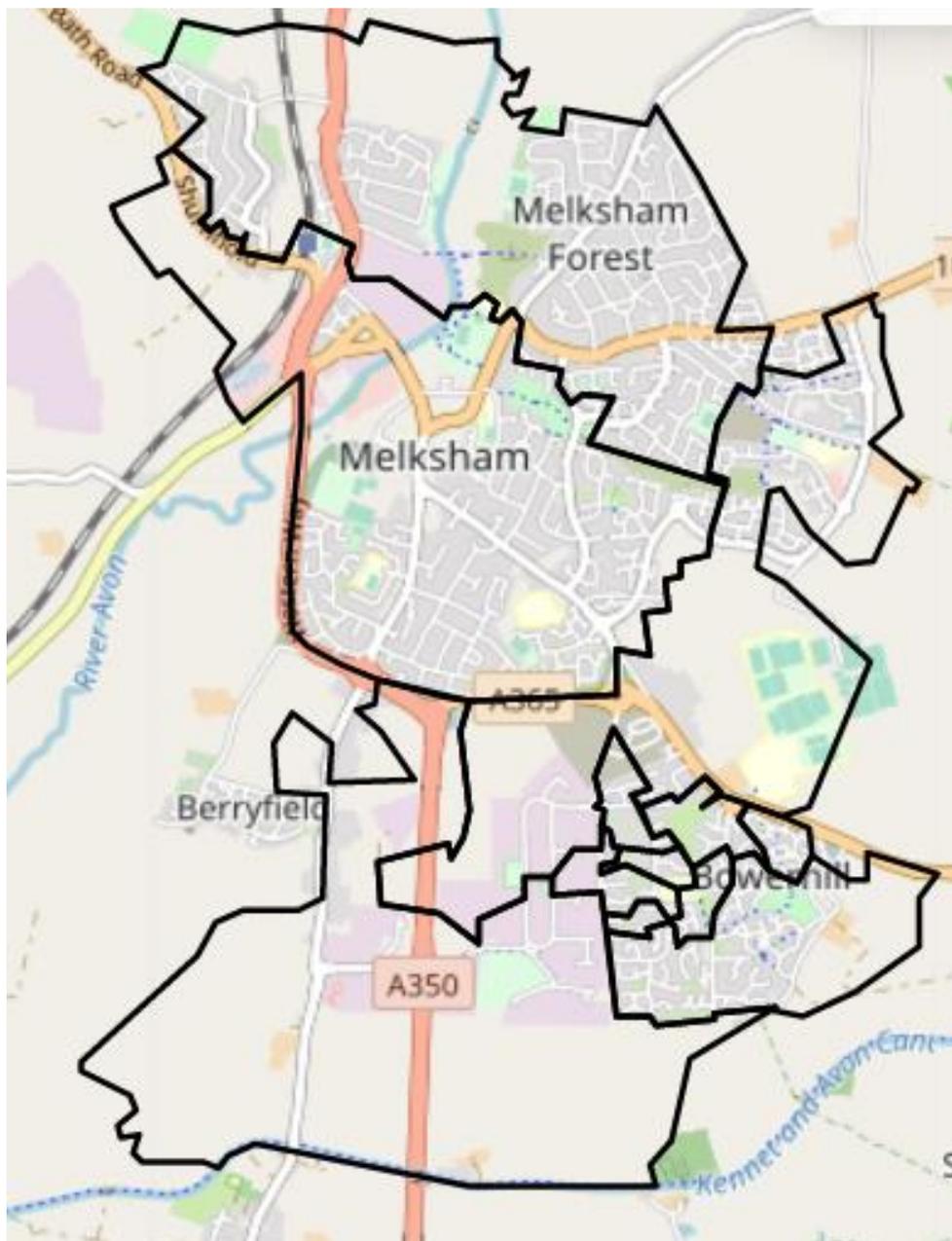
disaggregated into three key sub areas. These sub-areas, as agreed with the Steering Group and broadly based on the Local Plan settlement categorisation, are:

- Melksham Town & Bowerhill;
- Whitley & Shaw; and
- Wider Countryside Area (covering the areas not included in the above two categories. This includes the settlements of Beanacre and Berryfield).

50. There are some limitations to how the sub-areas can be broken down using the Census and so the best proxy areas have been used. For example, the two built-up areas on the right of Figure 2-2 cannot be included in the sub-area for Melksham & Bowerhill as including this area would also include a large area of open countryside, not fitting to the area. A similar issue arises when looking at splitting Berryfield from Bowerhill. Therefore, the best-fit approaches have been taken here and this should be taken into consideration when looking at sub-area data.

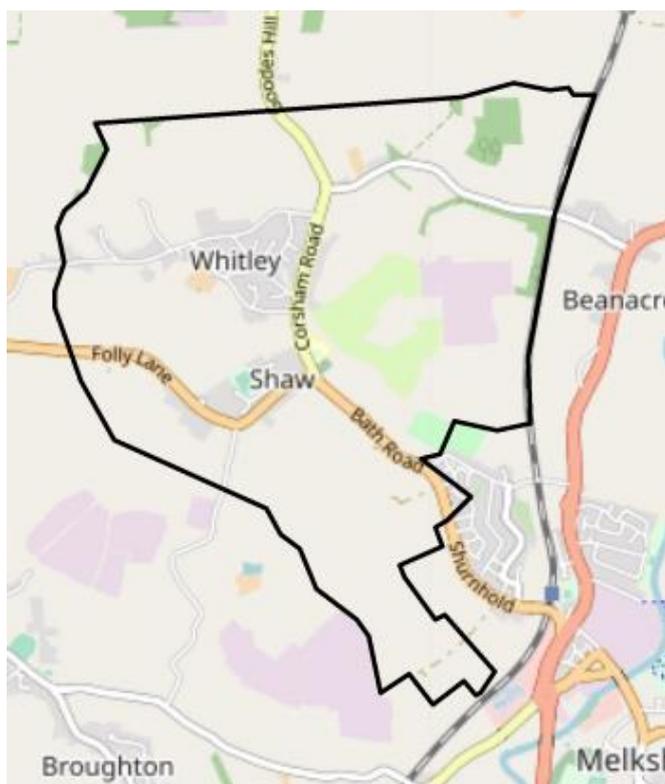
51. These areas being used for data collection in relation to these sub-areas are outlined in Figures 2-2, 2-3, and 2-4.

**Figure 2-2: Map of Melksham Town & Bowerhill sub-area**



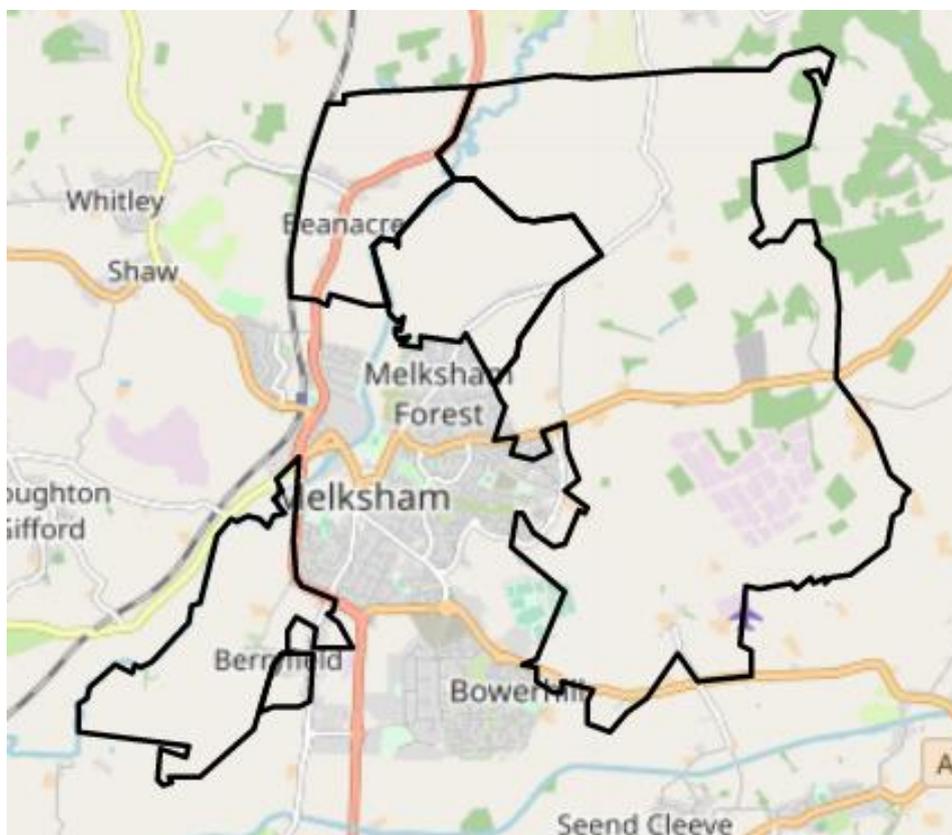
Source: ONS

**Figure 2-3: Map of Whitley & Shaw sub-area**



Source: ONS

**Figure 2-4: Map of Wider Countryside Area sub-area**



Source: ONS

## The Housing Market Area Context

52. Whilst this HNA focuses on Melksham & Melksham Without neighbourhood area 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. In the case of Melksham & Melksham Without, the parishes sit within the Chippenham Housing Market Area which covers a range of settlements within the Wiltshire Unitary Authority including Chippenham, Devizes, Calne, and Malmesbury. This means that when households who live in these authorities move home, the vast majority move within this geography.
53. The housing market area also has links to other neighbouring areas however, including Trowbridge HMA. The 2019 Swindon Borough Council & Wiltshire Council LHNA identifies that whilst Melksham and Melksham Without fall within the Chippenham HMA, Melksham Rural falls within the Trowbridge HMA. It is therefore expected that there are close links between these housing market areas and movement between the two is likely to be relatively common.
54. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Melksham & Melksham Without, are closely linked to other areas. In the case of Melksham & Melksham Without, changes in need or demand in settlements nearby is likely to impact on the neighbourhood.
55. In summary, Melksham & Melksham Without functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Wiltshire 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 play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

## Planning policy context

56. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>2</sup> In the case of Melksham & Melksham Without, the relevant adopted and emerging Local Plans for Wiltshire Council are outlined below.
57. The adopted Local Plan for Wiltshire is the Wiltshire Core Strategy 2006-2026, adopted in 2015<sup>3</sup>. The settlement of Melksham & Bowerhill is identified in the adopted Local Plan as a Market Town, with Whitley/Shaw jointly identified as a Large Village and the smaller settlements of Beanacre and Berryfield individually identified as Small Villages.

---

<sup>2</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>

<sup>3</sup> Available at: <http://www.wdwtplan.org.uk/Documents/data/Wiltshire%20adopted-local-plan-jan16.pdf>

58. The Wiltshire Housing Site Allocations Plan<sup>4</sup>, adopted in February 2020, sits alongside the Core Strategy to support delivery. The Melksham Community Area is identified as within the North and West Wiltshire Housing Market Area. It is outlined in the report that the anticipated levels of growth at Melksham & Bowerhill have been exceeded over the first half of the adopted plan period. It also suggests that scales of development in many rural areas have also exceeded those anticipated by the Core Strategy but does not specify whether these relate to the rural areas within the Melksham Community Area.
59. The emerging Local Plan is due to run to 2036 and underwent consultation between January and March 2021, with over 3,500 responses received. The consultation responses<sup>5</sup> were published once the consultation was complete but a full draft plan reflecting those responses is yet to be published. The consultation documents relevant to housing policy Melksham & Melksham Without are the Emerging Spatial Strategy<sup>6</sup>, Empowering Rural Communities<sup>7</sup>, and Planning for Melksham<sup>8</sup>. The next stage is for Wiltshire Council to produce a draft Plan which will once again be consulted on.

## Policies in the adopted local plan

60. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Melksham & Melksham Without.

**Table 2-1: Summary of relevant adopted policies in the Wiltshire Core Strategy (adopted 2015)**

Policy	Provisions
Core Policy 1 – Settlement Strategy	<p>This Settlement Strategy identifies the settlements where sustainable development will take place in Wiltshire.</p> <p>Melksham is defined as a Market Town. Market Towns are settlements that have the ability to support sustainable patterns of living in Wiltshire. They have the potential for significant development.</p> <p>The other settlements within the NA are not defined within this Policy. Core Policy 15 identifies Melksham &amp; Bowerhill together as a Market Town, Whitley/Shaw as a Large Village, and the settlements of Beanacre and Berryfield as Small Villages.</p> <p>The full Settlement Hierarchy is as follows:</p> <ul style="list-style-type: none"> <li>Principal Settlements – Chippenham, Trowbridge, and Salisbury. These strategically important centres are a primary focus for development;</li> </ul>

<sup>4</sup> Available at: [\\*Wiltshire Housing Site Allocations Plan: Adopted February 2020](#)

<sup>5</sup> Available at: [https://www.wiltshire.gov.uk/media/7226/Local-Plan-Review-consultation-statement-2021-final/pdf/LPR\\_2021\\_consultation\\_statement\\_lpr\\_jan\\_mar\\_2021.pdf?m=637673811404070000](https://www.wiltshire.gov.uk/media/7226/Local-Plan-Review-consultation-statement-2021-final/pdf/LPR_2021_consultation_statement_lpr_jan_mar_2021.pdf?m=637673811404070000)

<sup>6</sup> Available at: [https://www.wiltshire.gov.uk/media/5623/Emerging-Spatial-Strategy/pdf/Wiltshire\\_Local\\_Plan\\_Emerging\\_Spatial\\_Strategy\\_FINAL.pdf?m=637471655274170000](https://www.wiltshire.gov.uk/media/5623/Emerging-Spatial-Strategy/pdf/Wiltshire_Local_Plan_Emerging_Spatial_Strategy_FINAL.pdf?m=637471655274170000)

<sup>7</sup> Available at: [https://www.wiltshire.gov.uk/media/5624/Empowering-Rural-Communities/pdf/WLP\\_Empowering\\_Rural\\_Communities\\_FINAL\\_28-01-2021\\_.pdf?m=637474434248530000](https://www.wiltshire.gov.uk/media/5624/Empowering-Rural-Communities/pdf/WLP_Empowering_Rural_Communities_FINAL_28-01-2021_.pdf?m=637474434248530000)

<sup>8</sup> Available at: [https://www.wiltshire.gov.uk/media/5638/Planning-for-Melksham/pdf/WLP\\_Market\\_Town\\_Planning\\_for\\_Melksham\\_FINAL.pdf?m=637459664963130000](https://www.wiltshire.gov.uk/media/5638/Planning-for-Melksham/pdf/WLP_Market_Town_Planning_for_Melksham_FINAL.pdf?m=637459664963130000)

