Draft document for Council governance process July and August 2026

Cotswold District Housing Needs Evidence

Final Report

Iceni Projects Limited on behalf of

Cotswold District Council

June 2026

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1. Summary & Conclusions

1.1 This report provides evidence on housing needs for Cotswold District. It has been prepared in particular to inform the emerging Cotswold District Local Plan.

Overall Housing Need

1.2 The Government has set out a ‘standard method’ and requires councils to use this to identify overall housing need. This is influenced by the current housing stock and affordability position. The standard method shows a substantial need for 1,054 dpa generating a need for 17,918 homes over the 2026-43 plan period. This high housing need is in particular a reflection of the District’s high house prices which on average are 14.6 times’ the average earnings of a full-time worker living in the District.

1.3 The modelling undertaken in this report indicates that housing provision of 17,918 homes over the plan period would support population growth of 34,600 (37%) over the 17 year plan period and support a notable growth in the population of working age as well as a growing older population.

Need for Affordable Housing

1.4 There is a significant need for affordable housing in Cotswold District. Affordable housing accounts for around 7,100 in the District today and accommodates around 15% of the District’s households; but at as at Spring 2025 there were 1,775 households on the Council’s Housing Register with an unmet need for affordable homes.

1.5 The report provides an assessment of affordable housing need over the plan period to 2043, taking account of current housing costs and incomes, as well as the existing affordable housing stock and turnover. This indicates a net need for 336 affordable homes a year. Whilst this is very significant in the context of the adopted Local Plan's housing target for delivery of 420 homes a year and average housing delivery over the last 15 years, which at 413 homes a year closely matches this, it is a lower proportion of the much higher housing need shown by the standard method (32%). However given that not all development schemes will provide affordable housing, with affordable housing not required on some smaller sites of < 10 dwellings and some sites not able to viably support policy-compliant affordable housing provision, we consider that the evidence would justify affordable housing provision of up to 40%. The policy requirement for affordable housing in the Local Plan will need to take account of this, as well as the Plan's viability evidence. It will help grow the proportion of affordable housing (relative to the wider housing stock) over the plan period.

1.6 The evidence considers the profile of need for different affordable housing products, and concludes that, on the basis of the needs evidence, policies should seek the following split of different affordable housing products:

40% social rent

10% affordable rent

50% affordable home ownership.

1.7 The Plan's policies should provide the potential for this to be flexed in selected circumstances, in particular where there is alternative local needs evidence or where it is necessary to do so to support development viability. The definition of affordable housing should include the potential for provision of military affordable housing.

1.8 The evidence in the report highlights the significant quantum of second and holiday homes in the District, which support the tourism economy but restrict access to housing for local people. Government is considering introducing a national register of short-term lets, which the Council could opt in to. Once this is in place, there would be potential for planning polices – together with Article 4 directions – to be used to more closely manage the growth of short-term lets and in particular to manage concentrations of them. This is something which the Council may wish to investigate further.

Housing Mix

1.9 The District's current dwelling stock is focused towards larger properties – with detached and semi-detached homes making up more than two-thirds (68%) of homes; and 69% of homes having 3 or more bedrooms, with a particularly high proportion (31%) of homes having 4+ beds. Whilst this is reflective of the more rural nature of the District, there are clear effects in restricting the supply of smaller and more affordable homes for local people.

1.10 The evidence indicates an earnings profile of those working in the District which is notably lower than that for residents, with out-commuting of residents to higher paid jobs and notable in-commuting of those in lower paid roles who can't afford to live in the District. Affordable housing provision will therefore be important in supporting the local economy in enabling lower earning households to live in the District which in turn will help businesses with recruitment issues.

1.11 For market housing, the size of a home households occupy is influenced more by what they can afford than their household size. The evidence however indicates that taking account of demographic changes and providing opportunities for older households to downsize, market housing provision should be focused on delivering 2- and 3-bed properties. This will help to rebalance the housing offer to address affordability issues.

1.12 Affordable home ownership properties should be focused in particular on 2-bed properties, as set out below; whilst new developments should deliver a mix of different sizes of rented affordable homes including to meet needs of both smaller households and families.

1.13 The recommended mix of homes of different sizes is set out in the table below. We would expect this to be considered alongside, where appropriate, the existing mix of homes at settlement level and any local needs evidence. Justification should be provided as part of planning applications where there is significant variance from this – particularly on strategic sites.

Table 1-1: Suggested size mix of housing by tenure – Cotswold

	Market	**Affordable home ownership**	**Rented affordable housing**
1-bedroom	5%-10%	15%-20%	25%-35%
2-bedrooms	30%-35%	40%-50%	30%-40%
3-bedrooms	35%-45%	25%-35%	20%-30%
4+-bedrooms	15%-25%	5%-15%	5%-15%

Source: Iceni analysis

Specialist Housing

1.14 The evidence indicates that over the plan period to 2043, the population aged 65+ is expected to grow by 44%, with an increase of 11,600 people accounting for around a third of overall population growth. Currently 15% of the population have a disability, with 28% of households including someone with a disability and this can be expected to grow with the increasing older population over the plan period. The evidence projects an increase of 2,350 people (rounded) with mobility problems as well as growth in those with autism, learning disabilities and dementia (see Table 6.4).

1.15 The District has a relatively health supply of housing with support now, but an under-provision of housing with care (such as extra care) and residential care bedspaces. Over the plan period, the evidence indicates a net need for:

Housing with support: 496 homes

Housing with care: 467 homes

Residential and nursing care: 685 bedspaces

1.16 The analysis thus provides clear evidence of a need for specialist housing, driven in particular by a growing older population. It is important that the Council consider as part of the plan-making process how these needs will be met. We would recommend that planning policies for larger strategic sites (1000+ homes) should be expected to include provision of specialist housing. Typical sizes of schemes indicatively are as follows:

Housing with Support - 60+ units

Affordable Housing with Care (Extra Care) - 65+ units

Market Housing with Care (Extra Care) - 150+ units

Residential / Nursing Care - 80 beds

1.17 Plan policies seeking affordable housing contributions from housing with care (extra care) schemes should be informed and supported by specific viability modelling relating to this form off development recognising that viability differs from general needs housing – for instance with higher levels of communal space, on-site facilities, potential for higher construction and fit-out costs and potentially lower sales rates/ fewer off-plan sales. It will be necessary also to consider practical issues related to the costs of facilities and associated service charges in appraising whether affordable housing provision on-site is realistic, or whether financial contributions in lieu of on-site provision should be sought. The use class (whether C2 or C3) need not be determinative if the policy is appropriately drafted.

1.18 In addition, the report identifies a need for 350 homes for wheelchair users over the plan period. Iceni recommend that 5% of market homes and 5% of affordable homes on major development sites of 100+ homes are provided as wheelchair adaptable homes consistent with M4(3) standards. Within this, the affordable homes should be provided as M4(3)(2)(b) wheelchair accessible homes where there evidence of local need at the time of a planning application.

Specific Market Segments

1.19 The report identifies limited potential for 'muti-family' build-to-rent (BTR) development, which is of flats; but does identify some potential for 'single family' BTR to grow over the plan period. This has the potential to support the pace of delivery on larger strategic sites. It recommends that this is considered as part of the market housing offer and the Council expects provision as part of any new settlement scale locations.

1.20 A need is also estimated for around 355 self- and custom-build homes over the plan period. Alongside policies supporting provision on single development plots in suitable locations, the Council should consider requiring 3% of dwellings on strategic sites to provide for self- and custom housebuilding.

1.21 A specific need for new-build homes for students and looked after children is not identified in the evidence; but the evidence in the report would be relevant to applications for children's homes, which Iceni would expect to be particularly focused on the change of use of existing

C3 properties. The Council should monitor student housing issues and continue to engage with the Royal Agricultural University over time.

2. Introduction

2.1 Cotswold District Council is preparing a new Local Plan to guide development in the District over the 2025-43 period. The Council has commissioned Iceni Projects ('Iceni') to prepare this Housing Needs Evidence Report.

2.2 The report draws together evidence on housing needs, including overall housing need, the need for different types and sizes of homes; and the needs of different groups within the local community. It draws on work which Iceni has been undertaking to prepare a Gloucestershire Housing & Economic Development Needs Assessment ('HENA') working with local authorities across the County.

Scope of the Housing Needs Report

1.2 This report provides an assessment of housing needs, which includes:

Identifying the overall need for housing using the 'standard method' set out by national government;

Assessment of the need for affordable housing, and for different types of affordable housing to provide a basis to support planning policies for affordable housing;

Analysis of the needs for different types of homes and housing needs of different groups within the District's population, including older persons; families and military personnel;

Consideration of the dynamics of different housing market segments – including the need for purpose-built student accommodation and self- and custom-build housing.

2.3 The report takes account of national government policies as set out in the National Planning Policy Framework ('NPPF'), as published in December 2025, and associated Planning Practice Guidance ('PPG') at the time of the report's preparation.

Geographies

2.4 The report considers housing needs across Cotswold District and, for some key data, includes benchmarking of the position to that for the Gloucestershire Housing Market Area (HMA) which comprises the local authority areas of Cheltenham, Cotswold, Forest of Dean, Gloucester, Stroud and Tewkesbury.

2.5 The report considers dynamics in both urban and rural parts of the county. In doing so, this report adopts the ONS 2021 Rural Urban Classification (RUC), which identifies urban areas as shown in the table below (urban areas are defined in these terms as those with a resident population of 10,000 or over). Cirencester in these terms is defined as 'urban' whilst the remaining parts of the District are rural.

Report Structure

2.6 The remainder of the report is structured to address:

Section 3: Housing Offer and Market Dynamics

Section 4: Demographics and Overall Housing Need

Section 5: Affordable Housing Need

Section 6: Older Persons Need and those with Disabilities

Section 7: Mix of Homes Needed

Section 8: Housing Market Segments

Section 9: Rural housing needs

Section 10: Housing Needs of Specific Groups

3. Housing Offer and Market Dynamics

Housing Offer

3.1 Cotswold District has a dwelling stock of 46,800 dwellings (rounded) in 2025. 2021 Census data indicated that two thirds (67%) were owner occupied, with the remainder split between private rented (17%) and social rented homes (15%). The affordable housing stock overall equates to around 7,100 dwellings, has been growing and sits slightly above other that in parts of Gloucestershire.

Table 3.1 Tenure Profile, 2021

	Owned outright	Owned with a mortgage / Shared ownership	Private rented / Rent free	Social rent
Cotswold (households)	16,177	11,129	7,059	6,232
Cotswold (%)	40%	27%	17%	15%
Gloucestershire	38%	31%	18%	13%
South West	38%	29%	20%	13%
England	33%	30%	21%	17%

Source: 2021 Census

3.2 Over the 2011-21 period, influenced by an ageing population, the proportion of households who owned homes outright in the District has grown, with a modest increase in those living in the social rented sector (affordable housing). Those renting privately and home owners with a mortgage have fallen slightly in proportional terms relative to other tenures, but have seen some modest growth in absolute numbers of households.

