

Report to:

**Hinckley & Bosworth
Borough Council**

**Housing Needs
Study**

Final Report

April 2024

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Summary

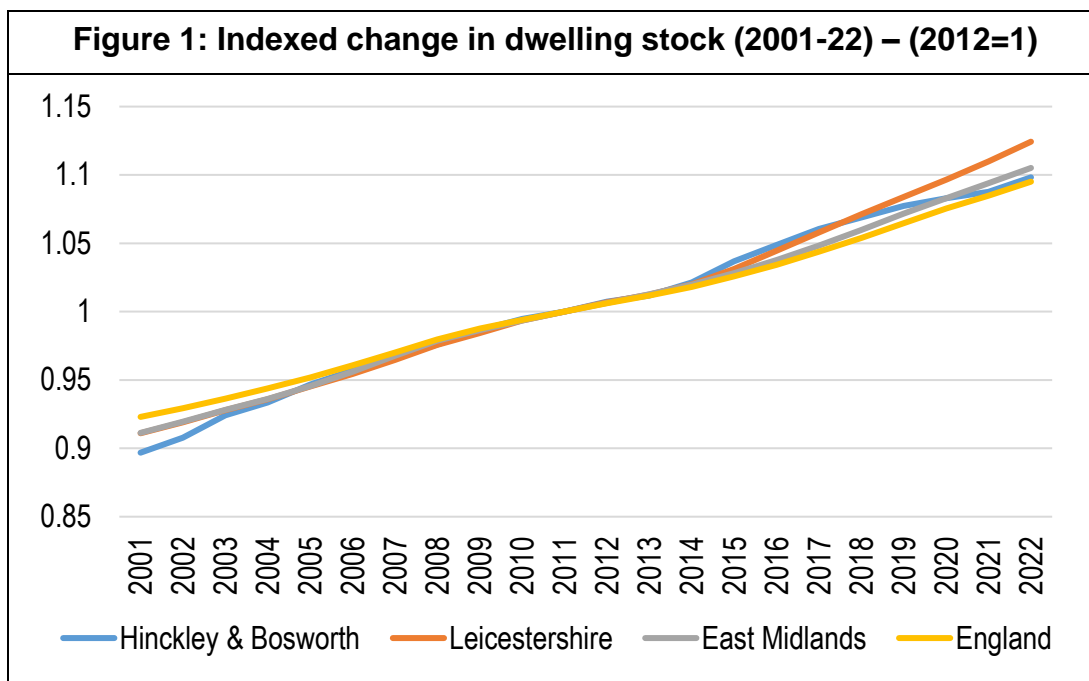
Background

1. This report provides an updated Housing Needs Study (HNS) for Hinckley & Bosworth Borough Council. This report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
2. The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.
3. The report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
 - Area Profile;
 - Overall Housing Need;
 - Affordable Housing Need;
 - Housing Mix;
 - Older and Disabled People; and
 - Other Groups.

Area Profile

4. Analysis was carried out to provide background information about population and housing in Hinckley & Bosworth. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:
 - Demographic baseline (including data on population age structure and changes);
 - Housing stock (including type and tenure); and
 - Housing market (including data on house prices)

5. As of mid-2021, the population of Hinckley & Bosworth is 113,700 and since 2011 the Borough's population has grown by around 8% which is a similar rate of growth as across the East Midlands but above the national figure.
6. The age structure of the population is also slightly different to other areas, with fewer people aged in their 20s and 30s, and slightly higher proportions of older people. Over the past decade, the Borough has seen an ageing of the population, with the number of people aged 65 and over increasing by 31%; there have however also been increases in the number of children and people of 'working-age' (taken to be 16-64).
7. Population growth in the Borough is largely driven by internal migration – moves from one part of the UK to another, although there are also typically positive levels of international migration. Natural change has been negative over the past few years (i.e. more deaths than births).
8. ONS dwelling stock data indicates there were 51,000 dwellings in the Borough as of 2021, a net increase of 4,100 dwellings between 2011 and 2021. As with population growth, rates of change in dwelling numbers have been similar to the levels seen across the East Midlands (and similar to but slightly above the national average).

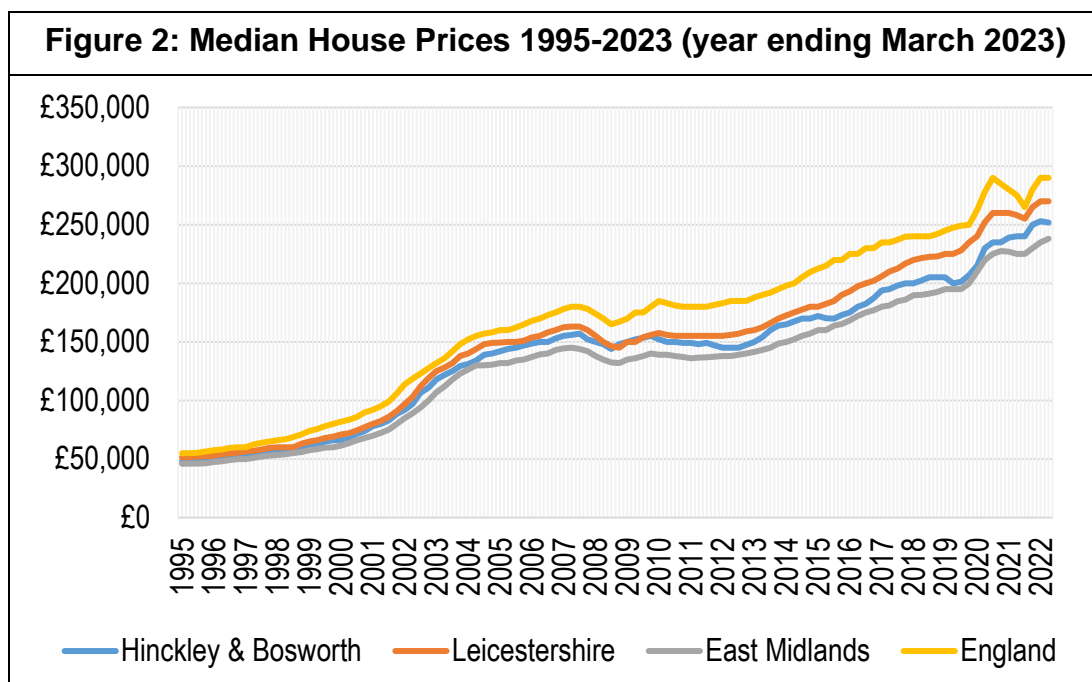


Source: DLUHC (Live Table 125)

9. Some 75% of all households in the Borough are owner-occupiers, higher than the national average of 62% (and higher than the East Midlands average), consequently the proportion of households living in the social rented (10%) and private rented (14%) sectors is lower than seen in other locations.

10. The housing stock is dominated by detached and semi-detached homes, both making up 38% of all dwellings (nationally only 23% of homes are detached). The stock overall is of a slightly larger average size in terms of the number of bedrooms (when compared nationally). The Borough does see relatively high levels of under-occupancy and low levels of overcrowding – 1.5% of households are overcrowded compared to 4.4% nationally.

11. In the year to March 2023 the median house price in Hinckley & Bosworth was around £250,000. This is above the median house price for the East Midlands, but is 13% below the national average. Prices have also been increasing significantly, rising by 74% (£107,000) over the decade to March 2023.



Source: ONS Small Area House Price Statistics

12. In line with house prices, the Borough typically sees higher private rental costs than across the East Midlands, but lower in a national context – the median private rent for a 2-bedroom home standing at £675 per month in the year to March 2023. Rents overall are around 16% below the national average (compared with 13% when looking at median house prices). Over the past five years rents have increased by around 21%, slightly lower than the increase in house prices over the same period (29%).
13. In line with national trends, affordability in the Borough has worsened with the workplace based median affordability ratio in Hinckley & Bosworth standing at 8.55 in 2022 (10-years previously it stood at 5.79) – this is based on the ratio between median house prices and full-time earnings.
14. The analysis also looked at how key data varied across different parts of the Borough (based on wards and an Urban/Rural split). There are clearly differences between areas and arguably the differences between locations within the Borough are greater than differences between the Borough as a whole and the regional/national picture. Overall, the data points to Hinckley & Bosworth as having a range of similar characteristics to the regional/national picture but with variations within the Borough.

Overall Housing Need

15. The HNS studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 468 dwellings per annum. This is based on household growth of 364 per annum and an uplift for affordability of 28%.
16. The report has considered whether there are exceptional circumstances to move away from the Standard Method (either in an upward or downward direction). This looked at up-to-date demographic trends and is also mindful of the latest NPPF of December 2023 which points to there being some strengthening of the encouragement for local authorities to consider exceptional circumstances.
17. Firstly the report tested the data used in the 2014-projections as ONS has subsequently revised key trend data for migration. In Hinckley & Bosworth, the revision was very minor and unlikely to have any notable impact on the projections.

18. The report then looks at more recent demographic trends – taking account of 2021 Census data and ONS mid-year population estimates up to 2021, this data was compared with the 2014-based projections. Whilst there were differences between sources, these did not show a clear trend of significant differences and did not point to any exceptional circumstance.
19. Data about household growth from the Census also showed a similar pattern to that in the 2014-based projections, again pointing to the projections underpinning the Standard Method as remaining reasonable.
20. Overall, it was therefore concluded that the Standard Method is a reasonable assessment of housing need for Hinckley & Bosworth (noting the premise of the method itself has not been challenged in this report). On that basis a bespoke demographic projection was developed to look at how the population might change if 468 homes per annum were delivered over the 2020-41 period. This showed continued population growth and an ageing of the population, the same pattern as had been observed for the past decade.

Figure 3: Projected population change 2020 to 2041 by broad age bands – Hinckley & Bosworth (linked to delivery of 468 dwellings per annum)				
	2020	2041	Change in population	% change from 2020
Under 16	19,662	21,044	1,382	7.0%
16-64	68,240	74,137	5,897	8.6%
65 and over	25,149	34,960	9,811	39.0%
Total	113,051	130,141	17,090	15.1%

Source: Demographic Projections

21. The 2019 study also developed a projection linking to the Standard Method with the general outputs and age structures from the two being broadly similar. The projection developed in this report does however show slightly less ageing, this is likely to be due to use of 2018-based projections which build-in an observed trend of lower improvements to life expectancy in the older person population.

Affordable Housing Need

22. Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy or rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.
23. The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
24. When looking at needs from households unable to buy OR rent, the analysis suggests a need for 430 affordable homes per annum across the Borough, with a need shown in all sub-areas (wards).

Figure 4: Estimated Need for Social/Affordable Rented Housing by sub-area (per annum)						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Ambien	2	14	2	18	3	15
Barlestone, Nailstone and Osbaston	2	13	2	17	5	13
Barwell	4	42	8	54	18	36
Burbage Sketchley and Stretton	2	37	5	45	6	39
Burbage St Catherines and Lash Hill	2	27	3	32	18	15
Cadeby, Carlton and Market Bosworth with Shackerstone	2	12	2	16	3	13
Earl Shilton	5	47	9	61	23	38
Groby	2	25	3	30	5	26
Hinckley Castle	3	32	11	46	10	36
Hinckley Clarendon	3	49	8	60	15	45
Hinckley De Montfort	4	39	9	51	10	42
Hinckley Trinity	3	34	5	42	14	28
Markfield, Stanton and Fieldhead	2	23	4	29	7	22
Newbold Verdon with Desford and Peckleton	4	33	3	40	13	27
Ratby, Bagworth and Thornton	3	33	4	40	14	26
Twycross and Witherley with Sheepy	1	11	1	14	3	10
Urban	26	307	59	391	112	279
Rural	17	165	22	205	53	152
Total	43	472	81	596	165	430

Source: Affordable Housing Need analysis (see Section 4)

25. Despite the level of need, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.
26. The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
27. When looking at AHO products, the analysis is inconclusive about the scale of the need. Although the evidence does suggest that there are many households in Hinckley & Bosworth who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the Borough is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
28. The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability as it has the advantage of a lower deposit and subsidised rent.
29. However, given the cost of housing locally, it may be difficult for affordable home ownership products to be provided and be considered as ‘genuinely affordable’. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.

30. In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).
31. Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.
32. When compared with the 2019 HNS, this study points to a stronger need for housing from households unable to rent in the market (and therefore a greater need for rented affordable products) – the difference looks to be driven by worsening affordability due to increased private rental costs and a reduction in turnover of the social housing stock (fewer relets). However, both studies clearly point to a high level of affordable need and for the Council to need to seek to maximise delivery.

Housing Mix

33. Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Hinckley & Bosworth is fairly average with around 27% of all households containing dependent children in 2021 (compared with around 28% regionally and 29% nationally). There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas lone parents are particularly likely to live in social or private rented accommodation.

34. There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households’ ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which is notable in the market sector).
35. In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For general needs rented affordable housing there is a clear need for a range of different sizes of homes, including 40% to have at least 3-bedrooms. Our recommended mix is set out below:

Figure 5: Suggested size mix of housing by tenure – Hinckley & Bosworth

	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	5%	20%	25%	40%
2-bedrooms	35%	50%	35%	60%
3-bedrooms	40%	25%	30%	
4+-bedrooms	20%	5%	10%	

Source: Housing Mix analysis (see Section 5)

36. The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues – indeed across the Borough Registered Providers have shown some reluctance to support high levels of 1-bedroom rented delivery and therefore even the 25% suggested above might be difficult to deliver.

37. The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, given current house prices there are potential difficulties in making (larger) AHO genuinely affordable.
38. Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
39. Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.
40. When compared with the 2019 study, there are differences in the suggested mix of housing across different tenures. However some general patterns emerge – this includes a mix of larger housing in the market sector and for much of the affordable housing (for those unable to rent) being units of not more than 2-bedrooms. The mix of affordable home ownership is similar in the two studies. Given that this study has been able to use more up-to-date information (such as from the 2021 Census) it is suggested that the mix in this report is preferred.

Older and Disabled People

41. A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the requirement for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

42. The data shows that Hinckley & Bosworth has a slightly older age structure and similar levels of disability when compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (81% of all older person households are outright owners).
43. The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2020-41 period include:
- a 39% increase in the population aged 65+ (potentially accounting for 57% of total population growth);
 - an 68% increase in the number of people aged 65+ with dementia and 56% increase in those aged 65+ with mobility problems;
 - a need for around 1,500 housing units with support (sheltered/retirement housing) – around three-fifths in the market sector;
 - a need for around 790 additional housing units with care (e.g. extra-care) – again split between market and affordable housing (around two-thirds market);
 - a need for additional nursing and residential care bedspaces; and
 - a need for 483-822 dwellings to be for wheelchair users (meeting technical standard M4(3)).
44. This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around a tenth in the affordable sector).
45. Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

46. In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).
47. When compared with the 2019 study, this report continues to suggest a need for a range of products across both broad tenures (market and affordable) although estimates of need do vary slightly due to changes in prevalence rates applied and due to inclusion of more up-to-date projections and 2021 Census data.

Other Groups

Private Rented Sector

48. The private rented sector (PRS) accounts for around 14% of all households in Hinckley & Bosworth (as of 2021) – a smaller proportion to that seen across the East Midlands, and notably below the national average (21%). The number of households in this sector has however grown substantially (increasing by 39% in the 2011-21 period).
49. The PRS has some distinct characteristics, including a much younger demographic profile and a high proportion of households with dependent children (notably lone parents) – levels of overcrowding are relatively high. In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted/terraced accommodation when compared with the owner-occupied sector. That said, around 42% of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements. The number of tenants claiming housing benefits increased dramatically as a result of the Covid lockdown in 2020 and has remained elevated.

50. There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). Given the current Government's push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).
51. This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time; this would include mortgage lending practices and the availability of Housing Benefit. A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

Self- and Custom-Build Housing

52. Local Authorities are required to permit the number of plots equivalent to the number of people entering their Self-Build and Custom Housebuilding Register per base period. To date, the Hinckley and Bosworth Register has seen an average of 17 entrants per base period.
53. However, the Council has undertaken a review of the register including contacting previous entrants to see if they still wished to be on the register. This review resulted in a fall in demand to around 5 plots per base period. This indicates the future need, although if registrations increase so too must supply.
54. The continuation of Draft Plan (2021) Policy HO06 to satisfy the demand for plots within the Borough is recommended. Furthermore, new legislation through LURA tightens up what can be classed as part of the supply and any unmet need is rolled forward. The Council therefore may wish to consider how the delivery of such housing is monitored.

Looked after Children

55. There is only likely to be a limited need (1 space by 2041) to provide additional care homes for children due to the low demographic growth of children and Leicestershire County Council's overarching priority for children in care to be placed in foster care rather than residential care. However, the Borough Council should continue to work with the County Council to ensure a continued supply of suitable accommodation is available to meet any potential rise in need or fall in foster parenting.

Houseboats

56. The main canal in the borough is the Ashby Canal. However, width restrictions mean the canal does not lend itself to residential houseboats which are typically larger than traditional canal boats used for leisure. Trinity Waterside and Marina in Hinckley is home to 50 long-term residential moorings which are not currently full. Although the marina does see a steady stream of enquiries throughout the year. Given the width restrictions on the canal and vacancy rates within the existing marina, there is unlikely to be a need for additional residential moorings in the Borough.

Service Personnel

57. There are no military establishments in Hinckley and Bosworth and MOD statistics suggest that there are no personnel stationed in the Borough. Military personnel are identified as key workers and as such are catered for within affordable housing need and the ability to establish a local connection if required.

1. Background

Introduction

- 1.1 This report provides a Housing Needs Study (HNS) for Hinckley & Bosworth Borough Council, updating a report completed in November 2019. This report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people. The Council require this evidence to be updated to inform its adoption into the evidence base for the Local Plan 2020-2041.
- 1.2 The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.

National Policy Context

- 1.3 The sub-sections below set out an overview of the key national planning policy and guidance in relation to housing need before moving on to look at proposed changes where these are relevant to this study.

National Planning Policy Framework (NPPF) – December 2023

- 1.4 The latest version of the NPPF was published by Government in December 2023. Paragraph 7 of the NPPF states that the purpose of planning is to contribute to the achievement of sustainable development. It sets out that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.

- 1.5 The development plan must include strategic policies to address Council’s priorities for the development and use of land in its area. Plans should apply a presumption in favour of sustainable development and for plan-making, this means that the plan should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change and strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring authorities, where it is sustainable to do so.
- 1.6 Paragraph 11 reiterates that “strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring area, unless...the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area”.
- 1.7 In order to support the Government’s objective of significantly boosting the supply of homes, Paragraph 60 in the NPPF states it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.
- 1.8 Paragraph 61 sets out that in order to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance although this only provides an advisory starting point. It notes there may be exceptional circumstances which justify an alternative approach and any approach would need to reflect current and future demographic trends and market signals.
- 1.9 Paragraph 63 goes on to set out that within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, people who rent their homes and people wishing to commission or build their own homes.

- 1.10 Paragraphs 64 – 66 address affordable housing provision. They set out that where an affordable housing need is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless off-site provision or a financial contribution in lieu can be robustly justified, or the agreed approach contributes to the objectives of creating mixed and balanced communities.

Planning Practice Guidance

- 1.11 Government’s Planning Practice Guidance (PPG) includes several sections which are relevant to the assessment of housing need and at the time of writing had last been updated in December 2020. Guidance on Housing and economic needs assessments explains that housing need is “an unconstrained assessment of the number of homes needed in an area” and should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.
- 1.12 The PPG explains that policy-making authorities are expected to follow the Standard Method for assessing housing need and that the method is designed to identify the minimum number of homes expected to be planned for, addressing both projected household growth and historical under-supply.
- 1.13 The guidance does however note that the use of the standard method for strategic policy making purposes is not mandatory but that alternative methods should only be used in exceptional circumstances and will be tested at examination. Where an authority uses an approach leading to a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. The PPG also notes that any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method.
- 1.14 The current guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be used. When using an alternative approach, it is necessary to take account of demographic growth and market signals, but this cannot include using more recent versions of published SNHP. On their own these would not currently constitute exceptional circumstances.

Structure of this Report

1.15 This report sets out a number of either linked or distinct sections; these are summarised below with a brief description:

- Section 2 – Area Profile – Provides background analysis including looking at demographic trends, house prices and house price changes;
- Section 3 – Overall Housing Need – Uses the Standard Method to calculate housing need and also develops a population and household projection linking to the assessed housing need;
- Section 4 – Affordable Housing Need – Updates previous analysis about the need for affordable housing and builds on this by considering changes in the NPPF since the previous assessment and more recent Government announcements;
- Section 5 – Housing Mix – This section assesses the need for different sizes of homes in the future, modelling the implications of demographic drivers on need/demand for different sizes of homes in different tenures;
- Section 6 – The Needs of Older People and People with Disabilities – Considers the need for specialist accommodation for older people (e.g. sheltered/Extra-care) and also the need for homes to be built to Building Regulations M4(2) any M4(3). The section studies a range of data around older persons and people with disabilities; and
- Section 7 – Other Groups – Provides information about a number of other groups, including the private rented sector, the demand for and supply of custom- and self-build housing plots and needs for accommodation for looked after children.

Rounding

1.16 It should be noted that the numbers included in tables and figures throughout the report may not sum exactly due to rounding.

Background: Key Messages

- This report provides an updated Housing Needs Study (HNS) for Hinckley & Bosworth Borough Council. This report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
- The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.
- The report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
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2. Area Profile

Introduction

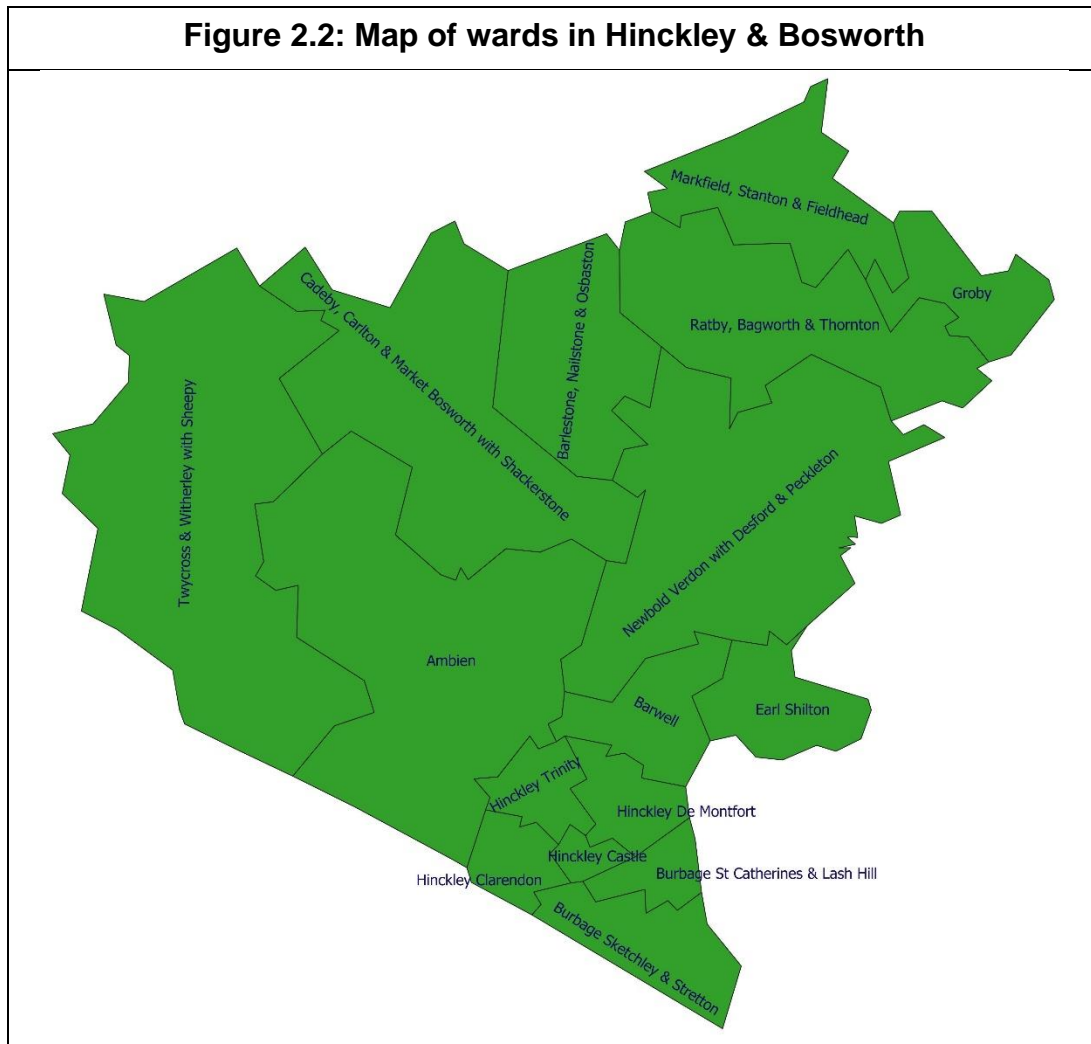
2.1 This section provides some background analysis about population and housing in Hinckley & Bosworth, with data also provided for a number of sub-areas. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:

- Demographic baseline (including data on population age structure and changes)
- Housing stock (including type and tenure)
- Housing market (including data on house prices)

2.2 The sub-areas used in analysis have been based on wards and in addition much of the analysis is split between Urban and Rural sub-areas. For some analysis in this section (and the report generally) the sub-area names have been abbreviated. The table below shows the codes used and also highlights whether the area is considered as urban or rural (the urban area being defined as the four main settlements of Hinckley, Burbage, Barwell and Earl Shilton). The map below the table shows the locations of the different wards within the Borough.

Figure 2.1: Abbreviations used for sub-areas (wards)

Sub-area (ward)	Code	Urban/rural
Ambien	Ambien	Rural
Barlestone, Nailstone and Osbaston	BN&O	Rural
Barwell	Barwell	Urban
Burbage Sketchley and Stretton	BS&S	Urban
Burbage St Catherines and Lash Hill	BStC&LH	Urban
Cadeby, Carlton and Market Bosworth with Shackerstone	CCMB&S	Rural
Earl Shilton	Earl Shilton	Urban
Groby	Groby	Rural
Hinckley Castle	H-Castle	Urban
Hinckley Clarendon	H-Clar'don	Urban
Hinckley De Montfort	H-DeMont't	Urban
Hinckley Trinity	H-Trinity	Urban
Markfield, Stanton and Fieldhead	MS&F	Rural
Newbold Verdon with Desford and Peckleton	NVwD&P	Rural
Ratby, Bagworth and Thornton	RB&T	Rural
Twycross and Witherley with Sheepy	T&WwS	Rural



Population

2.3 As of mid-2021, the population of Hinckley & Bosworth is estimated to be 113,700 this is a growth of around 8,300 people over the previous decade. This equates to a growth of around 8% since 2011 which is a higher rate of growth than seen nationally, similar to the East Midlands region (8%) and below the figure for Leicestershire.

Figure 2.3: Population change (2011-21)

	2011	2021	Change	% change
Hinckley & Bosworth	105,328	113,660	8,332	7.9%
Leicestershire	651,179	712,572	61,393	9.4%
East Midlands	4,537,448	4,880,094	342,646	7.6%
England	53,107,169	56,536,419	3,429,250	6.5%

Source: ONS mid-year population estimates

2.4 The table below considers population growth rate in the 20-year period from 2001 to 2021. The analysis shows an increasing rate of population growth in Hinckley & Bosworth since 2011 and that this is the same trend seen across Leicestershire. Across the region the growth rate over time has been fairly consistent, whilst for England data for the most recent decade is slightly lower than in the 2001-11 period.

Figure 2.4: Population Annual Growth Rate (2001-2021)			
	Growth Rate (2001 – 2011)	Growth Rate (2011 – 2021)	Growth Rate (2001 – 2021)
Hinckley & Bosworth	0.5%	0.8%	0.7%
Leicestershire	0.7%	0.9%	0.8%
East Midlands	0.8%	0.8%	0.8%
England	0.7%	0.6%	0.7%

Source: Mid-year population estimates

2.5 The table below shows the current (2021) population in each of the sub-areas – this is based on the 2021 Census and so totals differ very slightly from those above (which are mid-year estimates). The analysis shows the largest ward to be Earl Shilton with a population of over 10,600 (9.4% of the total) – around 62% of the population live in an urban area.

Figure 2.5: Estimated population by sub-area (2021)		
	Estimated population	% of population
Ambien	3,768	3.3%
Barlestone, Nailstone and Osbaston	3,261	2.9%
Barwell	9,155	8.1%
Burbage Sketchley and Stretton	10,464	9.2%
Burbage St Catherines and Lash Hill	6,046	5.3%
Cadeby, Carlton and Market Bosworth with Shackerstone	3,679	3.2%
Earl Shilton	10,635	9.4%
Groby	6,804	6.0%
Hinckley Castle	7,033	6.2%
Hinckley Clarendon	9,323	8.2%
Hinckley De Montfort	10,519	9.3%
Hinckley Trinity	7,344	6.5%
Markfield, Stanton and Fieldhead	6,027	5.3%
Newbold Verdon with Desford and Peckleton	8,876	7.8%
Ratby, Bagworth and Thornton	7,600	6.7%
Twycross and Witherley with Sheepy	3,099	2.7%
Urban	70,519	62.1%
Rural	43,114	37.9%
Total population	113,633	100.0%

Source: Census (2021)

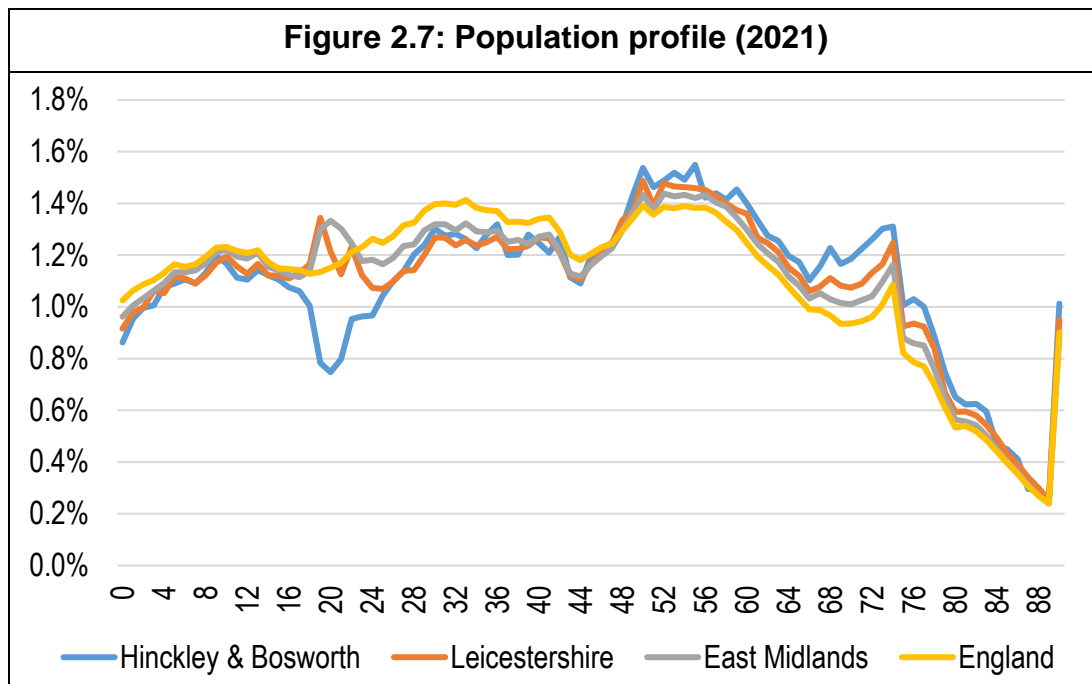
- 2.6 The table below shows population change in the 2011-21 period (data again from the Census). This shows quite a wide range of figures with the strongest growth being seen in Burbage Sketchley and Stretton (growth of 18.1%) followed by Hinckley Castle (increasing by 16.4%). At the other end of the scale there was a negligible population increase in Groby and Barlestone, Nailstone and Osbaston. All areas did however show some population increase.
- 2.7 The analysis also identifies much stronger growth in Urban locations with an overall population growth of 9.6% (compared with 5.8% in rural areas). It is likely that population changes are strongly connected to the locations in which new housing has been provided.

Figure 2.6: Population change by sub-area (2011-21)				
	2011	2021	Change	% change
Ambien	3,455	3,768	313	9.1%
BN&O	3,250	3,261	11	0.3%
Barwell	9,022	9,155	133	1.5%
BS&S	8,862	10,464	1,602	18.1%
BStC&LH	5,706	6,046	340	6.0%
CCMB&S	3,492	3,679	187	5.4%
Earl Shilton	10,047	10,635	588	5.9%
Groby	6,796	6,804	8	0.1%
H-Castle	6,041	7,033	992	16.4%
H-Clar'don	8,709	9,323	614	7.1%
H-DeMont't	9,451	10,519	1,068	11.3%
H-Trinity	6,480	7,344	864	13.3%
MS&F	5,681	6,027	346	6.1%
NVwD&P	8,009	8,876	867	10.8%
RB&T	7,073	7,600	527	7.5%
T&WwS	3,004	3,099	95	3.2%
Urban	64,318	70,519	6,201	9.6%
Rural	40,760	43,114	2,354	5.8%
Total	105,078	113,633	8,555	8.1%

Source: Census (2011 and 2021)

Age Structure

2.8 The figure below shows the age structure by single year of age (compared with a range of other areas). From this it is clear that Hinckley & Bosworth has fewer people aged in their late teens and early 20s which will be linked to people moving away for higher education. The data also points to a slightly higher proportion of people aged 60 and over.