Policy	Provisions
	<ul style="list-style-type: none"> <li>• Market Towns – including Melksham;</li> <li>• Local Service Centres;</li> <li>• Large and Small Villages – large villages have a limited range of employment, services, and facilities. Small villages have a low level of services and facilities, and few employment opportunities.</li> </ul>
Core Policy 2 – Delivery Strategy	<p>The Core Strategy seeks to deliver at least 42,000 homes between 2006 and 2026 across Wiltshire.</p> <p>There is the presumption in favour of sustainable development at the Principal Settlements, Market Towns (such as Melksham &amp; Bowerhill), Local Service Centres, and Large Villages (such as Whitley/Shaw).</p> <p>The limits of development may only be altered through the identification of sites for development through subsequent Site Allocations Development Plan Documents and Neighbourhood Plans.</p> <p>To limit the need for development on Greenfield sites, approximately 35% of development will take place on previously developed land.</p>
Core Policy 15 – Spatial Strategy: Melksham Community Area	<p>The spatial strategy outlines the following settlement hierarchy:</p> <ul style="list-style-type: none"> <li>• Market Towns – Melksham &amp; Bowerhill village.</li> <li>• Large Villages – Atworth, Seend, Semington, Whitley/Shaw, and Steeple Ashton.</li> <li>• Small Villages – Beanacre, Berryfield, Broughton Gifford, Bulkington, Great Hinton, Keevil, Poulshot, and Seend Cleeve.</li> </ul> <p>Over the plan period approximately 2,370 new homes will be provided of which about 2,240 should occur at Melksham. Approximately 130 homes will be provided in the rest of the Community Area.</p> <p><i>The settlements of Melksham &amp; Bowerhill, Whitley/Shaw, Beanacre, and Berryfield are relevant to this HNA.</i></p>
Core Policy 43 – Providing Affordable Homes	<p>On sites of 5 or more dwellings, affordable housing provision of at least 30% (net) will be provided within the 30% affordable housing zone. Outside of the policy, Melksham is identified as within the 30% affordable housing zone.</p> <p>Only in exceptional circumstances, where it can be proven that on-site delivery is not possible, will a commuted sum be considered.</p> <p>The provision of affordable housing may vary on a site-by-site basis taking into account evidence of local need, mix of affordable housing proposed and, where appropriate, the viability of the development.</p>

<b>Policy</b>	<b>Provisions</b>
Core Policy 44 – Rural Exception Sites	<p>Tenure will be negotiated on a site-by-site basis to reflect the nature of the development and local needs.</p> <p>At settlements defined as Local Service Centres, Large and Small Villages (including Whitley/Shaw, Beanacre, and Berryfield), and those not identified within the settlement strategy, a proactive approach to the provision of affordable housing will be sought in conjunction with parish councils and working with local communities and other parties.</p> <p>This exception policy allows housing for local need to be permitted, solely for affordable housing, provided that:</p> <ol style="list-style-type: none"><li>i. the proposal has clear support from the local community;</li><li>ii. the housing is being delivered to meet an identified and genuine local need;</li><li>iii. the proposal is within, adjoining or well related to the existing settlement;</li><li>iv. environmental and landscape considerations will not be compromised;</li><li>v. the proposal consists of 10 dwellings or fewer;</li><li>vi. employment and services are accessible from the site;</li><li>vii. the scale and type is appropriate to the nature of the settlement and will respect the character and setting of that settlement;</li><li>viii. the affordable housing provided under this policy will always be available for defined local needs, both initially and on subsequent change of occupant.</li></ol>
Core Policy 45 – Meeting Wiltshire’s Housing Needs	<p>New housing, both market and affordable, must be well designed to address local housing need incorporating a range of different types, tenures, and sizes of homes to create mixed and balanced communities.</p> <p>Housing size and type, including any distinction between flats and houses, will be expected to reflect that of the demonstratable need for the community within which a site is located.</p> <p>The Wiltshire Strategic Housing Market Assessment identifies the housing needs of Wiltshire. Any variation to this will need to be justified</p>

Policy	Provisions
	through the production of new, sound evidence from either an updated Strategic Housing Market Assessment or other credible evidence source. In relation to affordable housing, other sources of credible evidence include the council’s housing register and local housing needs surveys.
Core Policy 46 – Meeting the Needs of Wiltshire’s Vulnerable and Older People	<p>The provision, in suitable locations, of new housing to meet the specific needs of vulnerable and older people will be required.</p> <p>Housing schemes should assist older people to live securely and independently within their communities. Residential development must ensure that layout, form, and orientation consider adaptability to change as an integral part of design at the outset.</p> <p>The provision of sufficient new accommodation for Wiltshire’s older people will be supported, including extra-care facilities. Proposals for extra-care accommodation will be expected to provide an affordable housing contribution in line with Core Policy 43.</p>

Source: Wiltshire Council

## Policies in the emerging local plan

61. As the emerging Wiltshire Local Plan has not yet published a draft, there are no policies available yet. However, these documents outline some of the key ideas that may form the policies in the draft plan. The key content includes:

Emerging Spatial Strategy<sup>9</sup>:

- Forecasts that “Wiltshire will need between 40,840 and 45,630 new homes over the plan period (2016-2036)”<sup>10</sup>.
- “Outside of the main settlements, the focus will continue to be on protecting the countryside and only development that meets local needs”<sup>11</sup>.
- The Settlement Hierarchy will not change as part of the review, but Small Villages will be considered ‘non-strategic’. This will change the status of both Beanacre and Berryfield.
- Chippenham Housing Market Area (which includes the NA) is estimated to “need”<sup>12</sup> between 17,410 and 20,400<sup>13</sup> additional dwellings between 2016 and 2036. Of all the HMAs, Chippenham HMA is forecast to have by far the largest additional housing figures.

<sup>9</sup> Available at [https://www.wiltshire.gov.uk/media/5623/Emerging-Spatial-Strategy/pdf/Wiltshire\\_Local\\_Plan\\_Emerging\\_Spatial\\_Strategy\\_FINAL.pdf?m=637471655274170000](https://www.wiltshire.gov.uk/media/5623/Emerging-Spatial-Strategy/pdf/Wiltshire_Local_Plan_Emerging_Spatial_Strategy_FINAL.pdf?m=637471655274170000)

<sup>10</sup> Quoted from emerging Local Plan (Spatial Strategy). The lower figure of 40,840 is the minimum required by Government using its current standard method.

<sup>11</sup> Quoted from emerging Local Plan (Spatial Strategy).

<sup>12</sup> Quoted from emerging Local Plan (Spatial Strategy).

<sup>13</sup> “Housing need has been calculated in two ways, providing a minimum and higher figure. The lower figure in the range of housing need assessed by the Council represents the minimum that results from using a national standard method (Standard Method)”.

- In the Emerging Strategy (2016-2036), Melksham has an overall housing requirement figure of 3,950, with a residual amount (after completed and pipeline homes are deducted) of 2,585 as of 1<sup>st</sup> April 2019. The other settlements are assumed to fall into the 'Rest of HMA' for Chippenham, with an overall housing requirement figure of 2,805 and a residual figure of 1,270 as of 1<sup>st</sup> April 2019.

#### Empowering Rural Communities<sup>14</sup>:

- This section focuses on the strategy and needs for rural settlements, including Small Villages (such as Beanacre and Berryfield), Large Villages (such Whitley/Shaw), and Local Service Centres.
- Within Chippenham HMA, Market Towns are expected to deliver 8,370 dwellings (already noted above as 3,950 for Melksham specifically), Large Villages (which includes Whitley/Shaw) are expected to deliver 1,435 dwellings, and 'Elsewhere' (which is assumed to include Beanacre and Berryfield) is expected to deliver 1,265 dwellings between 2016 and 2036.
- Furthermore, Table 2.4 outlines the baseline indicative housing requirement for 2016 to 2026 for Whitley/Shaw as 95 dwellings. It is also stated that completions (2016-19) and commitments (as of 1<sup>st</sup> April 2019) total 6 homes.
- It is suggested that in the rural area, the Council will seek 40% Affordable Housing on all schemes of more than 5 dwellings where possible.
- Core Policy 44 from the Core Strategy is suggested to be updated, with the key points as follows:
  - Rural exception sites - at rural settlements, development proposals will be supported where their primary purpose is to provide affordable housing to meet local needs. Proposals must consist of 20 dwellings or fewer and be no greater than 5% of the size of the settlement.
  - The inclusion of up to 25% open market housing on rural exception sites (that would otherwise be for affordable housing only) will only be considered where it can be demonstrated that the site would otherwise be unviable.
  - At rural settlements, proposals brought forward by a Community Land Trust (CLT) will be considered with the inclusion of up to 50% market housing where it can be demonstrated that it would meet an identified local need.

#### Planning for Melksham<sup>15</sup>:

- This document outlines the priorities and growth for Melksham specifically.
- It outlines, as above, that the residual housing requirement to be accommodated up until 2036 for Melksham is 2,585. Both the Local Plan and the Neighbourhood Plan can allocate sites for development.

---

<sup>14</sup> Available at [https://www.wiltshire.gov.uk/media/5624/Empowering-Rural-Communities/pdf/WLP\\_Empowering\\_Rural\\_Communities\\_FINAL\\_28-01-2021\\_.pdf?m=637474434248530000](https://www.wiltshire.gov.uk/media/5624/Empowering-Rural-Communities/pdf/WLP_Empowering_Rural_Communities_FINAL_28-01-2021_.pdf?m=637474434248530000)

<sup>15</sup> Available at: [https://www.wiltshire.gov.uk/media/5638/Planning-for-Melksham/pdf/WLP\\_Market\\_Town\\_Planning\\_for\\_Melksham\\_FINAL.pdf?m=637459664963130000](https://www.wiltshire.gov.uk/media/5638/Planning-for-Melksham/pdf/WLP_Market_Town_Planning_for_Melksham_FINAL.pdf?m=637459664963130000)

- The document outlines potential proposed sites for development around Melksham & Bowerhill.

## **Quantity of housing to provide**

62. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
63. Wiltshire Council has fulfilled that requirement by providing Melksham & Melksham Without with an indicative figure of 2,674 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period<sup>16</sup>. This is the combination of the residual housing requirements in the emerging Local Plan for Melksham & Bowerhill and Whitley/Shaw. The Steering Group are aware that this figure may be subject to change. It is unknown at this stage in the Local Plan process whether there will be separate housing requirements for the Small Villages of Beanacre and Berryfield.

---

<sup>16</sup> As per emerging Local Plan. Group have 2,585 pencilled in as of 18/05/2022 inception call (this is the figure for Melksham specifically).

## 3. Approach

### Research Questions

64. The following research questions were formulated at the outset of the research through discussion with the Melksham & Melksham Without Neighbourhood Plan Steering Group. They serve to direct the research and provide the structure for the HNA.

### Tenure and Affordability

65. The Steering Group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
66. This evidence will allow Melksham & Melksham Without to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

***RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?***

### Type and Size

67. The Steering Group is seeking to determine what size and type of housing would be best suited to the local community. The Steering Group identified that although no prevalent need group has been identified as of yet, it is expected that adult children living at home are in need of housing options.
68. The aim of this research question is to provide the Steering Group with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
69. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
70. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

***RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Neighbourhood Area over the Neighbourhood Plan period?***

## Specialist Housing for Older People

71. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care.

***RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?***

## Relevant Data

72. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- 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 Rightmove.co.uk;
- Local Authority housing waiting list data; and
- Swindon Borough Council & Wiltshire Council Local Housing Needs Assessment (LHNA) 2019<sup>17</sup>.

73. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

---

<sup>17</sup> Available at: [https://www.wiltshire.gov.uk/media/5688/Swindon-and-Wiltshire-Local-Housing-Needs-Assessment-April-2019/pdf/Swindon\\_Wilts\\_Local\\_Housing\\_Needs\\_Assessment\\_April\\_2019.pdf?m=637459763804370000](https://www.wiltshire.gov.uk/media/5688/Swindon-and-Wiltshire-Local-Housing-Needs-Assessment-April-2019/pdf/Swindon_Wilts_Local_Housing_Needs_Assessment_April_2019.pdf?m=637459763804370000)

## 4. RQ 1: Tenure, Affordability and the Need for Affordable Housing

***RQ 1: What Affordable Housing (e.g. social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?***

### Introduction

74. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the NA and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
75. 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). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
76. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.<sup>18</sup>
77. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- 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;

---

<sup>18</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>.

- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

## Current tenure profile

78. 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.
79. Table 4-1 presents data on tenure in Melksham & Melksham Without compared with Wiltshire and England from the 2011 Census, which is the most recent available source of this information. It shows that the majority of households owned their own home at 72.4%, significantly above both local authority wide and national levels. This has an impact on the proportion of rented and affordable housing in the NA. This is most notable in the private rented sector, with 11.8% of households living in the private rented sector in Melksham & Melksham Without compared to 16.8% across England. The proportion of households living in social rented dwellings is relatively similar in the NA and across Wiltshire, but both of these figures are below national levels.
80. Data provided by Wiltshire Council indicates that there were 1,653 net dwelling completions between 2011/2012 and 2020/2021 and 474 Affordable Housing completions, with 28.7% of completions being affordable. Based on the levels of Affordable Housing in 2011, it can be assumed that the overall proportion has grown in the NA as a result of recent development. Of these Affordable Housing completions, 83.1% were for affordable/social rent, with 16.9% for affordable home ownership (mainly shared ownership). In addition to this Affordable Housing delivered, a further 46 were noted as schemes such as First Buy and Home Buy which allow access to home ownership but do not necessarily create a new unit.
81. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would

be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Melksham & Melksham Without the private rented sector expanded by 130.9% in that period, a rate of growth that was significantly greater than national increases of 82.4%. Despite this, the 2011 private rented sector in the NA was smaller than across England.

**Table 4-1: Tenure (households) in Melksham & Melksham Without, 2011**

Tenure	Melksham & Melksham Without	Wiltshire	England
Owned	72.4%	67.5%	63.3%
Shared ownership	0.5%	0.8%	0.8%
Social rented	14.4%	14.7%	17.7%
Private rented	11.8%	15.4%	16.8%

Sources: Census 2011, AECOM Calculations

82. It is also helpful to look at the NA tenure split in 2011 compared to the sub-areas discussed earlier in the report. Due to the NA being mainly comprised (in terms of population and dwelling stock) of the Melksham Town & Bowerhill sub-area, the proportions of different tenure types are similar between these two areas. The most notable differences to the NA area seen in the Large Village of Whitley/Shaw, where a significantly higher proportion of households own their own home, at 84.9% compared to 72.4% across the wider NA. This has a knock-on impact on the remaining tenures, with a significantly lower proportion of social rented housing in Whitley & Shaw compared to the whole NA and the other comparator areas. This is also well below both Wiltshire and national levels at just 7.2%. The wider countryside area's proportional tenure split generally lies between Melksham Town & Bowerhill and Whitley & Shaw. However, the proportion of households living in shared ownership dwellings is higher than any of the other areas, in line with national levels. The tenure mix across the sub areas suggests that households with greater wealth are likely to reside in Whitley & Shaw, with owner occupation dominating and very little provision of Affordable Housing. The greatest proportion of Affordable Housing is located in the more urban sub-area of Melksham Town & Bowerhill, which is not unusual when looking at the provision of Affordable Housing nationally.