Table 3.2 Tenure Changes, 2011-21

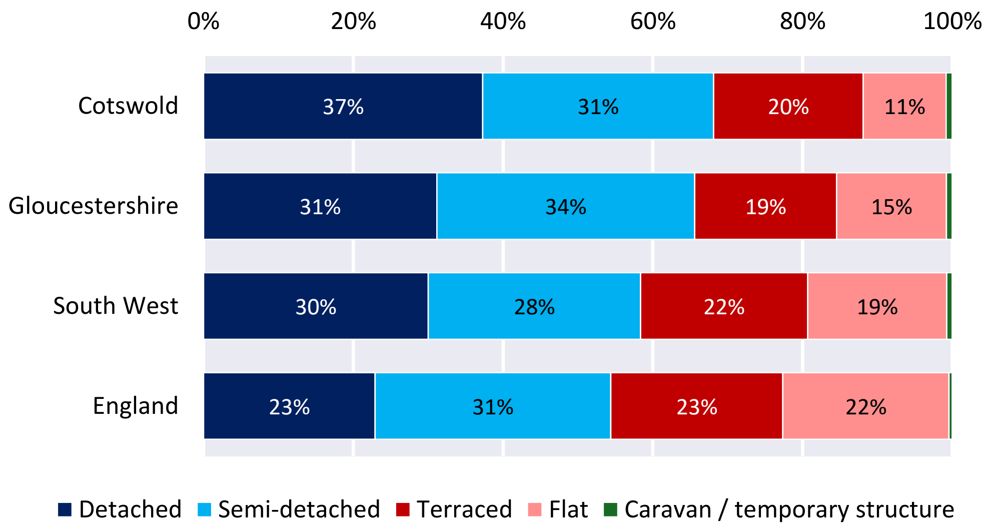
	Owned outright	Owned with a mortgage / Shared ownership	Private rented / Rent free	Social rent
2021	16,177	11,129	7,059	6,232
2011	13,691	10,553	6,604	5,388
Change	2,486	576	455	844
pp change	2.1%	-1.7%	-0.8%	0.5%

Source: 2021 Census

3.3 Data from the Regulator of Social Housing points towards an affordable housing stock in 2025 of 7,087 properties of which 80.5% were general needs properties for rent; 7.8% were supported housing and 11.5% were for low cost home ownership. The proportion of general needs housing is slightly higher than that across Gloucestershire, with the District having a lower proportion of supported housing.

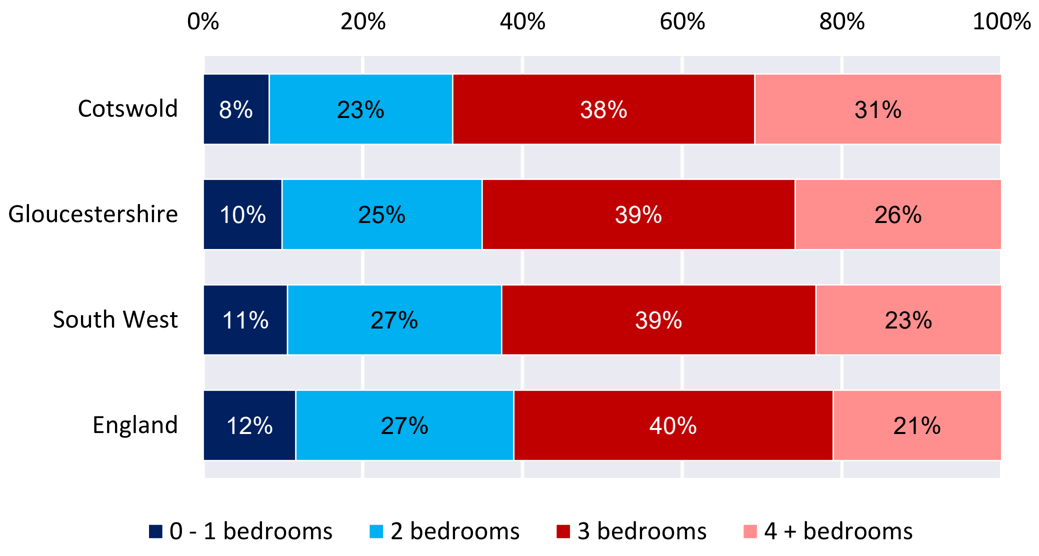
3.4 Much of the District's geography is rural and the housing offer reflects this with a relatively higher proportion of detached housing (37%) and 4+ bed homes (31%). (and relatively modest provision of flats (11% of stock) and 1-bed homes (8%). The overall focus of the current housing offer in on larger, family-sized homes.

Figure 3.1 House Types



Source: Census 2021.

Figure 3.2 House Sizes



Source: Census 2021. 1-bed figures include studios

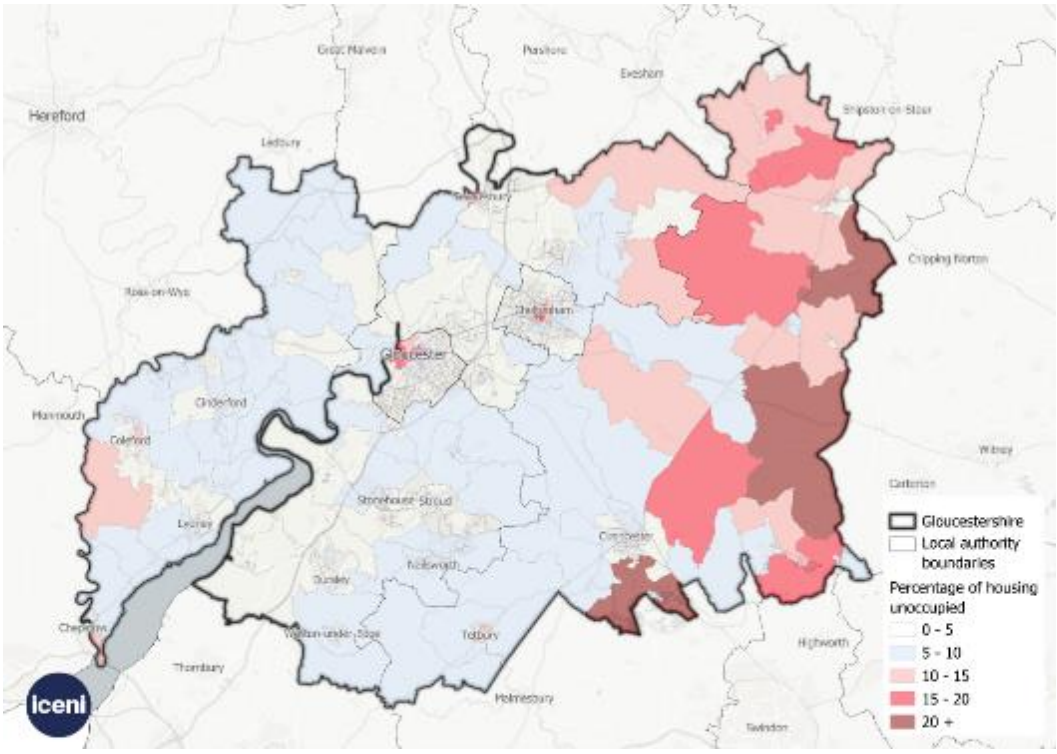
3.5 MHCLG data indicates that in 2024, 3.7% of homes across the District were vacant, with 1.8% being long-term vacant (this being those vacant for a year or more). This is above the 2.5-3.0% level which we would consider to be necessary to support turnover of stock and repairs / extensions to homes in a functioning housing market.

3.6 2021 Census data indicated that there were 3,660 vacant homes on Census day in the District; with a further 1,260 second homes (with no usual residents). Relative to a dwelling stock of 45,515 this equates to 10.8% of total dwellings which is significantly higher than that across broader geographies. It is likely that there is some overlap between homes recorded as second homes and vacant, and that the level of housing stock in these categories is reflecting in particular of visitor accommodation including holiday lets, alongside high levels of second home ownership. Whilst this supports the tourism economy in the District it also restricts the availability of homes for the local population.

3.7 In terms of house type, 89% of second and holiday homes are houses with a focus on detached properties (46% of the total); and 72% are family-sized properties with two or more bedrooms. This reflects the overall stock profile in the District.

3.8 The chart below shows the geography of unoccupied housing based on the Census data across Gloucestershire and highlights how this is significantly higher in Cotswold District than in other locations.

Figure 3.3 Unoccupied housing (2021)



Source: Census 2021

3.9 Impacts associated with concentrations of second homes and holiday lets can include:

Restricting the availability of homes to local residents, particularly lower cost properties, with concerns that those living outside of the area are often able to out-compete local households for homes.

Impacting on the residential population within settlements who use local shops and services, with the potential that concentrations can affect the vitality and viability of local communities and service provision within them.

Potential issues can arise from the churn of people, from the storage and handling of household waste, to noise from events/ parties which impacts on neighbours and on enforcement services.

3.10 The Council has charged an additional 100% Council Tax premium on second homes in the District since April 2025.[1] Holiday lets pay business rates in certain circumstances.[2]

3.11 Government intends to set up a register of short-term lets to which local authorities can 'opt in' – the effect of which will provide further information on short-term lets at a local level and how this is changing. The Government is proposing that where an owner seeks to change the use of a property between the C3 and C5 use, it would need to notify the Council. For the Council to restrict the ability for C3 dwellings to be converted to C5 short-term lets, it would likely need to put in place an Article 4 Direction. These are issues which the Council should consider further if Government progresses with legislation.

Housing Market

Sales Market Dynamics

3.12 The District is an attractive place to live with attractive settlements and landscape and this is reflected in high housing costs. The median house price stood at £448,000 in the District for sales in the year to March 2025; with the average price for detached properties reaching £680,000.

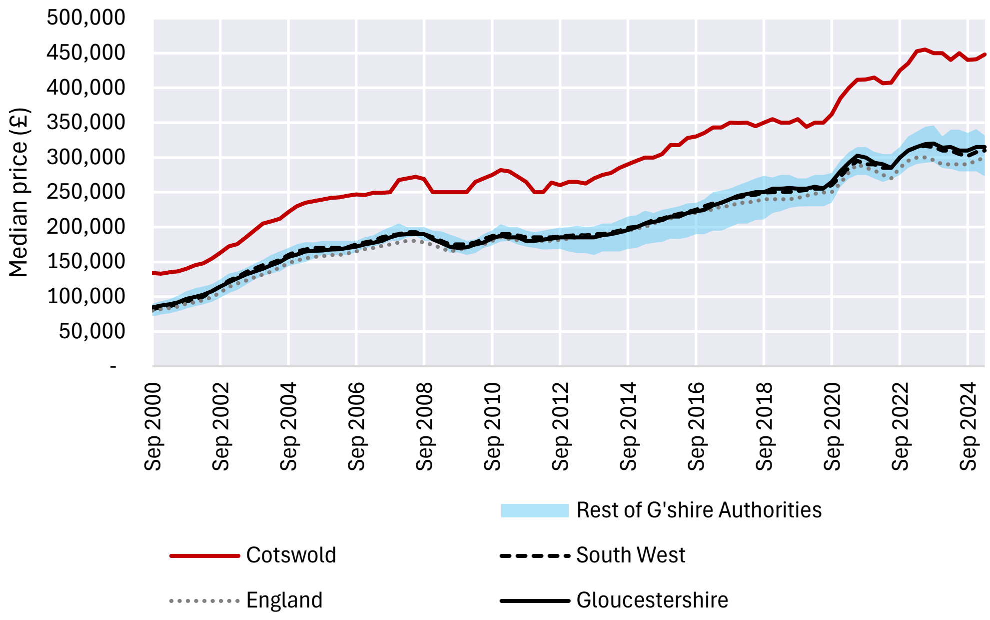
3.13 Relative prices across house types are higher than in other parts of Gloucestershire and for houses are above wider (regional/ national) benchmarks. As shown below, house prices have seen long-term growth, with rapid growth in values in particular between 2020-22 as households re-evaluated their living circumstances (as a result of the Covid-19 pandemic) with changing working patterns enabling people to

[1] https://www.cotswold.gov.uk/council-tax-and-benefits/second-homes/

[2] https://www.cotswold.gov.uk/business-and-licensing/business-rates-and-rate-relief/holiday-lets/

move further away from workplaces but seeking space to work at home. The more recent trend – since early 2023 – has been of relative price stability (and in effect a real terms fall) as demand has been sensitive to higher interest rates.

Figure 3.4 Housing price changes over time



Source: ONS *Median house prices for administrative geographies*

3.14 The trend over the last year (Spring 2025 – Spring 2026) has similarly been relatively flat, with the Land Registry House Price Index showing 2% growth in values over the year, but focused towards Summer 2026; with more recent months seeing flat or modestly falling values.