Source: Mid-year population estimates

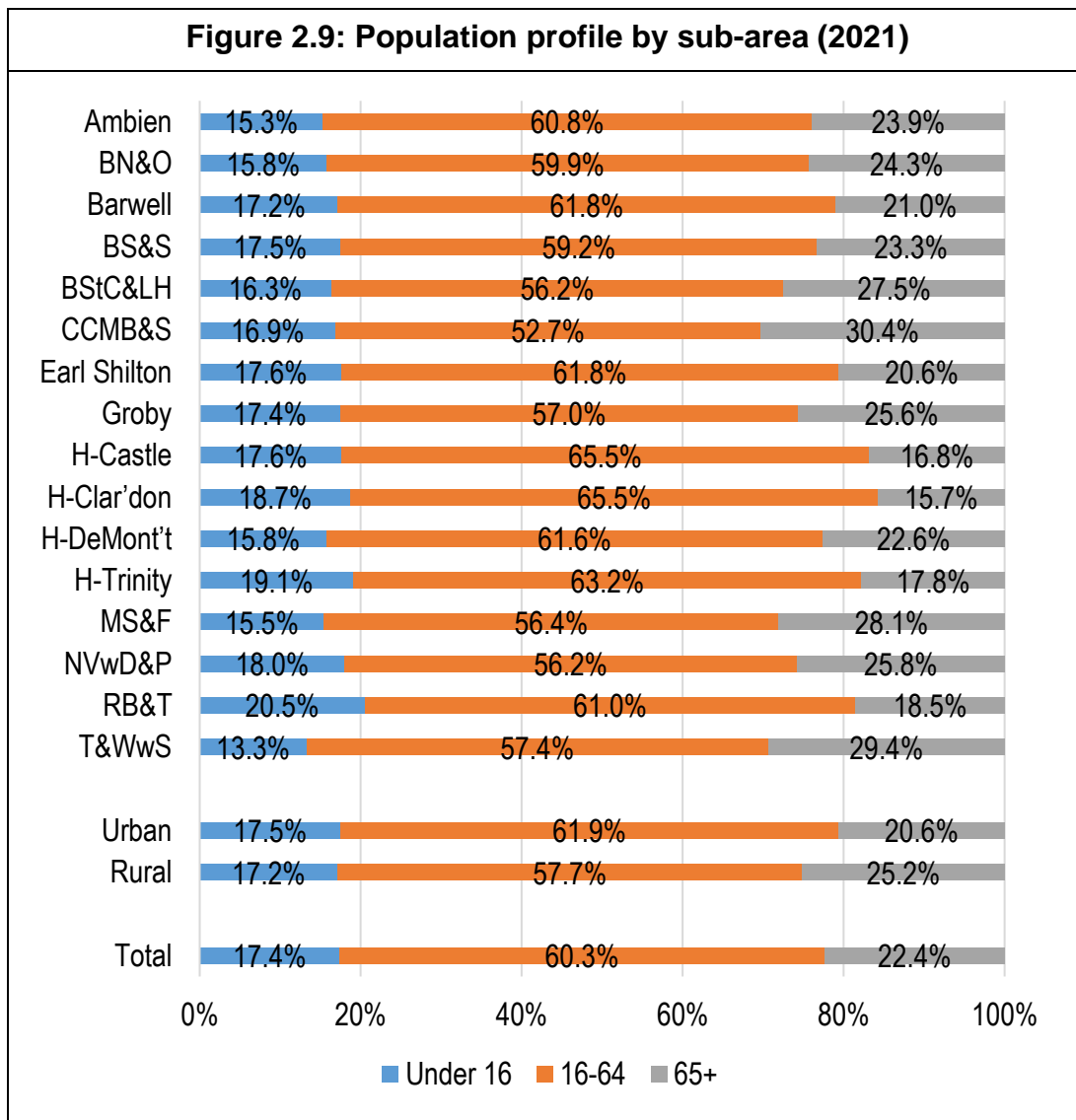
- 2.9 The analysis below summarises the above information (including total population numbers for Hinckley & Bosworth) by assigning population to three broad age groups (which can generally be described as a) children, b) working age and c) pensionable age). This analysis highlights the slightly higher proportion of people aged 65 and over, and also a slightly lower proportion of children aged under 16 and those aged 16-64 when compared with other locations.

Figure 2.8: Population profile (2021) – summary age bands

	Hinckley & Bosworth		Leicester-shire	East Midlands	England
	Population	% of population	% of population	% of population	% of population
Under 16	19,626	17.3%	17.5%	18.1%	18.5%
16-64	68,522	60.3%	61.6%	62.3%	63.0%
65+	25,512	22.4%	20.9%	19.6%	18.5%
All Ages	113,660	100.0%	100.0%	100.0%	100.0%

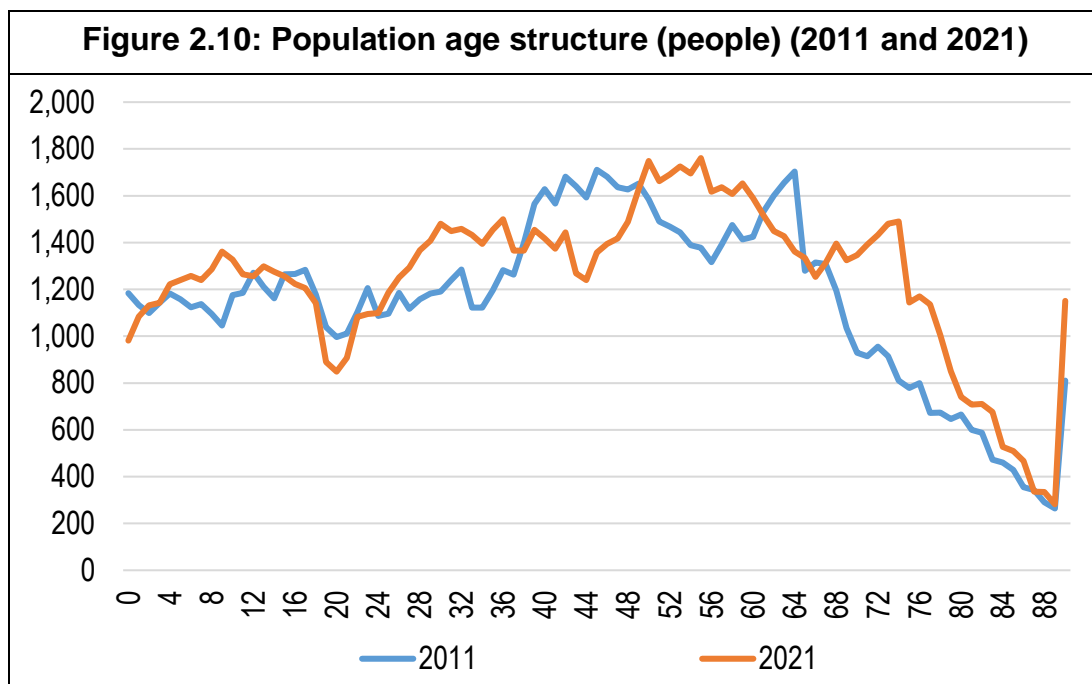
Source: Mid-year population estimates

2.10 The figure below shows the population profile by sub-area (from the 2021 Census). This shows some notable differences between locations – particularly with regard to the proportion of the population aged 65 and over – this ranges from 15.7% in Hinckley Clarendon up to in excess of 30% in Cadeby, Carlton and Market Bosworth with Shackerstone. Overall, rural areas show an older age profile than urban locations with 25% of the population being aged 65 and over (21% in urban areas).



Age Structure Changes

2.11 The figure below shows how the age structure of the population has changed in the 10-year period from 2011 to 2021 – the data used is based on population so will also reflect the increase seen in this period. There have been some changes in the age structure, including increases in the population in their 50s; the number of people aged 65 and over also looks to have increased notably. Where there are differences, it is often due to cohort effects (i.e. smaller or larger cohorts of the population getting older over time).



Source: Mid-year population estimates (2021)

2.12 The information above is summarised into three broad age bands to ease comparison. The table below shows an increase of 2% in the 16–64 age group and a much larger increase of 31% in the 65+ age group. The population aged 65 and over accounts for 72% of all population change over this period.

Figure 2.11: Change in population by broad age group (2011-21) – Hinckley & Bosworth				
	2011	2021	Change	% change
Under 16	18,571	19,626	1,055	5.7%
16-64	67,255	68,522	1,267	1.9%
65+	19,502	25,512	6,010	30.8%
TOTAL	105,328	113,660	8,332	7.9%

Source: Mid-year population estimates

Components of Population Change

- 2.13 The table below consider the drivers of population change 2001 to 2021 – this is data published prior to any corrections due to the 2021 Census and shows ONS monitoring of population estimates. The main components of change are natural change (births minus deaths) and net migration (internal/domestic and international).
- 2.14 There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- or over-estimated (this is only calculated for the 2001-11 period). There are also ‘other changes’, which for Hinckley & Bosworth are relatively low – these changes are often related to armed forces personnel or boarding school pupils.
- 2.15 The data shows natural change to generally be dropping over time – there are now more deaths than births in the Borough and migration is variable, with no clear trend – it is however clear that migration, and particularly internal (domestic) migration is the main driver of population change in the Borough.
- 2.16 The analysis also shows (for the 2001-11) period a modest negative level of UPC, this suggests when the 2011 Census was published ONS had previously over-estimated population change (albeit the figures are not substantial).
- 2.17 Overall the data shows a continuing trend of strong population growth throughout the period studied and it is notable that population is estimated to have grown by in excess of 500 people in all years back to 2010.

**Figure 2.12: Components of population change, mid-2001 to mid-2021
– Hinckley & Bosworth**

	Natural change	Net internal migration	Net inter-national migration	Other changes	Other (unattributable)	Total change
2001/2	61	394	-74	-5	-96	280
2002/3	28	793	-10	3	-86	728
2003/4	63	722	42	3	-87	743
2004/5	74	471	39	-7	-99	478
2005/6	115	366	173	0	-89	565
2006/7	121	342	84	-4	-89	454
2007/8	209	532	87	6	-105	729
2008/9	219	122	67	-9	-105	294
2009/10	172	212	-27	-3	-93	261
2010/11	261	305	113	2	-87	594
2011/12	298	344	-8	-6	0	628
2012/13	179	343	22	27	0	571
2013/14	189	760	89	-5	0	1,033
2014/15	142	826	71	4	0	1,043
2015/16	108	1,055	106	9	0	1,278
2016/17	189	1,236	73	-9	0	1,489
2017/18	2	1,073	-30	8	0	1,053
2018/19	45	660	27	-19	0	713
2019/20	-163	646	14	33	0	530
2020/21	-100	721	8	-2	0	627

Source: ONS

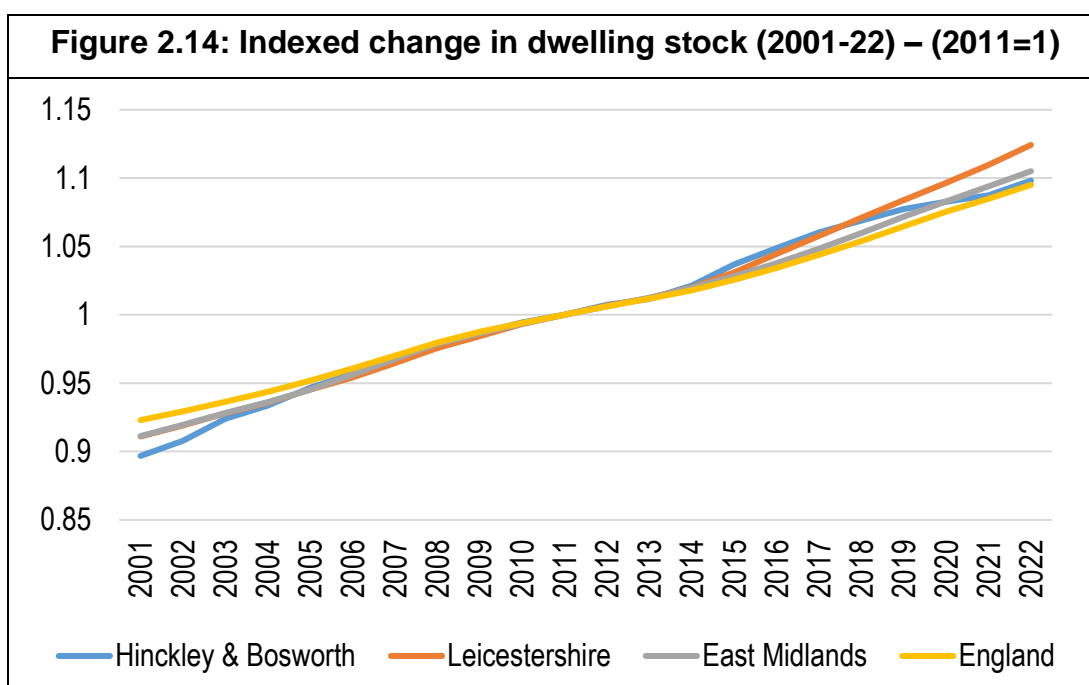
Housing Stock

2.18 As of 2021 there were 51,000 dwellings in Hinckley & Bosworth, an increase of 4,100 over the 10-year period from 2011 – this represents a 9% increase in the number of homes, higher than seen nationally, but below equivalent figures for Leicestershire and the East Midlands. The dwelling stock increased by a further 500 dwellings to 2022 giving a total of 51,500.

	Dwellings (2011)	Dwellings (2021)	Change	% change
Hinckley & Bosworth	46,909	51,017	4,108	8.8%
Leicestershire	277,028	307,443	30,415	11.0%
East Midlands	1,971,514	2,156,643	185,129	9.4%
England	22,976,066	24,927,588	1,951,522	8.5%

Source: DLUHC (Live Table 125)

2.19 The figure below indexes this data (to 2011) and looks back to 2001 (as well as including data for 2022). This shows slightly stronger dwelling growth in the 2001-11 period than other areas.



Source: DLUHC (Live Table 125)

2.20 By using Census data about the number of households it is possible to estimate the number of vacant homes in the Borough and how this has changed from 2011 to 2021. In 2011, there were 45,377 households in the Borough, implying a vacancy rate of 3.3%; by 2021 there were 49,446 households and a slightly lower implied vacancy rate of 3.1%. This suggests the proportion of vacant homes has not increased (possibly dropped slightly) and in contrast the proportion of vacant homes nationally is estimated to have increased from 4.0% to 6.0% over the 2011-21 decade – the East Midlands also saw an increased vacancy rate.

	2011	2021
Hinckley & Bosworth	3.3%	3.1%
Leicestershire	3.5%	3.6%
East Midlands	3.9%	5.5%
England	4.0%	6.0%

Source: DLUHC (Live Table 125) and Census

- 2.21 The table below shows estimates of vacant homes by sub-area from the Census – the Census shows a slightly different dwelling count to the tables above but the overall vacancy rate from this analysis is also shown to be 3.1% - this figure varies from 1.8% of homes being vacant in Burbage Sketchley and Stretton, up to 5.5% in Hinckley Castle. There is no real difference in vacancy rates between urban and rural areas.

Figure 2.16: Estimated proportion of vacant homes by sub-area (2021)

	Households	Dwellings	% vacant
Ambien	1,573	1,643	4.3%
BN&O	1,407	1,436	2.0%
Barwell	4,071	4,205	3.2%
BS&S	4,557	4,639	1.8%
BStC&LH	2,695	2,766	2.6%
CCMB&S	1,572	1,646	4.5%
Earl Shilton	4,650	4,822	3.6%
Groby	2,903	2,971	2.3%
H-Castle	3,245	3,434	5.5%
H-Clar'don	4,071	4,194	2.9%
H-DeMont't	4,693	4,818	2.6%
H-Trinity	3,114	3,192	2.4%
MS&F	2,757	2,829	2.5%
NVwD&P	3,681	3,800	3.1%
RB&T	3,141	3,229	2.7%
T&WwS	1,321	1,396	5.4%
Urban	31,096	32,070	3.0%
Rural	18,355	18,950	3.1%
Total	49,451	51,020	3.1%

Source: Census (2021)

Tenure

2.22 The table below shows household tenure compared with a number of other locations. The analysis identifies a relatively high proportion of owner-occupiers, particularly outright owners when compared with data for England and a high proportion of owners generally in comparison with the East Midlands. The proportion of households living in both the social rented sector and private rented accommodation is lower than observed regionally or nationally. The tenure profile in Hinckley & Bosworth is however very similar to that seen across Leicestershire.

Figure 2.17: Tenure (2021)					
	Hinckley & Bosworth		Leicester-shire	East Midlands	England
	House-holds	% of house-holds	% of house-holds	% of house-holds	% of house-holds
Owns outright	19,715	39.9%	39.2%	35.4%	32.5%
Owns with mortgage/loan	17,525	35.4%	35.3%	30.9%	29.8%
Social rented	5,049	10.2%	10.5%	14.9%	17.1%
Private rented	7,114	14.4%	15.0%	18.7%	20.5%
Living rent free	42	0.1%	0.1%	0.1%	0.1%
TOTAL	49,445	100.0%	100.0%	100.0%	100.0%

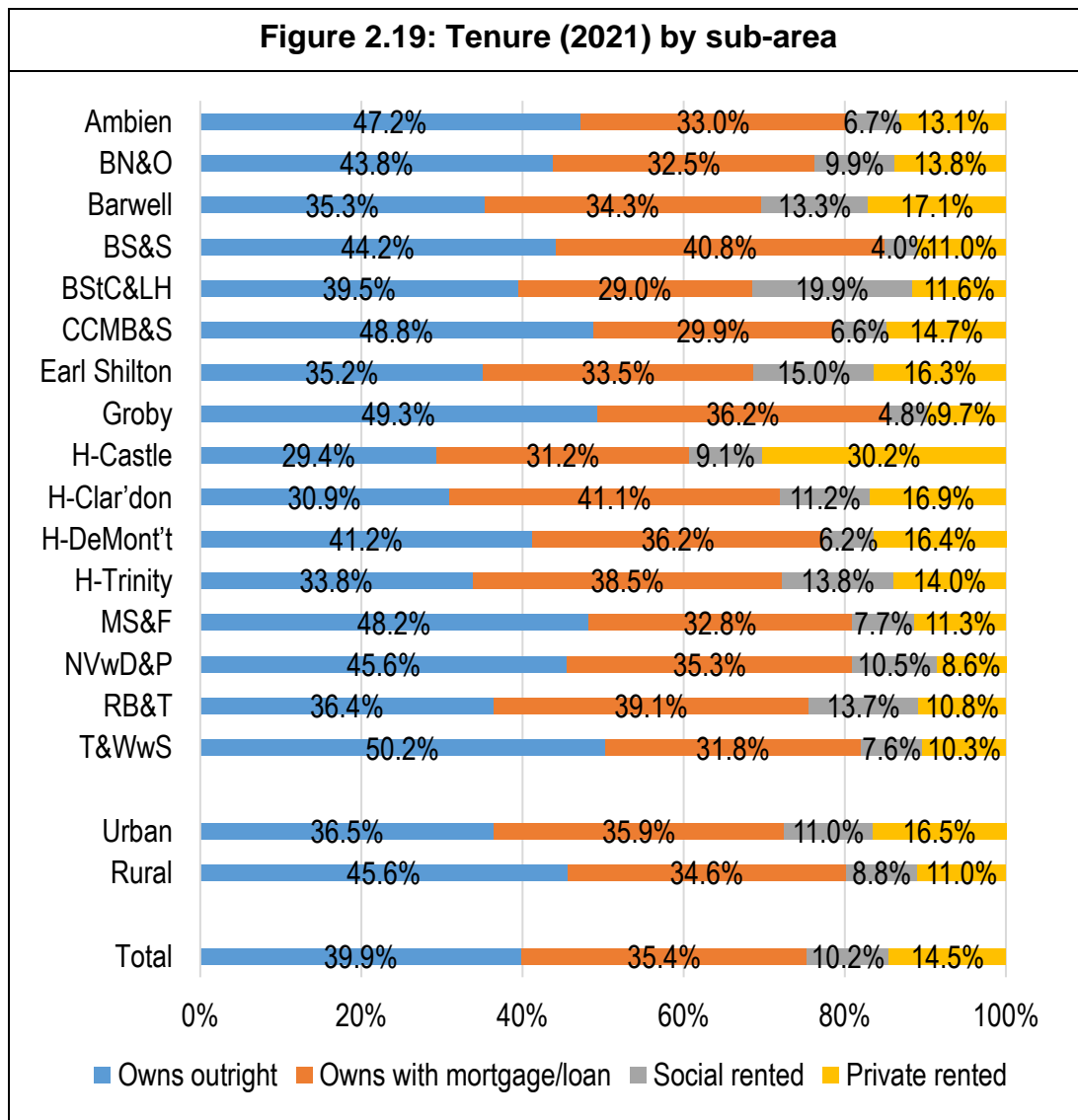
Source: 2021 Census

2.23 As well as looking at the current tenure profile, it is of interest to consider how this has changed over time; the table below shows data from the 2011 and 2021 Census. From this it is clear that there has been notable growth in the number of households who are outright owners and a modest decline in owners with a mortgage. The social rented sectors has seen a modest increase over time whilst the private rented sector has increased by 38%. The apparent large decline in those 'living rent free' is likely to be due to the 2021 Census improving data capture in this category (for example by not including households claiming full Housing Benefit within the social rented sector).

Figure 2.18: Change in tenure (2011-21) – Hinckley & Bosworth				
	2011	2021	Change	% change
Owns outright	16,859	19,715	2,856	16.9%
Owns with mortgage/loan	18,234	17,525	-709	-3.9%
Social rented	4,685	5,049	364	7.8%
Private rented	5,156	7,114	1,958	38.0%
Living rent free	443	42	-401	-90.5%
TOTAL	45,377	49,445	4,068	9.0%

Source: Census (2011 and 2021)

- 2.24 The figure below shows the tenure split by sub-area – this shows owner-occupation to be the main tenure in all areas. The proportion of households living in social rented housing is fairly low in all locations, the highest proportion (of 19.9%) in Burbage St Catherines and Lash Hill is the only location with a proportion above the national average (of 17.1%) – only 4% of households in Burbage Sketchley and Stretton live in social rented housing. There are wide variations in the proportion of households living in the private rented sector, ranging from 8.6% in Newbold Verdon with Desford and Peckleton, up to 30% in Hinckley Castle.
- 2.25 When comparing urban and rural areas it is clear that rural locations see a higher proportion of owner-occupiers and in particular outright owners. Urban locations have a higher proportion in both the social and private rented sector. For all of this analysis the small number of households ‘living rent free’ have been included in the private rented category.



Source: Census (2021)

Dwelling Type

2.26 The 2021 Census shows that, detached homes were the most common dwelling type within Hinckley & Bosworth at 38% of total dwelling stock, with semi-detached homes being virtually as numerous (also at 38% of stock), both of these figures are significantly above the national and regional averages for this built-form although percentages are similar to Leicestershire. Flats/maisonettes are least common (other than a small 'other' group which are 'a caravan or other mobile or temporary structure') at 8.4% - this compares with 22% of all homes nationally being a flat/maisonette.

Figure 2.20: Accommodation type (2021)					
	Hinckley & Bosworth		Leicester-shire	East Midlands	England
	House-holds	% of house-holds	% of house-holds	% of house-holds	% of house-holds
Detached	18,712	37.8%	38.1%	33.2%	22.9%
Semi-detached	18,659	37.7%	38.1%	35.7%	31.5%
Terraced	7,741	15.7%	15.3%	19.3%	23.0%
Flat	4,167	8.4%	8.0%	11.4%	22.2%
Other	168	0.3%	0.5%	0.5%	0.4%
TOTAL	49,447	100.0%	100.0%	100.0%	100.0%

Source: Census (2021)

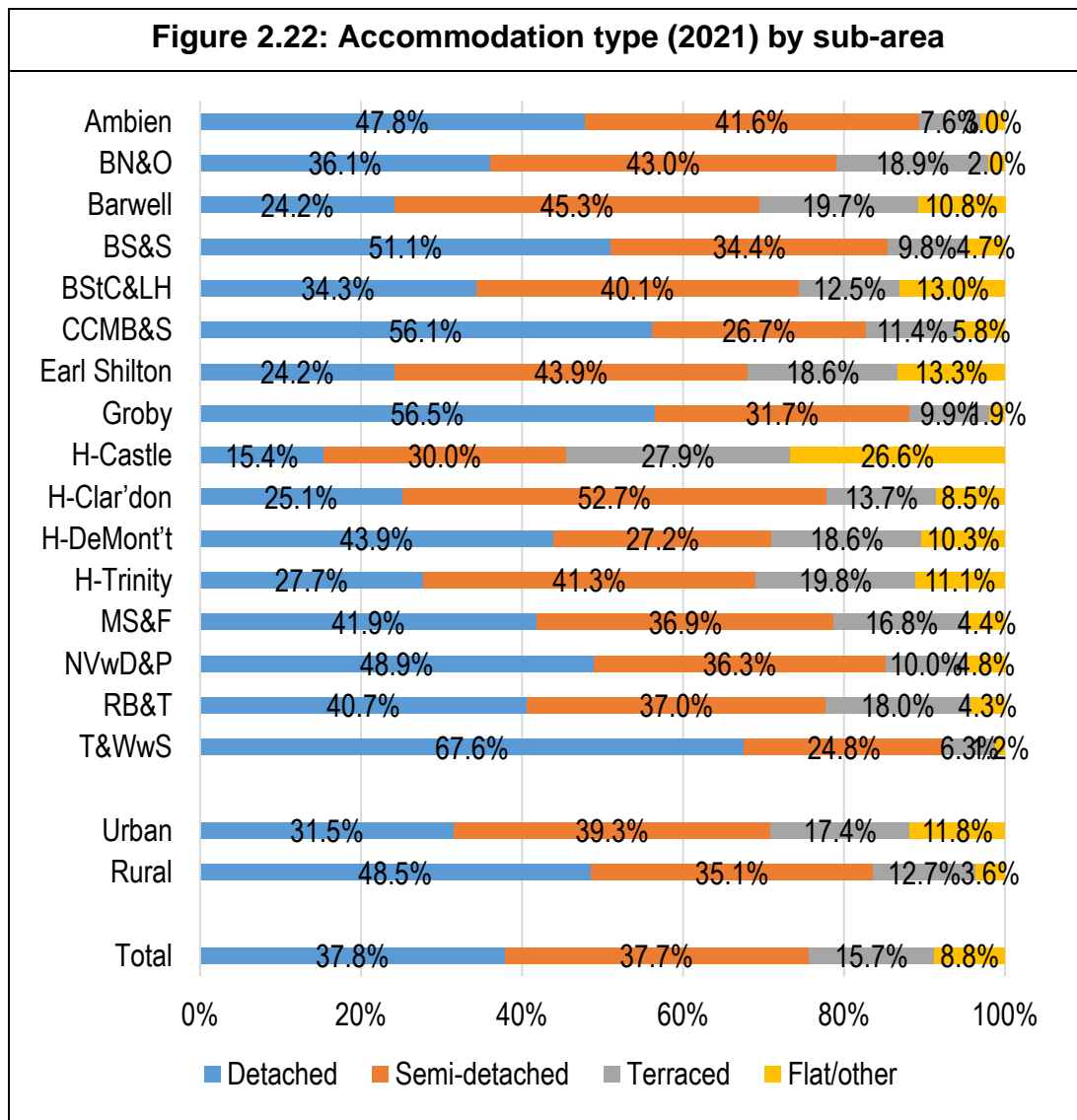
2.27 The Census can also be used to look at changes in dwelling types over the 2011-21 decade. This shows increases for all built-forms with the number of flats increasing by 15% - this however only represents 14% of additional dwellings – 41% of additional homes shown by the Census are detached, a slightly higher proportion than there are already in the stock. Generally, the data points to delivery in the 2011-2021 period as broadly following the profile of the existing stock.

Figure 2.21: Change in accommodation type (2011-21) – Hinckley & Bosworth					
	2011	2021	Change	% change	% of change
Detached	17,025	18,712	1,687	9.9%	41.4%
Semi-detached	17,419	18,659	1,240	7.1%	30.5%
Terraced	7,148	7,741	593	8.3%	14.6%
Flat/other	3,785	4,335	550	14.5%	13.5%
TOTAL	45,377	49,447	4,070	9.0%	100.0%

Source: Census (2011 and 2021)

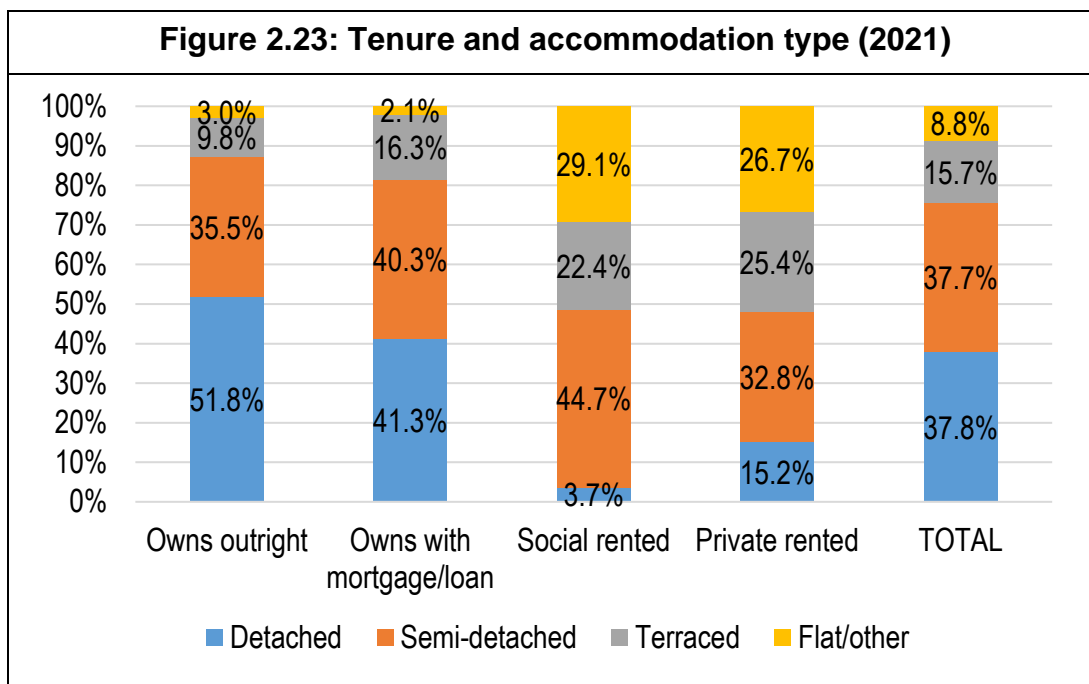
2.28 The figure below shows accommodation type and sub-area – this shows the main type of housing in all locations is either detached or semi-detached, with proportions of detached housing varying from 15% in Hinckley Castle up to 68% in Twycross and Witherley with Sheepy. Semi-detached homes are most common in Hinckley Clarendon and terraced homes in Hinckley Castle – this area also sees the highest proportion of flats.

2.29 Households living in rural areas are far more likely to live in a detached home (49% of households compared with 32% in urban areas). Urban areas have a higher proportion of households in all other dwelling types.



Source: Census (2021)

2.30 The figure below shows a cross-tabulation of tenure and accommodation type. This clearly shows a high proportion of owners (notably outright owners) as living in detached homes, whereas the social rented sector is split broadly evenly between dwelling types other than detached. The private rented sector sees a more balanced mix of homes compared with other tenures.



Source: Census (2021)

Bedrooms (accommodation size)

2.31 The analysis below shows the number of bedrooms available to households as of the 2021 Census. Generally, the size profile in Hinckley & Bosworth is one of larger homes in a national context with 24% of homes having 4+-bedrooms – this compares with just 21% nationally. The proportion of 1-bedroom homes is relatively low compared with other locations. Overall, the average number of bedrooms in a home is 2.87, higher than both the regional (2.80) and national (2.71) average.

Figure 2.24: Number of bedrooms (2021)

	Hinckley & Bosworth		Leicester-shire	East Midlands	England
	Households	% of households	% of households	% of households	% of households
1-bedroom	2,952	6.0%	6.2%	8.0%	11.6%
2-bedrooms	12,799	25.9%	22.8%	25.9%	27.3%
3-bedrooms	21,654	43.8%	43.6%	44.0%	40.0%
4+-bedrooms	12,041	24.4%	27.4%	22.0%	21.1%
TOTAL	49,446	100.0%	100.0%	100.0%	100.0%
Ave. bedrooms	2.87		2.92	2.80	2.71

Source: Census (2021)

2.32 The table below shows how the number of bedrooms has changed over the 2011-21 decade for the whole of the Borough. This shows that around half of the change is accounted for by 4+-bedroom homes, with increases also seen for other dwelling sizes. The analysis points to homes with 3-bedrooms seeing the smallest proportionate increase, although 3-bedroom homes still make up over a quarter of the change recorded by the Census.

Figure 2.25: Change in dwelling size (2011-21) – Hinckley & Bosworth

	2011	2021	Change	% change	% of change
1-bedroom	2,707	2,952	245	9.1%	6.0%
2-bedrooms	12,110	12,799	689	5.7%	16.9%
3-bedrooms	20,629	21,654	1,025	5.0%	25.2%
4+-bedrooms	9,931	12,041	2,110	21.2%	51.9%
TOTAL	45,377	49,446	4,069	9.0%	100.0%

Source: Census (2011 and 2021)

Overcrowding and Under-Occupation

2.33 The analysis below studies levels of overcrowding and under-occupation – this is based on the bedroom standard with data taken from the 2021 Census. The box below shows how the standard is calculated, this is then compared with the number of bedrooms available to the household (with a negative number representing overcrowding and a positive number being under-occupation). Households with an occupancy rating of +2 or more have at least two spare bedrooms.

For the purposes of the bedroom standard a separate bedroom shall be allocated to the following persons –

- (a) A person living together with another as husband and wife (whether that other person is of the same sex or the opposite sex)
- (b) A person aged 21 years or more
- (c) Two persons of the same sex aged 10 years to 20 years
- (d) Two persons (whether of the same sex or not) aged less than 10 years
- (e) Two persons of the same sex where one person is aged between 10 years and 20 years and the other is aged less than 10 years
- (f) Any person aged under 21 years in any case where he or she cannot be paired with another occupier of the dwelling so as to fall within (c), (d) or (e) above.