**Table 4-2: Tenure (households) in NA compared to sub-areas, 2011**

Tenure	NA	Melksham Town & Bowerhill	Whitley & Shaw	Wider Countryside Area
Owned	72.4%	71.3%	84.9%	75.3%
Shared ownership	0.5%	0.5%	0.2%	0.8%
Social rented	14.4%	15.1%	7.2%	12.1%
Private rented	11.8%	12.2%	6.8%	10.6%

Sources: Census 2011, AECOM Calculations

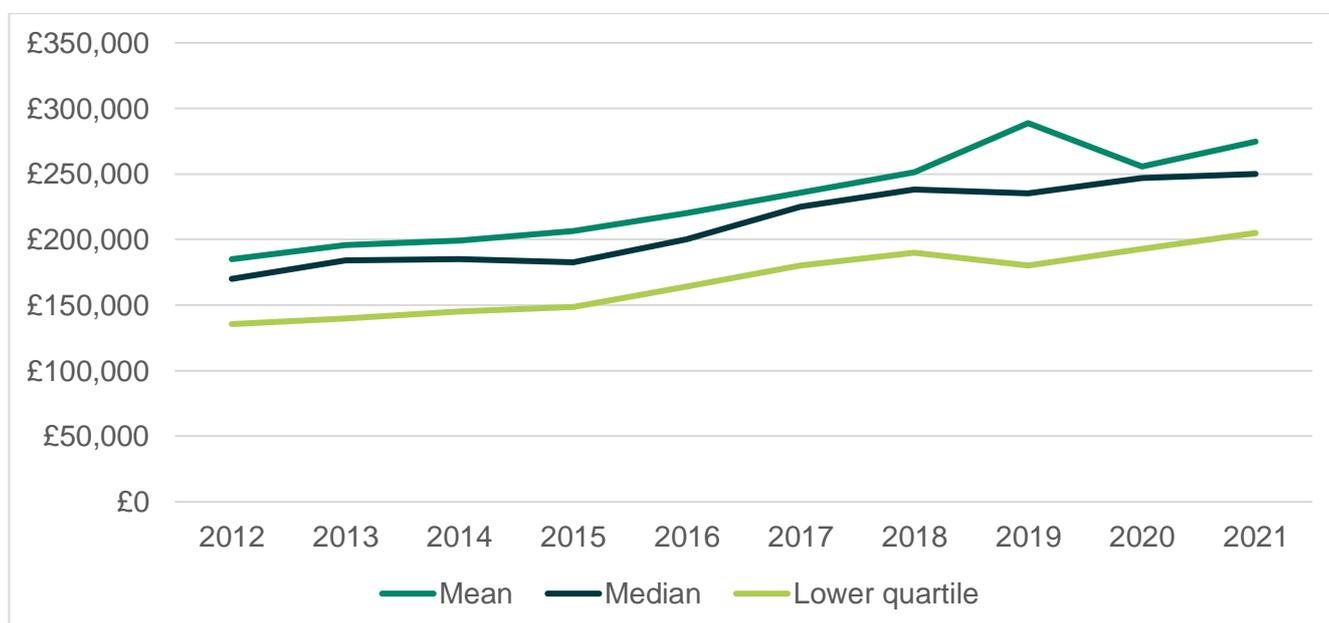
# Affordability

## House prices

83. 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.

84. Figure 4-1 looks at the average and lower quartile house prices in Melksham & Melksham Without based on sales price data published by the Land Registry. It shows that median and lower quartile house prices in Melksham & Melksham Without rose relatively steadily between 2012 and 2021, with little fluctuation. The mean, which captures the average of all house prices (high and low) with outlying datapoints causing it to increase, shows a peak in 2019 but this is not noticeable in the median as this is the middle number when all the data is sorted from smallest to largest. The median increases by 47.1% between 2012 and 2021, from £170,000 to £250,000. The lower quartile house prices follow the same trends as the median but sees slightly greater growth, at 51.3%, to a peak of £205,000 in 2021.

**Figure 4-1: House prices by quartile in Melksham & Melksham Without, 2012-2021**



Source: Land Registry PPD

85. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that semi-detached dwellings experienced the greatest house price growth at 52.0% between 2012 and 2021. House prices overall are highest for detached dwellings, increasing from £236,000 in 2012 to £337,500 in 2021. These prices rose steadily, with a slight decline in 2019. Semi-detached and terraced prices also experienced very little fluctuation, likely due to substantial sample sizes. There was more significant fluctuation

in the prices of flats, peaking in 2018 at £175,414, likely due to variation within a smaller sample, such as the size of the flat, location, and condition of the property.

**Table 4-3: Median house prices by type in Melksham & Melksham Without, 2012-2021**

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£236,000	£249,998	£250,000	£271,250	£284,995	£291,995	£320,000	£312,000	£323,498	£337,500	43.0%
Semi-detached	£159,000	£167,500	£177,725	£179,975	£200,000	£224,995	£230,000	£235,000	£232,500	£241,750	52.0%
Terraced	£135,000	£141,000	£145,000	£155,000	£173,000	£182,000	£188,768	£185,500	£190,000	£205,000	51.9%
Flats	£87,500	£81,500	£75,000	£95,000	£124,500	£112,950	£175,414	£113,250	£120,000	£123,750	41.4%
<b>All Types</b>	<b>£170,000</b>	<b>£183,995</b>	<b>£185,000</b>	<b>£182,500</b>	<b>£200,000</b>	<b>£225,000</b>	<b>£237,995</b>	<b>£235,000</b>	<b>£247,000</b>	<b>£250,000</b>	47.1%

Source: Land Registry PPD

## Income

86. 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.
87. 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 before housing costs locally was £42,533 in 2018. A map of the area to which this data applies is provided in Appendix A.
88. 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. Wiltshire's gross individual lower quartile annual earnings were £13,788 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £27,576.
89. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

## Affordability Thresholds

90. 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.
91. AECOM has determined thresholds for the income required in Melksham & Melksham Without to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.

92. 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.
93. The mortgage multiplier is particularly variable, with 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.
94. The percentage of income to be spent on rent also 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.
95. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason to interpret the findings with a degree of flexibility.
96. Although not a factor in the calculations to assess affordability locally below, it is also important to take into consideration the rising cost of living, in particular in relation to fuel. Household costs, whether this is in relation to heating, electricity, car fuel, or food, have an impact on housing affordability, with the rising cost of living meaning that households are required to spend a greater proportion of their income on these necessities and may therefore have smaller budgets for rent or mortgages. This will most likely have the greatest impact when looking at households that may be able to 'marginally' afford different tenures as outlined in Table 4-4.
97. When looking at the different tenures, 2020 statistics<sup>19</sup> show that 13.2% of households nationally were fuel poor. This was by far the highest in the private rented sector at 25.0% of households considered to be fuel poor, followed by the social rented sector at 18.7%, and the owner occupied sector at 8.4%. It may be initially surprising that fuel poverty is lower in the social rented sector than the private rented sector but it may be that households in the social rented sector have greater access to benefits and support with household bills. Additionally, their housing costs are lower and if they are in receipt of housing benefit, they may be spending a smaller proportion of their income on direct housing costs (e.g. rent).

---

<sup>19</sup> Available here - <https://www.gov.uk/government/statistics/fuel-poverty-detailed-tables-2022>

98. Fuel costs are currently a key issue for households. The Annual Fuel Poverty Statistics in England (2022)<sup>20</sup> assess fuel poverty across the country in 2020. Whilst this is the most recent set of reporting, the data refers to 2020. The past 6 months have seen a significant spike in utilities costs (especially fuel) and the situation continues to evolve rapidly. It is therefore safe to assume that the current picture of fuel poverty is significantly worse than 2020. The trends across household and dwelling types may however remain largely the same. Some key findings from the report include:
- Households living in end terraces have the highest likelihood of living in fuel poverty, with households living in detached properties having the lowest likelihood. Despite this, those that are in fuel poverty in detached dwellings are likely to have the largest fuel poverty gap. This is due to factors such as larger floor areas and more exposed walls. Other factors such as the age of the property and the energy efficiency will also impact this.
  - The report categorises households' main fuel into electricity, gas, and other, with oil and coal falling into the 'other' category. This latter category has the highest average fuel poverty gap of the fuels at £585 (although households reliant on electricity as their main fuel have the highest likelihood of being in fuel poverty). Additionally, it notes that of households living off the gas grid, 19.4% are fuel poor, compared to 12.3% with access to mains gas.
  - This is important to note as the Steering Group are aware that a number of settlements within the NA are not on the gas mains and therefore rely on alternative fuels, mainly oil. The group note that the small pockets in the NA without main gas include parts of Woodrow, parts of Beanacre, Lopes Close, Sandridge Lane, and Redstocks. These areas also tended to not have access to mains drainage. This is not uncommon in rural areas and may mean that the cost of living has a greater impact on housing affordability in the rural sub areas of the NA compared to the main town.
  - The South West in 2020 had the largest average fuel poverty gap at £287.
99. 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 the factors discussed above may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.
100. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

---

<sup>20</sup> Available here - [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1056777/annual-fuel-poverty-statistics-lilee-report-2022-2020-data.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1056777/annual-fuel-poverty-statistics-lilee-report-2022-2020-data.pdf)

**Table 4-4: Affordability thresholds in Melksham & Melksham Without (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £42,533	Affordable on LQ earnings (single earner)? £13,788	Affordable on LQ earnings (2 earners)? £27,576
<b>Market Housing</b>						
Median House Price	£225,000	-	<b>£64,286</b>	No	No	No
NA Median New Build House Price	£238,500	-	<b>£68,143</b>	No	No	No
NA LQ New Build House Price	£202,183		<b>£57,767</b>	No	No	No
LQ/Entry-level House Price	£184,500	-	<b>£52,714</b>	No	No	No
Average Market Rent	-	£8,972	<b>£29,906</b>	Yes	No	No
Entry-level Market Rent	-	£6,846	<b>£22,820</b>	Yes	No	Yes
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£141,528	-	<b>£40,437</b>	Yes	No	No
First Homes (-40%)	£121,310	-	<b>£34,660</b>	Yes	No	No
First Homes (-50%)	£101,091	-	<b>£28,883</b>	Yes	No	Marginal
Shared Ownership (50%)	£101,091	£2,808	<b>£38,244</b>	Yes	No	No
Shared Ownership (25%)	£50,546	£4,212	<b>£28,482</b>	Yes	No	Marginal
Shared Ownership (10%)	£20,218	£5,055	<b>£22,625</b>	Yes	No	Yes
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£6,682	<b>£22,251</b>	Yes	No	Yes
Social Rent	-	£5,261	<b>£17,519</b>	Yes	No	Yes

Source: AECOM Calculations

101. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust 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

102. 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 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 51.1% higher than the current average.

103. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners can afford the given rental thresholds for entry-level (1-

bedroom) private rented housing. 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**

104. There is a relatively large group of households in Melksham & Melksham Without who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £22,820 per year (at which point entry-level rents become affordable) and £52,714 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
105. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
106. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. If First Homes in Melksham & Melksham Without are delivered at a 30% discount then the product becomes accessible to households on mean incomes. Increasing the discount to 50% would make First Homes marginally affordable to households with two lower quartile earners. However, this may have adverse impacts on the viability of sites and the ability to deliver social/affordable rented dwellings. It is therefore recommended that First Homes is delivered at 40% as although this discount level does not make home ownership accessible to households on two lower quartile incomes (who could benefit from other products such as shared ownership), it does increase the opportunity for ownership past households on mean incomes (to those earning over £34,660).
107. Table 4-5 shows the discount required for First Homes to be affordable to the three income groups. Alongside using the 2021 lower quartile new build house price, which has been used to calculate the First Homes and shared ownership purchase thresholds, it is helpful to look at additional price benchmarks. To get a complete picture locally, alongside this price benchmark, median and entry-level (lower quartile) house prices are used. The discount levels required for these alternative benchmarks are given below.

**Table 4-5: Discount on sale price required for households to afford First Homes**

<b>House price benchmark</b>	<b>Mean household income</b>	<b>Single LQ earner</b>	<b>Dual LQ earning household</b>
NA median house price	34%	79%	57%
NA LQ new build house price	26%	76%	52%
NA entry-level house price	19%	74%	48%

Source: Land Registry PPD; ONS MSOA total household income

108. Shared ownership appears to be similarly affordable to First Homes, and is broadly accessible to the same groups, with those on mean incomes able to access all shared ownership equity levels analysed. Shared ownership at 25% equity is considered to be marginally affordable to households with two lower quartile earners. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>21</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people, with it accessible to households with two lower quartile earners. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
109. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
110. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. On that basis, First Homes at 50% discount and shared ownership at 25% and 10% equity are more affordable options.
111. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
  - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
  - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
  - Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

---

<sup>21</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 ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hws48>.

112. In conclusion, all of these products would provide value to different segments of the local population, with shared ownership at a 25% equity share and lower potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes may provide a better long-term investment to those who can afford to access it.

### **Affordable rented housing**

113. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

114. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Melksham & Melksham Without as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This mean that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

## **Community Opinion**

115. It is important to take into consideration community opinion, with the Steering Group undertaking community consultation in May and June 2022 via a housing survey. It is necessary to caveat that although community surveys provide valuable and useful evidence in relation to the local wants and needs, they only represent a segment of the population. For example, of the respondents that provided information on their current housing status, 79% indicated that they owned their own home, with 7% indicating that they live in housing association or local authority rented dwellings (social and affordable rent). Comparing this to the tenure split in the NA in 2011, 72% of households owned their own home, with 14% living in social rented accommodation. This suggests that a smaller proportion of those in the greatest need of Affordable Housing answered the survey, a factor that should be kept in mind when interpreting the findings.