3.15 House prices by type of property are shown below. Whilst prices are higher than broader benchmarks across house types, there is a particular premium associated with larger detached homes.

House Prices by Type, Year ending March 2025

	Detached	Semi-detached	Terraced	Flat	Overall
Cotswold	£680,000	£395,000	£355,000	£225,000	£448,000
Gloucestershire	£470,000	£300,000	£255,000	£173,000	£315,000
South West	£449,000	£305,000	£265,000	£192,000	£310,000
England	£422,500	£277,500	£246,050	£248,000	£300,000

Source: ONS *Median house prices for administrative geographies*

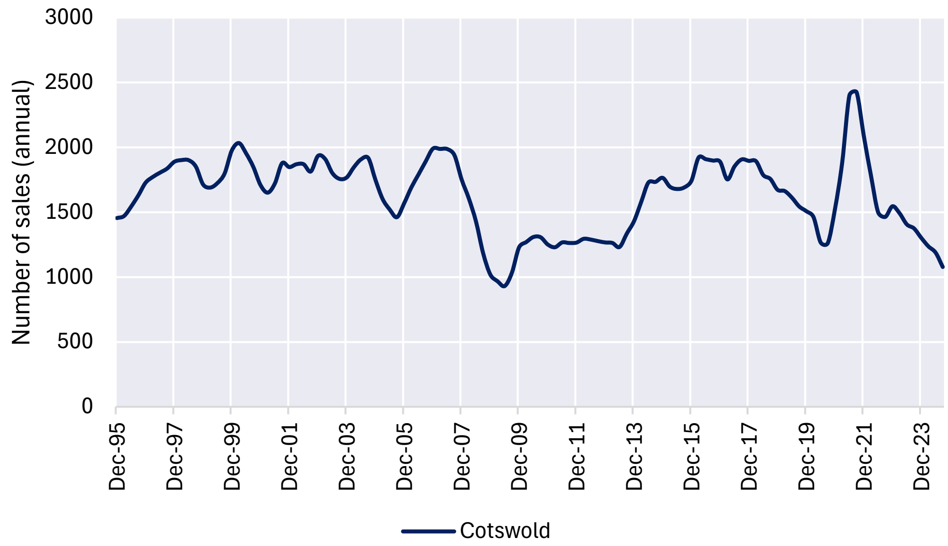
3.16 The Cotswolds market attracts a high number of prestige buyers including from abroad, particularly from North America. Recent research by Savills showed that international buyers accounted for just over 20% of sales above £1,500,000 in 'the Cotswolds' during 2025, almost double the proportion seen in the regional market[3]. Over the same period, London buyers accounted for 48% of high value sales, and cash buyers 89%. Demand from North American buyers is influenced by tourist visits, common language, quality of place and accessibility to London and Heathrow.

3.17 The chart below track trends in sales in the District, based on HM Land Registry data. It shows both short-term volatility in the market, but it is nonetheless possible to pick out the effects of the credit crunch and subdued lending between 2008-13, to stronger market circumstances between late 2013 to 2018, the spike in demand seen in 2020 and 2021 as households reconsidered where to live and with the Stamp Duty Holiday, and a weakening in demand since 2022 in a context of higher interest rates. It is notable that at the time of writing, sales volumes (at around 110 per month) sit at historically weak rates.

3.18 There are broadly similar trends for cash purchases as against those buying with a mortgage with cash purchasers accounting for 47% of sales; and purchasers with a mortgage accounting for 53% of sales over the last 5 years.

Figure 3.5 Sales Trends – Cotswold District

[3] https://www.savills.co.uk/research_articles/229130/387120-0

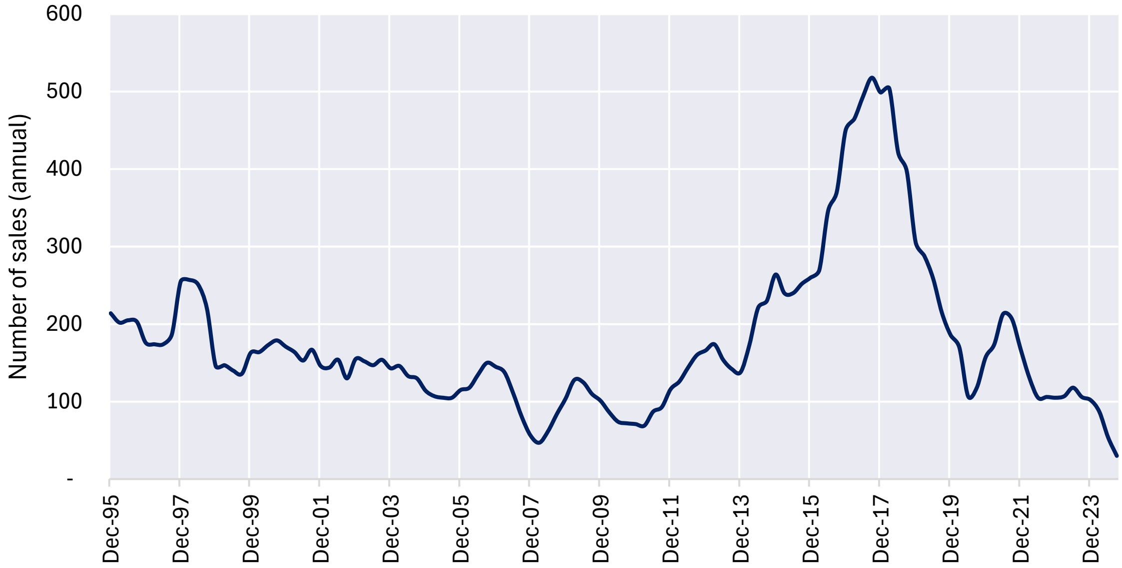


Source: HM Land Registry House Price Index/ Iceni analysis

3.19 The Local Plan is however looking at housing delivery over a 17 year period looking forwards and it is reasonable to expect this will include periods of weaker and stronger housing market conditions – reflecting the cyclicality of the housing market and different macro-economic influences on it.

3.20 The chart below shows new-build sales. It illustrates that these have varied over time – influenced by land supply issues – with a particular peak of delivery in 2016/17 and 2017/18 where annual sales peaked at 500 pa. Over 20 years, new-build sales have accounted for 11.5% of sales in the District with a lower 5 year figure of 9.2%. Comparing the position to Tewkesbury where the 10 year position has seen 22% of sales being of new-build properties illustrates the potential for the sales market to support additional new-build development.

Figure 3.6 : New-build sales – Cotswold District

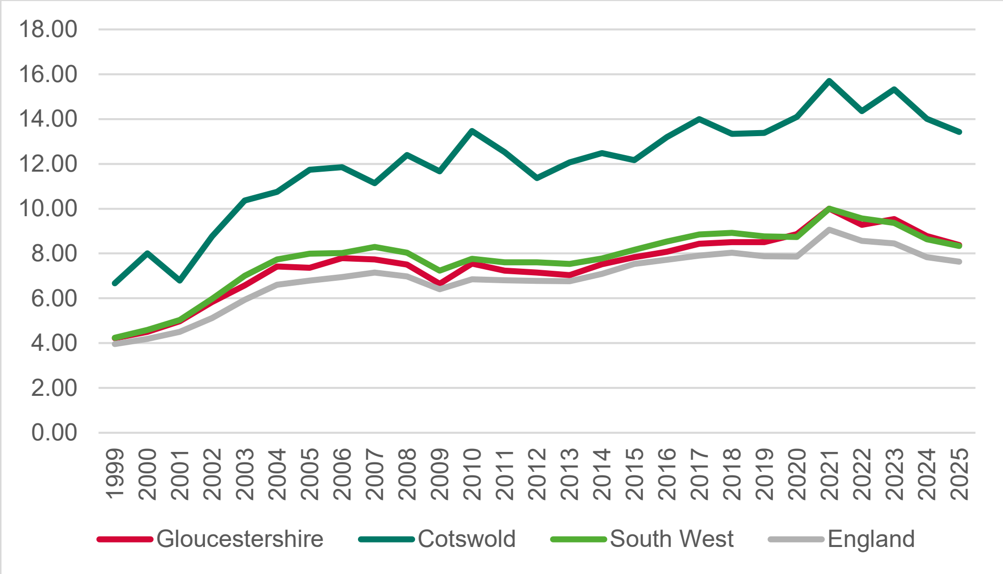


Source: ONS *Residential property sales for administrative geographies (newly built dwellings)*

Affordability of Market Housing

3.21 Affordability pressures for housing for sale is significant, with the average house price over the last 5 years (2020-25) being 12.1 times earnings of residents, but 14.6 times earnings of those working within the District. This affordability position feeds directly into the housing need. As the chart below shows, whilst the long-term trend is upwards there is year-on-year variability; and over the last four years the ratio has fallen from a peak of 15.7 in 2021 to 13.4 in 2025.

Figure 3.7 Median House Price-to-Income Ratio



Source: ONS

3.22 The lower quartile house price to income ratio, which is a better measure of the affordability of entry-level housing for younger households, is slightly lower at 11.5 in 2025. The 5 year average figure is slightly higher at 13.1, with the evidence showing again that there has been some improvement since a peak in 2021.

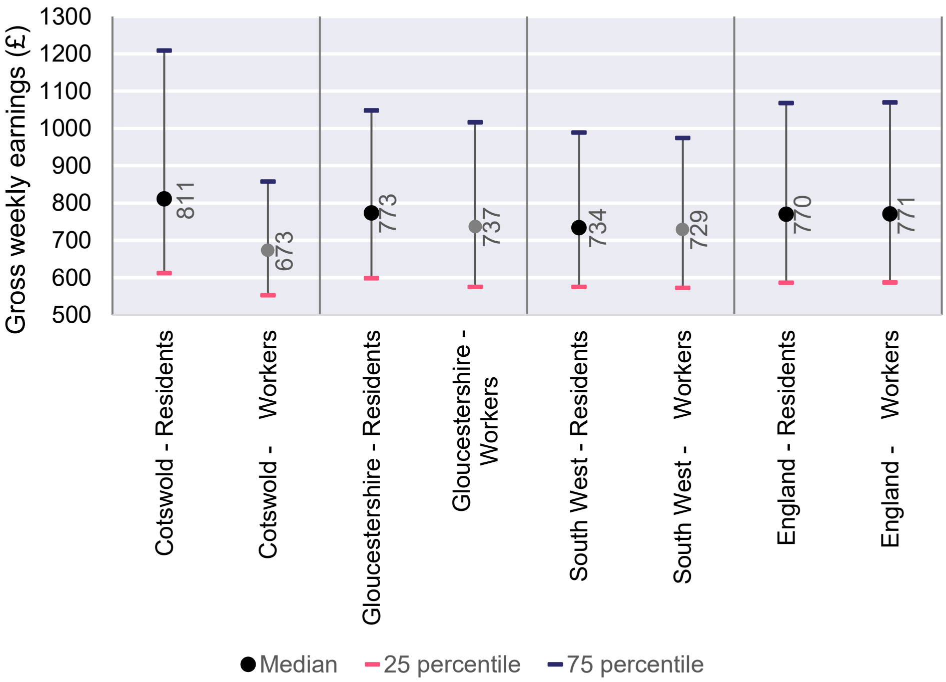
3.23 However whilst affordability using these metrics has improved since 2021 – as house price growth has been slower than growth in earnings – this has been counterbalanced by increases in interest rates. The Bank of England base rate sits at 3.5% at the time of writing in mid 2026 which is notably above the historically low levels of less than 1% through much of the 2010s. Interest rates have increased notably since 2022 and thus the cost of mortgage finance has risen – making it more difficult for first-time buyers to buy a home.