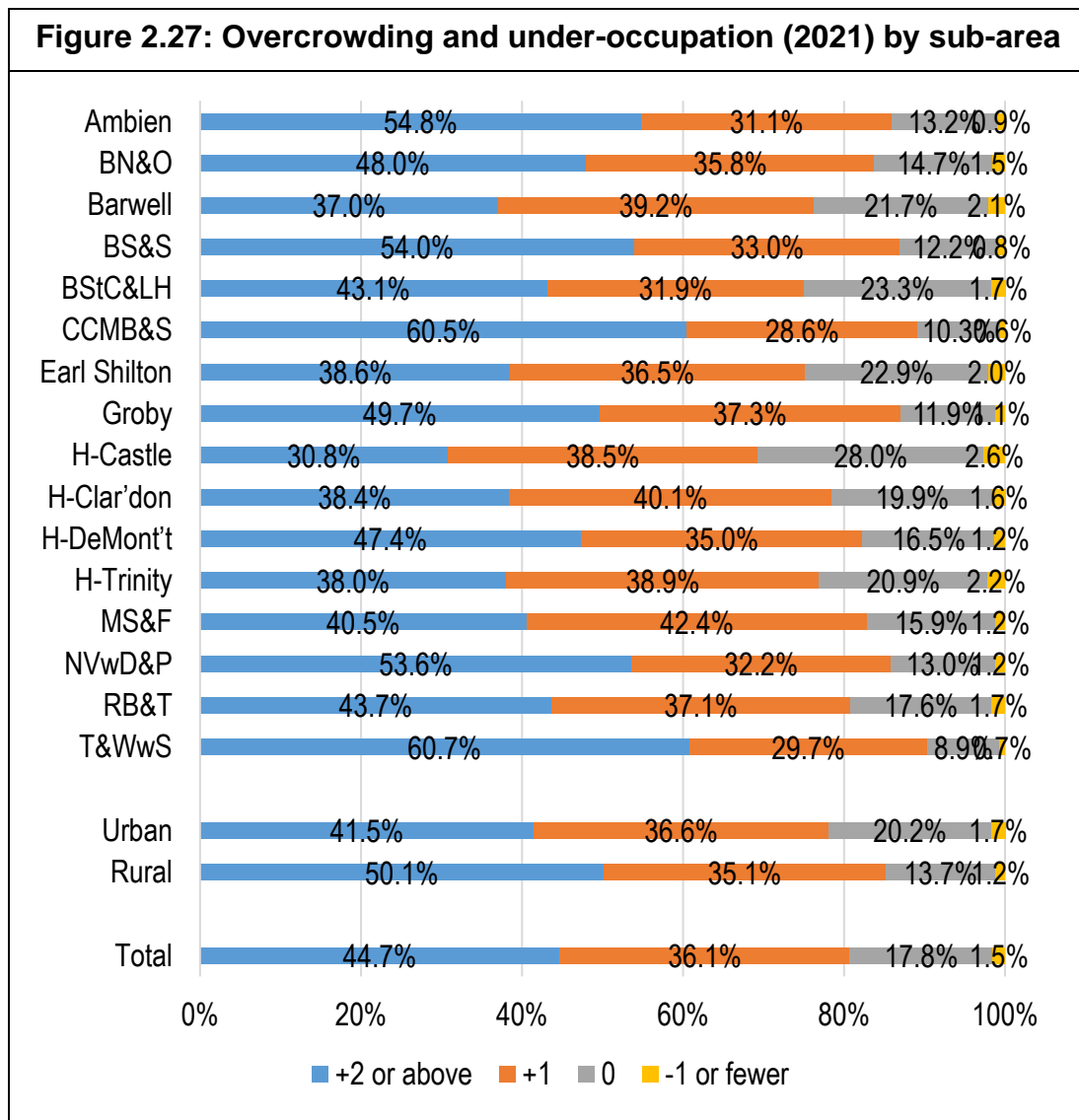
2.34 The analysis shows that levels of overcrowding in Hinckley & Bosworth are low in a national context with only 1.5% of households being overcrowded in 2021 (compared with 4.4% nationally). This level of overcrowding is also well below the regional average. Levels of under-occupation are also relatively high with around 45% of households having a rating of +2 or more – this is notably higher than seen regionally or nationally.

Figure 2.26: Overcrowding and under-occupation (2021) – bedroom standard

	Hinckley & Bosworth		Leicester-shire	East Midlands	England
	Households	% of households	% of households	% of households	% of households
+2 or more	22,089	44.7%	45.8%	40.3%	35.6%
+1 or more	17,831	36.1%	34.0%	34.7%	33.2%
0	8,771	17.7%	18.3%	21.8%	26.8%
-1 or less	755	1.5%	1.8%	3.1%	4.4%
TOTAL	49,446	100.0%	100.0%	100.0%	100.0%

Source: Census (2021)

2.35 The figure below shows overcrowding and under-occupation by sub-area. This shows very low levels of overcrowding across the Borough and that all locations have a high level of under-occupancy; Twycross and Witherley with Sheepy in particular stands out as seeing around three-fifths of households living in homes with at least two spare bedrooms.



Source: Census (2021)

2.36 The table below shows how levels of overcrowding and under-occupancy have changed in the 2011-21 decade. This shows a significant increase in the number of households under-occupying homes and a small reduction in overcrowding.

Figure 2.28: Change in overcrowding and under-occupation (2011-21) – Hinckley & Bosworth				
	2011	2021	Change	% change
+2 or more	19,436	22,089	2,653	13.6%
+1 or more	17,089	17,831	742	4.3%
0	8,065	8,771	706	8.8%
-1 or less	787	755	-32	-4.1%
TOTAL	45,377	49,446	4,069	9.0%

Source: Census (2011 and 2021)

House Prices

2.37 In the year to March 2023 the median house price in Hinckley & Bosworth was just over £250,000 – this is above the average seen across the East Midlands region, but below the County and national average, including being some 13% below the national average.

Figure 2.29: Median House Prices (Year ending March 2023)		
	Price	Difference from England
Hinckley & Bosworth	£251,750	-13.2%
Leicestershire	£270,000	-6.9%
East Midlands	£238,000	-17.9%
England	£290,000	0.0%

Source: ONS Small Area House Price Statistics

2.38 At a sub area level Cadeby, Carlton and Market Bosworth with Shackerstone sees the highest median prices at £435,000 with the lowest in Hinckley Castle at £199,000. This will in part due to the mix of housing in these areas. Hinckley Castle being more likely to see sales of flats and terraces that will generally cost less than larger detached properties. The median price in rural areas is around 22% higher than urban locations.

Figure 2.30: Median House Prices by sub-area (Year ending March 2023)	
	Median price
Ambien	£348,000
Barlestone, Nailstone and Osbaston	£253,000
Barwell	£202,000
Burbage Sketchley and Stretton	£301,000
Burbage St Catherines and Lash Hill	£275,000
Cadeby, Carlton and Market Bosworth with Shackerstone	£435,000
Earl Shilton	£223,000
Groby	£289,000
Hinckley Castle	£199,000
Hinckley Clarendon	£239,000
Hinckley De Montfort	£252,000
Hinckley Trinity	£229,000
Markfield, Stanton and Fieldhead	£235,000
Newbold Verdon with Desford and Peckleton	£295,000
Ratby, Bagworth and Thornton	£248,000
Twycross and Witherley with Sheepy	£396,000
Urban	£236,000
Rural	£287,000
Total	£251,750

Source: Land Registry Price Paid data

2.39 The table below shows median prices by dwelling type. This shows some notable differences between prices in Hinckley & Bosworth and other locations. For example, the average semi-detached home in Hinckley & Bosworth is £25,000 higher than the regional average, whereas the average flat is £109,000 lower (which is likely to be influenced by prices of flats in London).

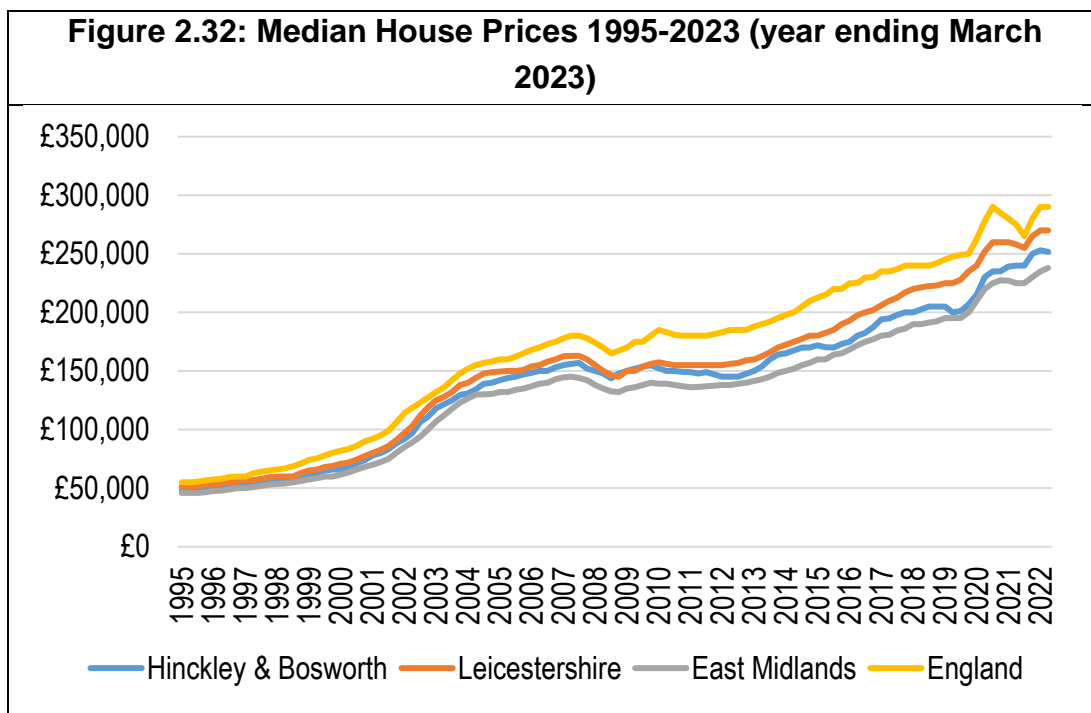
Figure 2.31: Median House Prices (year to March 2023)

	Flat/ Maison- ette	Terraced	Semi- Detached	Detached	All Sales
Hinckley & Bosworth	£123,000	£195,000	£250,000	£356,000	£252,000
Leicestershire	£135,000	£205,000	£255,000	£375,000	£270,000
<i>Differential</i>	<i>-£12,000</i>	<i>-£10,000</i>	<i>-£5,000</i>	<i>-£19,000</i>	<i>-£18,000</i>
East Midlands	£130,000	£185,000	£225,000	£340,000	£238,000
<i>Differential</i>	<i>-£7,000</i>	<i>£10,000</i>	<i>£25,000</i>	<i>£16,000</i>	<i>£14,000</i>
England	£232,000	£240,000	£274,000	£440,000	£290,000
<i>Differential</i>	<i>-£109,000</i>	<i>-£45,000</i>	<i>-£24,000</i>	<i>-£84,000</i>	<i>-£38,000</i>

Source: ONS Small Area House Price Statistics

House Price Changes

2.40 The figure below shows growth in the median house price over the period since 1995. House prices in Hinckley & Bosworth closely followed the national trend across England over time, with stronger price growth in the pre-recessionary period between 2003 and 2008, a dip during the recession and a strong increase to 2020 before seeing some variation over the last couple of years or so.



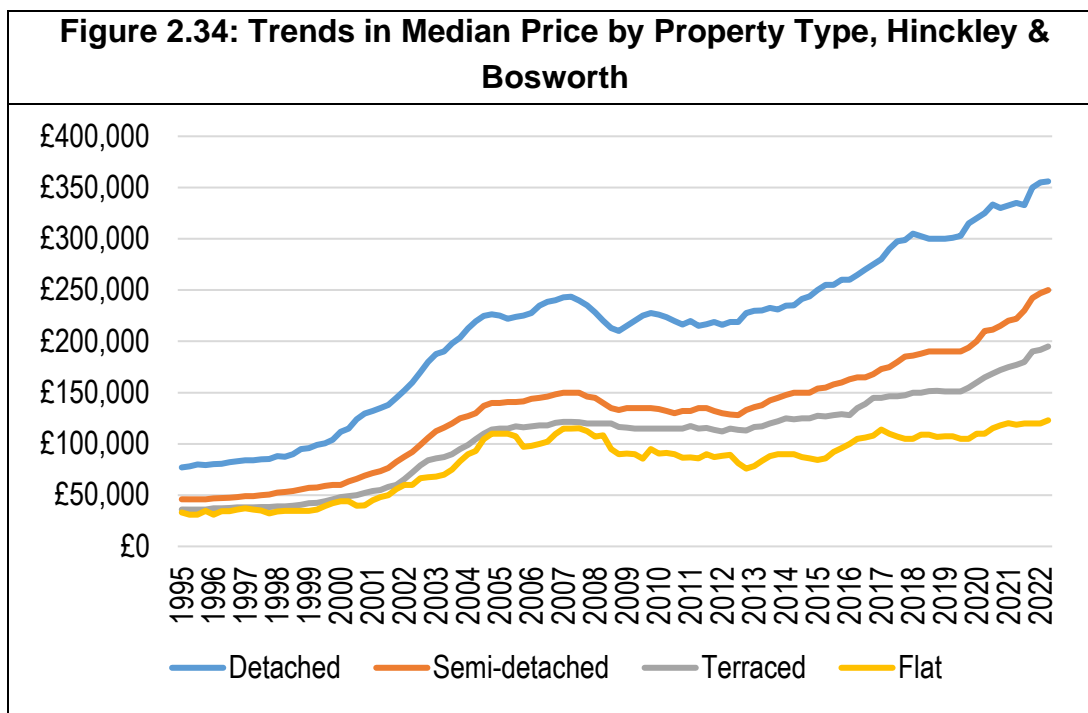
Source: ONS Small Area House Price Statistics

2.41 The table below shows median house price change over the past decade (2013-23) in Hinckley & Bosworth and other benchmark areas. This shows in percentage terms a higher increase in prices than seen in other areas - although figures when compared with Leicestershire and the East Midlands are not substantially different. When compared with data for England, it is notable the percentage increase is somewhat higher (74% vs. 57%); however, given typically higher house prices nationally the increase in cost terms is very similar – the average home increase by around £107,000 in Hinckley & Bosworth compared with £105,000 across England.

Figure 2.33: Median House Price Change year ending March 2013 to year ending March 2023				
	Year ending March 2013	Year ending March 2023	Change	% change
Hinckley & Bosworth	£145,000	£251,750	£106,750	73.6%
Leicestershire	£156,000	£270,000	£114,000	73.1%
East Midlands	£138,000	£238,000	£100,000	72.5%
England	£185,000	£290,000	£105,000	56.8%

Source: ONS Small Area House Price Statistics

2.42 Trends in the values of different types of properties in Hinckley & Bosworth are shown in the figure below. It shows that in the longer-term, the strongest value growth has been for detached properties although all dwelling types have seen increased values. It is also notable that all dwelling types saw a drop in price through the early part of the 2008 recession, but that detached homes look to have been particularly affected by this. Prices for flats look to have been the most variable, particularly over the past few years, this will in part reflect the relatively low volume of sales in this category.



Source: ONS Small Area House Price Statistics

2.43 The table below shows data for the last decade (to March 2023) – this shows all house types increasing but with some notable differences. In particular the average semi-detached home increased by 95% over the decade, compared with an increase of just 38% for flats.

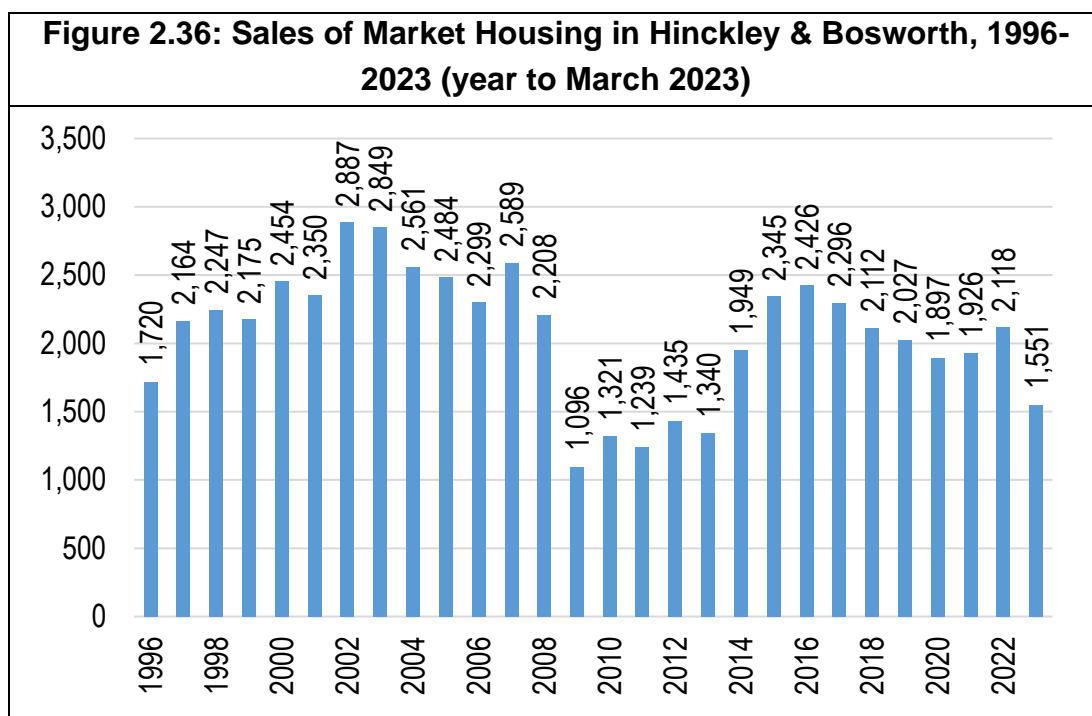
Figure 2.35: Median House Price Change year ending March 2013 to year ending March 2023 by dwelling type - Hinckley & Bosworth

	Year ending March 2013	Year ending March 2023	Change	% change
Detached	£218,995	£356,000	£137,005	62.6%
Semi-detached	£128,500	£250,000	£121,500	94.6%
Terraced	£115,000	£195,000	£80,000	69.6%
Flat	£89,175	£123,000	£33,825	37.9%

Source: ONS Small Area House Price Statistics

Sales

- 2.44 Transaction levels (sales) reflect the relative buoyancy of the market and provide an indication of 'effective demand' for market housing. Sales volumes averaged about 2,500 per annum over the 10-year period to 2007. They fell dramatically as a result of the 'credit crunch', before picking up from 2012 onwards as availability of mortgage finance improved and as a result of Government support for the housing market. Sales of market housing in Hinckley & Bosworth have however been trending down since 2016 (with the exception of a high number in 2022).
- 2.45 The drop in sales volumes seen since 2016 is likely to have been influenced by the effects of macro-economic uncertainty on the market - linked to Brexit - coupled with changes to mortgage interest relief which have affected the buy-to-let market. The most recent data will also be starting to pick up the impact of the war in Ukraine and associated 'cost of living crisis'.



Source: ONS Small Area House Price Statistics

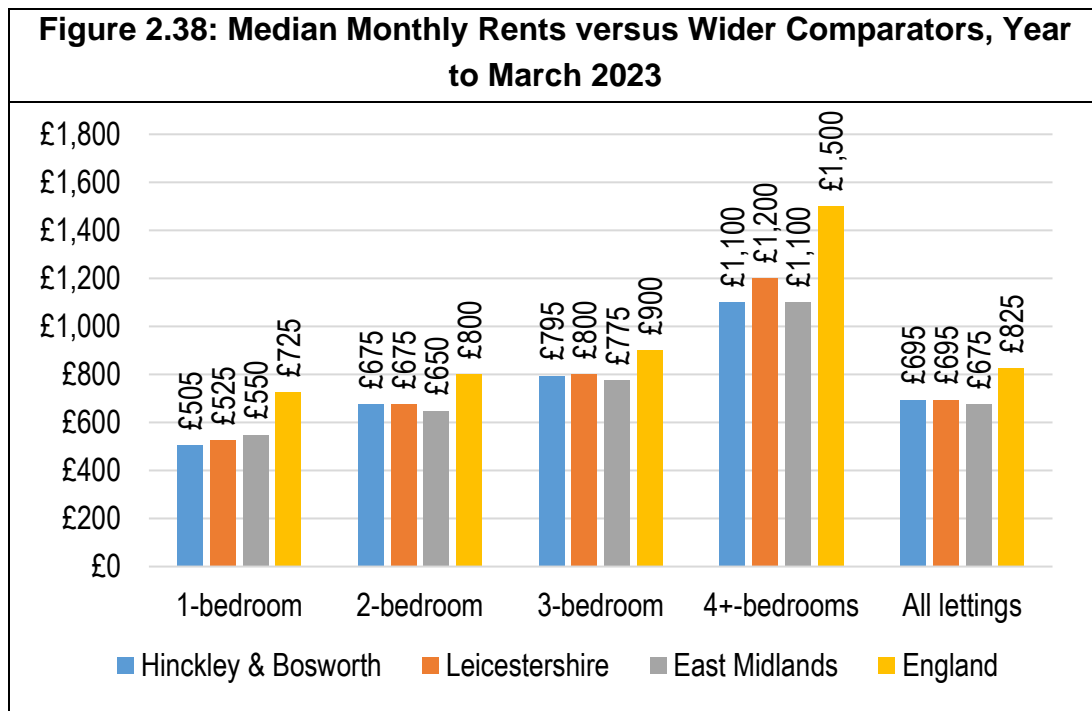
Private Rental Values

2.46 The analysis below reviews current private rents in Hinckley & Bosworth against the Borough, regional and national average. The data is drawn from the ONS Private Rental Market Statistics. Median monthly rents vary from £505 for 1-bedroom to £1,100 for 4+-bedroom properties in the Borough. It should be noted these figures are for all private rents, and not just new tenancies.

Figure 2.37: Monthly Rents in Hinckley & Bosworth, Year to March 2023			
	Mean	Lower Quartile	Median
1-bedroom	£526	£475	£505
2-bedrooms	£672	£595	£675
3-bedrooms	£812	£725	£795
4+ bedrooms	£1,124	£930	£1,100
All Lettings	£725	£595	£695

Source: ONS Private Rental Market Statistics

2.47 The median rent for all properties is 3% higher than the East Midlands average and 16% below the England average. Rents in Hinckley & Bosworth for all property sizes are all below the national average and broadly similar to regional and County figures.



Source: ONS Private Rental Market Statistics

- 2.48 Analysis below has also sought to consider rental trends over the last 5 years to provide a relative indication of where there is a supply/demand imbalance. The evidence indicates that over this period rents have grown by an average of 21%. The strongest growth has been for smaller (particularly 2-bedroom) properties with a lower change shown for 3-bedroom homes. Overall, it is not considered this analysis points to any specific trends by size and it should be noted that figures for any specific period will be influenced by the types of property let.

Figure 2.39: Median Rental Change in Hinckley & Bosworth, 2017/18 – 2022/23

	2017/18	2022/23	Change	% Change
1-bedroom	£425	£505	£80	19%
2-bedrooms	£550	£675	£125	23%
3-bedrooms	£700	£795	£95	14%
4+ bedrooms	£925	£1,100	£175	19%
All Lettings	£575	£695	£120	21%

Source: ONS Private Rental Market Statistics

2.49 The table below compares changes in overall median private sector rents in Hinckley & Bosworth with other locations. Interestingly all areas have seen a similar increase (in the range of £100-£150 or 17%-22% per month).

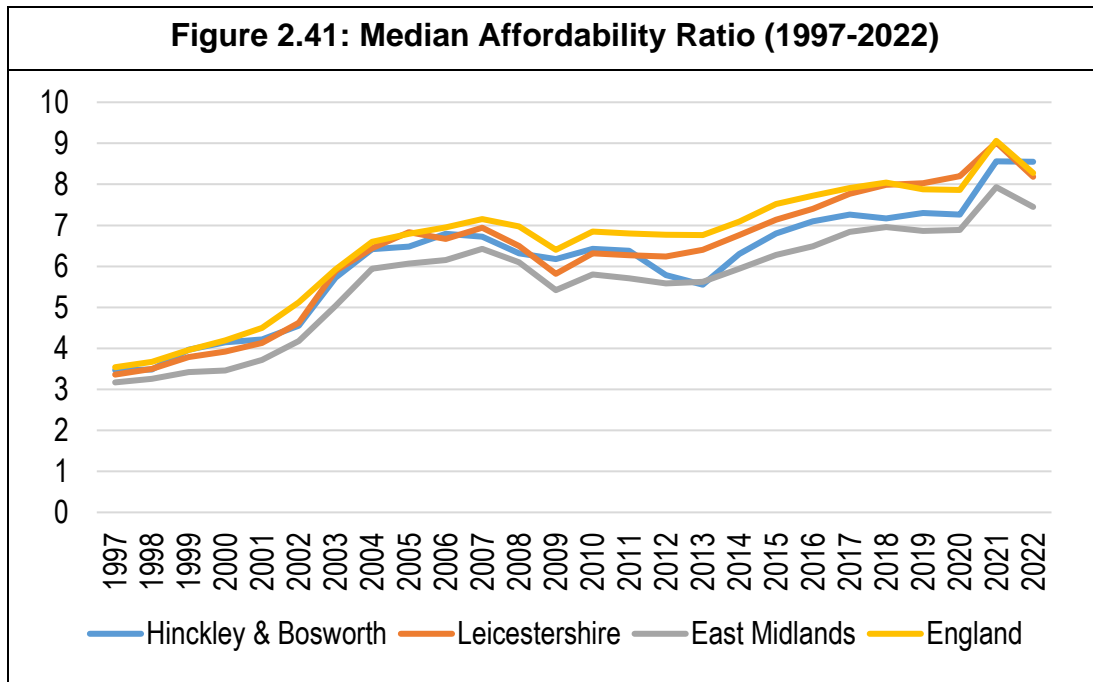
Figure 2.40: Median Rental Change in a range of areas, 2017/18 – 2022/23				
	2017/18	2022/23	Change	% Change
Hinckley & Bosworth	£575	£695	£120	21%
Leicestershire	£595	£695	£100	17%
East Midlands	£570	£675	£105	18%
England	£675	£825	£150	22%

Source: ONS Private Rental Market Statistics

Market Affordability

2.50 The figure below shows median workplace-based affordability ratios over time. This is the ratio between median house prices and median earnings of those working in the Borough. In all areas affordability has worsened between 1997 and 2022, Hinckley & Bosworth now sees an affordability ratio of 8.55, which is slightly higher than those seen in other locations.

2.51 Over the past decade (2012-22) the affordability ratio has worsened in Hinckley & Bosworth (going from 5.79 to 8.55) – a 48% increase. Over the same period, the ratio increased by 34% across the East Midlands and 22% nationally.



Source: ONS, Housing Affordability in England and Wales

Area Profile: Key Messages

- Analysis was carried out to provide background information about population and housing in Hinckley & Bosworth. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:
 - Demographic baseline (including data on population age structure and changes);
 - Housing stock (including type and tenure); and
 - Housing market (including data on house prices)
- As of mid-2021, the population of Hinckley & Bosworth is 113,700 and since 2011 the Borough's population has grown by around 8% which is a similar rate of growth as across the East Midlands but above the national figure.
- The age structure of the population is also slightly different to other areas, with fewer people aged in their 20s and 30s, and slightly higher proportions of older people. Over the past decade, the Borough has seen an ageing of the population, with the number of people aged 65 and over increasing by 31%; there have however also been increases in the number of children and people of 'working-age' (taken to be 16-64).
- Population growth in the Borough is largely driven by internal migration – moves from one part of the UK to another, although there are also typically positive levels of international migration. Natural change has been negative over the past few years (i.e. more deaths than births).
- ONS dwelling stock data indicates there were 51,000 dwellings in the Borough as of 2021, a net increase of 4,100 dwellings between 2011 and 2021. As with population growth, rates of change in dwelling numbers have been similar to the levels seen across the East Midlands (and similar to but slightly above the national average).
- Some 75% of all households in the Borough are owner-occupiers, higher than the national average of 62% (and higher than the East Midlands average), consequently the proportion of households living in the social rented (10%) and private rented (14%) sectors is lower than seen in other locations.
- The housing stock is dominated by detached and semi-detached homes, both making up 38% of all dwellings (nationally only 23% of homes are detached). The stock overall is of a slightly larger average size in terms of the number of bedrooms (when compared nationally). The Borough does see relatively high levels of under-occupancy and low levels of overcrowding – 1.5% of households are overcrowded compared to 4.4% nationally.

Area Profile: Key Messages (cont...)

- In the year to March 2023 the median house price in Hinckley & Bosworth was around £250,000. This is above the median house price for the East Midlands, but is 13% below the national average. Prices have also been increasing significantly, rising by 74% (£107,000) over the decade to March 2023.
- In line with house prices, the Borough typically sees higher private rental costs than across the East Midlands, but lower in a national context – the median private rent for a 2-bedroom home standing at £675 per month in the year to March 2023. Rents overall are around 16% below the national average (compared with 13% when looking at median house prices). Over the past five years rents have increased by around 21%, slightly lower than the increase in house prices over the same period (29%).
- In line with national trends, affordability in the Borough has worsened with the workplace based median affordability ratio in Hinckley & Bosworth standing at 8.55 in 2022 (10-years previously it stood at 5.79) – this is based on the ratio between median house prices and full-time earnings.
- The analysis also looked at how key data varied across different parts of the Borough (based on wards and an Urban/Rural split). There are clearly differences between areas and arguably the differences between locations within the Borough are greater than differences between the Borough as a whole and the regional/national picture. Overall, the data points to Hinckley & Bosworth as having a range of similar characteristics to the regional/national picture but with variations within the Borough.

3. Overall Housing Need

Introduction

3.1 This section of the report considers overall housing need set against the framework of Planning Practice Guidance (PPG) – specifically the Standard Method for assessing housing need. For completeness, the section also considers recent demographic trends to test if there are ‘exceptional circumstances’ that would point to the Standard Method as no longer being reasonable. A projection has also been developed to consider the implications of housing delivery in-line with the Standard Method, this projection looks at a 2020-2041 period to align with the likely dates of the emerging plan.

Standard Method

3.2 The analysis below considers the level of local housing need for Hinckley & Bosworth using the Standard Method. The methodology for calculating housing need is clearly set out by Government in Planning Practice Guidance and follows a four-step process worked through in the following sub-sections. We consider first the implications of use of the 2014-based Household Projections, the use of which is required in the Planning Practice Guidance.

Step One: Setting the Baseline

3.3 The first step in considering housing need against the Standard Method is to establish a demographic baseline of household growth. This baseline is drawn from the 2014-based Household Projections and should be the annual average household growth over a ten-year period, with the current year being the first year i.e. 2023 to 2033. This results in growth of 3,642 households (364 per annum) over the ten-year period.

3.4 Although this figure is calculated over a ten-year period from 2023 to 2033, Paragraph 12 of the PPG states that this average household growth and the local housing need arising from it can then “be applied to the whole plan period” in calculating housing need.

Step Two: Affordability Adjustment

- 3.5 The second step of the standard method is to consider the application of an uplift on the demographic baseline, to take account of market signals (i.e. relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available.
- 3.6 The latest (workplace-based) affordability data is for 2022 and was published by ONS in March 2023. The Government's Guidance states that for each 1% increase in the ratio of house prices to earnings, above 4, the average household growth should be increased by 6.25%, with the calculation being shown below. For Hinckley & Bosworth, the ratio for 2022 was 8.55, giving an uplift of 28% - this leads to a housing need of 468 dwellings per annum.

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

Step Three: The Cap

- 3.7 The third step of the Standard Method is to consider the application of a cap on any increase and ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:
- The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan.
 - The second situation is where plans and evidence are more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth (step 1) or the housing requirement in the most recent plan, where this exists.
- 3.8 The last Local Plan (Core Strategy) was adopted in 2009 and is therefore more than 5-years old (and so housing need cannot be capped against this plan). Given the affordability ratio is below 40% there is no capping relevant for Hinckley & Bosworth, therefore the housing need figure remains at 468 per annum.

Step Four: Urban Uplift

3.9 The fourth and final step in the calculation means that the 20 largest urban areas in England are subject to a further 35% uplift. This uplift ensures that the Governments stated target of 300,000 dwellings per annum is met and that “homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable.” (Paragraph: 035 Reference ID: 2a-035-20201216). Hinckley & Bosworth is not listed within the top 20 urban areas in the country and therefore there is no additional uplift.

Standard Method Calculation using 2014-based Household Projections

3.10 The table below works through the Standard Method calculations for the Borough and shows a need for 264 dwellings per annum.

Figure 3.1: Standard Method Housing Need Calculations using 2014-based Household Projections	
	Hinckley & Bosworth
Households 2023	50,139
Households 2033	53,781
Change in households	3,642
Per annum change	364
Affordability ratio (2022)	8.55
Uplift to household growth	28%
Uncapped need (per annum)	468

Source: Derived from a range of ONS and MHCLG sources

Divergence from the Standard Method (Exceptional Circumstances)

3.11 The table above sets out housing need using the Standard Method and whilst this is a relevant consideration, Planning Practice Guidance does allow for divergence from these figures (in both an upward and downward direction) where exceptional circumstances can be demonstrated. An important start point is to understand Government Guidance on this topic. This can be found in Planning Practice Guidance 2a and below are some key quotes for the purposes of this document.

“Is the use of the standard method for strategic policy making purposes mandatory?”

No, if it is felt that circumstances warrant an alternative approach but authorities can expect this to be scrutinised more closely at examination. There is an expectation that the standard method will be used and that any other method will be used only in exceptional circumstances.” - Paragraph: 003 Reference ID: 2a-003-20190220.

“If authorities use a different method how will this be tested at examination?”

Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. Any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method.” - Paragraph: 015 Reference ID: 2a-015-20190220 (whole paragraph not replicated).

- 3.12 Paragraph 2a-010 also sets out circumstances where it might be appropriate to plan for a higher housing need figure than the standard method indicates; this includes noting that the method *‘does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates’.*
- 3.13 Regarding demographic trends and projections, the guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be applied where relevant. When using an alternative approach, it is necessary to take account of demographic growth and market signals, but this cannot include using more recent versions of published SNHP. The PPG does not specifically set out examples of exceptional circumstances but it is considered that there are likely to be two main considerations:
- Firstly that demographic data on which projections are based is demonstrably wrong and cannot realistically be used for trend-based projections on which the Standard Method is based; and
 - Secondly that demographic trends have changed so much that it is unrealistic to use a set of projections based on information in a trend period to 2014, which is now over 8-years old.

3.14 The analysis below principally focuses on population projections as these are the main driver of household growth. The analysis additionally does not seek to challenge the market signals (affordability) element of the Standard Method.

Data used in 2014-based projections

3.15 On the 22nd March 2018 ONS released revised population estimates for England and Wales: mid-2012 to mid-2016. The main justification ONS listed for this were that improvements had been made to international emigration and foreign armed forces dependents and that the distribution of people aged in their 20s and 30s has changed more than for other age groups.

3.16 By updating previous estimates of population change and migration (including in the period 2011-14) ONS were essentially changing the data used to underpin part of the 2014-based projections. It is therefore worthwhile seeing how significant these changes were for Hinckley & Bosworth and if updated information point to the 2014-based projections as being substantially wrong.

3.17 The table below shows estimated population in 2014 from the original and revised MYE. For the whole of the Council area the revised population estimate for 2014 is slightly lower than for previous data (data used for the 2014-SNPP). This would suggest the 2014-based projections slightly overestimated population growth. However, the scale of difference is not at all substantial and would be unlikely to have a notable impact on projections.

Figure 3.2: Original & Revised Estimate of Population in 2014			
	Original estimate	Revised estimate	Difference
Hinckley & Bosworth	107,722	107,560	-162

Source: ONS

Demographic Trends

- 3.18 The analysis below looks at population trends across the Borough. Two main sources are initially used, these are:
- MYE (unadjusted) – unadjusted ONS mid-year population estimates (MYE) – these are estimates of population made by ONS through its tracking of births, deaths and migration from 2021. This is an important source as the data contained within this data source (notably about migration) is likely to be used by ONS as part of the next round of population projections (2022-based SNPP); and
 - MYE (Census adjusted) – these are estimates of population in 2021 that take account of 2021 Census data. Essentially, ONS use the Census (which dates from March 2021) and roll forward to a mid-year estimates based on births, deaths and migration in the 3 month period. The Census adjusted MYE replace the unadjusted figures as the ONS view of population in 2021.
- 3.19 From these sources there are only two consistent data points (2011 and 2021) – much of the analysis to follow therefore looks at trends in this 10-year period.
- 3.20 Above it was noted that one exceptional circumstance might be that the 2014-based subnational household projections (SNHP) that underpin the Standard Method are clearly wrong – in this instance we are looking to consider if the trends that have actually occurred are substantially different from those projected back in 2014 and that this is locally exceptional. One way of considering this is to compare data for 2021 with recently published Census data and also MYE data (prior to a Census adjustment). Comparisons are made for both population (as this underpins the household projections) and household estimates.
- 3.21 The table below shows population figures for 2011 and 2021 from these sources. The data shows the 2014-based projections had projected the population of the Borough to reach 113,000 by 2021 and ONS in their monitoring of data had actually estimated a higher population figure (114,300). Following publication of the 2021 Census, ONS has revised downwards its estimate of population in 2021 to 113,700, a figure only slightly higher than the 2014-SNPP had projected. There is clearly nothing exceptional about this finding in either an upward or downward direction.