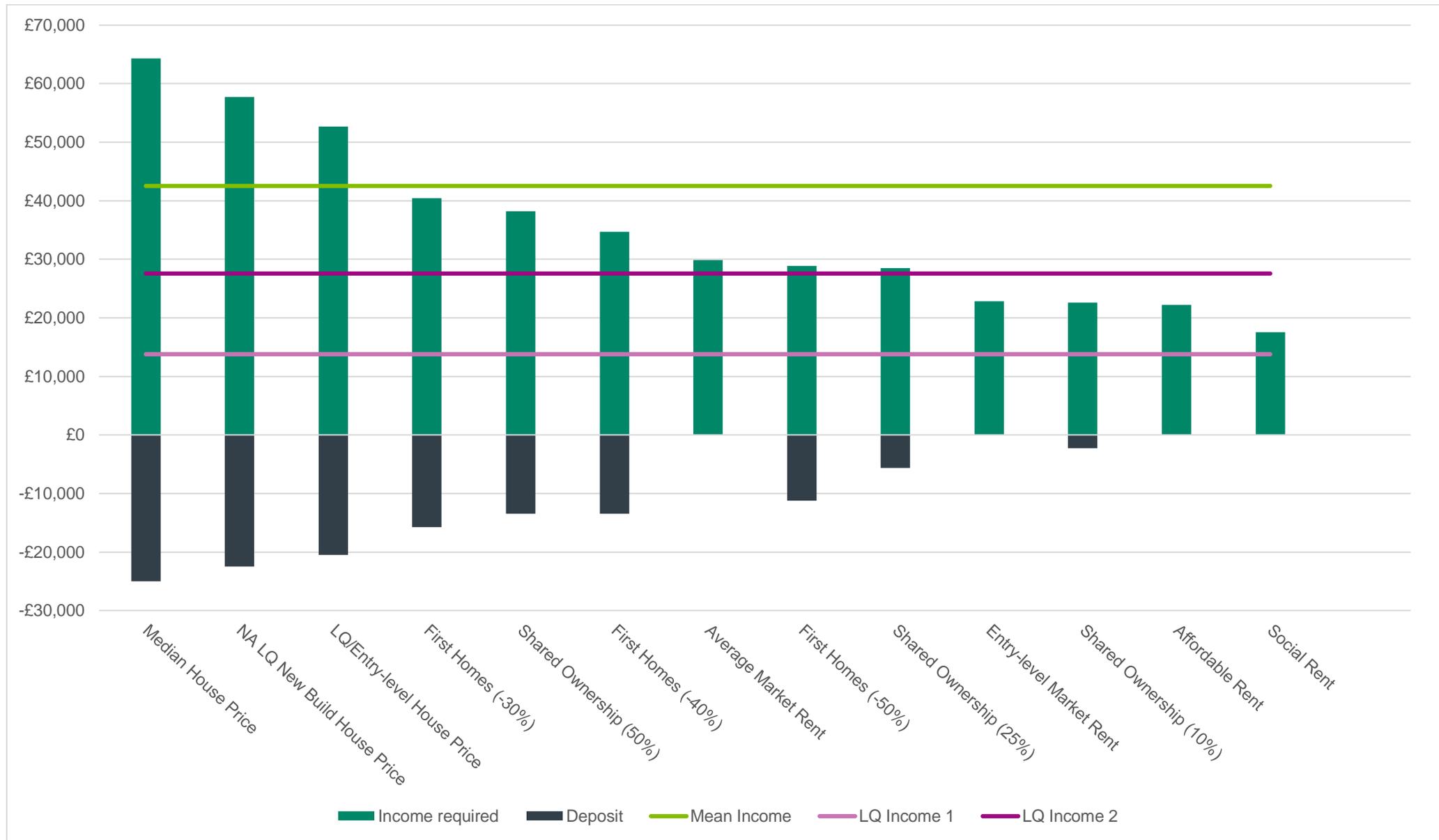
116. When looking at the findings of the survey, only 35% of respondents indicated that they were 'satisfied' or 'very satisfied' with existing housing provision in Melksham & Melksham Without, suggesting a clear need for a review of the stock and needs of the NA. When looking at reasonings for their responses to this question, 26% recorded that housing in the NA is too expensive to buy, with 25% suggesting that there is a shortage of availability to buy or rent. This indicated shortage may be further worsening affordability issues if there is a greater demand than supply of stock available on the market. Therefore, some provision of housing being brought forward in the plan period may help to address this.

117. The community was asked what type of housing they felt would best meet local needs. The five most common responses are as follows:

- Discounted open market / First Homes – 40%
- Bungalows – 33%
- Open market family homes – 28%
- Shared ownership – 25%
- Housing association & local authority rented jointly with community-led & co-ops – 24%

118. This shows that the community is aware of and concerned about the affordability challenges in the NA relating to home ownership specifically, with both First Homes and shared ownership identified as key areas of need for local people. It is also noted that almost a quarter of respondents answered that there is a need for housing association or local authority rented housing, as well as a potential desire for community-led schemes within the NA.

**Figure 4-2: Affordability thresholds in Melksham & Melksham Without, income required (additional cost of deposit in black)**



Source: AECOM Calculations

## Affordable housing- quantity needed

119. The starting point for understanding the need for affordable housing in Melksham & Melksham Without is the Local Housing Need Assessment (LHNA). An LHNA was undertaken for Swindon Borough Council and Wiltshire Council in 2019<sup>22</sup>. This study updated the overall housing figure for the Housing Market Area (HMA) determined in the 2017 Swindon & Wiltshire Strategic Housing Market Assessment (SHMA)<sup>23</sup> in line with updated NPPF and PPG requirements but does not estimate the need for affordable housing in the area. Whilst the LHNA updates the SHMA, it also states that the analysis within the 2017 SHMA may continue to provide useful evidence. This report therefore estimates the affordable housing need in Melksham & Melksham Without based on the 2017 SHMA findings as a starting point.
120. The SHMA estimates the need for affordable housing in the local authority area based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA identifies a need for 718.8 additional affordable homes each year in Wiltshire as a whole. When the SHMA figures are pro-rated to Melksham & Melksham Without based on its fair share of the population (4.78% of the LPA's population (based on mid-2020 population estimates)) this equates to 34.4 affordable homes per annum or 481.0 affordable homes over the Neighbourhood Plan period 2022-2036. Local authority level figures are likely to represent higher needs in the urban areas of the area where there is a large social housing stock and larger numbers of households living in the private rented sector on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages, the lack of social housing means there is no need generated from households already living in the sector. Due to Melksham & Melksham Without covering both rural areas and more built-up settlements, this method of providing an estimate of affordable housing need in the NA could be considered appropriate. It is also worth noting that the SHMA indicates that the figures provided should be considered a minimum for affordable housing need as the assessment focusses only on those with the most acute housing needs.
121. Due to the 2017 SHMA for Wiltshire and Swindon being relatively dated, and the fact that it has in part been updated by the 2019 LHNA, AECOM have also undertaken calculations to determine the quantity of affordable housing need in the NA. The methodology and results are outlined below. The AECOM figures are used in this report as the most up to date. They also provide estimates for housing need split between affordable rent and affordable home ownership.
122. In Table 4-6 we have calculated, using PPG as a starting point,<sup>24</sup> an estimate of the total need for affordable rented housing in Melksham & Melksham Without over the Plan period. It should, however, be noted that the accuracy of

---

<sup>22</sup> Available here: [Swindon Wilts Local Housing Needs Assessment April 2019.pdf \(wiltshire.gov.uk\)](https://www.wiltshire.gov.uk/downloads/file/5010/swindon-and-wiltshire-strategic-housing-market-assessment-shma-report-2017)

<sup>23</sup> Available here: <https://www.swindon.gov.uk/downloads/file/5010/swindon-and-wiltshire-strategic-housing-market-assessment-shma-report-2017>

<sup>24</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in general 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.

123. It should also be noted that figures in Table 4-6 are largely dependent on information provided by Wiltshire Council in its capacity as manager of the local housing waiting list. The current backlog of need on the Housing Register for households identifying Melksham & Melksham Without as their first preference, as of May 2022, is 201 households. The vast majority of this need, at 198 households, is related to Melksham parish. It is worth noting that there is likely to be further hidden housing need within the NA, of households who are either not considered eligible or have not applied based on low expectations of being housed.
124. Although not included in the Affordable Housing calculations, it is also interesting to note that the Wiltshire Open Market Register identified 40 households not currently in need in Melksham & Melksham Without but that may be eligible for intermediate housing (affordable home ownership such as shared ownership).
125. The table shows that there are currently about 201 households in Melksham & Melksham Without unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, 196.0 additional households in the Neighbourhood Area will fall into need. However, the total estimated need for affordable rented homes is -23.1 dwellings per annum, indicating that the need for affordable rented housing in Melksham & Melksham Without specifically would be met by the current stock when looking to the end of the plan period.
126. The result, which suggests that there is estimated to be little outstanding need in future years, may initially be surprising since there is understood to be a current backlog of need (in the region of 201 households). The reason for the apparent surplus over the long-term is that model assumes a rate of turnover in the existing affordable housing stock of 3.0%. So, of the 1,715 assumed units of affordable rented accommodation existing currently, it can be expected that around 51.5 will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. This satisfies the projected newly arising need as well as some of the backlog, which is effectively spread out over the plan period to produce an annualised figure.
127. An important caveat to this finding is that there are almost certainly households currently in need in the NA, and to 'spread them out' over the Plan period suggests that some of them can be accommodated in ten or fifteen years' time once a sufficient surplus has been built up through new supply and turnover of the existing stock. While possible, this is not favourable to the individuals

involved. In practice, it would be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.

128. A further caveat worth emphasising is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2-bedrooms while the applicant household might require 4-bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.
129. As such, it is recommended that Melksham & Melksham Without considers encouraging the delivery of some affordable rented housing, particularly early in the Plan period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in Wiltshire.
130. It is worth considering the role of the affordable rented housing sector in Melksham & Melksham Without in relation to the wider local authority area. Due to the NA including the Market Town of Melksham, this may be a preferred location for the Council to provide social/affordable rented housing (as opposed to in small rural villages). It is therefore likely that the town provides affordable rented housing for those in the rest of the parish, Melksham Without, and potentially outside of the NA. It is likely that the NA not only caters for the need generated locally but also some of the need of surrounding parishes or areas within Wiltshire where the development of affordable rented housing may not be possible or appropriate for the residents (e.g. poor public transport or access to amenities). The role of the NA within the Council area may be a further a reason to continue to ensure delivery of social/affordable housing within the plan period. Discussions with Wiltshire Council would be required to determine to what extent Melksham & Melksham Without plays this role.

**Table 4-6: Estimate of need for Affordable Housing for rent in Melksham & Melksham Without**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	201.0	Waiting list data provided by Wiltshire Council. List for Melksham & Melksham Without as of 04/05/2022. Households with either of the parishes as their first preference.
1.2 Per annum	14.4	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	971.1	DLUHC 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	20.2%	(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 parish	1715.0	2011 Census social rented stock + social/affordable rented completions 2011/12 – 2021/22.
2.2.2 Number of private renters on housing benefits	154.9	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	196.0	Step 2.1 x Step 2.2.
2.4 Per annum	14.0	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)	51.5	Step 3.1 x NA social rented stock (2.2.1).
<b>NET SURPLUS OF RENTED UNITS PER ANNUM</b>		
Overall surplus per annum	<b>23.1</b>	Step 1.2 + Step 2.4 - Step 3.2

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

131. Turning now to Affordable Housing providing a route to home ownership, Table 4-7 estimates the potential demand in Melksham & Melksham Without. This model aims to estimate the number of households that might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

132. 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>25</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

133. The result of the calculation is 63 households per annum who may be interested in affordable home ownership (or 882 for the entirety of the Plan period).
134. Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
135. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

---

<sup>25</sup> <http://www.ipsos-mori-generations.com/housing.html>

**Table 4-7: Estimate of the potential demand for affordable housing for sale in Melksham & Melksham Without**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	1,311.6	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	11.8%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	154.9	Step 1.1 x Step 1.2.
1.4 Current need (households)	867.5	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>26</sup>
1.5 Per annum	62.0	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	971.1	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	9.7%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	93.8	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	7.2	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	124.0	Number of shared ownership homes in parish (Census 2011 + completions 2011/12 – 2021/22).
3.2 Supply - intermediate resales	6.2	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL PER ANNUM</b>		
Overall shortfall per annum	<b>63.0</b>	(Step 1.5 + Step 2.4) - Step 3.2.

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

136. 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).

137. It is also important to remember that even after the Neighbourhood Plan is Made, the assessment of need for Affordable Housing, the allocation of

<sup>26</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.

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.

## Additional SHMA findings

138. The Swindon & Wiltshire Strategic Housing Market Assessment (SHMA) 2017 highlights a number of findings relevant to tenure and affordability in the Neighbourhood Area. These are outlined below:

- House prices across Wiltshire were consistently higher than England (2001-2015). For Chippenham HMA in particular (where the NA is located), the lower quartile house prices were below the overall level for Wiltshire but higher than the neighbouring Swindon HMA. This pattern is also seen when looking at the private rented sector. Rents have however increased at a faster rate than across the local authority area.
- In terms of affordability, the report identifies that Wiltshire has been consistently less affordable than the England average.

## Affordable Housing policy guidance

139. Wiltshire's adopted policy on this subject Policy 43 (Providing Affordable Homes) requires 30% of all new housing (on sites of 5 or more dwellings) to be affordable. Given that affordable/social rented housing and dwellings for affordable home ownership made up 28.7% of new housing in Melksham & Melksham Without over the last decade according to Wiltshire's completions figures, it is understood that this target is not quite met on sites in the NA.

140. 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.

141. 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 not specified in the adopted or emerging Local Plan. The adopted Local Plan for Wiltshire specifies that tenure is to be negotiated on a site by site basis. This HNA can supply more localised evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Melksham & Melksham Without specifically.

142. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** This study estimates that Melksham & Melksham Without may have an excess of affordable rented housing based on the calculations above demonstrating that the need specifically in the NA for social/affordable rent is estimated to be met over the plan period. The study also estimates that the NA could require around

63 units of affordable home ownership per annum, or 882 over the Plan period (2022-2036). Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes, and the surplus of affordable rented units to meet needs within the NA does not mean that no affordable housing for rent should be brought forward.

The figures from both models combined give an estimated overall Affordable Housing need of 558.6 dwellings over the plan period. As a sense check, these can be compared to the somewhat dated 2017 SHMA figures. When the local authority need in the SHMA was pro-rated to the population of Melksham & Melksham Without, it gave an estimated need for 481.0 dwellings, not hugely dissimilar to the AECOM calculation, although they refer to different types of need. This method of pro-rating also does not take into account local housing stock, present day local Housing Register figures, or the fact that Melksham & Melksham Without may satisfy some of the Affordable Housing need of the wider local authority area.

Table 4-8 considers the potential demand for Affordable Housing in the NA's sub areas per annum. This has been calculated by pro-rating the NA figures above based on 2011 population figures, with Melksham & Bowerhill accounting for 87.2% of the NA population, Whitley & Shaw 6.3% of the population, and the Wider Countryside Area 6.5%. It is important to note that this is not calculated on individual need for these sub-areas as a number of the datasets used above could be disaggregated to a smaller level and is simply a pro-rating exercise. Other factors, such as Affordable Housing stock (which was notably low in Whitley & Shaw in 2011) should also be taken into consideration when determining the location of future Affordable Housing.

**Table 4-8: Estimate of the potential demand for Affordable Housing in the NA per annum, pro-rated to sub-areas**

Area	Affordable Rented Housing (per annum)	Affordable Rented Housing (2022-2036)	Affordable Home Ownership (per annum)	Affordable Home Ownership (2022-2036)
NA	-23.1	-323.4	63.0	882.0
Melksham & Bowerhill	-20.1	-281.4	54.9	768.6
Whitley & Shaw	-1.5	-21.0	4.0	56.0
Wider Countryside Area	-1.5	-21.0	4.1	57.4

Source: Census 2011, AECOM Calculations

The relationship between the AECOM calculated figures suggests that most new Affordable Housing should offer a route to home ownership. However, as noted above, these figures are 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.