3.24 2021 Census evidence shows is that there is notable in-commuting, with just 48% of workers living in the District (based on the 2021 Census). The District has a very high jobs density of 1.09 which indicates that there are 109 jobs for every 100 residents of working age (16-64) with about 6,000 more jobs than there might be expected based on applying the regional ratio to the District's resident workforce. The jobs density has generally been rising over the last decade – pointing to a housing supply constraint which has resulted in growth in net in-commuting to work.

3.25 The southern part of the District, including Cirencester, falls within a Swindon focused Travel to Work Area (TTWA) with Swindon being a large and growing town. Moreton-in-Marsh on the other hand falls within an Evesham-focused TTWA.

3.26 The District, as the figure below shows, sees notably higher residents earnings' than those of workers, with a significant concentration of much higher earners who commute elsewhere to work. Earnings for those working locally are below the regional and national averages. This contributes to the dynamic where there are notable challenges for those working locally to live in the District (resulting in notable in-commuting). This emphasises the importance of affordable housing delivery.

Figure 3-1: Gross full-time wages – Individual authorities (2025)

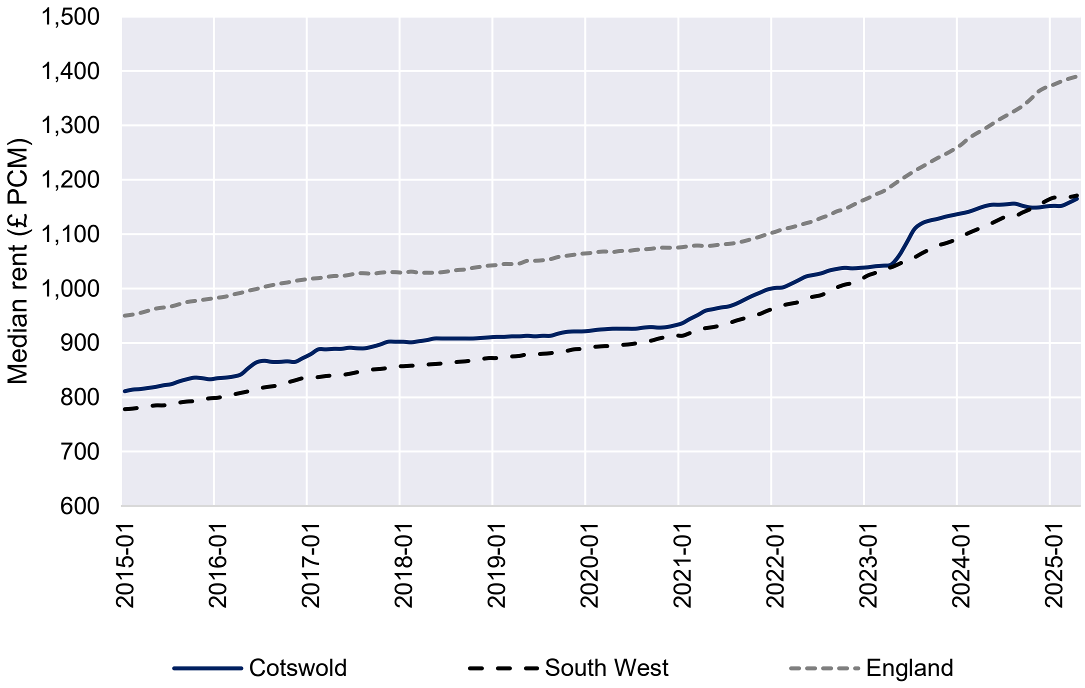


Source: ONS Annual Survey of Hours and Earnings

Rental Market Dynamics

3.27 As with house prices, private rents are similarly above those in other parts of Gloucestershire and average £1,260 per month in January 2026, with a particular premium evident for larger family-sized homes. Whilst rents have generally tracked wider regional trends, it is notable that we have seen strong relative growth in rents since 2022 – influenced by weaker sales market conditions and indicative of a supply/demand imbalance for rented properties.

Figure 3.8 Rental Costs Change



Source: ONS *Price Index of Private Rents*

Table 3-1: Average Rental Costs (January 2026)

Location	One bed	Two beds	Three beds	Four or more beds	Overall
Cotswold	£874	£1,111	£1,351	£2,059	£1,260
South West	£816	£1,046	£1,272	£1,850	£1,224
England	£1,164	£1,300	£1,450	£2,115	£1,423

% Cotswold above SW average	7%	6%	6%	11%	3%

Source: ONS *Price Index of Private Rents*

3.28 The chart above indicates that rental costs are particularly high for larger homes relative to the regional average, consistent with the position for house prices. The lower average rent indicates that the profile of rental properties is more focused towards smaller homes than across the wider region.

3.29 ONS analysis points to particular issues with rental affordability, with the average rent in 2023/24 being 37% of median gross household income, well above the regional average and also above the other Gloucestershire districts. This is a level which the ONS consider points to the District being ‘unaffordable’ as a place to rent.

4. Demographics and Overall Housing Need

4.1 This section of the report considers overall housing need using the standard method, as set out in Government's Planning Practice Guidance (PPG). It then seeks to understand what this level of growth means in demographic terms. The projections herein look at the 2026-43 plan period.

Local Housing Need

4.2 The NPPF sets out that housing need should be assessed using the standard method. It does not provide any scope to utilise an alternative approach. An assessment of housing need is an important starting point for plan-making.

4.3 Before its publication, the Government's policy objectives for the 2024 NPPF consultation in terms of housing were clear, including to:

get Britain building again, to build new homes, create jobs, and deliver new and improved infrastructure;

take a brownfield first approach and then release low-quality grey belt land, while preserving the Green Belt;

boost affordable housing, to deliver the biggest increase in social and affordable housebuilding in a generation;

bring home ownership into reach, especially for young first-time buyers; and

promote a more strategic approach to planning, by strengthening cross-boundary collaboration, ahead of legislation to introduce mandatory mechanisms for strategic planning.

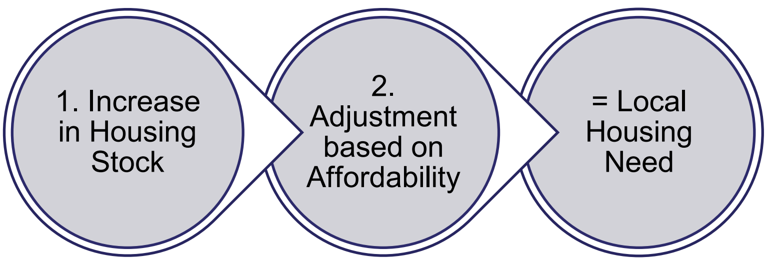
4.4 While it is noted that a subsequent consultation on changes to the NPPF have more recently occurred in late 2025, the above objectives are still useful to provide context regarding the Government's intention to increase housing delivery, including through changes to the Standard Method.

4.5 The Government's Standard Method seeks to support the ambition to deliver 1.5 million homes over the next five years (300,000 per annum on average) with the method seeking to provide a 'more balanced distribution of homes across the country, by directing homes to where they are most needed and least affordable and ensure that all areas contribute to meeting the country's housing needs. The Standard Method actually sums to 370,000 homes per annum nationally (across England).

The Standard Method

4.6 The starting point for examining housing need is the standard method. which is clearly set out by the Government the PPG. The two-step process is illustrated and worked through below. This is a simplified variation of the previous Standard Method which has been in place since 2018.

Figure 4-1: Overview of the Standard Method for Calculating Local Housing Need



Source: MHCLG

4.7 Step 1 seeks to grow the housing stock in each area by a flat 0.8% growth per annum.

4.8 Step 2 is an affordability uplift which uses an average of the last five years' workplace-based affordability ratios, and for each 1% the average ratio is above 5, the housing stock baseline is increased by 0.95%, with the calculation being as follows:

$$\textbf{Adjustment Factor} = \frac{\textbf{Affordability Ratio} - \textbf{5}}{\textbf{5}} \textbf{ x } \textbf{0.95}$$

4.9 Step One: Setting the Baseline

4.10 The first step in considering housing need against the standard method is to establish a baseline of housing stock. This is derived from Live Table 125, which is published annually in May.

4.11 As of 2024, Cotswold had 46,588 dwellings; the baseline is 0.8% of the existing housing stock for the area, and this equates to 373 dwellings per annum.

4.12 Step Two: Affordability Adjustment

4.13 The second step of the standard method is to consider the application of an uplift on the housing stock baseline, to take account of market signals (i.e. relative affordability of housing).

4.14 The adjustment increases the housing need where house prices are high relative to workplace incomes. The latest (workplace-based) affordability data relates to 2024 and was published by ONS in March 2025.

4.15 For Cotswold, the average ratio is 14.64 (Cotswold) which results in an uplift of 183% across the District. The table below sets out the Standard Method calculation.

Table 4-1: Standard Method – (as of data released May 2025)

	Cotswold
Total Dwelling Stock (2025)	46,772
Step 1. Annual Dwellings Stock Increase (0.8%)	374
Average Affordability Ratio (2021-25)	14.56
Uplift	182%
Step 2. Local Housing Need (dpa)	1,054
Housing need 2026-43	17,918

Source: MHCLG/ Iceni

4.16 Overall, the housing need for Cotswold is 1054 dwellings per annum. Applying this level of need to the plan period, 2026-43, results in a need for 17,918 dwellings.

4.17 Relative to the District's existing stock, the scale of housing growth is substantial and would require housing stock growth averaging 1.9% per annum over the plan period (or 38% growth over the 17-year plan period). As explored later in this report, this is at the top end of what other local authority areas have historically achieved and is therefore an ambitious scale of housing growth.

4.18 Approximately 80% of the District's land area falls within the Cotswolds National Landscape. The NPPF sets out that great weight should be given to conserving landscape and scenic beauty in National Landscapes which are afforded the highest status of protection, with an expectation that the scale and extent of development within them should be limited (Para 189). For major developments (as described by paragraph 190 of the NPPF), it requires there to be exceptional circumstances and for the development it to be demonstrated that the development is in the public interest – including in doing so considering whether development cannot be met in some other way. Whilst national policy thus does not preclude development within the Cotswolds National Landscape, the policies relating to it mean that – in effect – it is reasonable to expect the majority of residential development in the Plan to be concentrated in the relatively confined areas which sit outside of the National Landscape. These relate in particular to the south-east of the District, which includes Cirencester – the District's largest settlement – as well as Fairford, Lechlade and South Cerney; as well as the north-east of the District, which includes Moreton-in-Marsh.

Implications for Demographic Growth

4.19 The section below sets out what this means for population growth but first establishes a baseline demographic position. The demographic analysis in this section then feeds into subsequent sections of the report.

Population

4.20 As of mid-2024, the population of Cotswold is estimated to be 91,700. This is an increase of around 7,000 people over the previous decade (an 8.3% increase), which is slightly lower than seen across the County and region, but above the national average.