Figure 3.3: Estimated Population in 2011 and 2021 -range of sources				
	2011	2021	Change	% change
2014-based SNPP/SNHP	105,328	113,007	7,679	7.3%
MYE (unadjusted)	105,328	114,293	8,965	8.5%
MYE (Census adjusted)	105,328	113,653	8,325	7.9%

Source: ONS

3.22 In terms of more recent trends, we can also look at household changes as projected in the 2014-SNHP and as now shown by the Census, this is shown in the table below. This shows across the Council area that household growth in the 10-year period to 2021 was projected to be at a similar level in the 2014-SNHP and the Census (very slightly higher in the Census). Again, there is clearly nothing exceptional emerging from this analysis.

Figure 3.4: Estimated Households in 2011 and 2021 – range of sources				
	2011	2021	Change	% change
2014-based SNHP	45,498	49,382	3,884	8.5%
Census	45,377	49,446	4,069	9.0%

Source: ONS

Developing a Projection linking to the Standard Method

3.23 The data above suggests the Standard Method is a reasonable number to use in estimating housing need for the Borough and it is worthwhile looking at how population might change if providing this level of homes. A bespoke projection has been developed, linking to provision of 468 dwellings per annum, and this projection is then used for other analysis in the report (including looking at the mix of housing) – the projection looks at demographic change over the 2020-41 period.

3.24 A scenario has been developed which flexes migration to and from the Borough such that there is sufficient population for 468 additional homes each year. The modelling links to 2018-based population and household projections and also rebases population and households to the levels shown in the 2021 Census.

- 3.25 Within the modelling, migration assumptions have been changed so that across the Borough the increase in households matches the housing need (including a standard 3% vacancy allowance). Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).
- 3.26 In developing this projection a population increase of around 17,100 people is shown, with the most significant population growth shown in the 65 and over age band – a projected increase of 39% in this age band from 2020 numbers, with this age group accounting for 57% of all population growth. Both the Under 16 and 16-64 populations are projected to see more modest increases in numbers over the period studied.

Figure 3.5: Projected population change 2020 to 2041 by broad age bands – Hinckley & Bosworth (linked to delivery of 468 dwellings per annum)

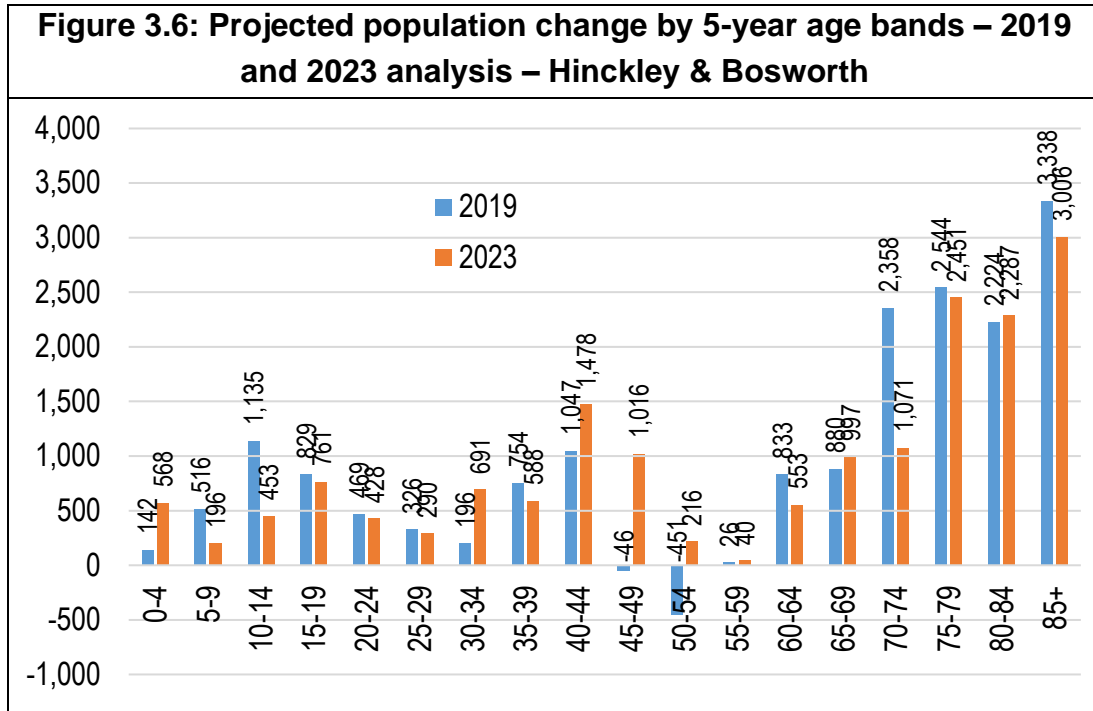
	2020	2041	Change in population	% change from 2020
Under 16	19,662	21,044	1,382	7.0%
16-64	68,240	74,137	5,897	8.6%
65 and over	25,149	34,960	9,811	39.0%
Total	113,051	130,141	17,090	15.1%

Source: Demographic Projections

Comparison with 2019 HNS

- 3.27 The 2019 HNS also developed a projection linking to the Standard Method (see Section 3 of that report). The 2019 projection looked at a slightly different time period (2016-36) but does show a broadly similar trend to that in this report. The 2019 study suggested population growth of 17,100 people (over 20-years) compared with the same growth estimated in this report (for a 21-year period). The population aged 65 and over accounted for 66% of projected growth in the 2019 study, slightly higher than the 57% in this study.
- 3.28 Therefore, this report models for similar population growth and less ageing of the population – this is likely to be driven by this report being able to access 2018-based population projections which do build in the national (and local) trend of lower improvements to life expectancy and therefore some slowing down of an ageing population structure.

3.29 For reference the figure below shows population growth as projected in this study by five-year age bands and how this compares with similar data (for a slightly different time period) in the 2019 HNS. Whilst there are differences, it is clear the patterns of projected population change remain broadly same in the two reports.



Source: Demographic Projections

Overall Housing Need: Key Messages

- The HNS studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 468 dwellings per annum. This is based on household growth of 364 per annum and an uplift for affordability of 28%.
- The report has considered whether there are exceptional circumstances to move away from the Standard Method (either in an upward or downward direction). This looked at up-to-date demographic trends and is also mindful of the latest NPPF of December 2023 which points to there being some strengthening of the encouragement for local authorities to consider exceptional circumstances.
- Firstly the report tested the data used in the 2014-projections as ONS has subsequently revised key trend data for migration. In Hinckley & Bosworth, the revision was very minor and unlikely to have any notable impact on the projections.
- The report then looks at more recent demographic trends – taking account of 2021 Census data and ONS mid-year population estimates up to 2021, this data was compared with the 2014-based projections. Whilst there were differences between sources, these did not show a clear trend of significant differences and did not point to any exceptional circumstance.
- Data about household growth from the Census also showed a similar pattern to that in the 2014-based projections, again pointing to the projections underpinning the Standard Method as remaining reasonable.
- Overall, it was therefore concluded that the Standard Method is a reasonable assessment of housing need for Hinckley & Bosworth (noting the premise of the method itself has not been challenged in this report). On that basis a bespoke demographic projection was developed to look at how the population might change if 468 homes per annum were delivered over the 2020-41 period. This showed continued population growth and an ageing of the population, the same pattern as had been observed for the past decade.
- The 2019 study also developed a projection linking to the Standard Method with the general outputs and age structures from the two being broadly similar. The projection developed in this report does however show slightly less ageing, this is likely to be due to use of 2018-based projections which build-in an observed trend of lower improvements to life expectancy in the older person population.

4. Affordable Housing Need

Introduction

- 4.1 This section provides an assessment of the need for affordable housing in Hinckley & Bosworth. The analysis specifically considers general needs housing, with further analysis of specialist housing (e.g. for older people) being discussed later in the report.
- 4.2 The analysis follows the PPG (Sections 2a-018 to 2a-024) and provides two main outputs, linked to Annex 2 of the NPPF – this is firstly an assessment of the need from households unable to buy OR rent housing and secondly from households able to rent but not buy. For convenience these analyses are labelled as a need for ‘social/affordable rented housing’ and ‘affordable home ownership’ although in reality it is possible for a home ownership product to fit into the rented category (as long as the price is sufficiently low) or for a rented product (such as rent-to-buy) to be considered as affordable home ownership.
- 4.3 The analysis also considers First Homes, which looks likely to become a new tenure (potentially replacing other forms of affordable home ownership). Further information about First Homes was set out in a Planning Practice Guidance in May 2021.

Methodology Overview

- 4.4 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy) – it is considered that this group will mainly be a target for rented affordable homes (social/affordable rented) and therefore the analysis looks a need for ‘affordable housing for rent’ as set out in Annex 2 of the NPPF. The methodology for looking at the need for rented (social/affordable) housing considers the following:
- **Current affordable housing need:** an estimate of the number of households who have a need now, at the point of the assessment, based on a range of secondary data sources – this figure is then annualised so as to meet the current need over a period of time;

- **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
- **Existing households falling into need:** based on studying past trends in the types of households who have accessed social/affordable rented housing; and
- **Supply of affordable housing:** an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.

4.5 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for social/affordable rented housing.

4.6 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.

4.7 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home, and require support to do so. The PPG includes households that “cannot afford their own homes, either to rent, or to own, where that is their aspiration” as having an affordable housing need.

4.8 This widened definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 20 years or so. The PPG does not however provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG, and considers a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.

4.9 The analysis of affordable housing need is therefore structured to consider the need for rented affordable housing, and separately the need for affordable home ownership. The overall need is expressed as an annual figure, which can then be compared with likely future delivery (as required by 2a-024).

4.10 Whilst the need for social/affordable rented housing and affordable home ownership are analysed separately, there are a number of pieces of information that are common to both assessments. In particular, this includes an understanding of local housing costs, incomes and affordability. The sections below therefore look at these factors.

Local Prices and Rents

4.11 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).

4.12 The analysis below considers the entry-level costs of housing to both buy and rent across the Borough. The approach has been to analyse Land Registry and ONS data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest properties may be of sub-standard quality.

4.13 Data from the Land Registry for the year to March 2023 shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £100,000 for a second-hand flat and rising to £300,000 for a detached home. Looking at the lower quartile price across all dwelling types, the analysis shows a lower quartile price of £197,000. The figures are all based on cost of existing homes in the market although newbuild prices are considered later in this section when looking at potential costs of affordable home ownership properties.

Figure 4.1: Estimated lower quartile cost of housing to buy by type (existing dwellings) – year to March 2023 – Hinckley & Bosworth	
	Lower quartile price
Flat/maisonette	£100,000
Terraced	£170,000
Semi-detached	£220,000
Detached	£300,000
All dwellings	£197,000

Source: Land Registry

4.14 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). The analysis suggests a lower quartile price of about £85,000 for a 1-bedroom home, rising to £325,000 for homes with 4-bedrooms.

Figure 4.2: Estimated lower quartile cost of housing to buy by size (existing dwellings) – Hinckley & Bosworth	
	Lower quartile price
1-bedroom	£85,000
2-bedrooms	£155,000
3-bedrooms	£230,000
4-bedrooms	£325,000
All Dwellings	£197,000

Source: Land Registry and Internet Price Search

4.15 A similar analysis has been carried out for private rents. For this, reference has been made to Office for National statistics (ONS) data (which covers a 12-month period to March 2023) supplemented by a review of available properties through an internet search – these latter figures provide an indication of current costs to access the market, whereas the ONS data includes existing tenancies which may be at a lower rent. The analysis shows an average lower quartile cost (across all dwelling sizes) of £750 per month.

Figure 4.3: Lower Quartile Market Rents – Hinckley & Bosworth	
	Lower Quartile rent, pcm
1-bedroom	£575
2-bedrooms	£750
3-bedrooms	£900
4-bedrooms	£1,200
All properties	£750

Source: ONS and internet private rental cost search

4.16 It is of interest for this study to see how prices and rents vary by location. The table below shows an estimate of the overall lower quartile house price and private rent in each of the sub-areas; this is based on Land Registry data for prices and analysis of online data on available lettings which has then been adjusted to be consistent with the data from ONS. The analysis shows some variation in prices and rents, with prices (and rents) estimated to be highest in Twycross and Witherley with Sheepy and generally in Rural areas. The lowest prices and rents were found to be in Hinckley Castle.

Figure 4.4: Lower Quartile Prices and Market Rents, by sub-area

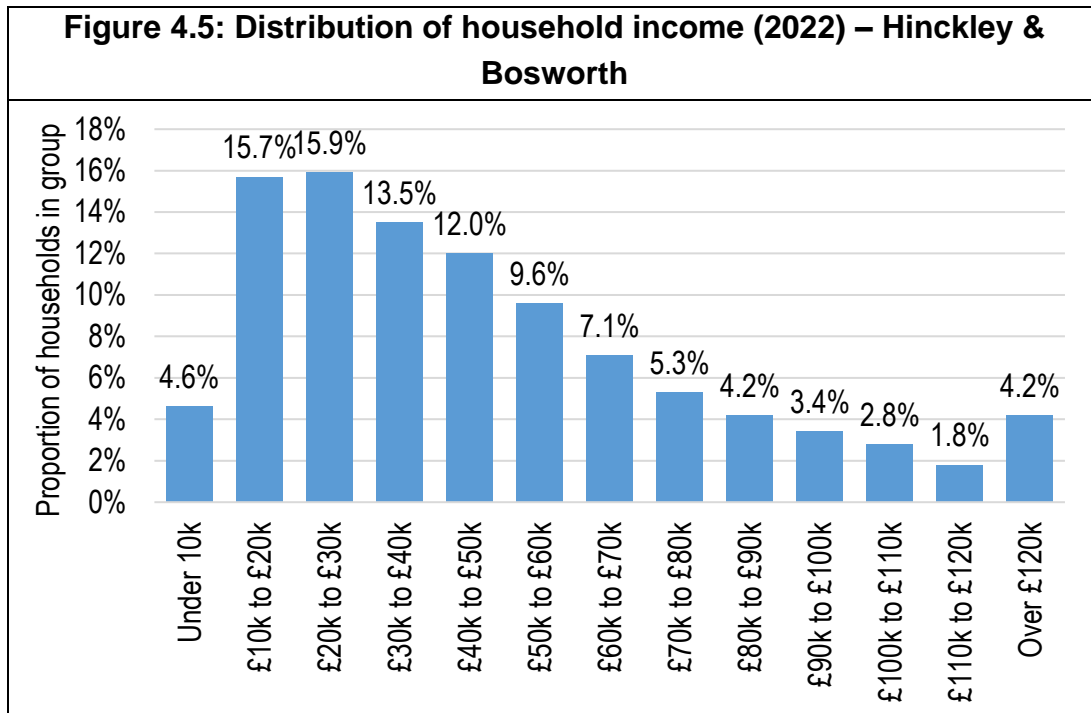
	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
Ambien	£274,000	£975
BN&O	£212,000	£850
Barwell	£166,000	£695
BS&S	£242,000	£855
BStC&LH	£217,000	£805
CCMB&S	£324,000	£1,025
Earl Shilton	£174,000	£680
Groby	£239,000	£890
H-Castle	£154,000	£610
H-Clar'don	£204,000	£825
H-DeMont't	£191,000	£720
H-Trinity	£185,000	£760
MS&F	£187,000	£765
NVwD&P	£232,000	£830
RB&T	£209,000	£830
T&WwS	£327,000	£1,095
Urban	£185,000	£715
Rural	£223,000	£840
Total	£197,000	£750

Source: Internet private rental cost search and Land Registry

Household Incomes

4.17 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates updated to a 2022 base using data from the Annual Survey of Hours and Earnings (ASHE). Additional data from the English Housing Survey (EHS) has been used to provide information about the distribution of incomes.

4.18 Drawing this data together an income distribution for all households across the Borough has been constructed for 2022. The figure below shows that around a fifth of households have incomes below £20,000 with a further third in the range of £20,000 to £40,000. Overall, the average (mean) income is estimated to be around £48,400, with a median income of £40,200; the lower quartile income of all households is estimated to be £22,800.



Source: Derived from a range of data including ONS, ASHE and EHS

4.19 Analysis has also been undertaken to estimate how incomes vary by sub-area, with the table below showing the estimated median household income in each location, the table also shows the variance in incomes from the Borough average. There is some variation in the estimated incomes by area, with Rural locations generally having the highest incomes.

Figure 4.6: Estimated average (median) household income by sub-area (2022)

	Median income	As a % of Borough average
Ambien	£46,000	114%
BN&O	£40,100	100%
Barwell	£34,400	85%
BS&S	£48,200	120%
BStC&LH	£34,400	85%
CCMB&S	£48,700	121%
Earl Shilton	£34,700	86%
Groby	£45,200	112%
H-Castle	£35,700	89%
H-Clar'don	£39,500	98%
H-DeMont't	£41,300	103%
H-Trinity	£38,300	95%
MS&F	£38,200	95%
NVwD&P	£42,300	105%
RB&T	£41,600	103%
T&WwS	£47,000	117%
Urban	£38,600	96%
Rural	£43,000	107%
Total	£40,200	-

Source: Derived from a range of data including ONS, ASHE and EHS

Affordability Thresholds

4.20 To assess affordability two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of social/affordable rented housing) and secondly to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying). This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households).

- 4.21 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue. CLG SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable start point, it also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).
- 4.22 Lower quartile rent levels in Hinckley & Bosworth are fairly average in comparison to other locations (ONS data points to a lower quartile rent of £595 in existing tenancies, compared with £550 across the East Midlands and £625 nationally). This would suggest that a proportion of income to be spent on housing could be towards the bottom end of the range (the range being from 25% to 40%). On balance, it is considered that a threshold of 30% is reasonable in a local context, to afford a £750 pcm rent would imply a gross household income of about £30,000 (and in net terms the rent would likely be around 36% of income).
- 4.23 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.
- 4.24 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.
- 4.25 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four and a half times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis.

4.26 The table below shows the estimated incomes required to both buy and rent (privately) in each sub-area. This shows a notable ‘gap’ in all areas across the Borough, particularly locations with higher house prices. The information in the tables below is taken forward into further analysis in this section to look at affordable needs in different locations.

Figure 4.7: Estimated Household Income Required to Buy and Privately Rent by sub-area

	To buy	To rent (privately)	Income gap
Ambien	£54,800	£39,000	£15,800
BN&O	£42,400	£34,000	£8,400
Barwell	£33,200	£27,800	£5,400
BS&S	£48,400	£34,200	£14,200
BStC&LH	£43,400	£32,200	£11,200
CCMB&S	£64,800	£41,000	£23,800
Earl Shilton	£34,800	£27,200	£7,600
Grobby	£47,800	£35,600	£12,200
H-Castle	£30,800	£24,400	£6,400
H-Clar’don	£40,800	£33,000	£7,800
H-DeMont’t	£38,200	£28,800	£9,400
H-Trinity	£37,000	£30,400	£6,600
MS&F	£37,400	£30,600	£6,800
NVwD&P	£46,400	£33,200	£13,200
RB&T	£41,800	£33,200	£8,600
T&WwS	£65,400	£43,800	£21,600
Urban	£37,000	£28,600	£8,400
Rural	£44,600	£33,600	£11,000
Total	£39,400	£30,000	£9,400

Source: Based on Housing Market Cost Analysis

Need for Social/Affordable Rented Housing

4.27 The sections below work through the various stages of analysis to estimate the need for social/affordable housing in the Borough. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

Current Need

4.28 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers. The PPG also includes a category where households cannot afford to own despite it being their aspiration – this category is considered separately in this report (under the title of the need for affordable home ownership).

Figure 4.8: Main Sources for Assessing the Current Need for Affordable Housing		
	Source	Notes
Homeless households (and those in temporary accommodation)	MHCLG Statutory Homelessness data	Household in temporary accommodation at end of quarter.
Households in overcrowded housing ¹	2021 Census table RM099	Analysis undertaken by tenure
Concealed households ²	2021 Census table RM009	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [2a-020]

1

<https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&daset=2199>

2

<https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&daset=2109>

- 4.29 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include an element of double counting (although this is likely to be small). Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.
- 4.30 The table below sets out the categories in the PPG and estimates of the number of households within each need category. This shows an estimated need from around 2,400 households. The data draws on a number of sources, including the 2021 Census.

Figure 4.9: Estimated housing need by category of household		
	Households	% of households
Concealed/homeless household	554	23.1%
Households in overcrowded housing	752	31.3%
Existing affordable housing tenants in need	110	4.6%
Households from other tenures in need	987	41.1%
TOTAL	2,403	100.0%

Source: JGC analysis

- 4.31 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. The affordability in different groups is based on estimates of how incomes are likely to vary, for owner-occupiers there is a further assumption about potential equity levels. For homeless and concealed households it is assumed incomes will be low and households unlikely to be able to afford to rent privately. The table below shows around half of those households identified above are unlikely to be able to afford market housing to buy OR rent and therefore there is a current need from 1,250 households.

Figure 4.10: Estimated housing need and affordability by tenure			
	Number in need	% unable to afford	Current need after affordability
Owner-occupied	688	4.4%	30
Affordable housing	419	81.8%	342
Private rented	743	43.6%	324
No housing (homeless/concealed)	554	100.0%	554
TOTAL	2,403	52.1%	1,251

Source: JGC analysis

- 4.32 Finally, from these estimates, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The total current need is therefore estimated to be 908 – this estimate can be compared with data from the Council’s Housing Register, which at April 2022 had a total of 895 applicants.
- 4.33 For the purposes of analysis, it is assumed that the local authority would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2020-41, the need is annualised by dividing by 21 (to give an annual need for 43 dwellings across all areas). This does not mean that some households would be expected to wait 21-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.
- 4.34 The table below shows this data for sub-areas – this includes the number in need (once taking account of affordability), the number once excluding housing in affordable housing and the annual figure this represents.

Figure 4.11: Estimated current housing need by sub-area

	Number in need	Excluding those in affordable housing	Annualised (/21) 2020-41
Ambien	42	34	2
BN&O	47	36	2
Barwell	118	76	4
BS&S	62	51	2
BStC&LH	81	48	2
CCMB&S	35	32	2
Earl Shilton	149	95	5
Groby	47	43	2
H-Castle	89	69	3
H-Clar'don	97	67	3
H-DeMont't	96	76	4
H-Trinity	98	62	3
MS&F	62	52	2
NVwD&P	104	77	4
RB&T	93	64	3
T&WwS	31	26	1
Urban	790	544	26
Rural	461	364	17
Total	1,251	908	43

Source: JGC analysis

Newly-Forming Households

4.35 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.

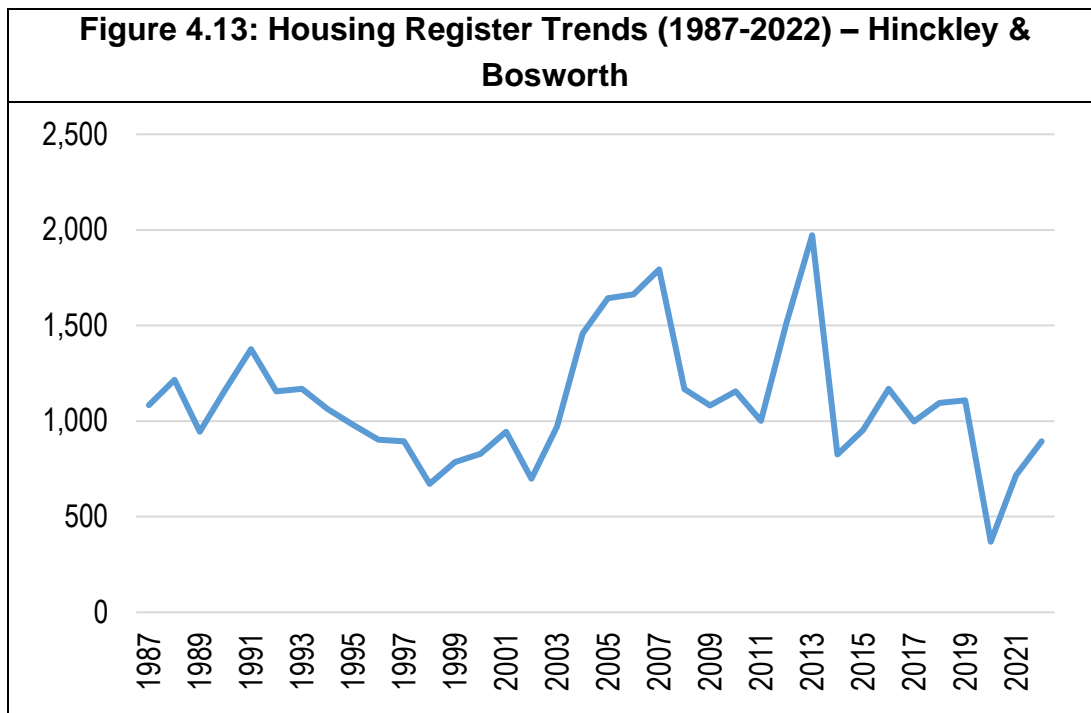
- 4.36 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 4.37 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).
- 4.38 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.
- 4.39 The assessment suggests overall that around half of newly forming households will be unable to afford market housing (to rent privately) and this equates to a total of 472 newly forming households that will have a need per annum on average across the Borough.

Figure 4.12: Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (per annum)			
	Number of new households	% unable to afford	Annual newly forming households unable to afford to rent
Ambien	28	50.5%	14
BN&O	26	50.4%	13
Barwell	87	48.2%	42
BS&S	91	40.7%	37
BStC&LH	48	55.1%	27
CCMB&S	24	50.1%	12
Earl Shilton	101	46.7%	47
Groby	54	46.1%	25
H-Castle	80	39.7%	32
H-Clar'don	98	49.7%	49
H-DeMont't	96	40.6%	39
H-Trinity	72	47.2%	34
MS&F	48	47.6%	23
NVwD&P	71	46.6%	33
RB&T	71	47.4%	33
T&WwS	20	55.6%	11
Urban	674	45.5%	307
Rural	342	48.2%	165
Total	1,016	46.4%	472

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

- 4.40 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. Data has been drawn from a number of sources, including Local Authority Housing Statistics (LAHS) and Continuous Recording of Sales and Lettings (CoRe).
- 4.41 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that ‘Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)’.
- 4.42 In addition, analysis has considered trends in the Housing Register, recognising an increase in numbers would point to a higher level of need than is indicated from past lettings (and vice versa). Over the past decade or so (and in the longer-term), the number of households on the Register has been variable, but with no clear trend. Therefore no further adjustments have been made from estimates based on past lettings.



Source: DLUHC Live Table 600

4.43 Following the analysis through suggests a need arising from 81 existing households each year across the Borough with the table below showing how this is estimated to vary across sub-areas – this shows a particular focus in urban areas.

Figure 4.14: Estimated Need for Social/Affordable Rented Housing from Existing Households Falling into Need (per annum)		
	Total Additional Need	% of Total
Ambien	2	2.9%
BN&O	2	2.8%
Barwell	8	10.3%
BS&S	5	6.8%
BStC&LH	3	4.3%
CCMB&S	2	3.1%
Earl Shilton	9	10.9%
Groby	3	3.9%
H-Castle	11	13.5%
H-Clar'don	8	10.0%
H-DeMont't	9	10.6%
H-Trinity	5	6.1%
MS&F	4	4.4%
NVwD&P	3	4.2%
RB&T	4	4.5%
T&WwS	1	1.8%
Urban	59	72.4%
Rural	22	27.6%
Total	81	100.0%

Source: JGC analysis

Supply of Social/Affordable Rented Housing Through Relets

- 4.44 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.

- 4.45 The Practice Guidance suggests that the estimate of likely future relets from the social/affordable rented stock should be based on past trend data which can be taken as a prediction for the future. Information from a range of sources (LAHS, CoRe and Council data) has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.
- 4.46 On the basis of past trend data it has been estimated that 165 units of social/affordable rented housing are likely to become available each year moving forward for occupation by households in need.

Figure 4.15: Analysis of Past Social/Affordable Rented Housing Supply, 2019/20 – 2021/22 (average per annum) – Hinckley & Bosworth

	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2019/20	358	77.4%	277	65.1%	180
2020/21	294	83.7%	246	65.6%	161
2021/22	304	93.4%	284	53.3%	151
Average	319	84.4%	269	61.5%	165

Source: CoRe

- 4.47 The table below shows the estimated supply of affordable housing from relets in each sub-area. The sub-area figures have been based on the size of the stock in each sub-area as of 2021 (Census data).

Figure 4.16: Estimated supply of affordable housing from relets of existing stock by sub-area (per annum)		
	Annual supply	% of supply
Ambien	3	2.1%
BN&O	5	2.8%
Barwell	18	10.8%
BS&S	6	3.6%
BStC&LH	18	10.6%
CCMB&S	3	2.1%
Earl Shilton	23	13.9%
Groby	5	2.8%
H-Castle	10	5.9%
H-Clar'don	15	9.0%
H-DeMont't	10	5.7%
H-Trinity	14	8.5%
MS&F	7	4.2%
NVwD&P	13	7.7%
RB&T	14	8.5%
T&WwS	3	2.0%
Urban	112	68.0%
Rural	53	32.0%
Total	165	100.0%

Source: CoRe/Census (2021)

- 4.48 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Social/Affordable Housing

4.49 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 430 dwellings per annum across the area – an affordable need is seen in all sub-areas. The net need is calculated as follows:

$$\text{Net Need} = \text{Current Need (allowance for)} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

Figure 4.17: Estimated Need for Social/Affordable Rented Housing by sub-area (per annum)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Ambien	2	14	2	18	3	15
BN&O	2	13	2	17	5	13
Barwell	4	42	8	54	18	36
BS&S	2	37	5	45	6	39
BStC&LH	2	27	3	32	18	15
CCMB&S	2	12	2	16	3	13
Earl Shilton	5	47	9	61	23	38
Groby	2	25	3	30	5	26
H-Castle	3	32	11	46	10	36
H-Clar'don	3	49	8	60	15	45
H-DeMont't	4	39	9	51	10	42
H-Trinity	3	34	5	42	14	28
MS&F	2	23	4	29	7	22
NVwD&P	4	33	3	40	13	27
RB&T	3	33	4	40	14	26
T&WwS	1	11	1	14	3	10
Urban	26	307	59	391	112	279
Rural	17	165	22	205	53	152
Total	43	472	81	596	165	430

Source: JGC analysis

4.50 These figures can also be standardised based on the size of each location (in this case linked to the number of households shown in the 2021 Census). This shows for example that the supply in Burbage St Catherines and Lash Hill is able to meet around 54% of needs arising, whilst in Burbage Sketchley and Stretton it is only 13%. The analysis also shows Hinckley Castle as having the highest need per 1,000 households, followed by Hinckley Clarendon.

Figure 4.18: Estimated level of Housing Need per annum						
	Total Need	Supply	Net Need	% of net shortfall	Supply as % of need	Net need per 1,000 households
Ambien	18	3	15	3.4%	18.9%	9.36
BN&O	17	5	13	2.9%	26.8%	8.90
Barwell	54	18	36	8.4%	32.9%	8.91
BS&S	45	6	39	9.0%	13.4%	8.53
BS&C&LH	32	18	15	3.4%	54.4%	5.47
CCMB&S	16	3	13	3.0%	21.0%	8.17
Earl Shilton	61	23	38	8.8%	37.8%	8.10
Groby	30	5	26	6.0%	15.1%	8.86
H-Castle	46	10	36	8.4%	21.1%	11.15
H-Clar'don	60	15	45	10.5%	24.8%	11.10
H-DeMont't	51	10	42	9.7%	18.5%	8.90
H-Trinity	42	14	28	6.5%	33.4%	8.99
MS&F	29	7	22	5.1%	24.2%	7.92
NVwD&P	40	13	27	6.4%	31.7%	7.44
RB&T	40	14	26	6.1%	35.0%	8.34
T&WwS	14	3	10	2.4%	24.1%	7.87
Urban	391	112	279	64.8%	28.8%	8.96
Rural	205	53	152	35.2%	25.9%	8.26
Total	596	165	430	100.0%	27.8%	8.70

Source: JGC analysis

4.51 Whilst the need above is provided down to sub-area level, it should be remembered that affordable need can be met across the Borough as and when opportunities arise, and so specific sub-area data should not be treated as a local target.

The Relationship Between Affordable Need and Overall Housing Numbers

4.52 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG [2a-024] states:

‘The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes’

4.53 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015. PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need. There are a number of reasons why the two cannot be ‘arithmetically’ linked.

4.54 Firstly, the modelling contains a category in the projection of ‘existing households falling into need’; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is no net need to provide additional homes. The modelling also contains ‘newly forming households’; these households are a direct output from the demographic modelling and are therefore already included in the overall housing need figures.

4.55 The analysis estimates an annual need for 430 rented affordable homes, which is notionally 92% of a Local Housing Need of 468 dwellings per annum (as calculated using the Standard Method). However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).

- 4.56 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below which identifies that meeting these needs would lead to an affordable need for 333 homes per annum across the Borough – notionally 71% of the Standard Method. This figure is theoretical and should not be seen to be minimising the need (which is clearly acute). It does however serve to show that there is a substantial difference in the figures when looking at overall housing shortages.
- 4.57 The analysis is arguably even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections and so the demonstrating of a need for this group again should not be seen as additional to that estimated through demographic projections (including the Standard Method).