- B. Can Affordable Housing needs be met in full?** 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.

If the adopted Local Plan target of 30% was achieved on every site (based on the NA's indicative HRF of 2,674), up to around 802.2 affordable homes might be expected in the NA. It is likely that in the wider rural area, at least some of the HRF will come forward in the form of small infill developments, which may not be large enough to meet the threshold of 5 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower. It is important to note that in June 2022, planning permission was granted for a development between Melksham and Berryfield which is expected to deliver 50 affordable dwellings (the entirety of the site) within the plan period, which will go some way to addressing local needs.

This level of delivery is not sufficient (even with the 50-dwelling site in the pipeline) to satisfy the potential demand for Affordable Housing identified here, especially when considering the demand for affordable home ownership. However, as discussed above, this is a less acute need than for affordable rented housing as it is assumed that these households are already adequately housed in the private rented sector.

- C. Government policy (e.g., NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Wiltshire, where 30% of all housing should be affordable, 1/3 of Affordable Housing should be for affordable ownership. The Local Plan does not specify a tenure split so whilst it does not explicitly comply, there is nothing to prevent the 10% requirement being met.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA, there is no evidence that meeting the 10% threshold in Melksham & Melksham Without would prejudice the provision of affordable rented homes.

- D. Local Plan policy:** As noted above, the adopted Local Plan does not seek a specific tenure split, instead negotiating the split on a site-by-site basis.
- E. First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a

ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This does not appear to be an issue currently in Wiltshire as the adopted Local Plan does not specify a specific tenure split on sites.

National policy dictates that after the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

This guidance generally applies to district-level policy, and there may still be potential for a neighbourhood plan tenure mix to deviate from how the other tenures are rebalanced if appropriate.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Melksham & Melksham Without:** As of 2011, Affordable Housing, whether this is social/affordable rent or shared ownership, accounted for just 19.1% of housing in Melksham & Melksham Without, despite adopted policy requiring 30% of housing to be delivered as Affordable Housing. Data provided by Wiltshire Council from 2011/12 to present shows the development of 474 affordable dwellings (and an additional 46 dwellings made available for affordable ownership). Of these 474 dwellings, 83.1% were for affordable/social rent and 16.9% for affordable home ownership (shared ownership). Some additional provision

of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.

- I. **Views of registered providers:** It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Melksham & Melksham Without and/or the local authority area. 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.

143. On the basis of the considerations above, Table 4-9 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.

144. This indicative mix is chiefly a response to the demand for affordable home ownership and the affordable rented housing need potentially already being met over the length of the plan period. However, it also takes into account the significant backlog of need in Melksham & Melksham Without of 201 households from the Wiltshire Council Housing Register. This list includes households with an immediate need for rented accommodation that have indicated the NA as their preferred location. In this context, it is important that there is still substantial provision of affordable rented tenures to meet the needs of those in the present day and those most in need of Affordable Housing. The adopted Local Plan does not suggest a guideline mix so AECOM provides an indicative mix which also complies with the various minimum requirements mandated nationally.

145. In order to balance the needs as mentioned above, it is suggested that 45% of new Affordable Housing is affordable rented tenures, either affordable or social rent. It is suggested that the remaining 55% is delivered as affordable home ownership in the following split:

- 25% First Homes (at 40% discount); and
- 30% shared ownership (at a flexible range between 25% and 10% equity).

It is recommended that First Homes are delivered in line with national requirements, at 25% of Affordable Housing delivery. It is suggested that these are delivered at a 40% discount as this makes the product accessible to households on mean incomes. This also protects viability for the delivery of other forms of Affordable Housing. In terms of shared ownership, it is recommended that this product is delivered at both 25% and 10% equity, with both affordable to households on mean incomes. The former is marginally accessible to households with two lower quartile earners, with the latter more

comfortably affordable to this group. Rent to Buy does not feature in this recommended mix as the two shared ownership products are more affordable options.

146. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.

147. Where the neighbourhood planning 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 Wiltshire to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.

148. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

**Table 4-9: Indicative tenure split (Affordable Housing)**

<b>Tenure</b>	<b>Indicative mix</b>	<b>Considerations and uncertainties</b>
<b>Routes to home ownership, of which</b>	<b>55%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	30%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>45%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

## Conclusions- Tenure and Affordability

### Current dwelling stock

149. In 2011, the majority of households in Melksham & Melksham Without owned their own home at 72.4%, significantly above both local authority wide and national levels. The private rented sector is limited, with the levels of social/affordable rented housing also below national levels. Data provided by Wiltshire Council indicates that there were 1,653 net dwelling completions between 2011/2012 and 2020/2021 and 474 Affordable Housing completions. Of these Affordable Housing completions, 83.1% were for affordable/social rent, with 16.9% for affordable home ownership.
150. It is also helpful to look at the sub area tenure splits. Melksham Town & Bowerhill sub area has very similar proportions of tenures to the wider NA. The most notable differences to the NA area seen in the Large Village of Whitley/Shaw, where a significantly higher proportion of households own their own home, and a significantly lower proportion of households live in social rented housing. The wider countryside area's proportional tenure split generally lies between Melksham Town & Bowerhill and Whitley & Shaw. The tenure mix across the sub areas suggests that households with greater wealth are likely to reside in Whitley & Shaw, with owner occupation dominating and very little provision of Affordable Housing. The greatest proportion of Affordable Housing is located in the more urban sub area of Melksham Town & Bowerhill.
151. Median and lower quartile house prices in Melksham & Melksham Without rose relatively steadily between 2012 and 2021, with little fluctuation. The median increased by 47.1% in this time, with the lower quartile price increasing by 51.3%. These prices peak at £250,000 and £205,000 respectively. Semi-detached dwellings experienced the greatest house price growth, but house prices overall were highest for detached properties.

### Affordability

152. Local households on average incomes are unable to access even entry-level homes in Melksham & Melksham Without unless they have the advantage of a large deposit. Private renting is generally only affordable to average earners, with households made up of two lower quartile earners only able to afford the given rental thresholds for entry-level (1-bedroom) private rented housing.
153. Turning to affordable home ownership, it is recommended that First Homes in the NA are delivered at a 40% discount, which extends ownership accessibility to households on below average (mean) incomes. Shared ownership appears to be similarly affordable to First Homes and is broadly accessible to the same groups. Shared ownership at 25% equity is considered to be marginally affordable to households with two lower quartile earners, with 10% equity also accessible to this group.
154. Affordable rented housing is generally affordable to households with two lower earners. However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units.

## **Affordable Housing need**

155. AECOM have calculated an estimate of the total need for Affordable Housing in Melksham & Melksham Without over the plan period. This study estimates that the NA over the plan period would meet the need for affordable rented housing through turnover of existing homes, and that there is the demand for around 882 units of affordable home ownership. The report suggests that both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes, and the potential surplus of affordable rented units does not mean that affordable housing for rent should not be brought forward.
156. In order to balance the needs of the significant number of households currently on the Housing Register in need and take into account the fact that modelling suggests the need for affordable rented housing generated in the NA would be met over the plan period, it is suggested that 45% of new Affordable Housing is affordable rented tenures, either affordable or social rent. It is suggested that the remaining 55% is delivered as affordable home ownership in the following split:
- 25% First Homes (at 40% discount); and
  - 30% shared ownership (at a flexible range between 25% and 10% equity).
157. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J previously, the potential variation in need and demand in the sub-areas, and in particular the views and objectives of the community.
158. Table 4-10 summarises Melksham & Melksham Without's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.
159. In addition to the expected delivery in the NA as a whole, the sub-areas of Melksham & Bowerhill and Whitley & Shaw are also considered as they have individual housing requirement figures in the emerging Local Plan. This therefore gives an indication of the level of delivery that could be expected in these two sub-areas. Due to the affordability analysis being for the NA as a whole, steps D and F remain the same.

**Table 4-10: Estimated delivery of Affordable Housing in Melksham & Melksham Without**

	<b>Step in Estimation</b>	<b>Expected delivery (NA)</b>	<b>Expected delivery (Melksham &amp; Bowerhill)</b>	<b>Expected delivery (Whitley/Shaw)</b>
A	Provisional capacity figure (emerging Local Plan)	2,674	2,585	89
B	Affordable housing quota (%) in adopted Local Plan	30%	30%	30%
<b>C</b>	<b>Potential total Affordable Housing in NA (A x B)</b>	<b>802.2</b>	<b>775.5</b>	<b>26.7</b>
D	Rented % (e.g. social/affordable rented)	45%	45%	45%
<b>E</b>	<b>Rented number (C x D)</b>	<b>361.0</b>	<b>349.0</b>	<b>12.0</b>
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	55%	55%	55%
<b>G</b>	<b>Affordable home ownership number (C x F)</b>	<b>441.2</b>	<b>426.5</b>	<b>14.7</b>

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

160. This expected level of delivery does not meet the quantity of demand in estimates for affordable home ownership due to the high demand identified. This is the case even when a recent pipeline wholly affordable scheme of 50 dwellings is included in addition to Step C in the table. However, as previously discussed in the report, the need for affordable home ownership is not as acute as for affordable rented housing as it is assumed that on the whole these households are adequately housed elsewhere, such as in the private rented sector. Whilst the expected delivery of affordable rented housing exceeds the need identified in modelling, delivery will help to contribute to the significant backlog of need identified by the local Housing Register for the NA.
161. If the community wish to encourage further delivery of Affordable Housing, it is recommended that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored. If the group considered exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of

Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

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

## 5. RQ 2: Type and Size

***RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Neighbourhood Area over the Neighbourhood Plan period?***

### Introduction

163. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Melksham & Melksham Without in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate going forward.
164. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

### Existing types and sizes

#### Background and definitions

165. Before beginning to explore issues of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.
166. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no ‘need’ for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.
167. The best proxy for the number of people in a household is age or ‘life stage’, with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.
168. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained. As such,

all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

169. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. For some aspects, such as the size mix of homes, adding together Census figures and completions data for the intervening period is highly accurate. For others, such as the type mix of homes, this method is not available and Valuation Office Agency (VOA) must be used. The most appropriate combination of approaches is used in this section. It is important to note that because the NA is made up of MSOAs and LSOAs, VOA data has been collated for an area that precisely matches the Melksham & Melksham Without Neighbourhood Area.

## Dwelling type

170. Table 5-1 shows the dwelling type split in 2011 and 2021. The data cannot be used to fully understand the changes in this time period as 2011 Census data counts bungalows within each of the other categories as opposed to independently.
171. The table shows that the proportions of flats and terraced dwellings remained relatively stable over the decade, whilst the changes in the detached and semi-detached dwellings is likely due to the inclusion of bungalows as a separate category in the VOA data. Despite this apparent decline, the greatest proportion of dwellings in both time periods was semi-detached dwellings, followed by detached dwellings. Dwelling completions data from 2011/12 to 2020/21 provided by Wiltshire Council did not break the data down fully into dwelling type but did give an indication of the split between flats and houses. It showed that in this time frame, 13.1% of completions were flats, with the vast majority of dwelling completions, at 86.9%, being houses.

**Table 5-1: Accommodation type, Melksham & Melksham Without, 2011 and 2021**

Dwelling type	2011 (Census)		2021 (VOA)	
Bungalow	-	-	1,190	10.7%
Flat	1,010	10.8%	1,290	11.6%
Terrace	2,087	22.3%	2,510	22.6%
Semi-detached	3,502	37.4%	3,260	29.3%
Detached	2,722	29.1%	2,740	24.7%
Unknown/other	-	-	120	1.1%
Total	9,364		11,110	

Source: ONS 2011, VOA 2021, AECOM Calculations

172. Table 5-2 looks at the sub-areas of the NA and how the dwelling type varies across these. 2011 Census data is relied upon here as VOA is not broken down

to a small enough level to separate the sub-areas. As mentioned previously in the report, the housing stock is relatively similar between the NA and the Melksham & Bowerhill sub area due to the majority of the housing in the NA being located here.

173. Table 5-2 shows that whilst Melksham & Bowerhill has a greater proportion of flats than the NA, the proportion is significantly lower in the more rural Whitley & Shaw and the Wider Countryside Area. Most notable is the fact that the vast majority of dwellings in Whitley & Shaw in 2011 were detached, at 60.4% compared to 29.1% across the NA as a whole, even significantly higher than the wider countryside (at 44.0%). This suggests that Whitley & Shaw may therefore lack other types of housing, particularly terraced dwellings according to the table. This is indicative of a settlement lacking smaller more affordable properties, with detached dwellings often the largest and the most expensive. It could therefore be surmised that a large amount of the wealth in the NA is concentrated in this sub-area and, as shown in Table 4-2, there is a clear lack of Affordable Housing here. The Wider Countryside Area is also dominated by detached dwellings, although to a lesser extent, followed by semi-detached dwellings at 36.4%, just below NA overall levels. There is also seemingly a lack of terraced dwellings here, again indicative of affordability challenges as there would be fewer entry-level properties available.

**Table 5-2: Accommodation type, NA and comparator areas, 2011**

Dwelling type	NA	Melksham & Bowerhill	Whitley & Shaw	Wider Countryside Area
Bungalow	-	-	-	-
Flat	10.8%	12.0%	2.8%	2.5%
Terrace	22.3%	24.1%	7.2%	11.7%
Semi-detached	37.4%	38.0%	29.5%	36.4%
Detached	29.1%	25.7%	60.4%	44.0%

Source: ONS 2011, AECOM Calculations

174. It is interesting to compare the mix with the wider local authority area and the country. Table 5-3 uses VOA data to allow for accurate comparison of dwelling types. This shows that the proportion of bungalows in Melksham & Melksham Without is above levels for England but below Wiltshire. The dominant proportion in the NA is, as discussed above, semi-detached dwellings, whilst detached dwellings dominate in Wiltshire and terraced dwellings are the largest category across England. The proportion of terraced dwellings in the NA is therefore below national levels whilst the proportion of semi-detached and especially detached dwellings, is significantly higher in Melksham & Melksham Without than nationally. As expected, due to the rural nature of the NA, the proportion of flats is below levels for the country, relatively in line with the local authority area as a whole.

**Table 5-3: Accommodation type, various geographies, 2021**

Dwelling type	Melksham & Melksham Without		
	Melksham	Wiltshire	England
Bungalow	10.7%	11.7%	9.2%
Flat	11.6%	12.2%	23.7%
Terrace	22.6%	23.4%	26.1%
Semi-detached	29.3%	24.8%	23.7%
Detached	24.7%	26.1%	15.8%
Unknown/other	1.1%	1.8%	1.4%

Source: VOA 2021, AECOM Calculations

## Dwelling size

175. It is also important to look at dwelling sizes, with Table 5-4 showing the 2011 dwelling size mix alongside the net completions between 2011 and 2021 provided by Wiltshire Council. In 2011, 3-bedroom dwellings dominated the NA at 45.1% of all dwellings, followed by smaller 2-bedroom dwellings. Development in the last decade indicates that the majority of development, at 33.2%, was for larger 4-bedroom dwellings. There was also significant development of 2-bedroom and 3-bedroom dwellings, with limited development of the smallest and largest dwellings. Looking specifically at the 2021 size mix, the majority of dwellings were still 3-bedroom, although at a smaller proportion than in 2011. The proportion of 1-bedroom and 2-bedroom dwellings remained very similar to 2011 levels but there was an increase in the proportion of 4-bedroom dwellings from 19.1% to 21.3%.