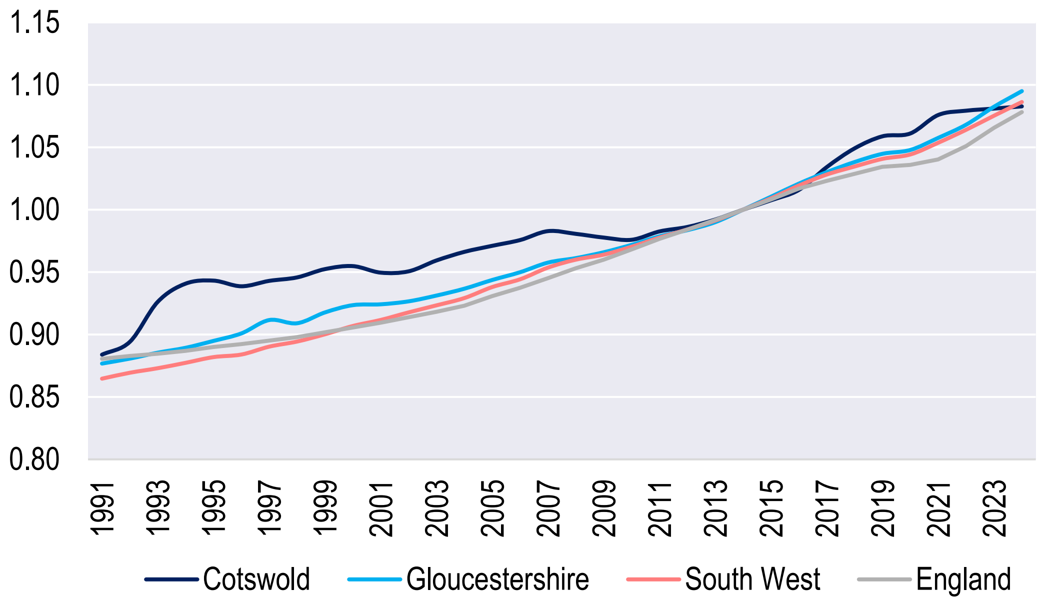
Table 4-2: Population change (2014-24)

	2014	2024	Change	% change
Cotswold	84,656	91,661	7,005	8.3%
Gloucestershire	611,331	669,380	58,049	9.5%
South West	5,422,159	5,889,695	467,536	8.6%
England	54,370,319	58,620,101	4,249,782	7.8%

Source: ONS

4.21 The figure below shows an indexed population change back to 1991 (index to 1 in 2014). This shows that population growth has been variable (with some period of population decline). Over this longer period however, population change has been broadly similar to that across broader geographies.

Figure 4-2: Indexed Population Change – 1991-2024

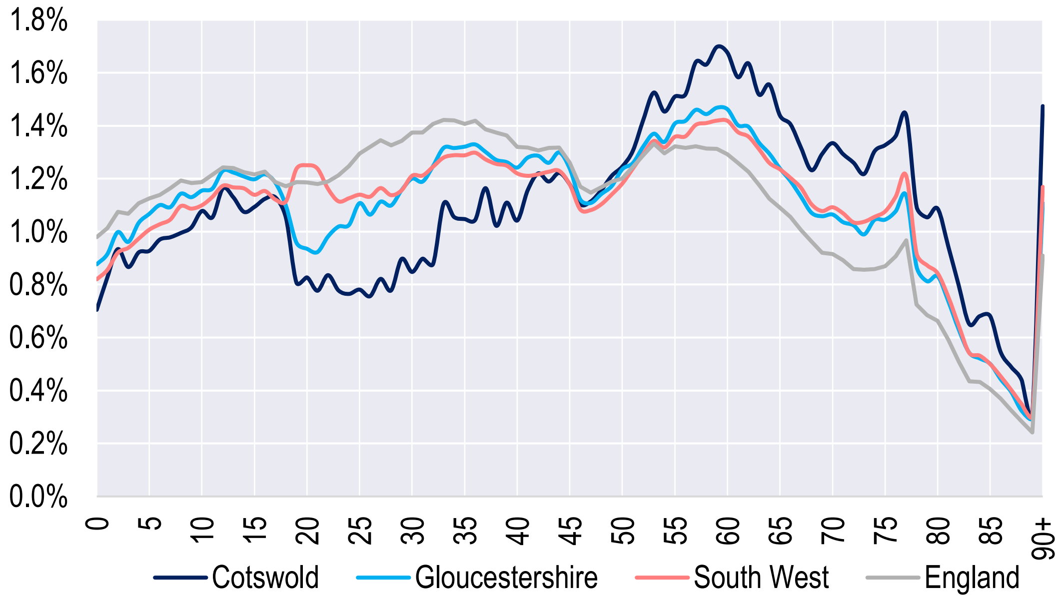


Source: ONS

Age Structure

4.22 The figure below shows the age structure by single year of age (compared with a range of other areas). Overall, the population structure has a notably older age profile than seen in other locations. There are also differences in some younger age groups, notably a lower proportion of people in their late teens and early 20s – this latter observation will be linked to more people moving away for further education than coming to Study in the District.

Figure 4-3: Population profile (2024)



Source: ONS

4.23 The analysis below summarises the above information (including total population numbers for Cotswold) 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 confirms the older age structure when compared with other areas – 27% of the population being aged 65 and over.

Table 4-3: Population profile (2023) – summary age bands

	Cotswold		Gloucest-ershire	South West	England
	Popul-ation	% of popul-ation	% of popul-ation	% of popul-ation	% of popul-ation
Under 16	14,419	15.7%	17.5%	16.6%	18.4%
16-64	52,068	56.8%	60.4%	60.6%	62.9%
65+	25,174	27.5%	22.1%	22.8%	18.7%
All Ages	91,661	100.0%	100.0%	100.0%	100.0%

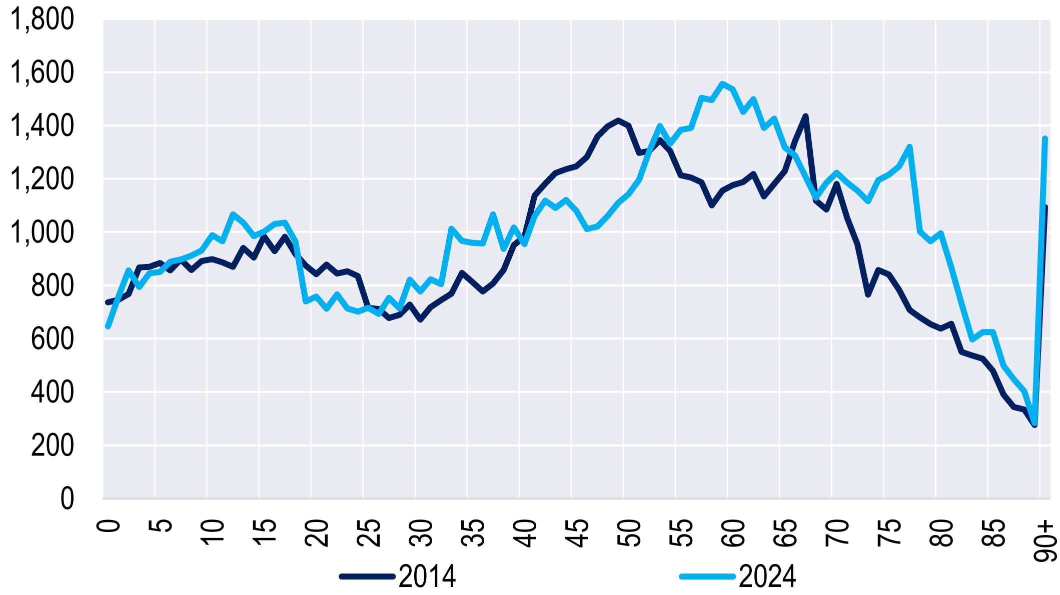
Source: ONS

Age Structure Changes

4.24 The figure below shows how the age structure of the population has changed in the 10 years from 2014 to 2024 – the data used is based on population, so it will also reflect the increase seen in this period.

4.25 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, they are often due to cohort effects (i.e., smaller or larger cohorts of the population getting older over time).

Figure 4-4: Population age structure (people) (2014 and 2024) – Cotswold



Source: ONS

4.26 Again, the information above is summarised into the three broad age bands to ease comparison. This shows population increases across all age bands, with the highest total and proportionate increase among those aged 65 and over (this age group increasing by 4,700 people, accounting for 67% of all population change in the District).

Table 4-4: Change in population by broad age group (2014-24) – Cotswold

	2014	2024	Change	% change
Under 16	13,854	14,419	565	4.1%
16-64	50,296	52,068	1,772	3.5%
65+	20,506	25,174	4,668	22.8%
TOTAL	84,656	91,661	7,005	8.3%

Source: ONS

Components of Population Change

4.27 The table below considers the drivers of population change from 2011 to 2024. The main components of change are natural change (births minus deaths) and net migration (internal/domestic and international).

4.28 There is also an Unattributable Population Change (UPC), which is a correction made by ONS upon publication of Census data if the population has been under- or over-estimated (this is only calculated for the 2011-21 period).

4.29 There are also ‘other changes’, which are variable (sometimes positive and sometimes negative but generally small in size) – these changes are often related to armed forces personnel, prisons or boarding school pupils.

4.30 The data shows a natural change to be dropping over time generally – there are now more deaths than births, as has been the case since 2019.

4.31 Migration is variable and always positive for internal (domestic) migration – this being particularly strong in the 2016-21 period (and much lower for 2021-24). For international net migration figures, the figures are much lower (and occasionally negative); however, the last three years for which data are available show a notably higher level of international migration than had been seen generally in the past – a consistent trend with that seen nationally, following a substantial uptick in international migration post-COVID.

4.32 The analysis also shows (for the 2011-21) period a very small positive level of UPC (totalling around 80 people over the 10 years), which suggests that when the 2021 Census was published, ONS had previously under-estimated population change. However, this level of UPC is pretty negligible.

4.33 Overall, the data show a continuing trend of increasing population throughout the period studied but at widely varying rates year on year.

Table 4-5: Components of population change, mid-2011 to mid-2024 – Cotswold

	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2011/12	-128	502	-63	40	-48	303
2012/13	-172	674	-33	62	-28	503
2013/14	-137	716	56	52	-17	670
2014/15	-265	831	18	43	10	637
2015/16	-137	736	87	12	3	701
2016/17	-186	1,708	-22	31	15	1,546
2017/18	-193	1,515	-76	-1	29	1,274
2018/19	-125	1,007	-140	39	37	818
2019/20	-329	594	-175	67	35	192
2020/21	-310	1,560	-118	72	48	1,252
2021/22	-312	184	391	29	0	292
2022/23	-401	103	453	-12	0	143
2023/24	-396	223	325	-2	0	150

Source: ONS

Demographic Implications of the Standard Method

4.34 A demographic model has been developed to assess the potential implications of housing delivery in line with the standard method over the 2026-43 period.

4.35 This considers the levels of migration likely to be needed to fill homes and also the possibility of seeing higher levels of household formation in younger age groups (where there is evidence of a historical constraint in formation).

4.36 The modelling is essentially split into two components: a population projection, which is then converted into estimates of household growth based on household representative rates (HRRs) – essentially the chance of a person in a particular age/sex group being considered as the 'head of household'.

4.37 The population modelling starts with the most recent (2022-based) subnational population projections (SNPP), which have been updated by reference to mid-year population estimates (MYE) data up to 2024 (looking at more recent data about births, deaths and migration). This is then rolled forward to 2026, the start of the plan period.

4.38 When looking at household growth, data about the communal population and household formation are taken from the 2021 Census. This data is broadly the same as that used in the 2022-based subnational household projections (SNHP), with the Census source used to enable a consistent analysis when examining older data releases (from previous Censuses in 2001 and 2011). It is also assumed that around 3% of new stock will be vacant at any time (to allow for movement within the stock – note this is applied between household and dwelling growth and so is independent of tenure).

4.39 Following these steps leads to a base demographic model, which can then be flexed to see how the population and households might change with housing delivery in line with the Standard Method.

4.40 Within the modelling, migration assumptions have been changed so that across each local authority, 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%).

4.41 The general assumption in this report is that additional housing delivery linked to the Standard Method will be driven (at least in part) by in-migration, and this does seem to be the main expectation of Planning Practice Guidance[4] (see discussion below). Paragraph 006 (Reference ID: 2a-006-20241212) states:

'Why is an affordability adjustment applied?

An affordability adjustment is applied, as housing stock on its own is insufficient as an indicator of future housing need because:

- *housing stock represents existing patterns of housing and means that all areas contribute to meeting housing needs. The affordability adjustment directs more homes to where they are most needed people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.*
- *The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.'*

4.42 The previous PPG also stated that an affordability uplift is required because *'household formation is constrained to the supply of available*

[4] https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments

properties – new households cannot form if there is nowhere for them to live'[5].

4.43 Essentially, the Government considers that by providing more homes, there is the opportunity for increased migration to an area to fill the homes, whilst equally, one of the Government's core objectives in planning for the delivery of 370,000 homes a year nationally is to improve affordability. Increased housing provision should create opportunities for additional household formation.