Figure 4.19: Estimated Need for Affordable Housing (social/affordable rented) excluding households already in accommodation – Hinckley & Bosworth		
	Including existing households	Excluding existing households
Current need	43	26
Newly forming households	472	472
Existing households falling into need	81	0
Total Gross Need	596	498
Relet Supply	165	165
Net Need	430	333

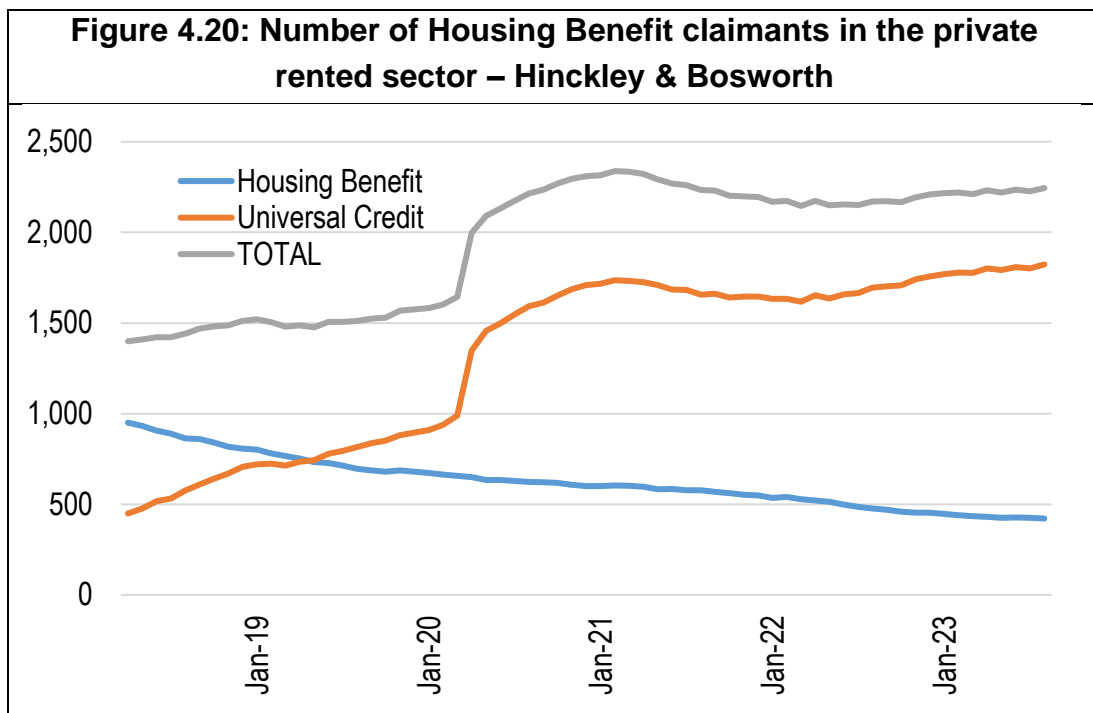
Source: JGC analysis

- 4.58 Additionally, it should be noted that the need estimate is on a per annum basis and should not be multiplied by the plan period to get a total need. Essentially, the estimates are for the number of households who would be expected to have a need in any given year (i.e. needing to spend more than 30% of income on housing). In reality, some (possibly many) households would see their circumstances change over time such that they would ‘fall out of need’ and this is not accounted for in the analysis. One example would be a newly forming household with an income level that means they spend more than 30% of income on housing, as the household’s income rises they would potentially pass the affordability test and therefore not have an affordable need. Additionally, there is the likelihood when looking over the longer-term that a newly-forming household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.
- 4.59 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall provision (with the exception of potentially providing housing for concealed households although this should be picked up as part of an affordability uplift). It is however worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit. In particular, the role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.
- 4.60 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main ‘full market’ PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their “homelessness duty” through providing an offer of a suitable property in the PRS.
- 4.61 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: ‘Affordable housing: housing for sale or rent, for those whose **needs are not met by the market**’ [emphasis added]. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning housing market.

4.62 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of August 2023, it is estimated that there were over 2,200 benefit claimants in the private rented sector in Hinckley & Bosworth. From this, it is clear that the PRS contributes to the wider delivery of ‘affordable homes’ with the support of benefit claims, and further complicates any attempts to find a relationship between affordable need and overall housing need.

4.63 It should however be noted that it may be difficult for households to access private rented housing where they are reliant on HB/UC. In some cases Local Housing Allowance (LHA) levels will be low compared to the rent being sought and there will also be cases where landlords do not let homes to households claiming benefits (LHA levels are discussed later in this section). Therefore, whilst the private rented sector does release some pressure from affordable housing, it should not be considered as an affordable tenure.

4.64 The figure below shows the trend in the number of claimants in the Borough. This shows there has been a notable increase since March 2020, which is likely to be related to the Covid-19 pandemic. However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically around 1,500 households).



Source: Department of Work and Pensions

- 4.65 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing it needs to be noted that delivery of affordable housing through planning obligations is an important, but not the only means, of delivery affordable housing; and the Council should also work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets where these are available (in Hinckley & Bosworth the Council has very few land assets remaining, so this is unlikely to be a solution).
- 4.66 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply the two do not measure the same thing and in interpreting the affordable need figure, consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home. Further issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.
- 4.67 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue across the Borough. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.
- 4.68 Finally, whilst there is no direct link between the affordable need and overall housing need, it is the case that the levels of affordable need across areas can feed into considerations about the distribution of housing for different locations, along with an understanding of demographic trends and economic growth.

Split Between Social and Affordable Rented Housing

- 4.69 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.

- 4.70 The table below shows current rent levels in the Borough for a range of products along with relevant local housing allowance (LHA) rates (Most of the Borough is within the Leicester Broad Rental Market Area (BRMA) for the purposes of LHA). Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile market rents (as derived earlier in this section). This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are notably lower than lower quartile market rents.
- 4.71 The LHA rates for all sizes of home are below lower quartile market rents. This does mean that households seeking accommodation in many locations may struggle to secure sufficient benefits to cover their rent (even where they can find a landlord willing to accept benefit tenants).

Figure 4.21: Comparison of rent levels for different products – Hinckley & Bosworth				
	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	LHA (Leicester)
1-bedroom	£330	£417	£575	£449
2-bedrooms	£381	£526	£750	£563
3-bedrooms	£405	£594	£900	£673
4-bedrooms	£496	£796	£1,200	£893
All	£382	£529	£750	-

Source: RSH, market survey and VOA

- 4.72 To some extent it is easier to consider the data above in terms of the percentage one housing cost is of another and this is shown in the tables below. Caution should be exercised when looking at the overall averages as these will be influenced by the profile of stock in each category and so the discussion focusses on 2-bedroom homes. This shows that social rents are significantly cheaper than market rents (and indeed affordable rents) and that affordable rents (as currently charged) represent 70% of a current lower quartile rent.

Figure 4.22: Difference between rent levels for different products – Hinckley & Bosworth			
	Social rent as % of affordable rent	Social rent as % of LQ market rent	Affordable rent as % of LQ market rent
1-bedroom	79%	57%	72%
2-bedrooms	73%	51%	70%
3-bedrooms	68%	45%	66%
4-bedrooms	62%	41%	66%
All	72%	51%	71%

Source: RSH, market survey and VOA

4.73 For the affordability test, a standardised average rent for each product has been used based on the proportion of stock in each size category. The table below suggests that around 22% of households who cannot afford to rent privately could afford an affordable rent, with a further 21% being able to afford a social rent (but not an affordable one). A total of 57% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

Figure 4.23: Estimated need for affordable rented housing (% of households able to afford)	
	% of households able to afford
Afford affordable rent	22%
Afford social rent	21%
Need benefit support	57%
All unable to afford market	100%

Source: Affordability analysis

4.74 The finding that only 22% of households can afford an affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent – hence a higher proportion of affordable rented housing might be appropriate – indeed the analysis does identify a substantial proportion of households as being likely to need benefit support. On the flip side, providing more social rents might enable households to return to work more easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent.

- 4.75 There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need. Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided, for example, it is likely that affordable rented housing is more viable, and therefore a greater number of units could be provided. Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – e.g. if tenants are paying a different rent for essentially the same size/type of property and services.
- 4.76 On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes (and particularly socially rented housing) are likely to be required.

Establishing a Need for Affordable Home Ownership

- 4.77 The Planning Practice Guidance confirms a widening definition of those to be considered as in affordable need; now including ‘households which can afford to rent in the private rental market, but cannot afford to buy despite a preference for owning their own home’. However, at the time of writing, there is no guidance about how the number of such households should be measured.
- 4.78 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the ‘gap’ between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.
- 4.79 The analysis has been developed in the context of First Homes with the Government proposing that 25% of all affordable housing secured through developer contributions should be within this tenure. A definition of First Homes (from the relevant PPG (70-001)) can be found later in this document.

Gross Need for Affordable Home Ownership

- 4.80 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the Borough – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.
- 4.81 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 42% already have sufficient income to buy a lower quartile home, with 14% falling in the rent/buy 'gap'. The final 44% are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than the calculated threshold of their income on housing costs) although in reality it should be noted that many households will spend a higher proportion of their income on housing.
- 4.82 These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in, or who might be expected to access, this sector (e.g. newly forming households).

Figure 4.24: Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing			
	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
Ambien	33%	19%	48%
BN&O	40%	12%	48%
Barwell	45%	9%	46%
BS&S	42%	19%	38%
BStC&LH	33%	15%	53%
CCMB&S	27%	25%	48%
Earl Shilton	43%	12%	44%
Groby	40%	17%	44%
H-Castle	51%	11%	38%
H-Clar'don	41%	11%	47%
H-DeMont't	47%	14%	38%
H-Trinity	45%	10%	45%
MS&F	45%	10%	45%
NVwD&P	38%	17%	44%
RB&T	43%	12%	45%
T&WwS	25%	22%	53%
Urban	44%	13%	43%
Rural	38%	16%	46%
Total	42%	14%	44%

Source: Housing Market Cost Analysis and Affordability Testing

- 4.83 The finding that a proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests for some households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).

- 4.84 To study current need, an estimate of the number of household living in the Private Rented Sector (PRS) has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The start point is the number of households living in private rented accommodation; as of the 2021 Census there were some 6,200 households living in the sector across the Borough (renting from private landlord or letting agency).
- 4.85 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point (3,700 households if applied to Hinckley & Bosworth) and of these some 40% (1,490 households) would expect this to happen in the next 2-years. These figures are taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 4.86 As noted above, on the basis of income it is estimated that around 14% of the private rented sector sit in the gap between renting and buying (varying by location). Applying this proportion to the above figures would suggest a current need for around 198 affordable home ownership units (9 per annum if annualised over a 21-year period).
- 4.87 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 155 dwellings (141 from newly forming households and 14 from existing households in the private rented sector).
- 4.88 Bringing together the above analysis suggests that there is a need for around 165 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum across the Borough. This is before any assessment of the potential supply of housing is considered.

Figure 4.25: Estimated Gross Need for Affordable Home Ownership (per annum)				
	Current need	Newly forming house-holds	Existing house-holds falling into need	Total Gross Need
Ambien	0	5	1	6
BN&O	0	3	0	4
Barwell	1	8	1	9
BS&S	1	18	1	20
BStC&LH	0	7	1	8
CCMB&S	1	6	1	7
Earl Shilton	1	13	1	15
Groby	0	9	1	10
H-Castle	1	9	2	12
H-Clar'don	1	11	1	13
H-DeMont't	1	14	2	17
H-Trinity	0	7	1	8
MS&F	0	5	0	6
NVwD&P	1	12	1	14
RB&T	0	9	1	10
T&WwS	0	4	0	5
Urban	6	87	10	103
Rural	3	54	5	62
Total	9	141	14	165

Source: JGC analysis

Potential Supply of Housing to Meet the Affordable Home Ownership Need and Net Need

- 4.89 As with the need for social/affordable rented housing, it is also necessary to consider if there is any supply of affordable home ownership products from the existing stock of housing. As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.

- 4.90 One source is likely to be resales of low cost home ownership products with data from the Regulator of Social Housing showing a total stock in 2023 of 500 homes. If these homes were to turnover at around 3% (an estimate of typical turnover nationally) then they would be expected to generate around 15 resales each year. These properties would be available for these households and can be included as the potential supply.
- 4.91 In addition, it should be noted that the analysis looks at households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, in Hinckley & Bosworth there were a total of 1,674 resales (i.e. excluding newly-built homes) in the last year (year to March 2023) and therefore around 419 would be priced below the lower quartile. This is 419 homes that would potentially be affordable to the target group for affordable home ownership products and is a potential supply that is in excess of the level of need calculated.
- 4.92 It is then possible to provide a best estimate of the supply of lower quartile homes that are bought by the target group of households (assumed to be first-time buyers). Whilst dated, a report by Bramley and Wilcox in 2010 (Evaluating requirements for market and affordable housing) noted that around 40% of first-time buyer with a mortgage buy at or below the lower quartile³. Other recent data suggests that first time buyers account for around half of home purchase loans⁴ with a total of around 65% of all homes being bought with a loan (35% as cash buyers⁵).
- 4.93 Bringing this together would point to 32.5% of homes being bought by first-time buyers and around 13% of all homes being a lower quartile home bought by a first-time buyer (32.5% x 40%) – this would point to around half of all lower quartile sales as being to first-time buyers (as half of 25% is 12.5%). Therefore, for the purposes of estimating a ‘need’ half of all lower quartile sales are included in the supply.

³ https://thinkhouse.org.uk/site/assets/files/1614/2010_20nhpau_202.pdf

⁴ <https://www.mortgagesolutions.co.uk/news/2022/01/24/first-time-buyer-numbers-rose-to-nearly-410000-in-2021/#:~:text=First%2Dtime%20buyers%20accounted%20for,39%20per%20cent%20in%202009>

⁵ <https://www.ft.com/content/e0ad2830-094f-4e61-aca-a-d77457e2edbb>

4.94 We can therefore now provide three supply estimates which can be considered in the context of the estimated need. These are:

- Only count the supply from affordable home ownership resales (15 per annum);
- Include the supply from affordable home ownership and half of resales of lower quartile homes (224 per annum (209+15)); and
- Include the supply from affordable home ownership and all resales of lower quartile homes (434 per annum (419+15)).

4.95 The table below shows the estimated net need from applying these three supply scenarios. Only including the resales of AHO shows a need for 150 dwellings per annum and this becomes a surplus if 50% of lower quartile sales are included. If all lower quartile sales are included in the supply, then there is a substantial surplus of affordable home ownership shown.

Figure 4.26: Estimated Net Need for Affordable Home Ownership (per annum)			
	AHO resales only	AHO resales plus 50% of LQ sales	AHO resales plus 100% of LQ sales
Total gross need	165	165	165
LCHO supply	15	224	434
Net need	150	-59	-269

Source: JGC analysis

4.96 Focussing on the first of the three scenarios above (as this is the only one showing any net need) the table below shows a need for affordable home ownership in all areas, although the needs are significantly lower than for rented affordable housing.

Figure 4.27: Estimated Need for Affordable Home Ownership by sub-area (per annum)

	Total Gross Need	Supply	Net need
Ambien	6	0	6
BN&O	4	0	4
Barwell	9	1	8
BS&S	20	2	18
BStC&LH	8	0	8
CCMB&S	7	0	7
Earl Shilton	15	2	13
Groby	10	1	9
H-Castle	12	1	11
H-Clar'don	13	1	12
H-DeMont't	17	2	15
H-Trinity	8	1	8
MS&F	6	1	5
NVwD&P	14	1	13
RB&T	10	1	8
T&WwS	5	0	5
Urban	103	10	94
Rural	62	5	56
Total	165	15	150

Source: JGC analysis

4.97 Overall, the analysis shows it is difficult to conclude what the need for affordable home ownership is (and indeed if there is one). However, it is possible that delivery of affordable home ownership (including First Homes) could help to 'loosen up' the supply of second-hand homes at the bottom end of the market (e.g. below lower quartile) as they will provide a wider choice and additional 'competition'.

Implications of the Analysis

- 4.98 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the definition of 'affordable home ownership' – although this conclusion is largely based on only considering supply from resales of affordable housing. If supply estimates are expanded to include market housing for sale below a lower quartile price then the need for AHO is less clear-cut.
- 4.99 Regardless, it does seem that there are many households in Hinckley & Bosworth who are being excluded from the owner-occupied sector (although they can afford private rented housing). This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 33% from 2011 to 2021 (following a much higher increase in the 2001-11 period). Over the same period (2001-11 and 2011-21), the number of owners with a mortgage has decreased. That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 4.100 On this basis, and as previously noted, it seems likely in Hinckley & Bosworth that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than simply being due to the cost of housing to buy (although this will be a factor).
- 4.101 The NPPF (as updated in July 2021) gives a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership (in other words, if 20% of homes were to be affordable then half would be affordable home ownership) and it is now the case that policy compliant planning applications would be expected to deliver a minimum of 25% affordable housing as First Homes (as a proportion of the total affordable housing), with Councils being able to specify the requirement for any remaining affordable housing (subject to at least 10% of all housing being for AHO).

- 4.102 Firstly regarding the 10%, it is not clear that this is the best solution in the Borough. The NPPF does provide some examples of where the 10% might not be required (paragraph 65), most notably that the 10% would be expected unless this would 'significantly prejudice the ability to meet the identified affordable housing needs of specific groups'. In Hinckley & Bosworth, the clear need for additional rented housing would arguably mean that providing the affordable home ownership would 'prejudice the ability' to meet the needs of the 'specific group' requiring rented accommodation.
- 4.103 Regarding the 25% of affordable housing as First Homes, it is not clear whether there is any scope to challenge the 'minimum of 25%', nor what role other tenures of affordable home ownership (such as shared ownership) might play. It is possible that provision of First Homes could squeeze out other forms of LCHO such as shared ownership, although it is likely that there will still be a role for this type of housing given typically lower deposit requirements.
- 4.104 Whilst there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low-cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households.
- 4.105 The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 4.106 There may also be a role for AHO on any 100% affordable housing schemes that may come forward (as well as through Section 106). Including a mix of both rented and intermediate homes to buy would make such schemes more viable, as well as enabling a range of tenures and therefore potential client groups to access housing.

4.107 In addition, it should also be noted that the finding of a 'need' for affordable home ownership does not have any impact on the overall need for housing. It seems clear that this group of households is simply a case of seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes required. Where a household taking up AHO is a newly-forming household (e.g. having been living with parents) this still does not impact on overall needs, as such a household may have been expected to move to private rented accommodation were the ownership option not available.

How Much Should Affordable Home Ownership Homes Cost?

4.108 The analysis and discussion above suggest there are a number of households likely to fall under the PPG definition of needing affordable home ownership (including First Homes) – i.e. in the gap between renting and buying – but that the potential supply of low-cost housing to buy makes it difficult to fully quantify this need. However, given the NPPF, the Council may need to consider some additional homes on larger sites as some form of affordable home ownership (AHO).

4.109 The analysis below focusses on the cost of discounted market sale (which would include First Homes) to make them genuinely affordable before moving on to consider shared ownership (in this case suggestions are made about the equity shares likely to be affordable and whether these shares are likely to be offered). It is considered that First Homes and shared ownership are likely to be the main affordable home ownership tenures moving forward although it is accepted that some delivery may be of other products. This section also provides some comments about Rent to Buy housing.

4.110 The reason for the analysis to follow is that it will be important for the Council to ensure that any affordable home ownership is sold at a price that is genuinely affordable for the intended target group – for example there is no point in discounting a new market home by 30% if the price still remains above that for which a reasonable home can already be bought in the open market. However, bigger discounts can affect the viability of affordable housing for rent.

Discounted Market Sales Housing (focussing on First Homes)

4.111 In May 2021, MHCLG published a new Planning Practice Guidance (PPG) regarding First Homes. The key parts of this guidance are set out below:

First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of ‘affordable housing’ for planning purposes. Specifically, First Homes are discounted market sale units which:

- a) must be discounted by a minimum of 30% against the market value;*
- b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);*
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,*
- d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).*

First Homes are the government’s preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.

4.112 In terms of eligibility criteria, a purchaser should be a first-time buyer with a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) and a mortgage needs to fund a minimum of 50% of the discounted purchase price. Local authorities can set their own eligibility criteria, which could for example involve lower income caps, a local connection test, or criteria based on employment status. Regarding discounts, a First Home must be sold at least 30% below the open market value. However, local authorities do have the discretion to require a higher minimum discount of either 40% or 50% (if they can demonstrate a need for this).

4.113 As noted above, the problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that the discounted housing is more expensive than that typically available in the open market. This is often the case as new build housing itself attracts a premium. The preferred approach in this report is to set out a series of purchase costs for different sizes of accommodation which ensure these products are affordable for the intended group. These purchase costs are based on current lower quartile rental prices and also consideration of the income required to access the private rented sector and then estimating what property price this level of income might support (assuming a 10% deposit and a 4.5 times mortgage multiple). Below is an example of a calculation based on a 2-bedroom home:

- Previous analysis has shown that the lower quartile rent for a 2-bedroom home in Hinckley & Bosworth is £750 per month;
- On the basis of a household spending no more than 30% of their income on housing, a household would need an income of around £2,500 per month to afford ($£750/0.3$) or £30,000 per annum; and
- With an income of £30,000, it is estimated that a household could afford to buy a home for around £150,000. This is based on assuming a 10% deposit (mortgage for 90% of value) and a 4.5 times mortgage multiple – calculated as $£30,000 * 4.5 / 0.9$.

4.114 Therefore, £150,000 is a suggested purchase price to make First Homes/discounted home ownership affordable for households in the rent/buy gap in Hinckley & Bosworth. This figure is essentially the equivalent price that is affordable to a household who can just afford to rent privately. In reality, there will be a range of incomes in the rent/buy gap and so some households could afford a higher price; however, setting all homes at a higher price would mean that some households will still be unable to afford.

4.115 On this basis, it is considered reasonable to look at the cost of First Homes as a range, from the equivalent private rent figure up to a midpoint of the cost of open market purchase and the relevant private rented figure (for a 2-bedroom home this is £155,000, giving a midpoint of £152,500). The use of a midpoint would mean that only around half of households in the rent/buy gap could afford, and therefore any housing provided at such a cost would need to also be supplemented by an equivalent number at a lower cost (which might include other tenures such as shared ownership).

4.116 The table below set out a suggested purchase price for affordable home ownership/First Homes in Hinckley & Bosworth by size. The table also shows an estimated Open Market Value (OMV) if these prices were considered to be 70% of OMV. Focussing on 2-bedroom homes, it is suggested that an affordable price is between £150,000 and £152,500 and therefore the open market value of homes would need to be in the range of £214,300 and £217,900 (if discounted by 30%). Only a single set of values are given for 1-bedroom homes as the income required for this size is calculated to be lower for purchase than rent.

Figure 4.28: Affordable home ownership prices – Hinckley & Bosworth

	LQ rent – equiv. purchase price	Midpoint purchase price	OMV required - midpoint	OMV required – PRS
1-bedroom	£85,000		£121,400	
2-bedrooms	£150,000	£152,500	£214,300	£217,900
3-bedrooms	£180,000	£205,000	£257,100	£292,900
4+-bedrooms	£240,000	£282,500	£342,900	£403,600

Source: JGC analysis

4.117 It is difficult to definitively analyse the cost of newbuild homes as these will vary from site-to-site and will be dependent on a range of factors such as location, built-form and plot size. We have however looked at newbuild schemes currently advertised on Rightmove and other websites with the table below providing a general summary of existing schemes.

4.118 This analysis is interesting as it shows the median newbuild price for all sizes of homes is above the top end of the OMV required to make homes affordable to those in the gap between buying and renting. That said, homes at the bottom end of the price range could potentially be discounted by 30% and considered as affordable.

4.119 This analysis shows how important it will be to know the OMV of housing before discount to be able to determine if a product is going to be genuinely affordable in a local context – providing a discount of 30% will not automatically mean it becomes affordable housing.

Figure 4.29: Estimated newbuild housing cost by size – Hinckley & Bosworth			
	No. of homes advertised	Range of prices	Median price
1-bedroom	2	£115,000-£125,000	-
2-bedrooms	19	£130,000-£365,000	£300,000
3-bedrooms	36	£220,000-£495,000	£325,000
4+-bedrooms	42	£296,000-£660,000	£410,000

Source: Internet Property Search

Key Points in Relation to First Homes

- 4.120 The paragraphs below seek to answer a series of questions in relation to First Homes. This should help the Council in deciding the appropriate approach, although ultimately there will be choices and decisions to be made by the Council that this report can only comment on. Whilst the analysis above has focussed on pricing, the discussion below also draws on this information to consider whether there are any specific local criteria that could be applied.
- *Is there a justification for a discount of greater than 30%, if so, what should it be?*
- 4.121 There is certainly a case to seek a discount in excess of 30% - a higher discount will make homes cheaper and therefore potentially open up additional households as being able to afford. However, providing a higher discount may have an impact on viability, meaning the Council will not be able to provide as many homes in other tenures (such as rented affordable housing which is likely to be needed by those with more acute needs and fewer choices in the housing market). The Council could therefore investigate higher discounts, but it is not recommended to seek a higher figure unless this can be proven to not impact on overall affordable delivery.
- *Is the maximum price of £250K after discount an appropriate maximum sales value?*
- 4.122 The table above shows that all of the affordable prices (with the exception of 4-bedroom homes) sit well below the £250,000 cap and therefore it is arguable that a lower cap would be appropriate. It is considered that the number of 4-bedroom homes likely to be provided as First Homes will be low (focus likely to be on 2- and 3-bedroom homes – see section on Housing Mix) and this gives further reason for looking at a lower cap.

4.123 A lower cap would help to ensure that homes are affordable even on schemes where the OMV is relatively high (although consideration about viability and potential loss of other forms of affordable housing will also be a consideration). Looking at the affordable prices, it is considered that a cap of something in the region of £210,000 might be appropriate (based on the highest 3-bedroom figure with a slight upward adjustment to future-proof). This could help to ensure that First Homes are only offered on properties where the initial OMV is not significantly above the affordable prices.

- *Is the national threshold of £80,000 for household income appropriate*

4.124 To study the income threshold analysis has been provided below to consider the likely incomes required to afford both the lower end and midpoint Affordable Price. This is shown in table above and shows even the most expensive price would only require an income of about £56,500 – with an income of up to £41,000 shown for 3-bedroom homes. It should however be noted that these findings are based on a specific set of assumptions about mortgage multiples and deposit availability (10% deposit and a 4.5 times mortgage multiple) and in reality individual households will have their own specific circumstances.

4.125 That said, it is considered that an £80,000 threshold looks to be too high; households with that level of income would be expected to readily buy a home in the area without the need for any discount. On balance, and looking at the figures in the round (and recognising that there may be relatively few 4-bedroom homes delivered) it is considered that an income cap of around £50,000 might be appropriate across the Borough.

Figure 4.30: Incomes Required to Afford First Homes		
	Affordable Price (lower end)	Affordable Price (midpoint)
1-bedroom	£17,000	
2-bedrooms	£30,000	£30,500
3-bedrooms	£36,000	£41,000
4+-bedrooms	£48,000	£56,500

Source: JGC analysis

- *What is the level of need for such products?*

4.126 In some ways, this is a difficult question to answer. The analysis is clear that there are likely to be a number of households whose incomes sit in the range of being able to afford to privately rent, but not being able to buy a home. It can be concluded that as long as First Homes are made available for an affordable price, it is likely there will be a strong demand (although some households in the rent/buy gap may not choose a discounted product given that the discount is held in perpetuity). Alternatively, it is possible that First Homes will see demand from those who can technically afford housing in the existing market – this would not be meeting a need but would arguably provide some demand for this type of home.

4.127 Regardless of the need/demand, it is not recommended that the Council seek to reduce the amount of social/affordable rented homes by prioritising First Homes. The evidence does not support the Councils in seeking more than 25% of affordable housing as First Homes. Indeed, on the basis of the analysis in this section it is suggested the Council should investigate seeking a lower proportion than the 25% (possibly seeking 0% and only allowing First Homes where they are needed to support viability).

- *Should the Council set local eligibility criteria?*

4.128 First Homes are designed to help people to get on the housing ladder in their local area, and in particular to ensure that key workers providing essential services are able to buy homes in the areas where they work. The Council can therefore prioritise key workers for First Homes (for the first three months of marketing), and are encouraged to do so, especially if they have an identified local need for certain professions.

4.129 To ensure First Homes are available to local residents and workers a local connection eligibility criteria could be used. This could be in-line with any criteria within local allocations policy and for example could require potential purchasers to demonstrate that they:

- Live in the Borough (for a period of time (possibly 2-years));
- Work over 16 hours a week in the area, or
- Have a close relative (parent, adult son or daughter or adult sibling) who has lived in the area for a period of time.

4.130 Additional preference could be given to essential workers. Annex 2 of the NPPF also includes the needs of essential local workers *‘Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provided a subsidised route to home ownership and/or is for essential local workers’ [emphasis added]. Essential local workers are defined as *‘Public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers’*.*

Shared Ownership

4.131 Whilst the Government has a clear focus on First Homes, they also see a continued role for Shared Ownership, launching a ‘New Model for Shared Ownership’ in early 2021 (following a 2020 consultation) – this includes a number of proposals, with the main one for the purposes of this assessment being the reduction of the minimum initial share from 25% to 10%. A key advantage of shared ownership over other tenures is that a lower deposit is likely to be required than for full or discounted purchase. Additionally, the rental part of the cost will be subsidised by a Registered Provider and therefore keeps monthly outgoings down.

4.132 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below looks at what the OMV would need to be with equity shares of 50% and 25% and uses the following key assumptions used in the analysis are:

- 10% deposit on the equity share;
- Rent at 2.75% pa on unsold equity;
- Repayment mortgage over 25-years at 4% (this is based on typical longer-term interest rates and it is noted at the time of writing that such a figure is unlikely to be achieved); and
- It is also assumed that shared ownership would be priced for households towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property.

4.133 The tables below test the costs of a 50% equity share shared ownership and the 25%. Focussing on 2-bedroom homes this shows to be genuinely affordable the OMV would need to sit in the range of £213,000-£258,000. This does suggest it might be difficult to make shared ownership affordable (given current estimates of newbuild costs). That said, shared ownership should be positively encouraged by the Council (rather than other forms of housing such as First Homes) as outgoings are likely to be lower. It is also the case that a shared ownership at 25% can be affordable at an OMV notably higher than the OMV required to make First Homes affordable at a 30% discount.

	1- bedroom	2- bedrooms	3- bedrooms	4- bedrooms
Open Market Value	£163,200	£213,000	£255,600	£340,800
Share	50%	50%	50%	50%
Equity Bought	£81,600	£106,500	£127,800	£170,400
Mortgage Needed	£73,440	£95,850	£115,020	£153,360
Monthly Cost of Mortgage	£388	£506	£607	£810
Retained Equity	£81,600	£106,500	£127,800	£170,400
Monthly Rent on Retained Equity	£187	£244	£293	£391
Total Cost per month	£575	£750	£900	£1,200

Source: Data based on Housing Market Cost Analysis

	1- bedroom	2- bedrooms	3- bedrooms	4- bedrooms
Open Market Value	£197,800	£258,000	£309,700	£412,800
Share	25%	25%	25%	25%
Equity Bought	£49,450	£64,500	£77,425	£103,200
Mortgage Needed	£44,505	£58,050	£69,683	£92,880
Monthly Cost of Mortgage	£235	£307	£368	£490
Retained Equity	£148,350	£193,500	£232,275	£309,600
Monthly Rent on Retained Equity	£340	£443	£532	£710
Total Cost per month	£575	£750	£900	£1,200

Source: Data based on Housing Market Cost Analysis

4.134 In terms of current shared ownership schemes in the Borough, at the time of drafting we could find four newbuild homes and a number available for resale. A summary of these schemes is shown below. Interestingly, in some cases the OMV does point to such housing as being relatively affordable although this is particularly the case for resale homes – newbuild ones look to be a bit more marginal. Overall, this analysis does however suggest that shared ownership could work in the Borough.

Figure 4.33: Examples of recent shared ownership homes marketed

Location	Property type	Price	Share	OMV
New homes				
Newbold Verdon	2-bed semi	£58,750	25%	£235,000
Stoke Golding	3-bed terrace	£71,250	25%	£285,000
Stoke Golding	3-bed terrace	£72,500	25%	£290,000
Stoke Golding	3-bed terrace	£150,000	50%	£300,000
Resales				
Earl Shilton	2-bed flat	£35,000	25%	£140,000
Hinckley	2-bed flat	£67,500	50%	£130,000
Congerstone	3-bed semi	£87,500	25%	£350,000
Hinckley	2-bed semi	£100,000	40%	£250,000
Hinckley	3-bed terrace	£100,000	35%	£285,700
Hinckley	3-bed terrace	£102,000	40%	£255,000
Hinckley	2-bed terrace	£105,000	45%	£233,300
Desford	2-bed terrace	£113,850	55%	£207,000
Hinckley	2-bed terrace	£115,000	50%	£230,000
Bagworth	2-bed semi	£120,000	60%	£200,000
Desford	3-bed semi	£150,000	50%	£300,000

Source: Internet Price Search

Rent to Buy

- 4.135 A further affordable option is Rent to Buy; this is a government scheme designed to ease the transition from renting to buying the same home⁶. Initially (typically two years but this can be extended) a home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided is saved in order to put towards a deposit on the purchase of the same or another property – the purchase can include buying through shared ownership.
- 4.136 What is not clear from information available is what happens to the home if the occupant is unable to buy a home and vacates the property (i.e. is it still offered to another applicant at a rent 20% below market value) or what happens to any receipts if the home is sold. On this basis, whilst rent-to-buy may provide a route into home ownership for some households it will be important to check any proposals carefully, and to ensure any discount or funding is held in perpetuity where public grant funding is provided (this would be necessary to meet the requirements of the NPPF).

Comparison with 2019 HNS

- 4.137 The table below compares the outputs from this study with those in the previous (2019) HNS. In addition, figures are included from the 2022 Housing and Economic Needs Assessment (HENA) which was based on the same methodology (whilst dated 2022, the affordable need analysis took a 2021 base). It can be seen that estimates of net need have been increasing over time, from 271 per annum in 2019, through 321 in the 2022 HENA and now 430 per annum in this report.
- 4.138 There are differences in individual components of the modelling and it looks like the main reason for differences is due to an increasing number of newly-forming households in need and a reduction in the supply of affordable housing available through relets – a reducing level of relet supply is consistent with trends typically seen nationally.

⁶ <https://www.gov.uk/rent-to-buy>

4.139 When comparing this study with the 2022 HENA, the big difference is with newly-forming households in need where the figure has gone from 376 to 472 per annum and it can be seen this is in part due to higher estimates of new household formation (driven by looking at different projections and time periods, although this is a fairly minor change (969 vs 1,016)). The main difference is a notably higher estimate of the proportion unable to afford (38.8% going to 46.4%) – this is driven by much higher estimates of the cost to access the private rented sector vs. and increase in income. At the time of the 2022 HENA it was estimated a LQ rent stood at £550 pcm but in this study a figure of £750 pcm is estimated – a 36% increase. Between the two studies, incomes changed from £35,300 to £40,200 – a 14% rise. These two statistics combined will point to fewer newly forming households being able to afford and an increased estimate of the number with an affordable need.