**Table 5-4: Dwelling size (bedrooms), Melksham & Melksham Without, 2011 and 2021**

Number of bedrooms	2011 (Census)		Completions 2011-2021 (Wiltshire Council)	2021 total (Census + completions)	
	Count	Percentage		Count	Percentage
Studio	15	0.2%	-	15	0.1%
1	617	6.7%	109	726	6.7%
2	2,293	25.1%	469	2,762	25.6%
3	4,131	45.1%	498	4,629	42.9%
4	1,748	19.1%	548	2,296	21.3%
5+	347	3.8%	27	374	3.5%
Total	9,151		1,651	10,802	

Source: ONS 2011, VOA 2021, AECOM Calculations

176. Table 5-5 again considers the dwellings size mix of the NA against the sub areas selected. As with the dwelling type mix, the size mix for Melksham & Bowerhill closely aligns with the NA as a whole. Both Whitley & Shaw and the Wider Countryside Area have a smaller proportion of 1-bedroom dwellings and a larger proportion of 5+ bedroom dwellings than the other two comparator areas. Larger dwelling sizes are more common in Whitley & Shaw, with 39.8% of

dwellings having 4 or more bedrooms, significantly above the levels of the other sub areas and the wider NA. This is in line with the findings in Table 5-2, with Whitley & Shaw characterised by larger, detached, executive dwellings. The Wider Countryside Area has a greater proportion of 2-bedroom dwellings and a smaller proportion of 3-bedroom dwellings than the NA, Melksham & Bowerhill, and Whitley & Shaw. This may suggest that families favour living in the Market Town or Large Village with easier access to amenities such as schools.

**Table 5-5: Dwelling size, NA and comparator areas, 2011**

Dwelling size	NA	Melksham & Bowerhill	Whitley & Shaw	Wider Countryside Area
Studio	0.2%	0.2%	0.2%	0.0%
1	6.7%	7.2%	1.6%	5.6%
2	25.1%	25.2%	16.8%	30.6%
3	45.1%	46.2%	41.6%	34.8%
4	19.1%	18.1%	30.8%	22.1%
5+	3.8%	3.2%	9.0%	7.0%

Source: ONS 2011, AECOM Calculations

177. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Table 5-6 shows that the proportion of smaller 1-bedroom and 2-bedroom dwellings in the NA is significantly below national levels, and more in line with Wiltshire as a whole. The proportion of mid-sized 3-bedroom dwellings is relatively even across all comparator areas whilst the proportion of larger 4-bedroom dwellings is significantly above the proportion across England.

**Table 5-6: Dwelling size (bedrooms), various geographies, 2021**

Number of bedrooms	Melksham & Melksham Without (Census & Completions)	Wiltshire (VOA)	England (VOA)
1	6.7%	7.4%	12.6%
2	25.6%	25.6%	28.4%
3	42.9%	43.6%	43.0%
4	21.3%	18.4%	12.1%
5+	3.5%	4.8%	3.3%

Source: VOA 2021, AECOM Calculations

## Age and household composition

178. Having established the current stock profile of Melksham & Melksham Without and identified recent changes to it, the evidence gathered below examines the composition and age structure of households living in the NA. Many of these indicators have a bearing on what housing might be needed in future years.

## Age structure

179. Table 5-7 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The overall population is estimated to have grown from 21,907 in 2011 to 24,117 in 2020. The table shows that in 2011, the majority of the population was aged 45-64, at 27.0%, followed by those aged 25-44 at 24.6%, indicative of a predominance of family households. Looking to 2020, the proportion of the population aged 45+ grew in all categories. This was most noticeable in the 65-84 age category, with the proportion of the population in this category increasing from 16.1% to 19.2%. Also of note is the decline from 10.0% to 8.0% of the proportion of people aged 16-24 in the NA. This could be indicative of a lack of affordable housing and increasing house prices as young people leaving home may have to move to more affordable areas or for reasons of employment.
180. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
181. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

**Table 5-7: Age structure of Melksham & Melksham Without population, 2011 and 2020**

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	4,320	19.7%	4,627	19.2%
16-24	2,201	10.0%	1,918	8.0%
25-44	5,396	24.6%	5,405	22.4%
45-64	5,924	27.0%	6,795	28.2%
65-84	3,535	16.1%	4,641	19.2%
85 and over	531	2.4%	731	3.0%
Total	21,907	-	24,117	-

Source: ONS 2011, ONS mid-2020 population estimates, AECOM Calculations

182. Table 5-8 compares the NA 2011 population structure to the three sub areas of Melksham & Bowerhill, Whitley & Shaw, and the wider countryside area. This has to be presented using 2011 Census data due to the ONS population projections not being available at a small enough scale to determine populations for the sub-areas.
183. This shows that whilst Melksham & Bowerhill aligns with the NA, there is more significant variation when looking at Whitley & Shaw and the wider countryside area. This is most clear when looking at the population structure of Whitley & Shaw. This sub-area is characterised by an older population than the NA as a whole, with 29.6% of the population aged 65 and over compared to 18.5%

across the wider NA. Also notable is the proportion of the population aged 25-44 in Whitley & Shaw, at 14.8% compared to 24.6% in Melksham & Melksham Without. This may be due to the perceived affordability challenges discussed previously in the Large Village due to a dominance of larger, detached properties. Melksham & Bowerhill had the highest proportion of young people in 2011 at 20.4%, likely due to the public transport links and amenities associated with a larger settlement. It may be that younger people and families tend to reside in the Market Town whilst those with older families or looking to retire (and therefore likely to have greater existing equity) live in Whitley & Shaw or the wider countryside.

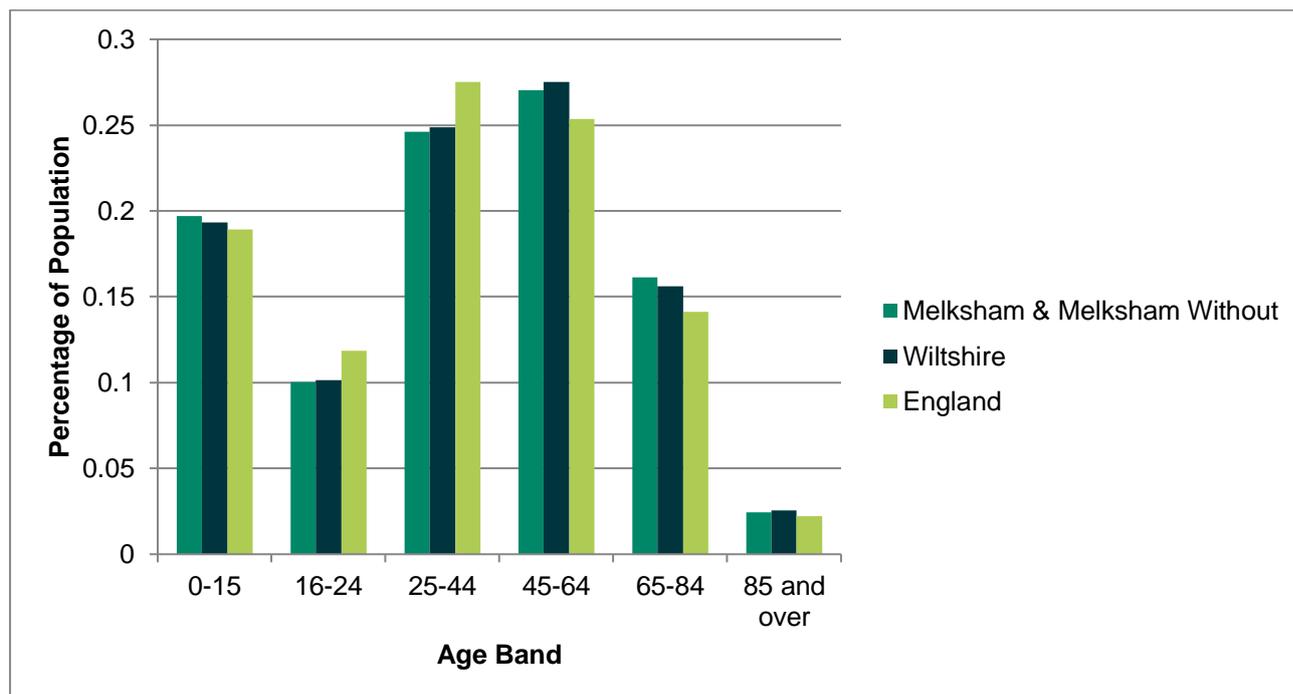
**Table 5-8: Age structure of the NA and sub-areas, 2011**

Age group	NA	Melksham & Bowerhill	Whitley & Shaw	Wider Countryside Area
0-15	19.7%	20.4%	14.8%	15.9%
16-24	10.0%	10.3%	8.6%	8.5%
25-44	24.6%	25.5%	14.8%	22.2%
45-64	27.0%	26.4%	32.2%	30.8%
65-84	16.1%	15.2%	24.4%	21.2%
85 and over	2.4%	2.3%	5.2%	1.4%

Source: ONS 2011, ONS mid-2020 population estimates, AECOM Calculations

184. For context, it is useful to look at the NA population structure alongside that of the local authority area and country. Figure 5-1 (using 2011 Census data) shows that the population structure of Melksham & Melksham Without closely aligns with the population breakdown of the wider Wiltshire local authority area. The graph shows that both the NA and Wiltshire have a greater proportion of the population aged 0-15 than the country, but a smaller proportion aged 16-24 and 25-44, perhaps indicating that young people leave the area when looking for their own home, potentially due to affordability challenges. The proportion of the population aged 45 and over is however greater in Melksham & Melksham Without and Wiltshire than England, indicative of a more rapidly aging local population than nationally.

**Figure 5-1: Age structure in Melksham & Melksham Without, 2011**



Source: ONS 2011, AECOM Calculations

## Household composition

185. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-9 shows that the NA had a smaller proportion of single person households than Wiltshire, and to a greater extent, England. Despite this, there was a greater proportion of single person households aged 65 and over in Melksham & Melksham Without than the comparator areas, indicative of an older skew to the population. The proportion of family households in the NA was significantly above national levels, with this trend also seen in families aged over 65, families with dependent children, and to the greatest extent, families with no children. The greater proportion of family households in the NA may suggest the need for a greater proportion of mid-sized and larger dwellings than nationally.

186. Although the data is relatively dated at this point, it is interesting to look at the changes in household composition between 2001 and 2011. Notably, the proportion of single persons aged 65 and over and of families aged 65 and over grew by 3.1% and 10.7% respectively whilst these proportions fell by 7.3% and 2.0% nationally in this time. This is indicative of a more rapidly aging population in Melksham & Melksham Without than across the country.

**Table 5-9: Household composition, Melksham & Melksham Without, 2011**

Household composition		Melksham & Melksham Without	Wiltshire	England
<b>One person household</b>	<b>Total</b>	<b>27.1%</b>	<b>26.7%</b>	<b>30.2%</b>
	Aged 65 and over	13.1%	12.7%	12.4%
	Other	14.0%	14.0%	17.9%
<b>One family only</b>	<b>Total</b>	<b>67.5%</b>	<b>68.1%</b>	<b>61.8%</b>
	All aged 65 and over	10.1%	10.1%	8.1%
	With no children	20.1%	21.3%	17.6%
	With dependent children	28.0%	28.0%	26.5%
	With non-dependent children <sup>27</sup>	9.3%	8.7%	9.6%
<b>Other household types</b>	<b>Total</b>	<b>5.4%</b>	<b>5.2%</b>	<b>8.0%</b>

Source: ONS 2011, AECOM Calculations

## Occupancy ratings

187. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

188. Under-occupancy is relatively common in Melksham & Melksham Without, with 77.0% of households living in a dwelling with at least one extra bedroom in relation to their needs. This is most common in family households aged 65+, at 96.4% under-occupancy, and family households under 65 with no children, at 96.1% under-occupancy. This may suggest that larger housing in the NA isn't therefore being occupied by households with the most family members, but by households with the most wealth or by older people who have not chosen to or been able to move to smaller properties. There is also some over-occupancy in the NA, with 5.4% of family households under 65 with dependent children living in a dwelling with too few bedrooms for their needs. Overall, 20.4% of households are considered to be living in a dwelling of appropriate size based on their household size.

<sup>27</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

**Table 5-10: Occupancy rating by age in Melksham & Melksham Without, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	69.5%	26.9%	3.6%	0.0%
Single person 65+	44.8%	38.7%	16.6%	0.0%
Family under 65 - no children	71.3%	24.8%	3.9%	0.0%
Family under 65 - dependent children	18.7%	41.1%	34.8%	5.4%
Family under 65 - adult children	23.8%	46.1%	27.8%	2.4%
Single person under 65	43.6%	35.9%	20.5%	0.0%
All households	41.5%	35.5%	20.4%	2.6%

Source: ONS 2011, AECOM Calculations

## Dwelling mix determined by life-stage modelling

### Suggested future dwelling size mix

189. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the NA at the end of the Neighbourhood Plan period. The steps involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:

- The starting point is the age distribution of Melksham & Melksham Without households in 2011.
  - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
  - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
  - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
  - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.

- The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
  - Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
    - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
190. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
191. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model 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 considered entirely appropriate for the purpose of drafting neighbourhood plan policy.
192. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
193. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for Wiltshire in 2011. This shows how the youngest households 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 Wiltshire, 2011**



Source: ONS 2011, AECOM Calculations

194. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Melksham & Melksham Without households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-11 makes clear that population growth can be expected to be driven by the oldest households, with the greatest growth expected to be in households with a household reference person aged 65 and over, with this category increasing by 72% in the plan period. In this circumstance, households with a household reference person aged 65 and over would increase from 29.1% of households in 2011 to 41.1% of households in 2036. There is also expected to be an increase in the proportion of households with a household reference person aged 55 to 64 of 12%. There is little change in the proportion of households with a household reference person aged 25-54 and a decline in the proportion of households with a household reference person aged under 24. This is indicative of an aging population alongside a decline in families with dependent children.