4.44 The modelling therefore considers the possibility of additional housing delivery, allowing the opportunity for additional households to form. The figure below shows a summary analysis of changes in HRRs by age for the last three Census points (2001, 2011, and 2021).

4.45 Arguably, the key groups to look at are younger age groups where there may have been a degree of suppression in household formation (due to affordability), and this does appear to be the case in Cotswold for all the 25-34 in particular – although to a lesser degree than seen regionally and nationally.

4.46 Continuing this trend in the projection would therefore potentially build in further suppression and would not be a positive reaction to the Standard Method seeking to improve affordability.

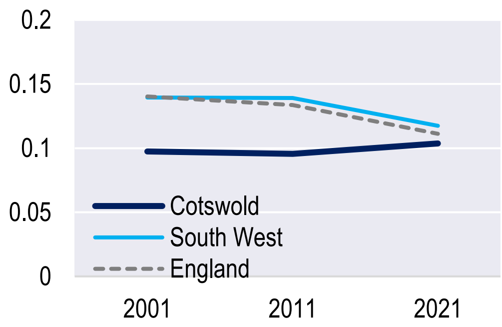
4.47 For some older age groups, there does also appear to be a trend of increasing or decreasing HRRs – particularly the 65-74 and 75-84 age groups (and mainly in the 2001-11 period).

[5] Paragraph 2a-006-20190220 – while this has been superseded by the text quoted above following the adoption of the current Standard Method (on 12/12/24), it provides helpful context linking the supply of homes to household formation rates.

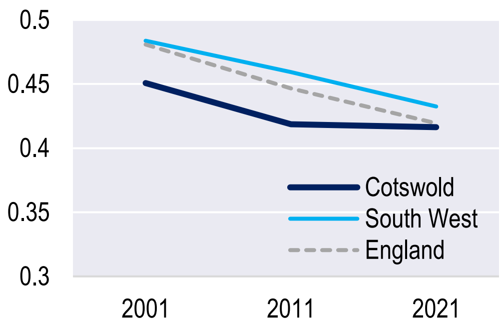
4.48 For these age groups, it is considered that the ‘trends’ are more likely to be due to cohort effects rather than any trend that should be modelled moving forward.

Figure 4-5: Change in household representative rates by age 2001-21

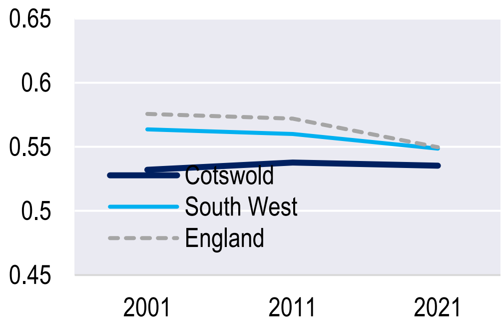
16-24



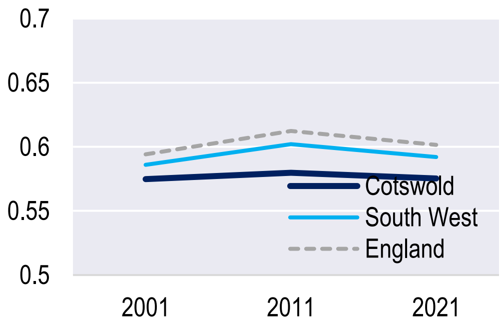
25-34



35-44

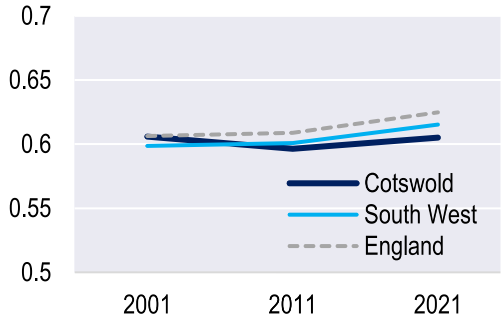


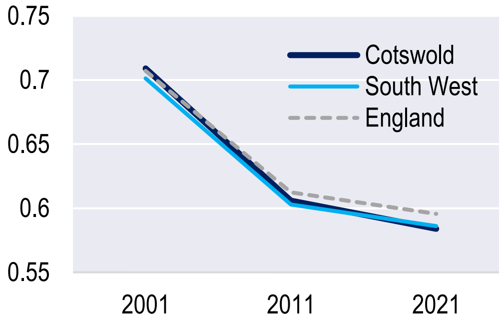
45-54



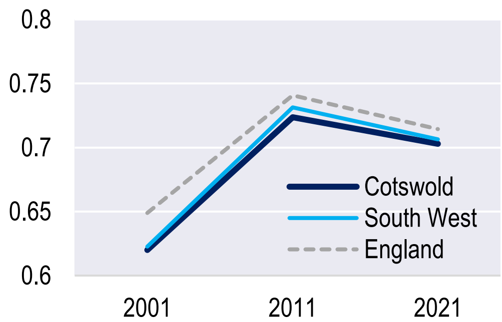
55-64

65-74

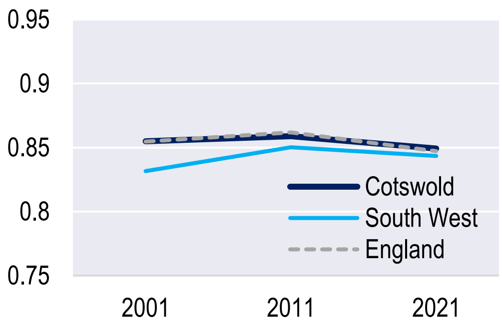




75-84



85 and over



Source: ONS

4.65 Given this analysis, the modelling therefore considers the possibility of housing delivery, allowing the opportunity for additional households to form.

4.66 It has been modelled that HRRs for age groups up to 44 could return to the levels seen in 2001 (to be consistent with work being carried out across the County), with the HRRs for all age groups from 45 onwards being held at the levels observed in 2021. The increase in HRRs is projected to start from 2026 (the start of the projection period).

4.67 In developing this projection, the population is projected to increase by 34,600 people over the 2025-43 period (a 37% increase). When looking at age structure changes, shown in the table below, the increase is projected to be particularly strong in the 16-64 age group. However, the greatest proportionate change is projected in the 65 and over age group

(34% of population growth is projected to be in this group, with it increasing by 44%).

4.68 There is also projected to be an increase in the number of children. The two tables below show projected changes by age – the first table shows broad age bands and the second is in 5-year bands.

Table 4-6: Projected population change 2026 to 2043 by broad age bands – Cotswold

	2026	2043	Change in population	% change
Under 16	14,111	18,069	3,958	28.1%
16-64	51,988	70,981	18,993	36.5%
65 and over	26,361	37,981	11,620	44.1%
Total	92,460	127,031	34,571	37.4%

Source: Iceni analysis

Table 4-7: Projected population change 2026 to 2043 by 5-year age bands – Cotswold

	2026	2043	Change in population	% change
0-4	3,775	5,904	2,129	56.4%
5-9	4,385	5,695	1,310	29.9%
10-14	4,937	5,430	493	10.0%
15-19	4,891	5,063	172	3.5%
20-24	3,743	5,490	1,747	46.7%
25-29	3,514	6,284	2,770	78.8%
30-34	4,208	7,643	3,435	81.6%
35-39	5,265	8,246	2,981	56.6%
40-44	5,293	7,620	2,327	44.0%
45-49	5,432	7,880	2,449	45.1%
50-54	5,949	8,107	2,158	36.3%
55-59	7,085	7,783	698	9.9%
60-64	7,622	7,904	282	3.7%
65-69	6,658	7,442	784	11.8%
70-74	5,827	8,354	2,526	43.3%
75-79	5,888	8,277	2,389	40.6%
80-84	4,251	6,593	2,342	55.1%
85 & over	3,737	7,315	3,579	95.8%
Total	92,460	127,031	34,571	37.4%

Source: Iceni analysis

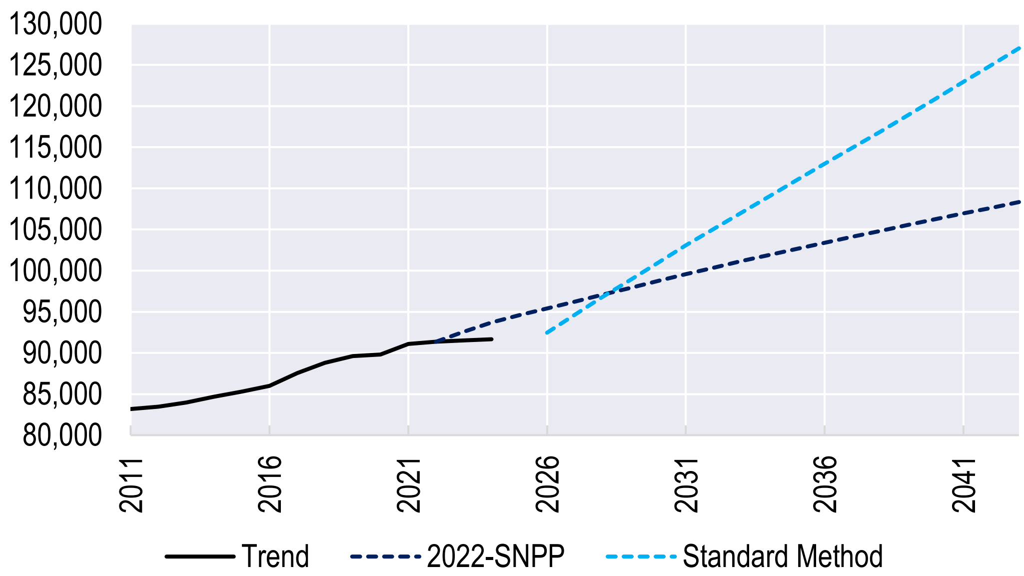
4.69 Below are a series of charts showing past trends and projected population growth and key components of change for each of the projections linking to the Standard Method.

4.70 For comparison, data has also been provided from the 2022-based SNPP. The first figure examines overall population growth before considering natural change and net migration.

4.71 The analysis suggests the population of Cotswold could rise to 127,000 by 2043 (up from 92,500 in 2026 (estimated)), a 37% increase, or 2.2% per annum from 2026.

4.72 Population growth is projected to average around 2,000 people per annum, which is notably higher than the level seen between 2011 and 2024 (an average of 650 per annum) or over the most recent 5 years of data (400 per annum from 2019 to 2024). The Standard Method would therefore be projected to show a boost in population growth relative to past trends.

Figure 4-6: Past trends and projected population – Cotswold



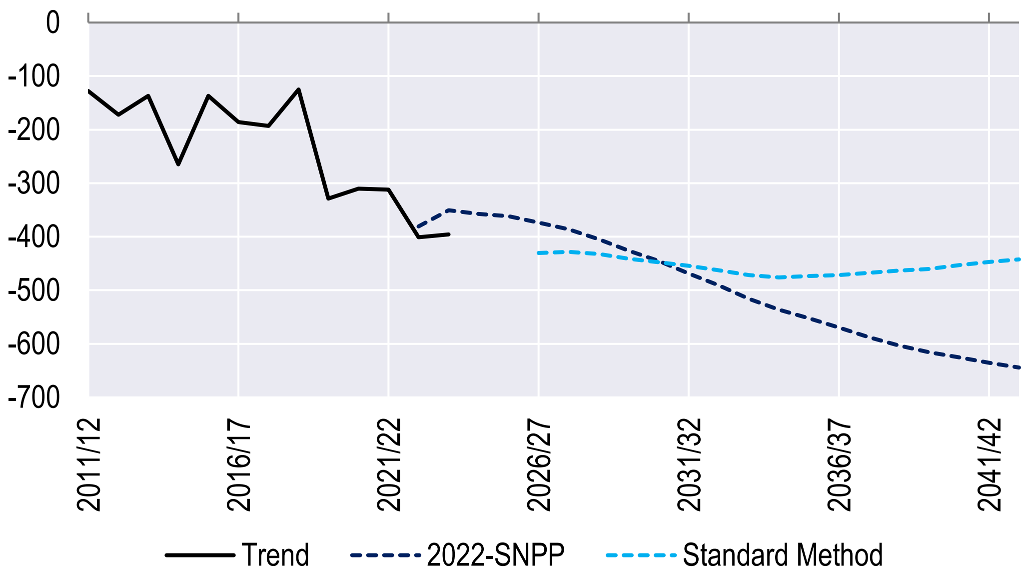
Source: ONS and Iceni analysis

4.73 The main reason for the higher population growth (compared with the trend-based position) would be due to increased net in-migration. However, the decline in natural change (births minus deaths) would also be projected to flatten off slightly as the population rises (as there will be more females of child-bearing age).