Figure 4.34: Comparing need for rented affordable housing in different reports

	HNS (2019)	HENA (2022)	HNS (2023)
Current need	35	28	43
Newly forming households	385 (902 × 42.6%)	376 (969 × 38.8%)	472 (1,016 × 46.4%)
Existing households falling into need	85	116	81
Total Gross Need	504	519	596
Relet Supply	233	199	165
Net Need	271	321	430

Source: 2019 HNS and 2022 HENA

4.140 All three of the reports shown in the table above also looked at the need for affordable home ownership, with different degrees to which the analysis sought to quantify this need. It is however the case that all three reports draw essentially the same conclusion, that is a) there are clearly households in the income gap between buying and renting and b) once the supply of housing sold below a lower quartile price is considered, there is no clear need for affordable home ownership and the Council should focus as much as possible on providing rented affordable housing.

Affordable Housing Need: Key Messages

- Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy or rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.
- The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
- When looking at needs from households unable to buy OR rent, the analysis suggests a need for 430 affordable homes per annum across the Borough, with a need shown in all sub-areas.
- Despite the level of need, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.
- The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
- When looking at AHO products, the analysis is inconclusive about the scale of the need. Although the evidence does suggest that there are many households in Hinckley & Bosworth who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the Borough is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.

Affordable Housing Need: Key Messages (cont...)

- The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability as it has the advantage of a lower deposit and subsidised rent.
- However, given the cost of housing locally, it may be difficult for affordable home ownership products to be provided and be considered as ‘genuinely affordable’. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.
- In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).
- Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.
- When compared with the 2019 HNS, this study points to a stronger need for housing from households unable to rent in the market (and therefore a greater need for rented affordable products) – the difference looks to be driven by worsening affordability due to increased private rental costs and a reduction in turnover of the social housing stock (fewer relets). However, both studies clearly point to a high level of affordable need and for the Council to need to seek to maximise delivery.

5. Housing Mix

Introduction

5.1 This section considers the appropriate mix of housing across Hinckley & Bosworth, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the number of households in different age groups are projected to change moving forward.

Background Data

5.2 The number of families in Hinckley & Bosworth (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 13,200 as of the 2021 Census, accounting for 27% of households; this proportion is similar to that seen across the County, region and nationally.

	Hinckley & Bosworth		Leicester-shire	East Midlands	England
	No.	%	%	%	%
Married couple	6,967	14.1%	15.1%	13.8%	14.4%
Cohabiting couple	2,598	5.3%	5.0%	5.1%	4.5%
Lone parent	2,803	5.7%	5.7%	6.5%	6.9%
Other households	809	1.6%	2.0%	2.4%	2.7%
All other households	36,269	73.4%	72.2%	72.2%	71.5%
Total	49,446	100.0%	100.0%	100.0%	100.0%
Total with dependent children	13,177	26.6%	27.8%	27.8%	28.5%

Source: Census (2021)

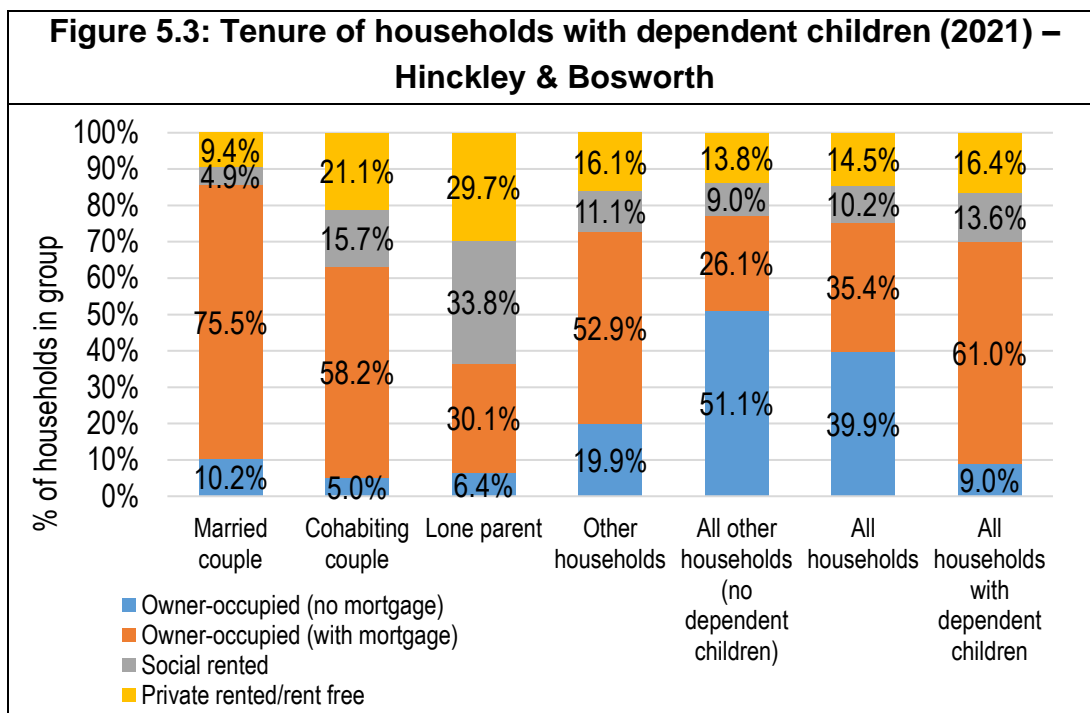
5.3 The table below shows the same information for each of the sub-areas. There is some variation in the proportion of households with dependent children, ranging from 23% in Markfield, Stanton and Fieldhead, up to 32% in Ratby, Bagworth and Thornton. There is little difference between urban and rural areas in terms of the proportion of households with dependent children, although urban areas do see a slightly higher proportion of lone parent households.

Figure 5.2: Households with dependent children (2021) – sub-areas

	Married couple	Co-habiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
Ambien	14.2%	3.6%	4.1%	1.9%	76.3%	100.0%	23.7%
BN&O	13.5%	3.8%	5.9%	1.6%	75.2%	100.0%	24.8%
Barwell	11.6%	5.9%	6.6%	1.3%	74.5%	100.0%	25.5%
BS&S	17.1%	4.6%	4.3%	1.1%	72.8%	100.0%	27.2%
BStC&LH	12.6%	4.5%	5.8%	1.3%	75.7%	100.0%	24.3%
CCMB&S	16.6%	3.6%	4.1%	1.3%	74.4%	100.0%	25.6%
Earl Shilton	11.7%	5.5%	6.8%	2.0%	74.0%	100.0%	26.0%
Groby	16.2%	5.1%	4.8%	1.4%	72.5%	100.0%	27.5%
H-Castle	11.3%	6.1%	6.6%	1.8%	74.3%	100.0%	25.7%
H-Clar'don	14.9%	6.9%	6.9%	1.6%	69.8%	100.0%	30.2%
H-DeMont't	13.2%	5.2%	4.9%	1.6%	75.2%	100.0%	24.8%
H-Trinity	15.3%	6.6%	6.3%	1.7%	70.0%	100.0%	30.0%
MS&F	11.0%	5.0%	5.2%	1.6%	77.3%	100.0%	22.7%
NVwD&P	16.3%	4.6%	4.7%	2.1%	72.3%	100.0%	27.7%
RB&T	15.8%	5.9%	7.9%	1.9%	68.5%	100.0%	31.5%
T&WwS	16.5%	2.7%	2.3%	2.0%	76.4%	100.0%	23.6%
Urban	13.5%	5.7%	6.0%	1.6%	73.3%	100.0%	26.7%
Rural	15.0%	4.6%	5.1%	1.8%	73.5%	100.0%	26.5%
Total	14.1%	5.3%	5.7%	1.6%	73.4%	100.0%	26.6%

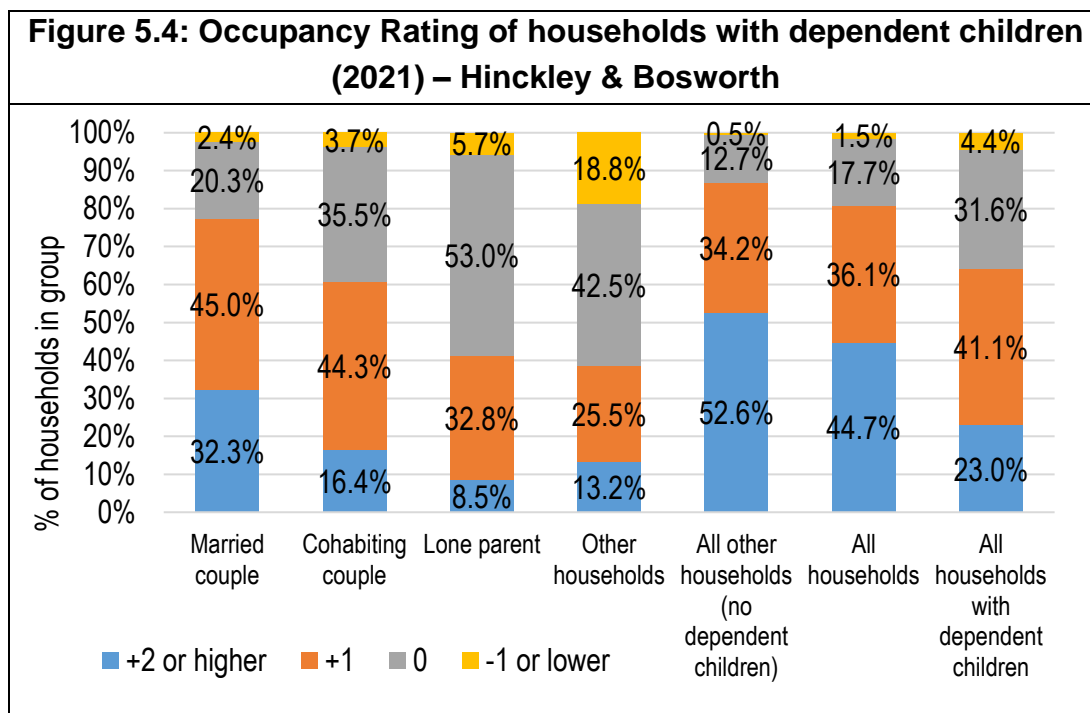
Source: Census (2021)

5.4 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. In Hinckley & Bosworth, only 36% of lone parent households are owner-occupiers compared with 86% of married couples with children.



Source: Census (2021)

5.5 The figure below shows levels of overcrowding and under-occupancy of households with dependent children. This shows higher levels of overcrowding for all household types with dependent children with 6% of all lone parents and 19% of ‘other’ households being overcrowded. Overall, some 4.4% of households with dependent children are overcrowded, compared with 0.5% of other households. Levels of under-occupancy are also notably lower in households with dependent children.



Source: Census (2021)

The Mix of Housing

- 5.6 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the local housing need calculated through the standard method, it is possible to see which age groups are expected to change in number, and by how much.
- 5.7 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed is over the assessment period (taken to be 2020-41 to be consistent with other analysis in this report).

5.8 An important starting point is to understand the current balance of housing in the area – the table below profiles the sizes of homes in different tenure groups across areas. The data shows a market stock (owner-occupied) that is dominated by 3+ bedroom homes (making up 78% of the total in this tenure group, although a similar proportion to that seen across the region). The profile of the social rented sector is broadly similar across areas (slightly more 2-bedroom homes in Hinckley & Bosworth) whilst the private rented sector is slightly smaller than other locations (other than nationally). Observations about the current mix feed into conclusions about future mix later in this section.

Figure 5.5: Number of Bedrooms by Tenure, 2021					
		Hinckley & Bosworth	Leicester-shire	East Midlands	England
Owner-occupied	1-bedroom	2%	2%	2%	4%
	2-bedrooms	21%	18%	20%	21%
	3-bedrooms	47%	47%	49%	46%
	4+-bedrooms	31%	34%	29%	29%
	Total	100%	100%	100%	100%
	Ave. no. beds	3.07	3.13	3.06	3.01
Social rented	1-bedroom	24%	29%	28%	29%
	2-bedrooms	41%	35%	36%	36%
	3-bedrooms	33%	32%	32%	31%
	4+-bedrooms	2%	3%	4%	4%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.13	2.09	2.11	2.10
Private rented	1-bedroom	15%	12%	14%	21%
	2-bedrooms	43%	39%	39%	39%
	3-bedrooms	34%	37%	36%	29%
	4+-bedrooms	8%	12%	11%	11%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.34	2.48	2.43	2.30

Source: Census (2021)

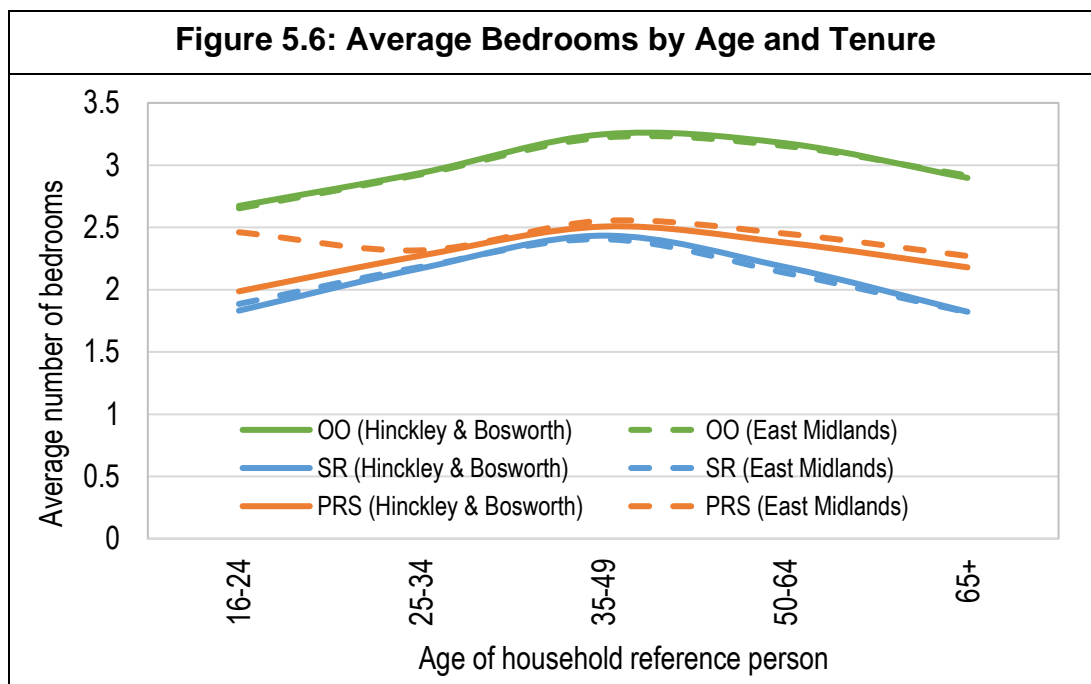
Overview of Methodology

- 5.9 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

Understanding How Households Occupy Homes

- 5.10 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 5.11 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.
- 5.12 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller level access homes would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 5.13 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy ('bedroom tax')).
- 5.14 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups (data being drawn from the 2021 Census).

5.15 The figure below show an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Hinckley & Bosworth and the East Midlands region. In all sectors the average size of accommodation rises over time to typically reach a peak around the age of 50. After peaking, the average dwelling size decreases – as typically some households downsize as they get older. The analysis identifies only modest differences between Hinckley & Bosworth and the region with both following similar patterns by age in all tenures.



Source: Census (2021)

5.16 The analysis uses the existing occupancy patterns at a local level as a start point for analysis and applies these to the projected changes in Household Reference Person by age discussed below. The analysis has been used to derive outputs for three broad categories. These are:

- **Market Housing** – which is taken to follow the occupancy profiles in the owner-occupied sector;
- **Affordable Home Ownership** – which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government’s desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
- **Rented Affordable Housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing

Changes to Households by Age

5.17 The table below presents the projected change in households by age of household reference person, this shows growth as being expected in most age groups and in particular older age groups. The number of households headed by someone aged 50-64 is projected to see only a modest increase over the period studied.

Figure 5.7: Projected Change in Household by Age of HRP in Hinckley & Bosworth (linked to Standard Method)				
	2020	2041	Change in Households	% Change
Under 25	848	925	77	9.1%
25-34	6,010	6,496	487	8.1%
35-49	11,869	13,626	1,757	14.8%
50-64	14,494	14,916	422	2.9%
65-74	7,695	8,839	1,144	14.9%
75-84	5,880	9,260	3,379	57.5%
85+	2,278	4,553	2,275	99.9%
TOTAL	49,074	58,615	9,541	19.4%

Source: Demographic Projections

Initial Modelled Outputs

5.18 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. The analysis is based on considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.

5.19 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data shows a pattern of need which is focussed on 1- and 2-bedroom homes and with around a fifth of households requiring 3+-bedroom accommodation.

Figure 5.8: Size of Social/Affordable Rented Housing – Housing Register Information (March 2022)		
	Number of households	% of households
1-bedroom	471	53%
2-bedrooms	248	28%
3-bedrooms	141	16%
4+-bedrooms	35	4%
TOTAL	895	100%

Source: LAHS

5.20 The table below show the modelled outputs of need by dwelling size in the three broad tenures. Market housing focusses on 3+-bedroom homes, affordable home ownership on 2- and 3-bedroom accommodation and rented affordable housing showing a slightly smaller profile again.

Figure 5.9: Initial Modelled Mix of Housing by Size and Tenure				
	1- bedroom	2- bedrooms	3- bedrooms	4+- bedrooms
Market	2%	24%	49%	25%
Affordable home ownership	15%	42%	34%	8%
Affordable housing (rented)	28%	38%	31%	3%

Source: Housing Market Model

Adjustments for Under-Occupation and Overcrowding

5.21 The analysis above sets out the potential need for housing if occupancy patterns remained the same as they were in 2021 (with differences from the current stock profile being driven by demographic change). It is however worth also considering that the 2021 profile will have included households who are overcrowded (and therefore need a larger home than they actually live in) and also those who under-occupy (have more bedrooms than they need).

5.22 Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector) it is the case that in seeking to make the most efficient use of land it would be prudent to look to reduce this over time. Indeed, in the future there may be a move away from current (2021) occupancy patterns due to affordability issues (or eligibility in social rented housing) as well as the type of stock likely to be provided (potentially a higher proportion of flats). Further adjustments to the modelled figures above have therefore been made to take account of overcrowding and under-occupancy (by tenure).

5.23 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers). This shows a high number of households with at least 2 spare bedrooms who are living in homes with 3 or more bedrooms. There are also a small number of overcrowded households. Overall, in the owner-occupied sector in 2021, there were 33,400 households with some degree of under-occupation and just 260 overcrowded households.

Figure 5.10: Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector)

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	10,900	9,417	20,317
+1	0	6,449	4,881	1,727	13,057
0	626	1,134	1,636	207	3,603
-1	28	76	112	43	259
TOTAL	654	7,659	17,529	11,394	37,236

Source: Census (2021)

5.24 For completeness the tables below show the same information for the social and private rented sectors. In both cases there are more under-occupying households than overcrowded, but differences are less marked than seen for owner-occupied housing.

5.25 Looking at the data for the social rented sector it can be seen there are over 1,000 households occupying a 2-bedroom home, but with a requirement for just 1-bedroom. Around two-thirds of these households are single person, with half of these being aged over 66. The remaining households are almost entirely childless couples, again of whom around half are older person households. It is possible (particularly for younger households) that some households with access to children are occupying 2-bedroom homes and arguably would not be considered to be under-occupying.

Figure 5.11: Cross-tabulation of occupancy rating and number of bedrooms (social rented sector)					
Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	373	35	408
+1	0	1,046	530	34	1,610
0	1,184	882	633	19	2,718
-1	36	121	143	11	311
TOTAL	1,220	2,049	1,679	99	5,047

Source: Census (2021)

Figure 5.12: Cross-tabulation of occupancy rating and number of bedrooms (private rented sector)					
Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	1,001	361	1,362
+1	0	2,086	939	140	3,165
0	1,020	931	464	36	2,451
-1	56	76	44	9	185
TOTAL	1,076	3,093	2,448	546	7,163

Source: Census (2021)

- 5.26 In using this data in the modelling an adjustment is made to move some of those who would have been picked up in the modelling as under-occupying into smaller accommodation. Where there is under-occupation by 2 or more bedrooms, the adjustment takes 25% of this group and assigns to a '+1' occupancy rating and a further 12.5% (i.e. an eighth) to a '0' rating. For households with one spare bedroom, 12.5% are assigned to a '0' rating (with the others remaining as '+1'). These do need to be recognised as assumptions, but can be seen to be reasonable as they do retain some degree of under-occupation (which is likely) but does also seek to model a better match between household needs and the size of their home. For overcrowded households a move in the other direction is made, in this case households are moved up as many bedrooms as is needed to resolve the problems (this is applied for all overcrowded households).
- 5.27 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following table. It can be seen that this tends to suggest a smaller profile of homes as being needed (compared to the initial modelling) with the biggest change being in the market sector – which was the sector where under-occupation is currently most notable.

Figure 5.13: Adjusted Modelled Mix of Housing by Size and Tenure

	1-bedroom	2- bedrooms	3- bedrooms	4+ bedrooms
Market	9%	36%	39%	16%
Affordable home ownership	20%	46%	28%	6%
Affordable housing (rented)	31%	38%	26%	6%

Source: Housing Market Model (with adjustments)

- 5.28 Across the Borough, the analysis points to around a third of the social/affordable housing need being for 1-bedroom homes and it is of interest to see how much of this is due to older person households. In the future household sizes are projected to drop whilst the population of older people will increase. Older person households (as shown earlier) are more likely to occupy smaller dwellings. The impacts of older people have on demand for smaller stock is outlined in the table below.

- 5.29 This indeed identifies a larger profile of homes needed for households where the household reference person is aged Under 65, with a concentration of 1-bedroom homes for older people. This information can be used to inform the mix required for General Needs rather than Specialist Housing, although it does need to be noted that not all older people would be expected to live in homes with some form of care or support.

Figure 5.14: Adjusted Modelled Mix of Housing by Size and Age – affordable housing (rented) – Hinckley & Bosworth				
Age of HRP	1- bedroom	2- bedrooms	3- bedrooms	4+- bedrooms
Under 65	26%	36%	30%	8%
65 and over	38%	62%		
All affordable housing (rented)	31%	38%	26%	6%

Source: Housing Market Model (with adjustments)

- 5.30 A further analysis of the need for rented affordable housing is to compare the need with the supply (turnover) of different sizes of accommodation. This links back to estimates of need in the previous section (an annual need for 430 dwellings per annum) with additional data from CoRe about the sizes of homes let over the past three years.
- 5.31 This analysis is quite clear in showing the very low supply of larger homes relative to the need for 4+-bedroom accommodation where it is estimated the supply is only around 3% of the need arising each year, whereas for 2-bedroom homes around 35% of the need can be met.

Figure 5.15: Need for rented affordable housing by number of bedrooms					
	Gross Annual Need	Gross Annual Supply	Net Annual Need	As a % of total net annual need	Supply as a % of gross need
1-bedroom	147	35	111	25.9%	24.1%
2-bedrooms	238	83	154	35.9%	35.1%
3-bedrooms	174	46	128	29.8%	26.4%
4+-bedrooms	37	1	36	8.4%	2.5%
Total	596	165	430	100.0%	27.8%

Source: JGC analysis

Indicative Targets for Different Sizes of Property by Tenure

5.32 The analysis below provides some indicative targets for different sizes of home (by tenure). The conclusions take account of a range of factors, including the modelled outputs and an understanding of the stock profile in different locations. The analysis (for rented affordable housing) also draws on the Housing Register data as well as taking a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family).

Social/affordable rented

5.33 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). That said, there is also a possible need for 1-bedroom social housing arising due to homelessness (typically homeless households are more likely to be younger single people).

5.34 As noted, the conclusions also consider the Housing Register and also take account of the current profile of housing in this sector. In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing would be appropriate:

General Needs

- 1-bedroom: 25%
- 2-bedroom: 35%
- 3-bedroom: 30%
- 4+-bedroom: 10%

Housing for Older People

- 1-bedroom: 40%
- 2+-bedroom: 60%

Affordable Home Ownership

5.35 In the affordable home ownership and market sectors a profile of housing that closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households and childless couples. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

- 1-bedroom: 20%
- 2-bedroom: 50%
- 3-bedroom: 25%
- 4+-bedroom: 5%

Market Housing

5.36 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations and also the potential to slightly reduce levels of under-occupancy). The conclusions have also slightly boosted figures for larger (4+-bedroom) homes and away from 1-bedroom accommodation to provide more flexibility and to recognise the potential for a general increase in home working (and therefore households seeking an extra room/bedroom to use as office space). This sees a slightly larger recommended profile compared with other tenure groups:

- 1-bedroom: 5%
- 2-bedroom: 35%
- 3-bedroom: 40%
- 4+-bedroom: 20%

- 5.37 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the Council area) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.
- 5.38 The suggested figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council could expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also however relevant considerations the appropriate mix of market housing on individual development sites.

Smaller-area Housing Mix

- 5.39 The analysis above has focussed on overall Borough-wide needs with conclusions at the strategic level. It should however be recognised that there will be variations in the need within areas due to the different role and function of a location and the specific characteristics of local households (which can also vary over time). This report does not seek to model smaller-area housing mix although the report does contain a range of data that can help inform specific local issues (including data about household composition, current housing mix and overcrowding/under-occupation). Below are some points for consideration when looking at needs in any specific location:
- a) Whilst there are modest differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;
 - b) As well as looking at the stock, an understanding of the role and function of areas is important. For example, areas traditionally favoured by family households might be expected to provide a greater proportion of larger homes;
 - c) That said, some of these areas will have very few small/cheaper stock and so consideration needs to be given to diversifying the stock; and

d) The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in urban locations may be more suited to flatted development (as well as recognising the point above about role and function) whereas a more suburban/rural site may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level.

5.40 Overall, it is suggested the Council should broadly seek the same mix of housing in all locations but would be flexible to a different mix where specific local characteristics suggest. The Council should also monitor what is being built to ensure that a reasonable mix is provided in a settlement overall. For example, if a recent housing site has provided nothing but 4+-bedroom 'executive' homes, then it could be expected that the next site in a similar location might provide a mix which includes more homes for younger/smaller family households and childless couples.

5.41 Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement.

Built-Form

5.42 A final issue is a discussion of the need/demand for different built-forms of homes. In particular this discussion focusses on bungalows and the need for flats vs. houses.

Bungalows

5.43 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the Council area as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. Data from the Valuation Office Agency (VOA) does however provide estimates of the number of bungalows (by bedrooms) although no tenure split is available.

5.44 The table below shows a notable proportion of homes in Hinckley & Bosworth are bungalows (14% of all flats and houses). Around three-fifths have 2-bedrooms with the remainder split between 1-bedroom and 3+-bedroom homes. A slightly lower proportion (9%) of homes across England are bungalows.

Figure 5.16: Number of dwellings by property type and number of bedrooms (March 2020)						
	Number of bedrooms					All
	1	2	3	4+	Not Known	
Bungalow	530	4,300	1,810	290	40	6,970
Flat/Maisonette	2,120	2,050	120	30	30	4,340
Terraced house	190	4,260	3,970	350	20	8,790
Semi-detached house	30	2,590	12,060	760	30	15,460
Detached house	10	470	5,980	7,540	120	14,110
All flats/houses	2,880	13,670	23,940	8,970	240	49,670
Annexe	-	-	-	-	-	30
Other	-	-	-	-	-	160
Unknown	-	-	-	-	-	760
All properties	-	-	-	-	-	50,630

Source: Valuation Office Agency

- 5.45 In general, discussions with local estate agents find that there is a demand for bungalows and in addition, analysis of survey data (in other locations) points to a high demand for bungalows (from people aged 65 and over in particular).
- 5.46 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available (this is different from specialist accommodation for older people which would have some degree of care or support).
- 5.47 As a new build option, bungalows are often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.
- 5.48 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.

- 5.49 Overall, the Council could consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive and this may limit opportunities for development – particularly in more urban locations.
- 5.50 Bungalows are likely to see a particular need and demand in the market sector and also for rented affordable housing (for older people as discussed in the next section of the report). Bungalows are likely to particularly focus on 2-bedroom homes, including in the affordable sector where such housing may encourage households to move from larger ‘family-sized’ accommodation (with 3+-bedrooms).

Flats versus Houses

- 5.51 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 82% of all 1-bedroom homes are flats, 38% of 2-bedroom homes and just 5% of homes with 3-bedrooms.
- 5.52 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in Hinckley & Bosworth, the East Midlands and England. This shows a low proportion of flats in Hinckley & Bosworth (15% of all 2-bedroom homes). This would arguably point to the majority of 2-bedroom homes in the future being houses. The analysis does also show a higher proportion of flats in the social and private rented sectors (although it is still the case that the majority of homes in these sectors are houses).

Figure 5.17: Proportion of 2-bedroom homes that are a flat, maisonette or apartment (by tenure)			
	Hinckley & Bosworth	East Midlands	England
Owner-occupied	6%	8%	25%
Social rented	28%	31%	48%
Private rented	29%	30%	52%
All (2-bedroom)	15%	19%	38%

Source: 2021 Census

5.53 For completeness, the table below shows the proportion of flats in Hinckley & Bosworth for all sizes of accommodation and different tenures. Of particular note is the very small proportion of 3+-bedroom homes as flats – particularly in the market sector.

Figure 5.18: Proportion of homes that are a flat, maisonette or apartment (by tenure and dwelling size)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Owner-occupied	46%	6%	0%	0%
Social rented	71%	28%	1%	9%
Private rented	80%	29%	4%	5%
All	69%	15%	1%	0%

Source: 2021 Census

5.54 As noted, this analysis would suggest that most 2-bedroom homes should be built as houses (or bungalows) rather than flats given the nature of the current stock. Any decisions will have to take account of site characteristics, which in some cases might point towards flatted development as being most appropriate. The analysis would suggest that the affordable sector might be expected to see a higher proportion of flats than for market housing.

Comparison with 2019 HNS

5.55 Within Section 5 of the 2019 HNS a modelled mix of housing for different tenures is provided and this can be compared with figures in this study. An almost direct comparison can be made between 2019 and this study although it should be noted the 2019 study did not separate out general needs from older persons housing and so the combined figure above has been used.

5.56 The table below shows a comparison between the figures and it is clear there are some differences. In the market, the 2019 study suggested 69% of the need being for 3+-bedroom homes – the figure in this study being 55% (although 74% before any adjustments are made for overcrowding and under-occupancy). For affordable home ownership, the figures are quite similar, with a clear focus on a need for 2- and 3-bedroom homes. In the rented affordable housing sector (housing for those unable to afford market rents) the two studies show similar patterns, although this study sees a higher proportion of 4+-bedroom homes, which is mainly due to the modelling seeking to address overcrowding issues in this sector.

5.57 Overall, the differences in outputs are mainly due to the methodological change to take some account of overcrowding and under-occupancy (and to seek to make more efficient use of stock). Such an approach is considered reasonable given Census data presented earlier in the report clearly shows a large increase in the number of household under-occupying and a notable increase in the housing stock with 4+-bedrooms.

		1-bedroom	2- bedrooms	3- bedrooms	4+- bedrooms
Market	This study	9%	36%	39%	16%
	2019 HNS	3%	29%	49%	20%
Affordable home ownership	This study	20%	46%	28%	6%
	2019 HNS	17%	43%	32%	8%
Affordable housing (rented)	This study	31%	38%	26%	6%
	2019 HNS	27%	38%	33%	2%

Source: 2019 data from Figure 5.18 of HNS

5.58 There are clearly differences between the studies although some general patterns emerge – this includes a mix of larger housing in the market sector and for much of the affordable housing (for those unable to rent) being units of not more than 2-bedrooms. The mix of affordable home ownership is similar in the two studies. Given that this study has been able to use more up-to-date information (such as from the 2021 Census) it is suggested that the mix in this report is preferred.

Housing Mix: Key Messages

- Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Hinckley & Bosworth is fairly average with around 27% of all households containing dependent children in 2021 (compared with around 28% regionally and 29% nationally). There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas lone parents are particularly likely to live in social or private rented accommodation.
- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which is notable in the market sector).
- In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For general needs rented affordable housing there is a clear need for a range of different sizes of homes, including 40% to have at least 3-bedrooms. Our recommended mix is set out below:

	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	5%	20%	25%	40%
2-bedrooms	35%	50%	35%	60%
3-bedrooms	40%	25%	30%	
4+-bedrooms	20%	5%	10%	

- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues – indeed across the Borough Registered Providers have shown some reluctance to support high levels of 1-bedroom rented delivery and therefore even the 25% suggested above might be difficult to deliver.

Housing Mix: Key Messages (cont...)

- The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, given current house prices there are potential difficulties in making (larger) AHO genuinely affordable.
- Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
- Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.
- When compared with the 2019 study, there are differences in the suggested mix of housing across different tenures. However some general patterns emerge – this includes a mix of larger housing in the market sector and for much of the affordable housing (for those unable to rent) being units of not more than 2-bedrooms. The mix of affordable home ownership is similar in the two studies. Given that this study has been able to use more up-to-date information (such as from the 2021 Census) it is suggested that the mix in this report is preferred.

6. Older and Disabled People

Introduction

6.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the requirement for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Understanding the Implications of Demographic Change

6.2 At a national level, the population of older persons is increasing, and this will potentially drive a need for housing which is capable of meeting the needs of older persons. Initially below a series of statistics about the older person population of Hinckley & Bosworth are presented.

Current Population of Older People

6.3 The table below provides baseline population data about older persons in Hinckley & Bosworth and compares this with other areas. The table shows the Borough has a slightly older age structure than seen regionally or nationally with 22% of the population being aged 65 and over.

Figure 6.1: Older Persons Population, 2021				
	Hinckley & Bosworth	Leicestershire	East Midlands	England
Under 65	77.6%	79.1%	80.4%	81.5%
65-74	12.1%	11.2%	10.5%	9.8%
75-84	7.6%	7.1%	6.6%	6.2%
85+	2.7%	2.7%	2.5%	2.5%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	22.4%	20.9%	19.6%	18.5%
Total 75+	10.3%	9.8%	9.1%	8.7%

Source: ONS

6.4 The table below shows the same data for sub-areas. This is based on the 2021 Census and so is very slightly different to mid-year population estimates (MYE) as shown above. The analysis points to some variation in the proportion of older people, this being notably higher in Rural areas and Cadeby, Carlton and Market Bosworth with Shackerstone in particular.