**Table 5-11: Projected distribution of households by age of HRP, Melksham & Melksham Without**

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	249	982	3,638	1,619	2,663
2036	214	1,048	3,493	1,817	4,584
% change 2011-2036	-14%	7%	-4%	12%	72%

Source: AECOM Calculations

195. The final result of this exercise is presented in Table 5-12. The model suggests that the target mix at the end of the plan period should remain dominated by mid-sized 3-bedroom dwellings, but to a lesser extent than in 2011. It is also suggested that this is followed by 2-bedroom dwellings at 25.2% of the mix, and then 4-bedroom dwellings at 19.6% of the mix.
196. This suggested mix is for the whole Melksham & Melksham Without NA and it is therefore also important to take into consideration the existing dwelling mixes and populations in the sub-areas. Some adjustment to the mix outlined in Table 5-12 will likely be necessary when creating policy for the sub areas, particularly the Large Village of Whitley/Shaw. As discussed earlier in the report, the dwelling mix in Whitley & Shaw is weighted towards larger dwellings at 39.8% of dwellings having 4 or more bedrooms, with the lowest levels of 1 and 2-bedroom dwellings. Therefore, the Steering Group may prefer to adjust the size mix when looking at this sub-area specifically, increasing the proportion of smaller dwellings. The population in Whitley & Shaw is also more heavily dominated by older persons and so the demand for downsizing may be greater here.
197. In order to reach the target mix shown in Table 5-12, it is suggested that new development is brought forward in a relatively even split for 2-bedroom, 3-bedroom, and 4-bedroom dwellings, at 25.4%, 23.7%, and 21.5% respectively. Delivery in these size categories would likely serve a large proportion of the population and household types, including older persons looking to downsize, young couples purchasing their first home, and growing families. As discussed, depending on what the community wish to achieve in each sub-area, this will likely need to be adjusted to account for the already existing imbalances in the size mix throughout the NA.
198. Table 5-12 looks at the suggested size mix of all dwellings in the NA, both market and affordable. It may therefore be helpful to also look at the current Housing Register waiting list size mix, even though this is a snapshot of present day affordable rented housing need as opposed to projecting to the end of the plan period. The data provided by Wiltshire Council indicates that the majority of need for affordable rented housing in Melksham & Melksham Without is for 1-bedroom dwellings, at 34.8%, emphasising the need for increased delivery of smaller dwellings in the NA. This is followed closely by 3-bedroom dwellings at 32.3%, indicating a significant demand from family households. The smallest need, as expected within this tenure, is in the larger dwellings with 4, 5, and 6+ bedrooms. It is likely that social and affordable rented dwellings would be delivered in the more built-up sub-area of Melksham & Bowerhill as there is greater access to amenities and public transport, as well as a higher likelihood of larger developments over the Affordable Housing threshold.

**Table 5-12: Suggested dwelling size mix to 2036, Melksham & Melksham Without**

<b>Number of bedrooms</b>	<b>Current mix (2011)</b>	<b>Target mix (2036)</b>	<b>Balance of new housing to reach target mix</b>
1 bedroom	6.7%	7.8%	12.4%
2 bedrooms	25.1%	25.2%	25.4%
3 bedrooms	45.1%	41.3%	23.7%
4 bedrooms	19.1%	19.6%	21.5%
5 or more bedrooms	3.8%	6.2%	17.1%

Source: AECOM Calculations

199. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
200. Once again, it is important to consider the community consultation undertaken in May and June 2022. This found that, in line with Table 5-12, the greatest need is for 2-bedroom dwellings in Melksham & Melksham Without, followed by 3-bedroom dwellings. AECOM modelling suggests a greater need for larger dwellings than found in the survey but as mentioned in the previous chapter, surveys such as this only represent a segment of the population, and it is important to still deliver some larger dwellings to meet the needs of family households in the NA and households that may require larger affordable dwellings.
201. While the provision of Affordable Housing (subsidised tenure products) is one way to combat affordability challenges, 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, as demonstrated by the Housing Register size mix.
202. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms. However, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance in some areas because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix but is among the good reasons not to inhibit any size of dwelling entirely.

## The SHMA findings

203. The Swindon & Wiltshire Strategic Housing Market Assessment (SHMA) 2017 highlights a number of findings relevant to the type and size of dwellings:

- It was identified that most of the market housing need is for houses, with the need for flats at just over 2%. However, when looking at Affordable Housing, flats accounted for around 28% of need.
- Overall, the findings suggest that the majority of housing needed (specifically for houses) is 3-bedroom at 58.8%, followed by 1/2-bedroom at 19.5%. When looking at flats specifically, over half (51.1%) of the need is for 1-bedroom dwellings.
- The Chippenham HMA was identified as having the lowest levels of overcrowding of the HMAs, at less than half the national average. This may be indicative of larger dwellings in the NA.

## Conclusions- Type and Size

204. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

### Current dwelling mix

205. The greatest proportion of dwellings in the NA in both 2011 and 2021 was semi-detached dwellings, followed by detached dwellings. Dwelling completions data from 2011/12 to 2020/21 showed that 13.1% of completions were flats, with the vast majority (86.9%) being houses. The proportion of bungalows in Melksham & Melksham Without is above levels for England but below Wiltshire. The proportion of terraced dwellings in the NA is below national levels whilst the proportion of semi-detached and especially detached dwellings, is significantly higher in Melksham & Melksham Without than nationally.

206. Looking at sub-areas, the most notable difference to the NA average is the fact that the vast majority of dwellings in Whitley & Shaw in 2011 were detached, at 60.4% compared to 29.1% across the NA as a whole. This is indicative of a settlement lacking smaller more affordable properties, with detached dwellings often the largest and the most expensive. It could therefore be surmised that a large amount of the wealth in the NA is concentrated in this sub-area and there is a clear lack of Affordable Housing here.

207. It is also important to look at dwelling sizes. In 2011, 3-bedroom dwellings dominated the NA, followed by smaller 2-bedroom dwellings. The majority of development in the last decade, at 33.2%, was for larger 4-bedroom dwellings. In 2021, the majority of dwellings were still 3-bedroom, although at a lower

proportion than in 2011. The proportion of smaller dwellings remained similar to 2011 levels but there was an increase in the proportion of 4-bedroom dwellings. The proportion of smaller dwellings in the NA is significantly below national levels, and more in line with Wiltshire as a whole.

208. The proportion of mid-sized dwellings is relatively even across all comparator areas whilst the proportion of larger 4-bedroom dwellings is significantly above the proportion across England. The size mix for Melksham & Bowerhill closely aligns with the NA as a whole. Larger dwelling sizes are considerable in Whitley & Shaw, significantly above the levels of the other sub areas and the wider NA. The Wider Countryside Area has a greater proportion of 2-bedroom dwellings and a smaller proportion of 3-bedroom dwellings than the NA, and the sub areas of Melksham & Bowerhill, and Whitley & Shaw.

## **Demographics**

209. The overall NA population is estimated to have grown from 21,907 in 2011 to 24,117 in 2020. In 2011 the majority of the population was aged 45-64, followed by those aged 25-44, indicative of a predominance of family households. Looking to 2020, the proportion of the population aged 45+ grew in all categories. The population structure of Melksham & Melksham Without closely aligns with the population breakdown of the wider Wiltshire local authority area. The proportion of the population aged 45 and over is greater in the NA and local authority area than England, indicative of a more rapidly aging local population than nationally. Population growth to the end of the plan period can be expected to be driven by the oldest households, with 72% growth expected in households with a household reference person aged 65 and over.
210. Looking at the sub-areas, whilst Melksham & Bowerhill aligns with the NA, there is more significant variation when looking at Whitley & Shaw and the wider countryside area. The Whitley & Shaw sub-area is characterised by an older population than the NA as a whole. Melksham & Bowerhill had the largest proportion of young people. It may be that younger people and families tend to reside in the Market Town whilst those with older families or looking to retire live in Whitley & Shaw or the wider countryside.
211. Under-occupancy is relatively common in the NA, with 77.0% of households living in a dwelling with at least one extra bedroom in relation to their expected needs. This is most common in family households aged 65+ and family households under 65 with no children, suggesting that larger housing is being occupied by households with the most wealth or by older people who have not chosen to or been able to move to smaller properties.

## **Future size mix**

212. AECOM modelling suggests that the target mix at the end of the plan period should remain dominated by mid-sized 3-bedroom dwellings, but to a lesser extent than in 2011. It is also suggested that this is followed by 2-bedroom dwellings and then 4-bedroom dwellings. This mix may require some adjustment for the sub-areas based on the existing dwelling mixes and populations in these areas. For example, the Steering Group may prefer to

adjust the size mix when looking Whitley & Shaw, increasing the proportion of smaller dwellings. In order to reach the target mix shown in the model, it is suggested that new development is brought forward in a relatively even split for 2-bedroom, 3-bedroom, and 4-bedroom dwellings. As discussed, depending on what the Steering Group wish to achieve in each sub-area, this will likely need to be adjusted to account for the already existing imbalances in the size mix throughout the NA.

213. It would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

## 6. RQ 3: Specialist housing for older people

***RQ 3: What provision should be made for specialist housing for older and disabled people over the Neighbourhood Plan period?***

### Introduction

214. This chapter considers in detail the specialist housing needs of older and disabled people in Melksham & Melksham Without. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
- Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.

215. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.

216. 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.

217. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,<sup>28</sup> which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

218. 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 a baseline

---

<sup>28</sup> Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

as opposed to the projected new households which form the baseline for estimating housing need overall.<sup>29</sup>

219. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>30</sup> Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line 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.

## **Current supply of specialist housing for older people**

220. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
221. Table 6-1 counts a total of 447 units of specialist accommodation in the NA at present, around half of which (52.6%) are available for social rent for those in financial need. Around 40.7% are available for leasehold market purchase, with the remaining 6.7% available for leasehold market purchase, shared ownership, and market rent, with no clear split between these tenures. It is important to note that all of these schemes are for retirement housing, with no extra-care housing currently available in the NA.
222. ONS 2020 population estimates suggest that there are currently around 2,591 individuals aged 75 or over in Melksham & Melksham Without. This suggests that current provision is in the region of 173 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

---

<sup>29</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>30</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)

**Table 6-1: Existing specialist housing for the elderly in Melksham & Melksham Without**

Name	Description	Units	Tenure	Type	
1	Crown House	Mix of 1-bedroom and 2-bedroom flats, accepting residents from 55 years of age.	42	Leasehold	Retirement Housing
2	Dorset Crescent	2-bedroom bungalows.	30	Rent (social landlord)	Retirement Housing
3	Giffords Court	Mix of 1-bedroom and 2-bedroom flats.	43	Leasehold	Retirement Housing
4	Kestrel Court & Dowding Court	A mix of 1-bedroom, 2-bedroom, and 3-bedroom flats and bungalows.	61	Rent (social landlord)	Retirement Housing
5	Ludlow Hewitt Court	1-bedroom and 2-bedroom flats. Accepts residents from 55 years of age.	23	Rent (social landlord)	Retirement Housing
6	Meadowsweet Place	1-bedroom and 2-bedroom flats accepting residents from 60 years of age.	30	Leasehold, rent (market), and shared ownership	Retirement Housing
7	Orchard Gardens	Mix of 1-bedroom and 2-bedroom bungalows.	34	Rent (social landlord)	Retirement Housing
8	Rowley Place	Mix of 1-bedroom and 2-bedroom flats and bungalows.	57	Rent (social landlord)	Retirement Housing
9	Thornbank	1-bedroom and 3-bedroom studios.	30	Rent (social landlord)	Retirement Housing
10	Thornleigh	Mix of 1-bedroom and 2-bedroom flats and bungalows. Accepts new residents from 55 years of age.	21	Leasehold	Retirement Housing
11	Wharf Court	2-bedroom flats including mobility standard properties.	76	Leasehold	Retirement Housing
Total		-	447	-	-

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

## Tenure-led projections

223. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Wiltshire, as this is

the most recent and smallest geography for which tenure by age bracket data is available.

224. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2036. 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.

225. According to Table 6-2, the majority of households aged 55-75 in Wiltshire in 2011 owned their own home at 80.2%, with 19.8% renting their home. It is important to note that of the older households renting in Wiltshire, the majority lived in social rented dwellings, at 11.7% of all households. It may be surmised that the existing stock of specialist older persons housing in the NA does not cater enough for the owner occupied sector based on the tenure split in Table 6-2. However, this is before taking into consideration mobility limitations specific to the NA and the fact that home adaptations may be more suitable for households that own their own home than those living in the social rented or private rented sector.

**Table 6-2: Tenure of households aged 55-75 in Wiltshire, 2011**

All owned	Owned			Social rented	Private rented	Living rent free
	Owned outright	(mortgage) or Shared Ownership	All Rented			
<b>80.2%</b>	56.2%	24.1%	<b>19.8%</b>	11.7%	6.6%	1.4%

Source: Census 2011

226. The next step is to project how the overall number of older people in Melksham & Melksham Without is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Wiltshire at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3. The table shows that in both 2011 and 2036, the NA and Wiltshire have the same proportion of the population aged 75+. This is projected to increase significantly in this time from 8.6% of people aged 75+ to 14.5% by the end of the plan period.

**Table 6-3: Modelled projection of elderly population in Melksham & Melksham Without by end of Plan period**

Age group	2011		2036	
	Melksham & Melksham Without	Wiltshire	Melksham & Melksham Without	Wiltshire
All ages	21,907	470,981	25,167	541,068
75+	1,875	40,418	3,643	78,539
%	8.6%	8.6%	14.5%	14.5%

Source: ONS SNPP 2020, AECOM Calculations

227. A key assumption for the next stages of the calculation 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).

228. The people whose needs are the focus of the subsequent analysis are therefore the additional 1,768 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Wiltshire in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 40,418 individuals aged 75+ and 28,655 households headed by a person in that age group. The average household size is therefore 1.41, and the projected growth of 1,768 people in Melksham & Melksham Without can be estimated to be formed into around 1,253 households.

229. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in Table 6-2). This is set out in Table 6-4. This provides a breakdown of which tenures those households are likely to need.

**Table 6-4: Projected tenure of households aged 75+ in Melksham & Melksham Without to the end of the Plan period**

Owned	Owned outright	Owned (mortgage) or shared ownership	All rented	Social rented	Private rented	Living rent free
<b>1,006</b>	704	302	<b>248</b>	147	83	17

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

230. Next, rates of disability by tenure are considered. 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 6-5 presents this data for Melksham & Melksham Without from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group. This shows, as expected, that the greatest proportion of those with their day-to-day activities limited a lot falls within the social rented sector at 38.4% compared to 18.1% for those that own their home.

**Table 6-5: Tenure and mobility limitations of those aged 65+ in Melksham & Melksham Without, 2011**

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>831</b>	<b>21.2%</b>	<b>1,073</b>	<b>27.3%</b>	<b>2,025</b>	<b>51.5%</b>
<b>Owned Total</b>	<b>593</b>	<b>18.1%</b>	<b>872</b>	<b>26.6%</b>	<b>1,808</b>	<b>55.2%</b>
Owned outright	520	18.2%	768	26.9%	1,572	55.0%
Owned (mortgage) or shared ownership	73	17.7%	104	25.2%	236	57.1%
<b>Rented Total</b>	<b>238</b>	<b>36.3%</b>	<b>201</b>	<b>30.6%</b>	<b>217</b>	<b>33.1%</b>
Social rented	196	38.4%	168	32.9%	147	28.8%
Private rented or living rent free	42	29.0%	33	22.8%	70	48.3%

Source: DC3408EW Health status

231. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is 616.