4.74 The figures below show projected natural change and net migration under the scenarios. Focussing on net migration, the analysis suggests that, with higher delivery linked to the Standard Method, net migration would need to be consistently higher than typical past trends.

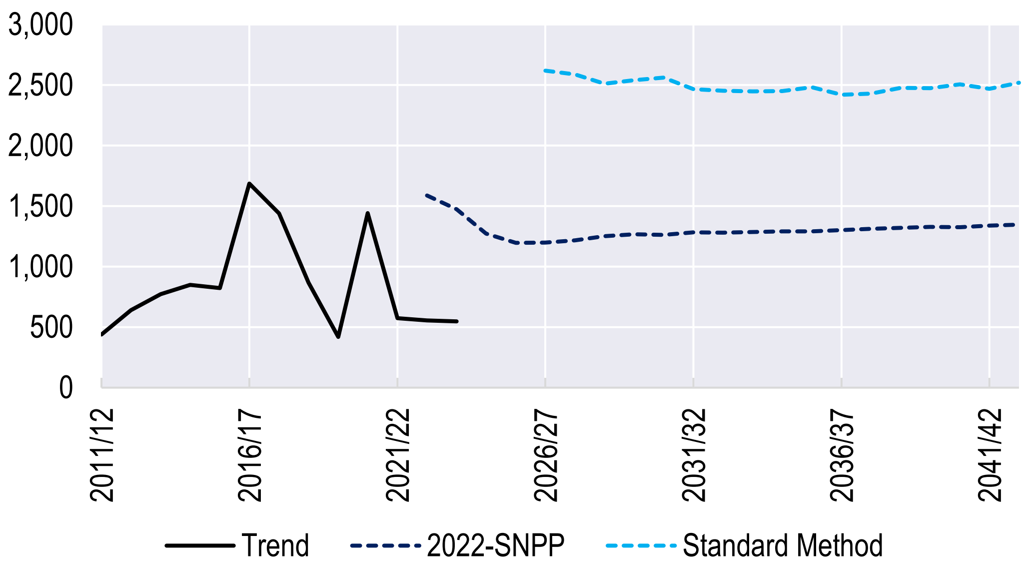
4.75 For the whole 2026-43 projection period, net migration would need to average around 2,500 people per annum. In the 2011-24 period, the figure was 850 and in the last 5 years, 700.

Figure 4-7: Past trends and projected natural change – Cotswold



Source: ONS and Iceni analysis

Figure 4-8: Past trends and projected net migration – Cotswold



Source: ONS and Iceni analysis

5. Affordable Housing Need

5.1 This section provides an assessment of the need for affordable housing in Cotswold. The analysis follows the methodology set out in Planning Practice Guidance (Sections 2a-018 to 2a-024). It considers households unable to buy or rent housing in the market without some form of subsidy (e.g., needing to claim Housing Benefit/Universal Credit or some form of discounted/subsidised housing).

5.2 The analysis also looks at households who aspire to home ownership but require support to do so. Such households are identified in the PPG as having an affordable housing need and might be described as in the 'gap' between renting (privately) and buying – and may be able to rent without financial support, but require support to get on the 'housing ladder'.

Affordable Housing Sector Dynamics

5.3 The 2021 Census indicated that 15% of households in Cotswold lived in social or affordable rented homes, with the sector accommodating around 6,200 households.

5.4 Data from the Regulator of Social Housing (RSH) for 2025 indicates that Registered Providers (RPs) owned 7,100 properties in the District, of which 81% were for general needs rent; 8% supported housing or housing for older people; and 12% low cost home-ownership homes (such as shared ownership properties).

5.5 The majority of general needs homes are rented out at social rents (91%) and the rest at affordable rents.

Table 5-1: Stock owned or Managed by Registered Providers – Cotswold

	Total	% of stock
General needs rented	5,712	80.6%
Supported/older persons housing	555	7.8%
Low-cost home ownership	820	11.6%
Total	7,087	100.0%

Source: RSR Geographical Look-Up Tool 2025

5.6 As of April 2025, there were 1,775 households on the councils' Housing Register. In addition, MHCLG data for June 2025 shows that a modest 32 households were accommodated in temporary accommodation (4 of these were households with children).

Method for assessing Affordable Housing Need

5.7 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). In summary, the methodology looks at a series of stages as set out below:

Current affordable housing need (annualised so as to meet the current need over a period of time);

Projected newly forming households in need;

Existing households falling into need; and

Supply of affordable housing from existing stock

5.8 The first three bullet points above are added together to identify a gross need, from which the supply is subtracted to identify a net annual need for additional affordable housing. Examples of different affordable housing products are outlined in the box below.

Affordable Housing Definitions

Social Rented Homes – are homes owned by local authorities or private registered providers for which rents are determined by the national rent regime (through which a formula rent is determined by the relative value and size of a property and relative local income levels). They are low-cost rented homes.

Affordable Rented Homes – are let by local authorities or private registered providers to households who are eligible for social housing. Affordable rents are set at no more than 80% of the local market rent (including service charges).

Rent-to-Buy – where homes are offered, typically by housing associations, to working households at an intermediate rent which does not exceed 80% of the local market rent (including service charges) for a fixed period after which the household has the chance to buy the home.

Shared Ownership – a form of low-cost market housing where residents own a share of their home, on which they typically pay a mortgage; with a registered provider owning the remainder, on which they pay a subsidised rent.

Discounted Market Sale – a home which is sold at a discount of at least 20% below local market value to eligible households, with provisions in place to ensure that housing remains at a discount for future households (or the subsidy is recycled).

First Homes – a form of discounted market sale whereby an eligible First-time Buyer can buy a home at a discount of at least 30% of market value. Councils can set the discounts and local eligibility criteria in policies.

Affordability

5.16 An important first part of the affordable needs modelling 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'.

5.17 For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).

5.18 The table below show estimated current prices to both buy and privately rent a lower quartile home (excluding newbuild sales when looking at house prices). Lower quartile prices are used to assess whether households at the lower end of the income distribution can reasonably afford housing in the local market.

5.19 Lower quartile prices are estimated to range from £145,000 for a one-bedroom home, up to £525,000 for four bedrooms. Across all dwelling sizes the analysis points to a lower quartile price of £315,000 and a private rent of £1,200 per month.

Table 5-2: Estimated lower quartile cost of housing to buy (existing dwellings) and privately rent (by size)) – Cotswold

	To buy	Privately rent (PCM)
1-bedroom	£145,000	£775
2-bedrooms	£245,000	£1,100
3-bedrooms	£335,000	£1,425
4-bedrooms	£525,000	£2,100
All dwellings	£315,000	£1,200

Source: Land Registry and Internet Price Search

5.20 Next, 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).

5.21 Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes. Data has also been drawn from the Annual Survey of Hours and Earnings (ASHE) to consider changes since the ONS data was published.

5.22 Overall, the average (mean) household income in the District is estimated to be around £68,100, with a median income of £57,400; the lower quartile income of all households is estimated to be £32,900.

5.23 To assess affordability, two different measures are used; firstly, to consider what income levels are likely to be needed to access private rented housing, and secondly, to consider what income level is needed to access owner occupation.

5.24 This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. For the purposes of analysis, the following assumptions are used:

Rental affordability – a household should spend no more than 35% of their income on rent, and

Mortgage affordability – assume a household has a 10% deposit and can secure a mortgage for four and a half times (4.5×) their income.

5.25 The choice of 35% is to some extent based on professional judgment, although it is consistent with the figure typically used by Iceni in studies of this nature. It is also close to the typical average paid in the private rented sector nationally (34% as of the latest English Housing Survey). For mortgage affordability, the 4.5 times income assumption reflects typical mortgage lending practice.

5.26 Generally, the income required to access owner-occupied housing is higher than that required to rent so the analysis of the need for rented affordable housing is based on the ability to afford to access private rented housing. Income to buy is relevant in assessing the need for affordable home ownership products. The table below shows the estimated incomes required to buy and rent (privately) based on the assumptions used.

Table 5-3: Estimated Household Income Required to Buy and Privately Rent by the local authority

	To buy	To rent (privately)	Income gap
Cotswold	£63,000	£41,100	£21,900

Source: Based on Housing Market Cost Analysis

Affordable Housing Need

5.27 The sections below work through the various stages of analysis to estimate the need for affordable housing, including housing at social rents, affordable rents and intermediate housing products. 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 the likely delivery of affordable housing.

Current Need

5.28 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 PPG categories and the sources of data used to establish the numbers.

Table 5-4: 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 the end of the quarter.
Households in overcrowded housing[6]	2021 Census table RM099	Analysis undertaken by tenure
Concealed households[7]	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]

5.29 The table below sets out estimates of the number of households within each category. This shows an estimated 1,600 households living in 'unsuitable housing' across Cotswold. Around a third of these are due to overcrowding, whilst around 140 currently have no accommodation (homeless or concealed households).

5.30 **Table 5-5:** Estimated number of households living in unsuitable housing (or without housing)

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[6] .https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=2199

[7] .https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=2109

	Households	% of households
Concealed and homeless households	142	8.7%
Households in overcrowded housing	485	29.6%
Existing affordable housing tenants in need	139	8.5%
Households from other tenures in need	872	53.3%
TOTAL	**1,638**	**100.0%**

Source: Iceni analysis

5.31 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. Affordability across 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.

5.32 The table below shows that over half of those households identified above are unlikely to be able to afford market housing to buy OR rent. Therefore, there is a current need from 923 households (including both households unable to rent or buy and those in the gap between renting and buying).

Table 5-6: Estimated housing need and affordability by tenure - Cotswold

	Number in unsuitable housing	% unable to afford	Current need after affordability
Owner-occupied	424	6.1%	26
Affordable housing	414	86.8%	359
Private rented	658	60.1%	396
No housing (homeless/concealed)	142	100.0%	142
TOTAL	1,638	56.3%	923

Source: Iceni analysis

5.33 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 564 (923-359).

5.34 For the purposes of analysis, it is assumed that the Council would seek to meet this need over a period of time. Given that this report typically examines needs over the period 2026 to 2043, the need is annualised by dividing by 17 (to yield an annual need of around 33 dwellings). This does not mean that some households would be expected to wait 17 years for housing, as the need will be dynamic, with households leaving the current need as they are housed, but with other households developing a need over time. It generates an annual figure which can be compared to overall housing need.

5.35 The table below shows this data split between those unable to rent OR buy and those able to rent but NOT buy. Given the pricing of housing in Cotswold, this analysis shows a more modest need for those able to rent but not buy.

5.36 It should be remembered that the category ‘able to rent but not buy’ includes households that technically do not have an affordable need – such as those living in private rented homes who need support to be able to buy.

Table 5-7: Estimated current affordable housing need by affordability - Cotswold

	Number in need (excluding those in AH)	Annual Need		
		TOTAL	Unable to rent OR buy	Able to rent but NOT buy
Number	564	33	24	9
Percentage	-	100%	72%	28%

Source: Iceni analysis

Projected Need

5.37 Projected need is split between newly forming households who are unable to afford market housing and existing households falling into need.