Figure 6.2: Older Persons Population, 2021 – sub-areas

	Under 65	65-74	75-84	85+	Total	Total 65+	Total 75+
Ambien	76.1%	12.5%	8.9%	2.5%	100.0%	23.9%	11.4%
BN&O	75.7%	13.9%	8.2%	2.3%	100.0%	24.3%	10.5%
Barwell	79.0%	11.8%	7.0%	2.3%	100.0%	21.0%	9.3%
BS&S	76.7%	13.2%	7.5%	2.6%	100.0%	23.3%	10.0%
BStC&LH	72.5%	13.0%	9.3%	5.1%	100.0%	27.5%	14.4%
CCMB&S	69.6%	16.7%	9.9%	3.7%	100.0%	30.4%	13.6%
Earl Shilton	79.4%	11.2%	6.6%	2.8%	100.0%	20.6%	9.4%
Grobby	74.4%	13.8%	8.8%	3.0%	100.0%	25.6%	11.8%
H-Castle	83.2%	8.6%	5.8%	2.5%	100.0%	16.8%	8.3%
H-Clar'don	84.3%	9.4%	4.9%	1.4%	100.0%	15.7%	6.4%
H-DeMont't	77.4%	12.5%	7.6%	2.5%	100.0%	22.6%	10.2%
H-Trinity	82.2%	9.7%	6.0%	2.1%	100.0%	17.8%	8.1%
MS&F	71.9%	14.1%	10.1%	3.9%	100.0%	28.1%	14.0%
NVwD&P	74.2%	13.8%	9.0%	3.0%	100.0%	25.8%	12.0%
RB&T	81.5%	10.4%	6.2%	1.9%	100.0%	18.5%	8.1%
T&WwS	70.6%	15.8%	10.8%	2.7%	100.0%	29.4%	13.6%
Urban	79.4%	11.3%	6.8%	2.6%	100.0%	20.6%	9.4%
Rural	74.8%	13.5%	8.8%	2.9%	100.0%	25.2%	11.6%
Total	77.6%	12.1%	7.5%	2.7%	100.0%	22.4%	10.2%

Source: 2021 Census

Projected Future Change in the Population of Older People

- 6.5 Population projections can next be used to provide an indication of how the number of older persons might change in the future with the table below showing that Hinckley & Bosworth is projected to see a notable increase in the older person population. The projection linked to the Standard Method shows a projected increase in the population aged 65+ of around 39% - the population aged Under 65 is in contrast projected to see a more modest increase (of 8%).
- 6.6 In total population terms, the projections show an increase in the population aged 65 and over of 9,800 people. This is against a backdrop of an overall increase of 17,100 – population growth of people aged 65 and over therefore accounts for 57% of the total projected population change.

Figure 6.3: Projected Change in Population of Older Persons, 2020 to 2041 – Hinckley & Bosworth (linking to Standard Method)

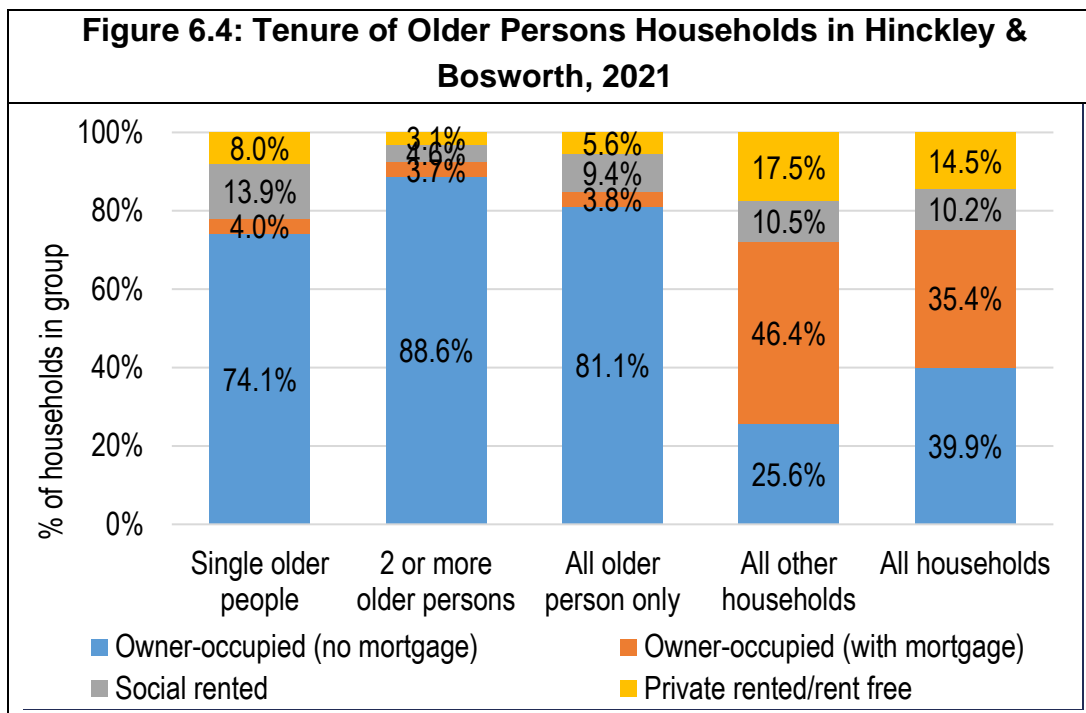
	2020	2041	Change in population	% change
Under 65	87,902	95,181	7,279	8.3%
65-74	13,765	15,832	2,067	15.0%
75-84	8,379	13,117	4,738	56.6%
85+	3,005	6,011	3,006	100.0%
Total	113,051	130,141	17,090	15.1%
Total 65+	25,149	34,960	9,811	39.0%
Total 75+	11,384	19,128	7,744	68.0%

Source: Demographic projections

Characteristics of Older Person Households

- 6.7 The figures below show the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of older persons households are owner occupiers (85% of older person households), and indeed most are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home. Some 9% of older persons households live in the social rented sector and the proportion of older person households living in the private rented sector is relatively low (about 6%).

6.8 There are also notable differences for different types of older person households with single older people having a lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.



Source: 2021 Census

Prevalence of Disabilities

6.9 The table below shows the proportion of people who are disabled under the Equality Act drawn from 2021 Census data, and the proportion of households where at least one person has a disability. The data suggests that some 32% of households in the Borough contain someone with a disability. This figure is similar to that seen across other areas. The figures for the population with a disability show similar trends in comparison with other areas – some 18% of the population having a disability.

Figure 6.5: Households and People with a Disability, 2021				
	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Hinckley & Bosworth	15,641	31.6%	19,926	17.5%
Leicestershire	91,463	30.9%	118,062	16.6%
East Midlands	680,791	33.4%	894,920	18.3%
England	7,507,886	32.0%	9,774,510	17.3%

Source: 2021 Census

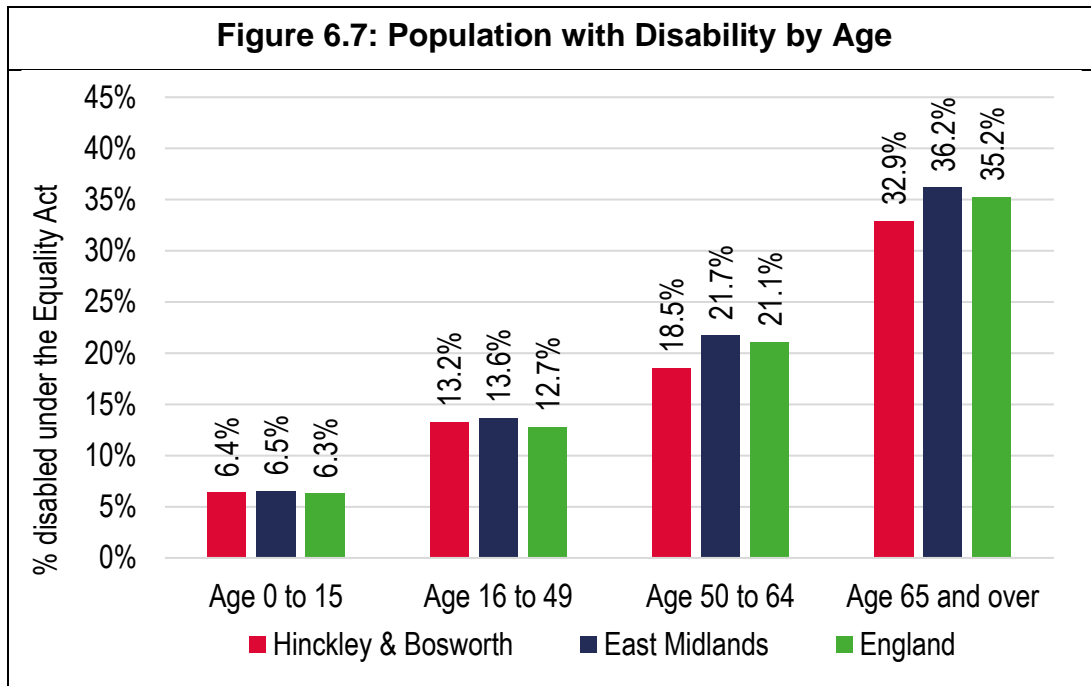
- 6.10 The table below shows the same information for sub-areas – this shows a higher proportion of population and households in Barwell with a disability and lower proportions in Burbage Sketchley and Stretton. Levels of disability are generally slightly lower in Rural areas.

Figure 6.6: Households and People with a Disability, 2021 – sub-areas

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Ambien	457	29.0%	595	15.8%
BN&O	483	34.3%	606	18.6%
Barwell	1,407	34.6%	1,845	20.2%
BS&S	1,244	27.3%	1,496	14.3%
BStC&LH	1,006	37.3%	1,334	22.1%
CCMB&S	458	29.2%	611	16.6%
Earl Shilton	1,606	34.5%	2,128	20.0%
Grobby	837	28.9%	1,023	15.0%
H-Castle	1,026	31.6%	1,350	19.2%
H-Clar'don	1,213	29.8%	1,499	16.1%
H-DeMont't	1,415	30.2%	1,771	16.8%
H-Trinity	1,054	33.8%	1,335	18.2%
MS&F	888	32.2%	1,089	18.0%
NVwD&P	1,183	32.1%	1,575	17.7%
RB&T	971	30.9%	1,189	15.6%
T&WwS	392	29.5%	481	15.5%
Urban	9,971	32.1%	12,758	18.1%
Rural	5,669	30.9%	7,169	16.6%
Total	15,640	31.6%	19,927	17.5%

Source: 2021 Census

6.11 As noted, it is likely that the age profile will impact upon the numbers of people with a disability, as older people tend to be more likely to have a disability. The figure below shows the age bands of people with a disability. It is clear from this analysis that those people in the oldest age bands are more likely to have a disability. The analysis also shows lower levels of disability in each age band from age 50 upwards within Hinckley & Bosworth when compared with the regional and national position.



Source: 2021 Census

Health Related Population Projections

- 6.12 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population. The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age specific health/disabilities previously shown.
- 6.13 Of particular note are the large increases in the number of older people with dementia (increasing by 68% from 2020 to 2041 and mobility problems (up 56% over the same period). Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of people aged 65+ with a mobility problem represents around 14% of total projected population growth.

Figure 6.8: Projected Changes to Population with a Range of Disabilities – Hinckley & Bosworth					
Disability	Age Range	2020	2041	Change	% change
Dementia	65+	1,554	2,608	1,054	67.8%
Mobility problems	65+	4,169	6,491	2,322	55.7%
Autistic Spectrum Disorders	18-64	635	693	58	9.2%
	65+	223	309	86	38.5%
Learning Disabilities	15-64	1,648	1,794	145	8.8%
	65+	491	675	184	37.5%
Impaired mobility	16-64	3,762	4,023	261	6.9%

Source: POPPI/PANSI and Demographic Projections

- 6.14 Invariably, there will be a combination of those with disabilities and long-term health problems that continue to live at home with family, those who chose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.
- 6.15 The projected change shown in the number of people with disabilities provides clear evidence justifying delivering ‘accessible and adaptable’ homes as defined in Part M4(2) of Building Regulations, subject to viability and site suitability. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base although the cost of meeting this standard is unlikely to have any significant impact on viability and would potentially provide a greater number of homes that will allow households to remain in the same property for longer.

Need for Specialist Accommodation for Older People

- 6.16 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below shows the different types of older persons housing which are considered.

Definitions of Different Types of Older Persons' Accommodation

Age-restricted general market housing: This type of housing 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.

Retirement living or sheltered housing (housing with support): This 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.

Extra care housing or housing-with-care (housing with care): This 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 known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Residential care homes and nursing homes (care bedspaces): These have 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.

Source: Planning Practice Guidance [63-010]

- 6.17 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people. The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory and financial issues. Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.
- 6.18 There are a number of ‘models’ for considering older persons’ needs, but they all essentially work in the same way. The model results are however particularly sensitive to the prevalence rates applied, which are typically calculated as a proportion of people aged over 75 who could be expected to live in different forms of specialist housing. Whilst the population aged 75 and over is used in the modelling, the estimates of need would include people of all ages.
- 6.19 Whilst there are no definitive rates, the PPG [63-004] notes that *‘the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ for Older People Analysis Tool)’*. The PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since the PPG was published the Housing Learning and Information Network (Housing LIN) has removed the Shop@ online toolkit although the base rates used for analysis are known.
- 6.20 The SHOP@ tool was originally based on data in a 2008 report (More Choice Greater Voice) and in 2011 a further suggested set of rates was published (rates which were repeated in a 2012 publications). In 2016, Housing LIN published a review document which noted that the 2008 rates are ‘outdated’ but also noting that the rates from 2011/12 were ‘not substantiated’. The 2016 review document therefore set out a series of proposals for new rates to be taken forward onto the Housing LIN website.

- 6.21 Whilst the 2016 review rates do not appear to have ever led to an update of the website, it does appear from reviewing work by Housing LIN over the past couple of years as if it is these rates which typically inform their own analysis (subject to evidence based localised adjustments).
- 6.22 For clarity, the table below shows the base prevalence rates set out in the various documents described above. For the analysis in this report the age-restricted and retirement/sheltered have been merged into a single category (housing with support).

Figure 6.9: Range of suggested baseline prevalence rates from a number of tools and publications			
Type/Rate	SHOP@ (2008) ⁷	Housing in Later Life (2012) ⁸	2016 Housing LIN Review
Age-restricted general market housing	-	-	25
Retirement living or sheltered housing (housing with support)	125	180	100
Extra care housing or housing-with-care (housing with care)	45	65	30-40 ('proactive range')
Residential care homes	65	(no figure apart from 6 for dementia)	40
Nursing homes (care bedspaces), including dementia	45		45

Source: Housing LIN

⁷ Based on the More Choice Greater Voice publication of 2008 (https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Reports/MC_GVdocument.pdf). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

⁸ https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

6.23 In interpreting the different potential prevalence rates it is clear that:

- The prevalence rates used should be considered and assessed taking account of an authority's strategy for delivering specialist housing for older people. The degree for instance which the Council want to require extra care housing as an alternative to residential care provision would influence the relative balance of need between these two housing types;
- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability etc. It is more focused towards publicly commissioned provision. There is a degree to which the model and assumptions within it may not fully capture the growing recent private sector interest and involvement in the sector, particularly in extra care; and
- The assumptions in these studies look at the situation nationally. At a more local level, the relative health of an area's population is likely to influence the need for specialist housing with better levels of health likely to mean residents are able to stay in their own homes for longer.

6.24 These issues are considered to provide appropriate modelling assumptions for assessing future needs. Nationally, there has been a clear focus on strengthening a community-led approach and reducing reliance on residential and nursing care – in particular focussing where possible on providing households with care in their own home. This could however be provision of care within general needs housing; but also care which is provided in a housing with care development such as in extra care housing.

6.25 We consider that the prevalence rates shown in the 2016 Housing LIN Review is an appropriate starting point; but that the corollary of lower care home provision should be a greater focus on delivery of housing with care. Having regard to market growth in this sector in recent years, and since the above studies were prepared, we consider that the starting point for housing with care should be the higher rate shown in the SHOP@ report (this is the figure that would align with the PPG).

- 6.26 Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population. This has been based on Census data about the proportion of the population aged 65 and over who have a long-term health problem or disability (LTHPD) compared with the England average. In Hinckley & Bosworth, the data shows slightly better health in the older person population and so a modest decrease has been made to the prevalence rates.
- 6.27 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the 2016 Review which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Hinckley & Bosworth is the 232nd most deprived local authority in England (out of 317) – i.e. a lower than average level of deprivation – this suggests a lower proportion of affordable housing than a local authority in the middle of the range (for housing with support and housing with care).
- 6.28 The table below shows estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation).
- 6.29 Overall, the analysis suggests that there will be a need for housing with support (retirement/sheltered housing) with around three-fifths in the affordable sector. The analysis also points to a strong potential need for housing with care (e.g. extra-care) in both the market and affordable sectors (two-thirds market housing). The analysis also suggests a need for some additional nursing and residential care bedspaces.

Figure 6.10: Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 – Hinckley & Bosworth							
		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall / surplus (-ve)	Addition -al demand to 2041	Shortfall /surplus by 2041
Housing with support	Market	65	351	738	387	502	888
	Affordable	57	484	644	160	438	599
Total (housing with support)		121	835	1,382	547	940	1,487
Housing with care	Market	30	50	341	291	232	523
	Affordable	14	0	156	156	106	263
Total (housing with care)		44	50	498	448	338	786
Residential care bedspaces		39	407	442	35	301	336
Nursing care bedspaces		44	126	498	372	338	710
Total bedspaces		83	533	940	407	639	1,046

Source: Demographic Projections and Housing LIN/EAC

- 6.30 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to ‘rightsize’ which can help improve their quality of life.
- 6.31 It should also be noted that within any category of need there may be a range of products. For example, many recent market extra-care schemes have tended to be focused towards the ‘top-end’ of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may therefore only be affordable to a small proportion of the potential market, and it will be important for the Council to seek a range of products that will be accessible to a wider number of households if needs are to be met.

Wheelchair User Housing

- 6.32 The analysis below draws on secondary data sources to estimate the number of current and future wheelchair users and to estimate the number of wheelchair accessible/adaptable dwellings that might be required in the future. Estimates of need produced in this report draw on data from the English Housing Survey (EHS) – mainly 2018/19 data. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them ‘visitable’ for wheelchair users and data about wheelchair users by tenure.
- 6.33 The table below shows at a national level the proportion of wheelchair user households by the age of household reference person. Nationally, around 3.4% of households contain a wheelchair user – with around 1% using a wheelchair indoors. There is a clear correlation between the age of household reference person and the likelihood of there being a wheelchair user in the household.

Figure 6.11: Proportion of wheelchair user households by age of household reference person – England					
Age of household reference person	No household members use a wheelchair	Uses wheelchair all the time	Uses wheelchair indoors only	Uses wheelchair outdoors only	TOTAL
24 and under	99.4%	0.3%	0.0%	0.3%	100.0%
25-34	99.3%	0.3%	0.1%	0.2%	100.0%
35-49	98.2%	0.5%	0.1%	1.2%	100.0%
50-64	96.9%	0.7%	0.4%	2.0%	100.0%
65 and over	93.1%	0.9%	0.4%	5.6%	100.0%
All households	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

- 6.34 The prevalence rate data can be brought together with information about the household age structure and how this is likely to change moving forward – adjustments have also been made to take account of the relative health (by age) of the population. The data estimates a total of 1,479 wheelchair user households in 2020, and that this will rise to 1,931 by 2041.

Figure 6.12: Estimated number of wheelchair user households (2020-41) – Hinckley & Bosworth

	Prevalence rate (% of households)	Households 2020	Households 2041	Wheelchair user households (2020)	Wheelchair user households (2041)
24 and under	0.9%	848	925	8	9
25-34	0.6%	6,010	6,496	39	42
35-49	1.5%	11,869	13,626	174	200
50-64	2.0%	14,494	14,916	294	302
65 and over	6.1%	15,853	22,652	965	1,378
All households		49,074	58,615	1,479	1,931

Source: JGC analysis

- 6.35 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be need for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home. Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully ‘visitable’ – this is around 25% of wheelchair user households.
- 6.36 Applying this to the current number of wheelchair user households and adding the additional number projected forward suggests a need for around 822 additional wheelchair user homes in the 2020-41 period. If the projected need is also discounted to 25% of the total (on the basis that many additional wheelchair user households will already be in accommodation) leads to a need estimate of 483 homes. These figures equate to a need for 23-39 dwellings per annum.

Figure 6.13: Estimated need for wheelchair user homes, 2020-41

	Current need	Projected need (2020-41)	Total current and future need
Total	370	452	822
@ 25% of projection	370	113	483

Source: JGC analysis

6.37 Furthermore, information in the EHS (for 2018/19) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair users (including 2.2% using a wheelchair indoors), compared with 3.1% of owner-occupiers (0.7% indoors). These proportions can be expected to increase with an ageing population but do highlight the likely need for a greater proportion of social (affordable) homes to be for wheelchair users.

Figure 6.14: Proportion of wheelchair user households by tenure of household reference person – England

	No household members use a wheelchair	Uses wheelchair all the time	Uses wheelchair indoors only	Uses wheelchair outdoors only	TOTAL
Owners	96.9%	0.5%	0.2%	2.4%	100.0%
Social sector	92.9%	1.6%	0.6%	4.8%	100.0%
Private renters	98.8%	0.1%	0.1%	0.9%	100.0%
All households	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

- 6.38 To meet the identified need, the Council could seek a proportion (maybe up to 5%) of all new market homes to be M4(3) compliant and potentially a higher figure in the affordable sector (say 10%). These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.
- 6.39 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below).
- 6.40 It is worth noting that the Government has reported on a consultation on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds⁹.

⁹ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes>

- 6.41 The key outcome is: *‘Government is committed to raising accessibility standards for new homes. We have listened carefully to the feedback on the options set out in the consultation and the government response sets out our plans to mandate the current M4(2) requirement in Building Regulations as a minimum standard for all new homes’*. This change is due to shortly be implemented through a change to building regulations.
- 6.42 The consultation outcome still requires a need for M4(3) dwellings to be evidenced, stating *‘M4(3) (Category 3: Wheelchair user dwellings) would continue as now where there is a local planning policy in place in which a need has been identified and evidenced. Local authorities will need to continue to tailor the supply of wheelchair user dwellings to local demand’*.
- 6.43 As well as evidence of need, the viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target. The table below shows estimated costs for different types of accessible dwellings, taken from research sitting behind the initial PPG on accessible housing – these costings are now 9-years old but do still provide an indication of the relative costs of different options.

Figure 6.15: Access Cost Summary

	1-Bed Apartment	2-Bed Apartment	2-Bed Terrace	3-Bed Semi Detached	4-Bed Semi-Detached
M4(2)	£940	£907	£523	£521	£520
M4(3)(A) – Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
M4(3)(B) – Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

Source: EC Harris, 2014

- 6.44 It should be noted that local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock.

6.45 A further option for the Council would be to consider seeking a higher contribution, where it is viable to do so, from those homes to which they have nomination rights. This would address any under delivery from other schemes (including schemes due to their size e.g. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence for wheelchair use within social rent tenures. This should be considered when setting policy.

Comparison with 2019 HNS

6.46 Section 6 of the 2019 HNS also included estimates of the need for specialist housing for older people and the need from wheelchair users and so a direct comparison can be made between the studies.

6.47 The table below shows estimates of the need for housing with care and housing with support in two broad tenures in the two studies. The figures provided are to the whole period studied in each of the reports (2016-36 in 2019 and 2020-41 in this study). The data shows some differences between studies with this report showing a lower need for housing with support (retirement housing) in the market sector than previously, but a higher need for affordable homes. The opposite patterns is seen for housing with care. This report also suggest a lower need for care bedspaces.

6.48 The reason for the differences look to be driven by this study updating some of the prevalence rates used in analysis (which pushes figures in both an upward and downward direction) – updating population projections will also have some impact. However, it is notable that both studies clearly show a need for a range of products across both broad tenures.

Figure 6.16: Comparison between this study and 2019 on estimated need for older persons housing			
		This study	2019 study
Housing with support	Market	888	1,110
	Affordable	599	289
Housing with care	Market	523	370
	Affordable	263	339
Care bedspaces	-	1,046	1,322

Source: 2019 data from Figures 6.14 and 6.15

- 6.49 The 2019 study also looked at the need for M4(2) housing and in particular looked at data on projected growth in the number of people (aged 65+) with dementia and mobility problems. In both reports a notable increase in numbers was shown and the overall conclusion in both studies to seek 100% of housing as M4(2) as a start point remains valid.
- 6.50 Finally, in terms of M4(3) wheelchair user housing, the 2019 report identified a need from 430 households over the 2016-36 period. This is close to the main estimate in this report for 483 dwellings (as set out above). The methodology used in the two studies is not identical, but it is clear that both reports do project a similar level of need.

Older and Disabled People: Key Messages

- A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the requirement for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- The data shows that Hinckley & Bosworth has a slightly older age structure and similar levels of disability when compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (81% of all older person households are outright owners).
- The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2020-41 period include:
 - a 39% increase in the population aged 65+ (potentially accounting for 57% of total population growth);
 - an 68% increase in the number of people aged 65+ with dementia and 56% increase in those aged 65+ with mobility problems;
 - a need for around 1,500 housing units with support (sheltered/retirement housing) – around three-fifths in the market sector;
 - a need for around 790 additional housing units with care (e.g. extra-care) – again split between market and affordable housing (around two-thirds market);
 - a need for additional nursing and residential care bedspaces; and
 - a need for 483-822 dwellings to be for wheelchair users (meeting technical standard M4(3)).
- This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around a tenth in the affordable sector).
- Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

Older and Disabled People: Key Messages (cont...)

- In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).
- When compared with the 2019 study, this report continues to suggest a need for a range of products across both broad tenures (market and affordable) although estimates of need do vary slightly due to changes in prevalence rates applied and due to inclusion of more up-to-date projections and 2021 Census data.

7. Other Groups

Introduction

7.1 This section of the report considers a range of other groups set out in the NPPF and PPG. This includes the private rented sector (and build-to-rent) housing, the need for self- and custom-build development, looked after children and service personnel.

Private Rented Sector (including Build-to-Rent)

Background Data

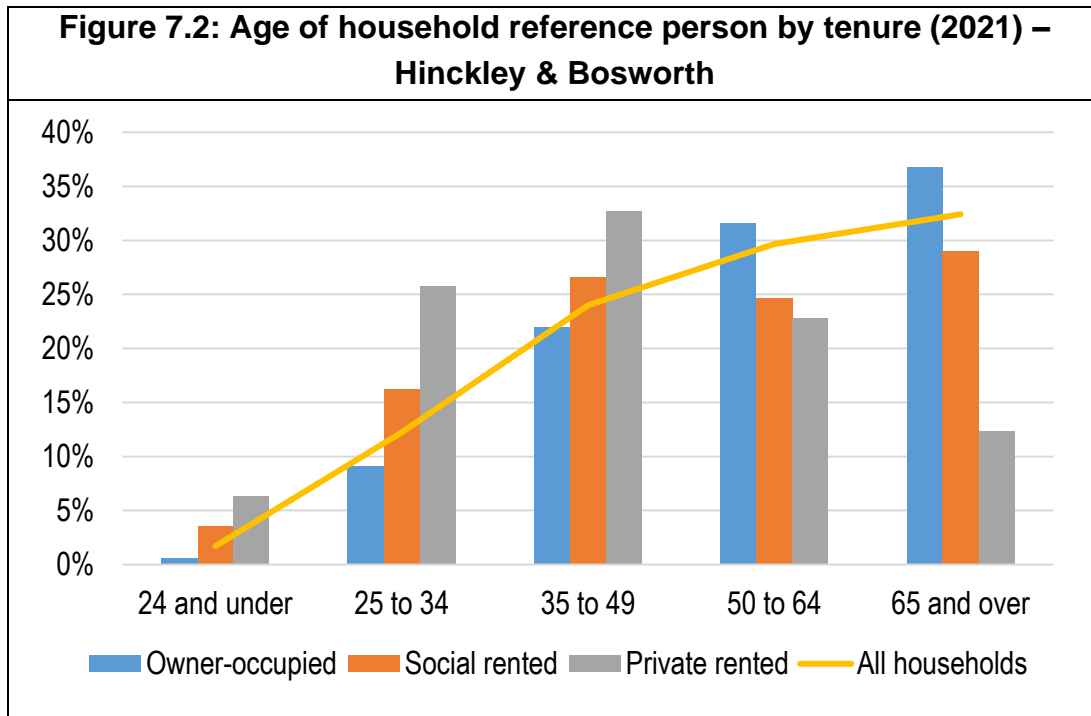
- 7.2 As set out earlier in this report the PRS accounts for 14% of all households in the Borough (7,200 households). Between 2011 and 2021 the tenure grew faster than any other at 39% or 2,000 additional households. This report also examined the rental market which, in summary, highlights the following key points:
- Overall median rents in the Borough are £695 per calendar month which is 3% higher than the East Midlands average and 16% below the England average.
 - Median monthly rents vary from £505 for 1-bedroom to £1,100 for 4+-bedroom properties;
 - Lower quartile monthly rents vary from £475 for 1-bedroom to £900 for 4+-bedroom properties.
 - Between 2017/18 and 2022/23 rents in the Borough increased by 21% or £120. This was slightly faster rate of growth than the County or Region and in-line with national changes.
- 7.3 Earlier in this report we also identified the role the PRS has in providing affordable housing. In August 2023 around 1,800 households in the PRS were being supported by universal credit with a housing element and an additional 500 households seeking housing benefit. The number of Universal Credit claimants increased from fewer than 1,000 at the beginning of 2020 much of which can be attributed to the Covid-19 pandemic.
- 7.4 The table below shows the composition of households living in the private rented sector (and compared with other tenures). This shows a particularly high proportion of households with dependent children, making up 30% of the PRS and younger single person households (also 30% of the sector).

Figure 7.1: Household composition by tenure (2021) – Hinckley & Bosworth

	Owner-occupied	Social rented	Private rented	Total
Single person aged 66+	13.8%	18.2%	7.3%	13.3%
Single person aged <66	11.2%	20.5%	30.4%	14.9%
Couple aged 66+	15.1%	5.5%	2.6%	12.4%
Couple, no children	21.7%	7.8%	19.1%	19.9%
Couple, dependent children	20.4%	14.9%	16.8%	19.3%
Couple, all children non-dependent	7.7%	4.1%	2.2%	6.6%
Lone parent, dependent children	2.7%	18.8%	11.6%	5.7%
Lone parent, all children non-dependent	3.2%	6.1%	3.1%	3.5%
Other households with dependent children	1.6%	1.8%	1.8%	1.6%
Other households	2.5%	2.4%	5.0%	2.8%
Total	100.0%	100.0%	100.0%	100.0%
Total households	37,238	5,049	7,159	49,446
Total dependent children	24.8%	35.4%	30.3%	26.6%

Source: Census (2021)

7.5 Private renters are younger than social renters and owner occupiers. In 2021, the average age of household reference persons (HRPs) in the private rented sector was 45 years (compared with 58 years for owner occupiers and 53 for social renters). Around two-thirds (65%) of private rented sector HRPs were aged under 50 compared with 46% of social renters and 32% of owner occupiers.



Source: Census (2021)

- 7.6 The tables below show the size and type of accommodation in the PRS compared with other sectors. From this it can be seen that the profile PRS generally sits somewhere between that of owner-occupation and social renting. For example, the PRS has a higher proportion of detached homes than the social rented sector, but fewer than owner-occupiers.
- 7.7 When looking at the size of accommodation, it is clear that the PRS is strongly focussed on 2- and 3-bedroom homes (making up 77% of all households in this tenure). The owner-occupied sector in contrast is dominated by 3+-bedroom homes (78% of the total in this tenure) whilst social renting has the highest proportion of 1-bedroom homes (24%).

Figure 7.3: Accommodation type by tenure (households) – Hinckley & Bosworth				
	Owner-occupied	Social rented	Private rented	Total
Detached	46.8%	3.7%	15.2%	37.8%
Semi-detached	37.7%	44.7%	32.8%	37.7%
Terraced	12.9%	22.4%	25.4%	15.7%
Flat/other	2.6%	29.1%	26.7%	8.8%
Total	100.0%	100.0%	100.0%	100.0%
	37,238	5,050	7,158	49,446

Source: Census (2021)

Figure 7.4: Accommodation size by tenure (households) – Hinckley & Bosworth				
	Owner-occupied	Social rented	Private rented	Total
1-bedroom	1.8%	24.2%	15.0%	6.0%
2-bedrooms	20.6%	40.6%	43.2%	25.9%
3-bedrooms	47.1%	33.2%	34.2%	43.8%
4+-bedrooms	30.6%	2.0%	7.6%	24.4%
Total	100.0%	100.0%	100.0%	100.0%
	37,236	5,051	7,159	49,446

Source: Census (2021)

7.8 The analysis below studies levels of overcrowding and under-occupation – this is based on the bedroom standard with data taken from the 2021 Census. The analysis shows that levels of overcrowding in the PRS are higher than for households generally, with 2.6% of households being overcrowded in 2021 (lower than the 6.2% figure in social rented accommodation, but notably above the owner-occupied figure of 0.7%). Levels of under-occupation are slightly higher than in the social rented sector, with around 63% of households having at least one spare bedroom (90% in the owner-occupied sector).

Figure 7.5: Overcrowding and under-occupation by tenure (households) – Hinckley & Bosworth				
	Owner-occupied	Social rented	Private rented	Total
+2 or more	54.6%	8.1%	19.0%	44.7%
+1 or more	35.1%	31.9%	44.2%	36.1%
0	9.7%	53.8%	34.2%	17.7%
-1 or less	0.7%	6.2%	2.6%	1.5%
Total	100.0%	100.0%	100.0%	100.0%
	37,238	5,049	7,159	49,446

Source: Census (2021)

Stock Condition

- 7.9 A report in March 2022 by Shelter¹⁰ highlights poor housing conditions and disrepair in the private rented sector nationally. In particular the report notes that a consequence of this will be for private renters on average having to pay more in heating bills due to poor insulation, inefficient heating systems and a lack of double glazing; this is on the back of noting private renters already typically pay higher housing costs than other tenures.
- 7.10 Information about stock condition at a local authority level is difficult to find from secondary data sources. However, in June 2023 DLUHC published new Experimental Official Statistics providing – sub-regional estimates of housing stock condition¹¹. Specifically, modelled estimates of:
- the number and proportion of occupied homes that are deemed non-decent according to the Decent Homes Standard in each local authority, by tenure and dwelling type; and
 - the number and proportion of occupied homes that are deemed unsafe due to having a Housing Health and Safety Rating System (HHSRS) Category 1 hazard in each local authority, by tenure and dwelling type.

¹⁰

https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/briefing_poor_quality_conditions_and_disrepair_in_private_rented_sector_housing

¹¹ <https://www.gov.uk/government/statistics/english-housing-survey-local-authority-housing-stock-condition-modelling-2019/english-housing-survey-local-authority-housing-stock-condition-modelling-2019>

7.11 Turning first to the Decent Homes standard, the modelled data suggests some 16.8% of all dwellings are non-decent; the estimated figure for private rented homes is however notably higher than this (at 23.6%). Both of these figures are very similar to estimates for England. The modelled data also looks at non-decent homes and built-form (but not separately by tenure) – this identifies the highest proportion of non-decent homes to be terraced and detached houses (20% and 19% respectively) with the lowest proportion (at 9%) being bungalows.

	Hinckley & Bosworth	England
Owner-occupied	16.6%	16.4%
Private rented	23.6%	23.3%
Social rented	12.5%	12.0%
TOTAL	16.8%	16.7%

Source: DLUHC

7.12 For the HHSRS, the modelled data points to a slightly higher proportion of homes with Category 1 hazards than seen nationally, including a particular focus on the private rented sector (where 15% of homes are estimated to have Category 1 hazards – also higher than the national estimate). As with non-decency, detached and terraced homes are estimated to be most likely to have Category 1 hazards, along with a low proportion for bungalows.