232. These findings are set out in the table, 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.

**Table 6-6: AECOM estimate of specialist housing need in Melksham & Melksham Without by the end of the Plan period**

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	<b>272</b>
	90	182	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	<b>344</b>
	76	268	
<b>Total</b>	<b>166</b>	<b>450</b>	<b>616</b>

Source: Census 2011, AECOM Calculations

## Housing LIN-recommended provision

233. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table 6-7 reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

234. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+.

**Table 6-7: Recommended provision of specialist housing for older people from the 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

235. As Table 6-3 shows, Melksham & Melksham Without is forecast to see an increase of 1,786 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent =  $60 \times 1.768 = 106$
- Leasehold sheltered housing =  $120 \times 1.768 = 212$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 1.768 = 35.4$
- Extra care housing for rent =  $15 \times 1.768 = 26.5$
- Extra care housing for sale =  $30 \times 1.768 = 53.1$
- Housing based provision for dementia =  $6 \times 1.768 = 10.6$

236. This produces an overall total of 444 specialist dwellings which might be required by the end of the plan period.

237. Table 6-8 sets out the HLIN recommendations in the same format as Table 6-6. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

**Table 6-8: HLIN estimate of specialist housing need in Melksham & Melksham Without by the end of the Plan period**

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	<b>126</b>
	55	71	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	<b>318</b>
	106	212	
<b>Total</b>	<b>161</b>	<b>283</b>	<b>444</b>

Source: Housing LIN, AECOM calculations

## SHMA findings

238. The Swindon & Wiltshire Strategic Housing Market Assessment (SHMA) 2017 highlights a number of findings relevant to older persons specialist housing:

- The modelled demand for older persons housing suggests a need for 2,010 extra-care dwellings, 900 sheltered dwellings, 270 dementia dwellings, and 5,340 leasehold schemes for the elderly within Wiltshire Unitary Authority over the plan period. This totals 8,520. If this figure is pro-rated to the NA based on mid-2020 population estimates, it suggests a need for 407.3 units of older persons housing in the NA between 2016 and 2036, not dissimilar to the HLIN figure calculated above specifically for Melksham & Melksham Without. The pro-rated figure does not consider local factors such as the projected age profile of the NA specifically or the mobility limitations experienced by residents but is a good benchmark for comparison.

## Conclusions- Specialist Housing for Older People

239. The existing stock of specialist older persons housing in Melksham & Melksham Without consists entirely of retirement housing, with no provision for extra-care. Just over half of this provision is for social rent, with the rest a mix of leasehold purchase, shared ownership, and market rent.

240. It is projected that there will be an increase of 1,768 individuals in the 75+ age category between 2011 and 2026 in Melksham & Melksham Without, increasing the proportion of those aged 75+ in the population from 8.6% to 14.5% by the end of the plan period, in line with the existing and projected proportions across Wiltshire.

241. 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.
242. These two methods of estimating the future need in Melksham & Melksham Without produce a range of 444 to 616 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
243. It is important to take into consideration the breakdown of levels of care and tenure within the need for specialist housing for older persons. When considering the AECOM calculation outlined in Table 6-6, the majority of the need, at 73.1%, is identified for market specialist housing. Slightly more need is identified for sheltered housing at 55.8% compared to 44.2% extra-care. The greatest sub-category of need was identified for market sheltered housing at 43.5% of the total need.
244. However, this need is for individuals with less severe mobility limitations and market housing is considered the most appropriate for adaptations, so at least some of this need could be met through adaptations or through ensuring that all new housing is accessible and adaptable for people with lower support needs. It is worth noting that the adopted Local Plan for Wiltshire expects proposals for extra-care schemes in the local authority area to provide an Affordable Housing contribution in line with other forms of development.
245. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. Groups could also explore site allocations or promoting this type of residential development. The local level evidence supplied in this report could be used to influence local authority level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
246. The adopted Local Plan Core Policy 46 (Meeting the needs of Wiltshire's vulnerable and older people) provides explicit encouragement for development to accommodate specific groups such as older people. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the Steering Group approaching the LPA to discuss setting requirements on accessibility and adaptability at a local authority level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

247. 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, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the local authority area falling into this category.
248. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
  - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
  - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
249. 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 elderly 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).
250. It is considered that Melksham & Melksham Without 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 Melksham & Melksham Without in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself.
251. It is important to note the differences in the settlements of Melksham & Melksham Without. Whilst the provision of specialist housing for older persons would likely be appropriate in Melksham & Bowerhill due to public transport links and access to amenities, it would likely be less appropriate in the smaller settlements of Beanacre and Berryfield. Therefore, it may be appropriate that specialist older persons housing is focussed on the more built-up areas of Melksham & Bowerhill, and potentially at a smaller scale in Whitley & Shaw. Due to the greater suitability of Melksham Town for the provision of specialist older persons housing, the need figures have not been pro-rated for the sub areas as it is likely that regardless of the location of need, the provision would be delivered in the larger settlement.

252. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

## 7. Next Steps

### Recommendations for next steps

253. This Neighbourhood Plan housing needs assessment aims to provide Melksham & Melksham Without 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 Wiltshire 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 Wiltshire Council;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents; and
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Wiltshire Council.

254. 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.

255. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Wiltshire Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

256. 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.

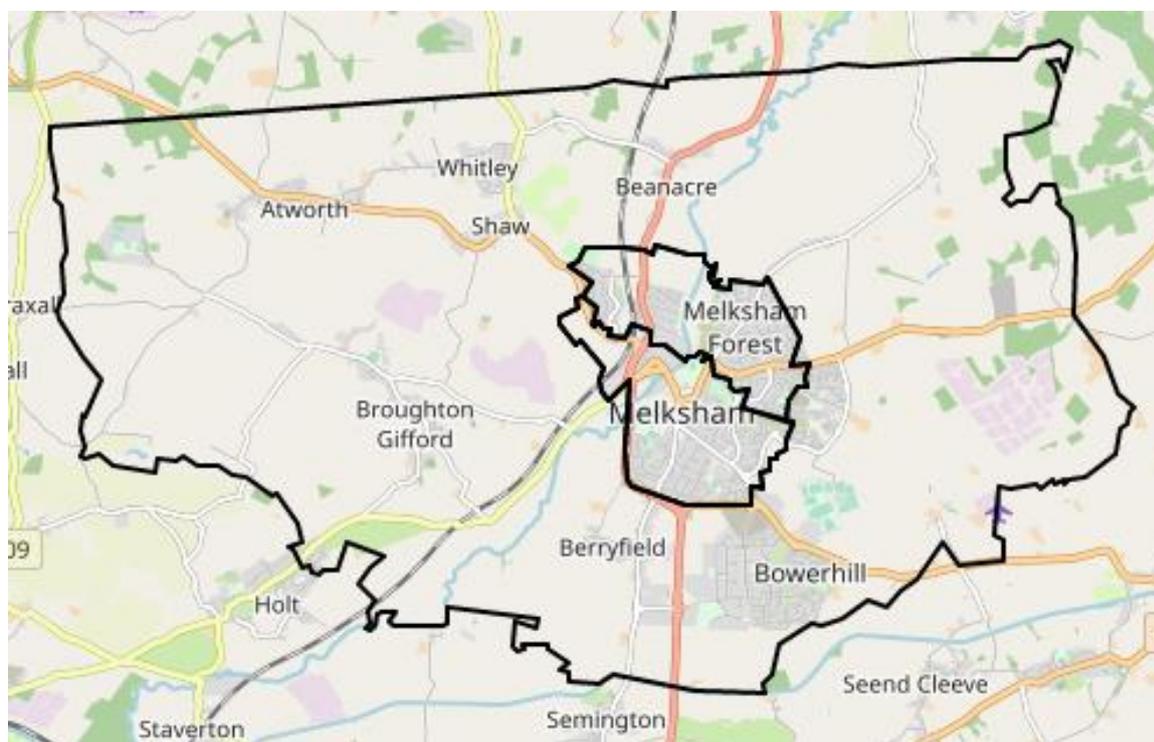
# Appendix A : Calculation of Affordability Thresholds

## A.1 Assessment geography

257. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.

258. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Melksham & Melksham Without, it is considered that the MSOAs of E02006680, E02006678, and E02006679 are the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of these appears in Figure A-1. It is worth noting that MSOAs E02006680 and E02006678 are wholly part of the NA, covering most of the built-up town of Melksham, with MSOA E02006679 covering Melksham Without as well as the settlements of Atworth and Broughton Gifford which are outside of the NA. However, this area is the best geographical proxy that can be used for income data.

**Figure A-1: MSOA E02006680, MSOA E02006678, and MSOA E02006679 used as a best-fit geographical proxy for the Neighbourhood Area**



Source: ONS

## A.2 Market housing

259. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
260. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

### i) Market sales

261. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) 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.
262. 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 Melksham & Melksham Without, 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.
263. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2021) = £250,000;
  - Purchase deposit at 10% of value = £25,000;
  - Value of dwelling for mortgage purposes = £225,000;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £64,286.
264. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £205,000, and the purchase threshold is therefore £52,714.
265. Finally, it is 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 67 sales of new build properties in the NA in 2021. The lower quartile (entry-level) new build house price in the NA in 2021 was £224,648, with a purchase threshold of £57,767. Additionally, the median new build house price in the NA in 2021 was £265,000, with a purchase threshold of £68,143.

## ii) Private Rented Sector (PRS)

266. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
267. 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.
268. The property website Rightmove.co.uk shows rental values for property in the Neighbourhood Area. According to Rightmove.co.uk, there were 23 properties for rent at the time of search in May 2022, with an average monthly rent of £748. There were 10 one-bed properties listed, with an average price of £571 per calendar month.
269. The calculation for the private rent income threshold for entry-level (1-bedroom) dwellings is as follows:
- Annual rent = £571 x 12 = £6,846;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £22,820.
270. The calculation is repeated for the overall average to give an income threshold of £29,906.

## A.3 Affordable Housing

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

### i) Social rent

272. 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.
273. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Melksham & Melksham Without. This data provides information about rents and

the size and type of stock owned and managed by private registered providers and is presented for Wiltshire in the Table A-1.

274. 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 A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£86.42	£98.54	£108.83	£120.82	£101.17
Annual average	£4,494	£5,124	£5,659	£6,283	£5,261
Income needed	£14,964	£17,063	£18,845	£20,921	£17,519

Source: Homes England, AECOM Calculations

## ii) Affordable rent

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

276. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

277. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Wiltshire. Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

278. Comparing this result with the average 1-bedroom annual private rent above indicates that affordable rents in the NA are in line with the maximum of 80% of market rents at 79.2%. This feature is necessary to make them achievable to those in need.

**Table A-2: Affordable rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£104.25	£123.75	£148.93	£182.59	£128.50
Annual average	£5,421	£6,435	£7,744	£9,495	£6,682
Income needed	£18,052	£21,429	£25,789	£31,617	£22,251

Source: Homes England, AECOM Calculations

### **iii) Affordable home ownership**

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

#### **First Homes**

281. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.
282. The starting point for these calculations is therefore the average cost of entry level new build housing in Melksham & Melksham Without, noted above of £224,648.
283. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (NA LQ) = £224,648;
  - Discounted by 30% = £157,253;
  - Purchase deposit at 10% of value = £15,725;
  - Value of dwelling for mortgage purposes = £141,528;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £40,437.
284. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £34,660 and £28,883 respectively.
285. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. All of the discounted prices are also below the £250,000 cap.
286. 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 £1,500 per sq. m) would be around £105,000. This cost excludes any land value or developer profit. This may be an issue with First Homes at a 50% discount in Melksham & Melksham Without, with the discounted value of £112,324.

### **Shared ownership**

287. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
288. 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.
289. To determine the affordability of shared ownership, calculations are again based on the average cost 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).
290. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £224,648 is £56,162;
  - A 10% deposit of £5,616 is deducted, leaving a mortgage value of £50,546;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £14,442;
  - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £168,486;
  - The estimated annual rent at 2.5% of the unsold value is £4,212;
  - This requires an income of £14,041 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
  - The total income required is £28,482.
291. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £22,625 and £38,244 respectively.
292. All of the income thresholds are below the £80,000 cap for eligible households.

### **Rent to Buy**

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

### **Help to Buy (Equity Loan)**

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

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

# Appendix B : 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 = £200,000/£25,000 = 8, (the house price is 8 times income).

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

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

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

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

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

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

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>31</sup>.

### **Age-Restricted General Market Housing**

A type of housing which is generally for people aged 55 and over and the active elderly. 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>32</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 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.

---

<sup>31</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>32</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

## **Co-living**

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

## **Community Led Housing/Community Land Trusts**

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

## **Community Right to Build Order<sup>33</sup>**

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

## **Concealed Families (Census definition)<sup>34</sup>**

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

## **Equity Loans/Shared Equity**

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

---

<sup>33</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>34</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

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

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

## **Fair Share**

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

## **First Homes**

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

## **Habitable Rooms**

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

## **Household Reference Person (HRP)**

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

## **Housing Market Area**

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

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

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

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

## **Housing Size (Census Definition)**

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

## **Housing Type (Census Definition)**

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

## **Housing Tenure (Census Definition)**

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

## **Income Threshold**

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

## **Intercensal Period**

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

## **Intermediate Housing**

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

## **Life Stage modelling**

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

## **Life-time Homes**

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

## **Life-time Neighbourhoods**

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

## **Local Development Order**

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

## **Local Enterprise Partnership**

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

## **Local housing need (NPPF definition)**

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 61 of this Framework).

## **Local Planning Authority**

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

## **Local Plan**

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

## **Lower Quartile**

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

## **Lower Quartile Affordability Ratio**

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

## **Market Housing**

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

## **Mean (Average)**

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

## **Median**

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

## **Median Affordability Ratio**

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

## **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>35</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 the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

## **Output Area/Lower Super Output Area/Middle Super Output Area**

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

## **Overcrowding**

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

---

<sup>35</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

### **Retirement Living or Sheltered Housing**

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

### **Residential Care Homes and Nursing Homes**

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

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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>36</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 usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bed roomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also

---

<sup>36</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

### **Strategic Housing and Economic Land Availability Assessment**

A Strategic Housing and Economic Land Availability Assessment (SHELAA) 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 and economic needs over the Plan period. SHELAA's are sometimes also called SHLAA's (Strategic Housing Land Availability Assessments), LAAs (Land Availability Assessments), or HELAA's (Housing and Economic Land Availability Assessments) so as to integrate the need to balance assessed housing and economic needs as described below.

### **Strategic Housing Market Assessment (NPPF Definition)**

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

### **Specialist Housing for the Elderly**

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>37</sup>

---

<sup>37</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