	Hinckley & Bosworth	England
Owner-occupied	11.6%	10.4%
Private rented	15.0%	12.9%
Social rented	3.3%	5.3%
TOTAL	11.1%	9.9%

Source: DLUHC

7.13 Finally on stock condition it is possible to look at the number and proportion of homes that do not have central heating. Whilst the overall proportion is low (0.9% of households) the data does show household in the private rented sector as being more likely than other tenure groups to not have central heating.

Figure 7.8: Number and proportion of households without central heating by tenure (2021) – Hinckley & Bosworth			
	Households without central heating	Total households	% without central heating
Owns outright	190	19,715	1.0%
Owns with mortgage	76	17,523	0.4%
Social rented	43	5,050	0.9%
Private rented	112	7,158	1.6%
TOTAL	421	49,446	0.9%

Source: 2021 Census

- 7.14 When compared with other areas the data points to broadly similar patterns in the Borough as seen across the County and region. However the proportion of homes without central heating is lower than seen nationally for all tenure groups.

Figure 7.9: Proportion of households without central heating by tenure (2021) – range of areas				
	Hinckley & Bosworth	Leicester-shire	East Midlands	England
Owns outright	1.0%	0.9%	1.2%	1.5%
Owns with mortgage	0.4%	0.5%	0.7%	0.9%
Social rented	0.9%	0.8%	1.1%	1.4%
Private rented	1.6%	1.5%	1.7%	2.4%
TOTAL	0.9%	0.9%	1.1%	1.5%

Source: 2021 Census

- 7.15 Finally, the analysis below looks at the proportion of homes without central heating by ward and tenure. Across all areas the proportion of households without central heating is low (a highest figure of 1.9% in Hinckley Castle). Ambien sees the highest proportion of households in the private rented sector without central heating (at 3.4%). Generally the proportion of homes without central heating is higher in Urban than Rural locations.

Figure 7.10: Proportion of homes without central heating by tenure and ward (2021)

	Owns outright	Owns with mortgage	Social rented	Private rented	TOTAL
Ambien	1.2%	0.6%	0.0%	3.4%	1.2%
BN&O	1.1%	0.4%	1.5%	0.0%	0.8%
Barwell	1.3%	0.5%	0.9%	2.2%	1.1%
BS&S	1.0%	0.4%	0.5%	1.2%	0.7%
BStC&LH	1.0%	0.8%	0.6%	0.6%	0.8%
CCMB&S	0.6%	0.0%	0.0%	0.9%	0.4%
Earl Shilton	1.0%	0.2%	0.3%	2.5%	0.9%
Groby	0.5%	0.4%	0.0%	0.4%	0.4%
H-Castle	1.8%	1.3%	2.4%	2.4%	1.9%
H-Clar'don	1.1%	0.6%	0.9%	1.6%	1.0%
H-DeMont't	0.9%	0.2%	2.1%	1.2%	0.8%
H-Trinity	0.9%	0.4%	1.4%	1.4%	0.8%
MS&F	1.1%	0.4%	0.0%	1.6%	0.8%
NVwD&P	0.6%	0.5%	1.0%	1.9%	0.7%
RB&T	0.7%	0.1%	1.6%	0.6%	0.6%
T&WwS	0.2%	0.2%	1.0%	1.4%	0.4%
Urban	1.1%	0.5%	1.0%	1.8%	1.0%
Rural	0.7%	0.3%	0.9%	1.2%	0.7%
Total	0.9%	0.4%	0.9%	1.6%	0.9%

Source: 2021 Census

Build-to-Rent

- 7.16 In respect of Build to Rent, the Housing White Paper (February 2017) was clear in 2017 that the Government wanted to build on earlier initiatives to attract new investment into large-scale housing which is purpose-built for market rent (i.e., Build to Rent).
- 7.17 At that time, the Government set out that this would drive up the overall housing supply, increase choice and standards for people living in privately rented homes and provide more stable rented accommodation for families – particularly as access to ownership has become more challenging.
- 7.18 This was realised through the publication of the revised NPPF (February 2019) which recognises the emergence of the strength of the private rented sector. The

Framework, which continues to recognise the role of the private rented sector in the current September 2023 version, says the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including those people who rent their homes (as separate from those in affordable housing need) (paragraph 62).

7.19 The Framework's glossary also introduces a definition for Build to Rent development, thus recognising it as a sector. It represents development which is constructed with the intention that it will be let rather than sold:

“Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development”.

7.20 The benefits of Build to Rent are best summarised in the Government's A Build to Rent Guide for Local Authorities which was published in March 2015. The Guide notes the benefits are wide-ranging but can include:

- Helping local authorities to meet demand for private rented housing whilst increasing tenants' choice “as generally speaking tenants only have the option to rent from a small-scale landlord”.
- Retaining tenants for longer and maximising occupancy levels as Build to Rent investment is an income-focused business model;
- Helping to increase housing supply, particularly on large, multiple phased sites as it can be built alongside build-for-sale and affordable housing; and
- Utilising good design and high-quality construction methods which are often key components of the Build to Rent model.

7.21 This Build to Rent Guide provides a helpful overview of the role that Build to Rent is intended to play in the housing market, offering opportunities for those who wish to rent privately (i.e. young professionals) and for those on lower incomes who are unable to afford their own home.

7.22 Over recent years there has been a rapid growth in the Build to Rent sector backed by domestic and overseas institutional investment. Turning to the present and the

latest market insight on Build to Rent as it begins to mature and strengthen as a development sector, the Savills UK Build to Rent Market Update¹² for Q2 2023 states that the market now had 88,100 completed units, 53,500 under construction and 111,800 in the development pipeline, a total of 253,400 units.

- 7.23 The British Property Federation (“BPF”), London First and UK Apartment Association (“UKAA”) recently published (November 2022) a report¹³ profiling those who live in Build to Rent accommodation in England.
- 7.24 According to their research around 40% of residents were aged between 25 and 34, which is broadly similar to the in the wider private rented sector. This age group is also one of the most prominent groups in PRS within Hinckley and Bosworth
- 7.25 The survey-based data identified that incomes are similar to those in private rented sector accommodation with 18% earning between £26,000 and £32,000, and 23% earning between £32,000 and £44,000.
- 7.26 The report noted that Build to Rent (BtR) has comparable levels of affordability but is notably more affordable for couples and sharers. This is perhaps reflected in the higher incidence of these household types within the Build to Rent sector.
- 7.27 Typically Build to Rent residents spend between 28% and 33% of their income on accommodation – this would equate to between about £780 and £920 pcm which is more than the median rent for a home in the Borough (£730). Although some build-to-rent developments are inclusive of bills and do provide a wider range of facilities
- 7.28 The report also identified that BtR residents are professionally diverse and employed in many different industries. It was noted (from the sample in the study) that 17% of residents are employed in the public sector, which is very similar to the proportion across the private rented sector generally (put at 19% in this research). The report suggests this points to BtR as being suitable for key workers.
- 7.29 It is our understanding that there has been limited activity in the way of existing and forthcoming Build to Rent development in Hinckley and Bosworth. According to the British Property Federation, there are no developments of Build to Rent

¹² https://www.savills.co.uk/research_articles/229130/347183-0

¹³ <https://bpf.org.uk/our-work/research-and-briefings/who-lives-in-build-to-rent-2022/>

Accommodation in the borough, with most activity in neighbouring authorities of Leicester and to a lesser extent in Nuneaton and North West Leicestershire.

- 7.30 Nationally, it is clear that the sector is growing however given the relatively low volume and in a national sense the low cost of private renting in the borough we do not consider that demand from developers in the borough will be significant. That said a policy response may still be worthwhile.

Build-to-Rent – Policy Response

- 7.31 The PPG on Build to Rent recognises that where a need is identified that local planning authorities should include a specific plan policy relating to the promotion and accommodation of Build to Rent. While no to limited need has been identified in the Borough we think it would be prudent for the Council to consider a policy nevertheless to respond to future applications.
- 7.32 In preparing the Local Plan Review, the Council could include a policy on Build-to-Rent development to set out parameters (such as design, contract lengths, space standards, communal space standards (even if just stipulating wider standards apply) and facilities, outdoor space, bike storage and active transport measures etc.), regarding how schemes would be considered, with the expectation that there is likely to be some activity moving forward – and this policy should also deal with how affordable housing policies would be applied.
- 7.33 Given that the sector is still evolving, we would recommend that the Council is not overly prescriptive on the mix of dwelling sizes within new Build to Rent development. The Framework’s definition of Build-to-Rent development sets out that schemes will usually offer tenancy agreements of three or more years and will typically be professionally managed stock in single ownership and management control.
- 7.34 The Council will need to consider affordable housing policies specifically for the Build-to-Rent sector. The viability of Build to Rent development will however differ from that of a typical mixed tenure development in the sense that returns from the Build to Rent development are phased over time whereas for a typical mixed tenure scheme, capital receipts are generated as the units are sold.

- 7.35 In general terms, it is expected that a proportion of Build to Rent units will be delivered as ‘Affordable Private Rent’ housing. Planning Practice Guidance¹⁴ states that:

“The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build to rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build to rent landlord.

20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If local authorities wish to set a different proportion, they should justify this using the evidence emerging from their local housing need assessment, and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.

National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development”

- 7.36 The Council should have regard to the PPG on Build-to-Rent developments. This states that at least 20% of the units within a Build to Rent development should be let as Affordable Private Rented units at a discount of 20% to local market rents. We would advise that this is capped at Local Housing Allowance rates for it to be truly affordable.

Agency Engagement

- 7.37 To inform this study with an up-to-date picture of the lettings market in Hinckley & Bosworth we have engaged with local lettings agents. This engagement took place in January 2024. The agents that we engaged with were from:

- Martin and Co, Hinckley; and
- Your Move, Hinckley.

¹⁴ ID: 60-002-20180913

- 7.38 Both agents reported having been very busy in the past year with an “incredibly active and buoyant lettings market” in the Borough. Young families and would-be first-time buyer couples were considered the most common type of tenant, although one agent reported seeing prospective tenants of all ages in the Borough. In keeping with this, the most popular dwelling types are those most suited for families (2-3 bedrooms).
- 7.39 Many prospective tenants in the borough are local, although a small number move from out of the area. One agent felt that those seeking to move to the Hinckley and Bosworth area from out of the region were more likely to look at Coventry or Leicester. Despite this, agents felt that the Borough is still attractive given the good transport links which allow for access to key employment centres.
- 7.40 Rental prices in the Borough have increased slightly in the past year with agents putting this down to a decrease in stock. Interest rate hikes and changes to taxation have led to many landlords with smaller portfolios choosing to sell up.
- 7.41 One agent was concerned about the lack of supply as they did not see as many new properties coming to the market to replace those that had been lost, he also felt there was potential for the market to stagnate with prices less able to increase due to the wider cost of living crisis.
- 7.42 Agents were questioned on the attractiveness of build-to-rent development and did not feel that it would be possible within the more rural locations of the Borough, but had some potential within Hinckley itself.

Private Rented Sector – summary

- 7.43 The private rented sector (PRS) accounts for around 14% of all households in Hinckley & Bosworth (as of 2021) – a smaller proportion to that seen across the East Midlands, and notably below the national average (21%). The number of households in this sector has however grown substantially (increasing by 39% in the 2011-21 period).

- 7.44 The PRS has some distinct characteristics, including a much younger demographic profile and a high proportion of households with dependent children (notably lone parents) – levels of overcrowding are relatively high. In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted/terraced accommodation when compared with the owner-occupied sector. That said, around 42% of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements. The number of tenants claiming housing benefits increased dramatically as a result of the Covid lockdown in 2020 and has remained elevated.
- 7.45 There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). Given the current Government's push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).
- 7.46 This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time; this would include mortgage lending practices and the availability of Housing Benefit. A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

Self- and Custom-Build Housing

- 7.47 Through draft policy, outlined below, the Borough Council is committed to meeting the self and custom build housing need with sustainable development from people wishing to commission or build their own homes.

- 7.48 The Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) (“the 2015 Act”) provides a legal definition of ‘self-build and custom housebuilding’ which are where individuals or associations of individuals (or persons working with or for individuals or associations of individuals) build houses to be occupied as homes for those individuals.
- 7.49 Self-build and Custom-build dwellings differ in the way the construction is managed. The National Custom & Self Build Association (NaCSBA) defines self-build as ‘projects where someone directly organises the design and construction of their new home’. Custom-build dwellings are less intensive in that a single developer does much of the construction work with input from the end homeowner.
- 7.50 The Government has long had a clear agenda for supporting and promoting the self-build and custom-building sector; and sees that its growth can help support increased product diversity and housing delivery. Local authorities are required by the 2015 Act to maintain and publicise a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land to build their own self-build and custom homes.
- 7.51 The Housing and Planning Act 2016 (“the 2016 Act”), which received Royal Assent on 12th May 2016, formally introduced the ‘Right to Build’. It has placed a legal duty on the relevant authority to grant enough planning permissions to meet the demand for self-build housing as identified through its register in each base period (commencing on 31st October 2016). The fundamental intention is to increase the supply of land for those considering self and custom-build.
- 7.52 The Levelling Up and Regeneration Act (LURA) 2023 tightened up the definitions regarding what can be considered appropriate supply for self and custom housebuilding. The Act now requires local authorities to only count planning permissions as part of self-build supply if they are specifically for self-build development.
- 7.53 This means supply permissions are likely to be required to be secured for this purpose either through a condition attached to the planning permission or a legal agreement between the applicant and the council.

7.54 Using data from the Council’s Self and Custom register, we have analysed the numbers of individuals and groups joining in the relevant base periods. This is shown both pre and post register review which took place in May 2021. The review register included contacting those on the register to understand whether they wished to continue being on the borough’s self-build register. As such data prior to the review was also altered.

7.55 Pre-Register Review there was an average of 17 new registrants per base period compared to an average of 1 permission granted for self or custom build dwellings. Since the register review there was an average of 5 new registrants per base period. It can also be seen following the review that an additional permission has been included for Base Period 5 (the pre-review data having not been updated) – this does not have any implications for the general conclusions of this section.

Figure 7.11: Self- and Custom-Build Need shown by the Register (pre May 2021) – Hinckley & Bosworth		
	Registrations	Permissions
Base Period 1 (April 2016 to 30 th October 2016)	11	0
Base Period 2 (31 st October 2016 to 30 th October 2017)	26	0
Base Period 3 (31 st October 2017 to 30 th October 2018)	12	0
Base Period 4 (31 st October 2018 to 30 th October 2019)	12	5
Base Period 5 (31 st October 2019 to 30 th October 2020)	11	0
Base Period 6 (31 st October 2020 to 30 th October 2021)	22	0
Average per base period (Total/5.5)	17	1

Source: Hinckley and Bosworth Borough Council

Figure 7.12: Self- and Custom-Build Need shown by the Register (post May 2021) – Hinckley & Bosworth		
	Registrations	Permissions
Base Period 1 (April 2016 to 30 th October 2016)	0	0
Base Period 2 (31 st October 2016 to 30 th October 2017)	1	0
Base Period 3 (31 st October 2017 to 30 th October 2018)	0	0
Base Period 4 (31 st October 2018 to 30 th October 2019)	1	5
Base Period 5 (31 st October 2019 to 30 th October 2020)	1	1
Base Period 6 (31 st October 2020 to 30 th October 2021)	16	0
Base Period 7 (31 Oct 2021 – 30 th Oct 2022)	15	3
Base Period 8 (31 Oct 2022 – 30 th Oct 2023)	10	0
Base Period 9 (31 Oct 2023 - 30 th Oct 2024)	2	0
Average per base period (Total/8.5)	5	1

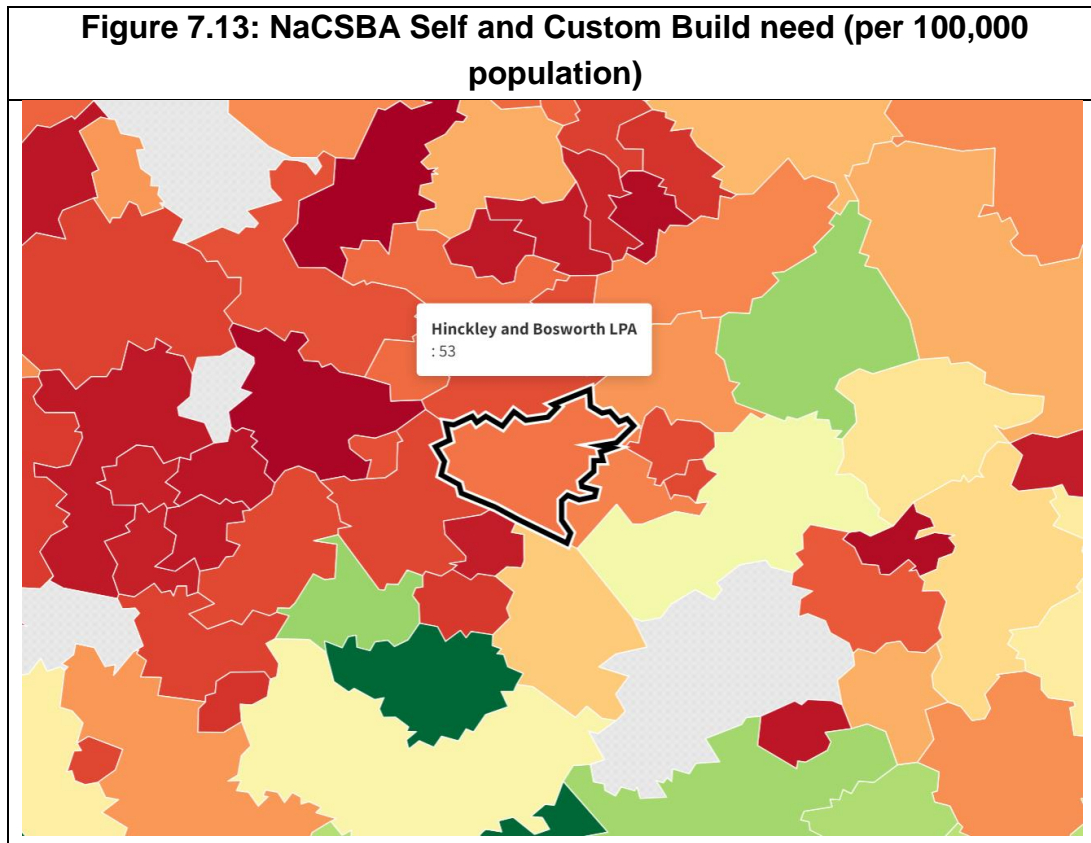
Source: Hinckley and Bosworth Borough Council

7.56 If the Council cannot demonstrate that it is meeting need then past under-delivery will be rolled forward into subsequent years. As of today there are 46 people on the post-review register against total permissions of 9. This means that under-delivery of 37 permissions are required to be added to any future periods.

Alternative Demand Estimates

7.57 We have also sought alternative views on the demand for custom and self-build housing in Hinckley and Bosworth from NaCSBA. As seen below this shows a demand of 53 plots per 100,000 population. When translating this to the current size of the population (113,051 people in 2020) in Hinckley and Bosworth this equates to a demand for around 60 plots.

7.58 By the end of the plan period (2041) the population is expected to grow by 17,090 people (in line with the standard method). This would mean an additional 9 plots would be required. Across the 21 year plan period this would average out at 3.2 plots per annum.



Source: NaCSBA Mapping the right to build 2020

7.59 The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector. The PPG¹⁵ is clear that authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward and can focus on playing a key role in facilitating relationships to bring land forward. There are several measures which can be used to do this, including but not limited to:

- supporting Neighbourhood Planning groups where they choose to include self-build and custom-build housing policies in their plans;

¹⁵ Paragraph: 025 Reference ID: 57-025-20210508

- working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom-build housing;
- when engaging with developers and landowners who own sites that are suitable for housing, encouraging them to consider self-build and custom housebuilding, and facilitating access to those on the register where the landowner is interested; and
- working with local partners, such as Housing Associations and third sector groups, to custom build affordable housing for veterans and other groups in acute housing need.

- 7.60 Government policy and legislation is generally seeking to encourage and support self-build development and it is appropriate for this to be reflected in local plan policies. Indeed an increasing number of local planning authorities have adopted specific self-build and custom housebuilding policies to encourage delivery, promote and boost housing supply.
- 7.61 There are also a number of appeal decisions in the context of decision-making which have found that paragraph 11(d) of the Framework is engaged in the absence of specific policy on self-build housing when this is the focus of a planning application. The inclusion of such a policy is therefore advisable in local plans.
- 7.62 The existing Hinckley and Bosworth Core Strategy DPD and Site Allocations & Development Management Policies DPD do not include specific policies seeking the provision of self and custom-build housing.
- 7.63 The Draft Plan (2021) include Policy HO06 which requires sites of over 100 dwellings to include 5% provision of self and custom build plots as part of the development and supports the delivery of plots on smaller sites.
- 7.64 The commentary around the policy is also clear that “self-build and custom housebuilding will be supported on any sites where conventional housing is also suitable”. In addition, it states that “Neighbourhood plans could also play a role in identifying land for self-build and custom housing particularly where this would help meet local needs as identified in the self-build register.”

- 7.65 The Council may also wish to consider helping support delivering self- and custom-build on their own land. The PPG also advises working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom build housing. It also advises on working with local partners, such as Housing Associations, to custom build affordable housing for veterans and other groups in acute housing need.
- 7.66 As a further consideration, the Levelling Up and Regeneration Act (2023) (LURA) has introduced changes to the 2015 Self-Build and Custom Housebuilding Act. This tightens up what can be classed as part of the supply.
- 7.67 The new legislation means that rather than providing “enough serviced plots” the council must ensure development permissions are specifically for ‘the carrying out of self-build and custom housebuilding’.
- 7.68 This means that when demonstrating supply it is no longer permissible to count what **could** be self and custom build plots and that the council must demonstrate they **have been** permitted for such. This means that the Council should consider how the delivery of such housing is monitored. Finally, LURA has also confirmed that if a registered need is not met within the 3-years of the base period ending, that need is rolled forward into the next period.

Self- and Custom-Build – summary

- 7.69 Local Authorities are required to permit the number of plots equivalent to the number of people entering their Self-Build and Custom Housebuilding Register per base period. To date, the Hinckley and Bosworth Register has seen an average of 17 entrants per base period.
- 7.70 However, the Council has undertaken a review of the register including contacting previous entrants to see if they still wished to be on the register. This review resulted in a fall in demand to around 5 plots per base period. This indicates the future need, although if registrations increase so too must supply.
- 7.71 The continuation of Draft Plan (2021) Policy HO06 to satisfy the demand for plots within the Borough is recommended. Although other approaches could also support further delivery of custom and self-build housing including the use of council owned land.

7.72 Furthermore, new legislation through LURA tightens up what can be classed as part of the supply and any unmet need is rolled forward. The Council therefore may wish to consider how the delivery of such housing is monitored.

Looked After Children

7.73 A Written Ministerial Statement by the Minister of State for Housing and Planning on 23rd May 2023¹⁶ has made clear that LPAs should consider whether it is appropriate for studies such as this to consider the accommodation needs of children in need of social services care (children in care). It advises that LPAs should give due weight to and be supportive of applications for accommodation for looked after children in their area that reflect local needs; and that unitary authorities should work with commissioners to assess local need.

7.74 The 'sufficiency duty' under the Children's Act (1989) requires local authorities to take steps to secure, as far as reasonably practical, sufficient accommodation within the Authority's area boundaries to meet the needs of children that the local authority is looking after and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is in the local authority's area. The authority in these terms is Leicestershire.

¹⁶ <https://questions-statements.parliament.uk/written-statements/detail/2023-05-23/hcws795>

- 7.75 Leicestershire’s Children’s Social Care – Placement Sufficiency Statement and Market Position Statement, 2021-23¹⁷ (April 2021) sets out Leicestershire County Council’s (LCC) vision and intentions for improving the life chances of children and young people in care. It sets out 7 key priorities to ensure the efficiency of placements it makes for children and young people. These priorities are:
1. Expanding our in-house fostering provision;
 2. Making the best use of in-house fostering capacity;
 3. Avoiding unrequested residential placements;
 4. Reducing the amount of time children and young people spend in residential care;
 5. Providing the best care of our older young people;
 6. Increasing our in-house residential provision; and
 7. Continue working in collaboration with the external market to ensure placement sufficiency.
- 7.76 LCC intends to develop both their in-house (directly provided) and external offer of placements, this is to ensure the needs of children and young people in their care are appropriately met. Priority 1 seeks to increase the number of internal foster placements to reduce the number of placements in unrequested settings such as residential, this would also reduce the reliance of the service on the external market. LCC also intend to better utilise their existing in-house capability as well as increase the supply of it.
- 7.77 In the main, the strategy of LCC is to place children in in-house foster homes rather than residential homes. LCC is actively seeking to reduce the number and amount of time children and young people spend in residential care. However, they recognise that this is not always possible and if foster carer numbers continue to fall then residential spaces will be required.
- 7.78 Priority 6 of the commissioning strategy aims to develop LCC’s internal residential provision to increase the range of in-house options for children and young people. This aims to address the needs of the 9-10% of LCCs looked after children who require specialist care as a result of the complexity of their needs.

17

[https://www.proceduresonline.com/llr/childcare/leicestershire/user_controlled_lcms_area/uploaded_files/CFS%20Placements%20Market%20Position%20%20Sufficiency%20Statem ent%20October%202021.pdf](https://www.proceduresonline.com/llr/childcare/leicestershire/user_controlled_lcms_area/uploaded_files/CFS%20Placements%20Market%20Position%20%20Sufficiency%20Statement%20October%202021.pdf)

- 7.79 Currently, all of Leicestershire's children who require specialist care are placed in private placements often some distance from existing support networks and other service provisions such as education. Where a disconnect from their existing support network is not considered ideal for the care of the child or their family this can also increase the cost of the provision of the service to that child.
- 7.80 As of 2021, there were 690 children in care in Leicestershire, equating to a rate of 48.6 per 10,000 head of the population, given that the population is expected to increase by the end of the plan period the number of children who require care from the LCC will also increase.
- 7.81 It is possible to indicatively assess future needs for overall children in care places on the basis of the rate of 48.6 spaces per 10,000 children aged under 18. Of this need 10% are estimated to require a space in a children's care home. Caution should however be exercised in placing reliance on the figures in the context of the management of needs at a County-wide level and the strategic priority of foster care over residential care.

Figure 7.14: Indicative Gross Need for Children's Home Spaces			
	Current Indicative Gross Need	Gross Need in 2041	Change in Need
Hinckley & Bosworth	11	12	1

Source: JGC analysis

- 7.82 The need shown represents the potential 'gross need' based on population projections and does not take account of existing supply which needs to be taken into account at the point of a planning application to assess whether there is a need for additional provision.
- 7.83 Although Leicestershire generally prefers to place children into foster care over residential, the provision of residential children's homes is still required. Children's homes are not typically large, with between 1-4 children in a home as well as provision for staff to sleep and some communal rooms. They should also have outdoor space with access to a garden and ideally provision for staff parking. Houses situated on through roads in suburban environments are thus particularly suitable.

- 7.84 Additional provision does not necessarily need to be new-build dwellings but could include conversion of existing C3 properties or other buildings in public sector ownership. Children's homes would typically fall within a C2 use class.
- 7.85 To address the need identified, it is appropriate for Leicestershire County Council to be engaged in the planning process for strategic sites and for appropriate consideration to be given to the need for children's homes and how this might be accommodated.
- 7.86 The Written Ministerial Statement makes clear that in two-tier authorities like Hinckley and Bosworth, it expects local planning authorities to support these vital developments where appropriate, to ensure that children in need of accommodation are provided for in their communities.

Looked After Children – summary

- 7.87 There is only likely to be a limited need (1 space by 2041) to provide additional care homes for children due to the low demographic growth of children and Leicestershire County Council's overarching priority for children in care to be placed in foster care rather than residential care. However, the Borough Council should continue to work with the County Council to ensure a continued supply of suitable accommodation is available to meet any potential rise in need or fall in foster parenting.

Houseboats

- 7.88 Hinckley and Bosworth is home to the Ashby Canal, which links to both the Warwickshire Ring, consisting of the North Oxford, Birmingham & Fazeley and Grand Union Canals and the East Midlands Ring consisting of the Coventry, Trent & Mersey and Grand Union - Leicester Branch Canals.
- 7.89 The Canal begins at Marston Jabbet running northwards through Hinckley and Market Bosworth, it contains approximately 22 miles of navigable canal. The Canal's maximum boat beam (width) is 7ft which makes it too narrow for many houseboats which are usually wider than 8ft. However, this width does allow for traditional canal and narrow boats which rarely exceed 7ft. Responsibility for the canal lies with the Canal and River Trust (CRT).

7.90 Data published on the CRT website indicates that there are currently 29 moorings on the Ashby Canal, all of which are currently occupied and all of which are within Leisure use, this is likely a result of the width restrictions. The table below provides a breakdown of the Borough's CRT moorings by location.

Figure 7.15: Canal and River Trust Moorings		
Location	Moorings Use	Number of Moorings
Sutton Cheney Wharf	Leisure	22
Lime Kilns	Leisure	7

Source: Canal and River Trust

- 7.91 Data from the CRT does not take into account the Trinity Waterside and Marina in Hinckley, likely a result of its private ownership and operation. Trinity has an additional 150 leisure moorings as well as 50 moorings for long-term residential use.
- 7.92 We have engaged with the Marina to better understand the level of demand for long-term residential moorings in the Borough. The Marina confirmed the width of the Ashby Canal does not allow for wider boats which are typically more for long-term residential living, as a result, the Marina's long-term moorings are not currently full.
- 7.93 However, the Marina does see a steady interest in residential moorings throughout the year, although these are typically restricted to those who live full-time on canal/narrow boats.
- 7.94 The Marina also offers winter moorings for many canal/narrow boats when some canals and locks are subject to closure, increased demand is therefore largely limited to winter time but tends to remain at much the same level each winter.
- 7.95 Leisure-use moorings are the most common type within the Marina as the width of the Ashby Canal is considered more suitable for leisure use. Demand for this is seasonal with a pick-up in March/April and a drop off around November.

Houseboats – summary

7.96 The main canal in the borough is the Ashby Canal. However, width restrictions mean the canal does not lend itself to residential houseboats which are typically larger than traditional canal boats used for leisure. Trinity Waterside and Marina in Hinckley is home to 50 long-term residential moorings which are not currently full. Although the marina does see a steady stream of enquiries throughout the year. Given the width restrictions on the canal and vacancy rates within the existing marina, there is unlikely to be a need for additional residential moorings in the Borough.

Service Personnel

7.97 There are no military establishments in Hinckley and Bosworth and most recent Ministry of Defence (MOD) statistics suggest that there are no military or Civilian MOD personnel stationed in the Borough. This would suggest that there is no need to develop a policy which addresses the specific needs of MOD personnel.

7.98 That said Annex 2 of the NPPF identifies Military Personnel as Essential Key Workers. As such, accommodation specifically comes under the definition of affordable housing. Depending on their income this group will already be accounted for within the affordable housing need and will not be additional to it.

7.99 The Planning Practice Guidance for First Homes includes ensuring that any local connection criteria are disapplied for all active members of the Armed Forces, divorced/separated spouses or civil partners of current members of the Armed Forces, spouses or civil partners of a deceased member of the armed forces (if their death was wholly or partly caused by their service) and veterans within 5 years of leaving the armed forces.

7.100 The most acute and pressing issue is likely to be finding accommodation for those transitioning out of the forces. First Homes could play a part in meeting this demand as it would provide a discounted route to home ownership.

7.101 In addition, the Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations ensure that service personnel (including bereaved spouses or civil partners) are allowed to establish a 'local connection' with the area in which they are serving or have served.

7.102 This means that ex-service personnel would not suffer a disadvantage from any 'residence' criteria chosen by the local authority in their allocations policy. Furthermore, any ex-armed forces personnel with mental health issues who present themselves to the Council as homeless would be assisted as a vulnerable group and will be given priority need for housing.

Service Personnel – summary

7.103 There are no military establishments in Hinckley and Bosworth and MOD statistics suggest that there are no personnel stationed in the Borough. Military personnel are identified as key workers and as such are catered for within affordable housing need and the ability to establish a local connection if required.

Other Groups: Key Messages

Private Rented Sector

- The private rented sector (PRS) accounts for around 14% of all households in Hinckley & Bosworth (as of 2021) – a smaller proportion to that seen across the East Midlands, and notably below the national average (21%). The number of households in this sector has however grown substantially (increasing by 39% in the 2011-21 period).
- The PRS has some distinct characteristics, including a much younger demographic profile and a high proportion of households with dependent children (notably lone parents) – levels of overcrowding are relatively high. In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted/terraced accommodation when compared with the owner-occupied sector. That said, around 42% of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements. The number of tenants claiming housing benefits increased dramatically as a result of the Covid lockdown in 2020 and has remained elevated.
- There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). Given the current Government's push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).
- This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time; this would include mortgage lending practices and the availability of Housing Benefit. A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

Self- and Custom-Build Housing

- Local Authorities are required to permit the number of plots equivalent to the number of people entering their Self-Build and Custom Housebuilding Register per base period. To date, the Hinckley and Bosworth Register has seen an average of 17 entrants per base period.

Other Groups: Key Messages (cont...)

- However, the Council has undertaken a review of the register including contacting previous entrants to see if they still wished to be on the register. This review resulted in a fall in demand to around 5 plots per base period. This indicates the future need, although if registrations increase so too must supply.
- The continuation of Draft Plan (2021) Policy HO06 to satisfy the demand for plots within the Borough is recommended. Furthermore, new legislation through LURA tightens up what can be classed as part of the supply and any unmet need is rolled forward. The Council therefore may wish to consider how the delivery of such housing is monitored.

Looked after Children

- There is only likely to be a limited need (1 space by 2041) to provide additional care homes for children due to the low demographic growth of children and Leicestershire County Council's overarching priority for children in care to be placed in foster care rather than residential care. However, the Borough Council should continue to work with the County Council to ensure a continued supply of suitable accommodation is available to meet any potential rise in need or fall in foster parenting.

Houseboats

- The main canal in the borough is the Ashby Canal. However, width restrictions mean the canal does not lend itself to residential houseboats which are typically larger than traditional canal boats used for leisure. Trinity Waterside and Marina in Hinckley is home to 50 long-term residential moorings which are not currently full. Although the marina does see a steady stream of enquiries throughout the year. Given the width restrictions on the canal and vacancy rates within the existing marina, there is unlikely to be a need for additional residential moorings in the Borough.

Service Personnel

- There are no military establishments in Hinckley and Bosworth and MOD statistics suggest that there are no personnel stationed in the Borough. Military personnel are identified as key workers and as such are catered for within affordable housing need and the ability to establish a local connection if required.