Newly forming households

5.38 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 changes in households within specific 5-year age bands relative to the number in the age band below 5 years previously, to provide an estimate of gross household formation. This approach is consistent with the Communities and Local Government (CLG) guidance of 2007, which is the last guidance published on this topic[8].

5.39 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 that after age 45, headship (household formation) rates 'plateau'.

5.40 There may be a small number of household formations beyond age 45 (e.g., due to relationship breakdown). However, the number is expected to be fairly small when compared with the formation of younger households.

5.41 In assessing the ability of newly forming households to afford market housing, data have been drawn from an analysis of English Housing Survey data at a national level. This establishes that the average income of newly forming households is around 87% of the figure for all households[9].

5.42 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

8 https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance (see pages 19-20 of Annexes)

9 Raw data from the 2018-19 and 2020-21 EHS has been analysed

bands such that the average income level is 87% of the all-household average. In doing this, it is possible to calculate the proportion of households unable to afford market housing.

5.43 The assessment suggests overall that approaching two-thirds of newly forming households will be unable to afford market housing (to rent privately), and this equates to a total of 456 newly forming households that will have a need per annum on average across the District – the majority are households unable to rent OR buy.

Table 5-8: Estimated Need for Affordable Housing from Newly Forming Households (per annum)

Cotswold	Number
Number of new households aged under 45	728
% unable to afford	62.7%
Annual newly forming households unable to afford	456
Unable to rent OR buy (per annum)	290
Able to rent but NOT buy (per annum)	166

Source: Iceni Analysis

<u>Existing households falling into affordable need</u>

5.44 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.

5.45 The assessment looked at households that 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.

5.46 From this, newly forming households (e.g. those currently living with family) have been discounted, as well as households that have transferred from another social/affordable rented property.

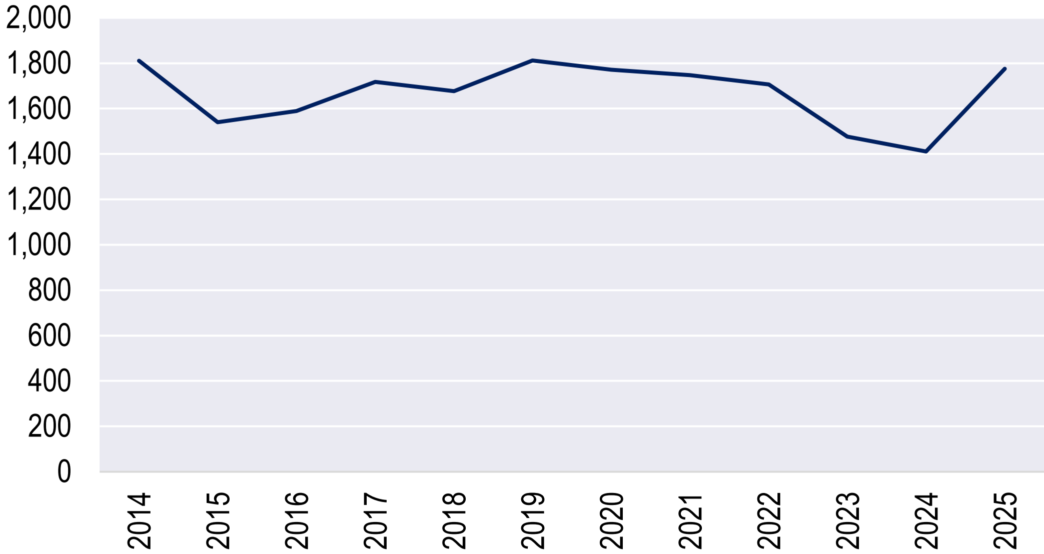
5.47 Data has been drawn from a number of sources, including Local Authority Housing Statistics (LAHS) and Continuous Recording of Sales and Lettings (CoRe).

5.48 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)'*.

5.49 In addition, analysis has considered trends in the Housing Register, recognising that an increase in numbers would point to a higher level of need than is indicated from past lettings (and vice versa).

5.50 Over the past decade or so, the number of households on the Register has been variable, but with no clear trend (as shown in the figure below). Therefore, no further adjustments have been made to the estimates based on past lettings.

Figure 5-1: Housing Register Trends (2014-2025) – Cotswold



Source: MHCLG Live Table 600

5.51 Following the analysis through suggests a need arising from 89 existing households each year – again most are households unable to buy OR rent.

5.52 **Table 5-9:** Estimated Need for affordable housing from Existing Households Falling into Need (per annum)

	Total Additional Need	Unable to rent OR buy	Able to rent but NOT buy
Cotswold	89	69	20

Source: Iceni analysis

Supply and Affordable Housing Through Relets/Resales

5.53 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.

5.54 This focuses on the annual supply of social/affordable rent relets. Information from CoRe and LAHS has been used to establish past patterns of social housing turnover. Data for three years has been used (2022-23 to 2024-25).

5.55 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.

5.56 On the basis of past trend data, it has been estimated that 193 units of social/affordable rented housing are likely to become available each year moving forward.

5.57 **Table 5-10:** Analysis of Past Social/Affordable Rented Housing Supply, 2022/23 – 2024/25 (average per annum) – Cotswold

	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2022/23	507	78.9%	400	57.2%	229
2023/24	468	85.0%	398	43.2%	172
2024/25	674	92.9%	626	26.7%	167
Average	550	86.4%	475	40.8%	193

Source: CoRe and LAHS

5.58 It is also possible to consider whether there is any supply of affordable home ownership products from the existing stock of housing. One source is likely to be the resale of low-cost home ownership products, with data from the Regulator of Social Housing showing a total stock in 2025 of 820.

5.59 If these homes were to turnover at a rate of around 6% (which is roughly the turnover of owner-occupied housing (those with a mortgage) as evidenced through the English Housing Survey) then they would be expected to generate around 49 resales each year.

5.60 These properties would be available for these households and can be included as the potential supply. The total estimated supply is therefore 243 units per annum (193 + 49) as shown in the table below.

5.61 **Table 5-11:** Estimated supply of affordable housing from relets/resales of existing stock (per annum)

	Social/ affordable rented	LCHO	TOTAL
Cotswold	193	49	243

Source: CoRe and LAHS

5.62 In the affordable home ownership sector, there is arguably an additional (and significant) source of supply from resale market homes below a lower quartile price.

5.63 Data from Land Registry shows around 1,155 resales of homes in the year to March 2025; therefore 289 homes were sold at or below the lower quartile price and could in theory potentially contribute to meeting the needs of those in the 'gap' between renting and buying. It is noted that some of these homes may have restrictions on occupancy, require significant internal and/or external works, or not be suitable to house all households in need. A supply from this source has not been included in the analysis below, following the PPG approach. However, some homes at or below the lower quartile price are likely to be appropriate to for some households in need, and so this is considered when drawing conclusions.

5.64 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).

5.65 Secondly, with the pipeline supply, it is not considered appropriate to include this, as including it would mean netting off new housing, which would fail to show the full extent of the need. However, in monitoring, it will be important to net off these dwellings as they are completed. The Council should therefore monitor dwelling completions closely to understand the degree to which affordable housing need is being met over the plan's duration.

Net Need for Affordable Housing

5.66 The table below shows the overall calculation of affordable housing need. The analysis shows a net need for 336 dwellings per annum across the District. The net need is calculated as follows:

Net need =	Current need (allowance for)
	+ Need from newly forming households
	+ Existing households falling into need
	- Supply of affordable housing

5.75 This can additionally be split between households unable to afford to buy or rent (i.e. those that require rented affordable housing); and those able to rent but not buy (i.e. those who would require assistance to buy a home). For this analysis, it is assumed that the LCHO supply would meet the needs of the latter group, although there will be crossover between categories.

5.76 For example, it is likely in some cases that the cost of shared ownership will have an outgoing below that for privately renting and could meet some of the need from households unable to buy or rent – the issue of access to deposits would still be a consideration.

5.77 The table below shows the affordable need figure split between the two categories. Across the District, the analysis shows around 57% of households are unable to buy or rent. However, it needs to be remembered that these figures do not include any allowance for homes sold below the lower quartile price – including these, or even a portion of them, would radically reduce or remove evidence of need for the group able to rent but not buy.

Table 5-12: Estimated Need for Affordable Housing (per annum)

	Unable to buy OR rent	Able to rent but not buy	TOTAL
Current need	24	9	33
Newly forming households	290	166	456
Existing households falling into need	69	20	89
Total gross need	383	195	578
Relet/resale supply	193	49	243
Net need	**190**	**146**	**336**
% in affordability category	**57%**	**43%**	**100%**

Source: Iceni analysis

Types of Affordable Housing Needed

5.78 The analysis above has clearly pointed to a need for affordable housing. There is a range of affordable housing options that could meet the need, including rented forms of affordable housing (such as social or affordable rents) and products that might be described as intermediate housing (such as shared ownership or discounted market housing/First Homes). These are discussed in turn below.

Social and Affordable Rented Housing

5.79 The table below shows current rent levels in Cotswold for a range of products along with relevant local housing allowance (LHA) rates.

5.80 Parts of Cotswold fall into one of four Broad Rental Market Areas (BRMA) for the purposes of LHA (Cheltenham, Gloucester, Warwickshire South and West Wiltshire), the table shows the range of values across these BRMAs.

5.81 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. This analysis shows that social rents are significantly lower than affordable rents; it also shows that affordable rents are well below lower-quartile market rents – particularly for larger property sizes. The LHA rates are below the lower quartile market rents for all accommodation sizes.

5.82 This does potentially mean that households seeking accommodation in the District may struggle to secure sufficient benefits to cover their rent.

Table 5-13: Comparison of rent levels for different products – Cotswold

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	LHA range
1-bedroom	£451	£593	£775	£549-£698
2-bedrooms	£546	£735	£1,100	£723-£848
3-bedrooms	£614	£860	£1,425	£848-£1,042
4-bedrooms	£707	£1,071	£2,100	£1,197-£1,466
ALL	£556	£737	£1,200	-

Source: RSH, market survey and VOA

5.83 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.

5.84 Focusing on 2-bedroom homes, the analysis shows that social rents are significantly cheaper than market rents (and indeed affordable rents) and that affordable rents (as currently charged) represent 67% of a current lower quartile rent.

Table 5-14: Difference between rent levels for different products – Cotswold

	Social rent as % of affordable rent	Social rent as % of LQ market rent	Affordable rent as % of LQ market rent
1-bedroom	76%	58%	77%
2-bedrooms	74%	50%	67%
3-bedrooms	71%	43%	60%
4-bedrooms	66%	34%	51%
ALL	75%	46%	61%

Source: RSH and market survey

5.85 The table below suggests that around 20% of households that cannot afford to rent privately could afford an affordable rent at 80% of market rents, with a further 8% being able to afford current affordable rents.

5.86 There are also an estimated 25% who can afford a social rent (but not an affordable one). A total of 47% of households would need some degree of benefit support (or spend more than 35% of income on housing) to afford their housing (regardless of tenure). **This analysis points to a clear need for social rented housing.**

Table 5-15: Estimated need for rented affordable housing (% of households unable to afford to buy OR rent) – Cotswold

	% of households able to afford
Afford 80% of market rent	18%
Afford current affordable rent	21%
Afford social rent	18%
Need benefit support	44%
All unable to afford market	100%

Source: Iceni analysis

5.87 **The analysis indicates that provision of up to 80% of rented affordable housing at social rents could be justified** (based on the figure for those able to afford 80% of the market). If new affordable rents were to continue to be available at current costs, then potentially a further 20% could be provided in this tenure (therefore 60% at social rents). **In setting planning policies, this will need to be considered alongside viability evidence.**

5.88 Higher provision of social rents will reduce the support through housing benefits required to ensure households can afford their housing costs. Social rents can also make a considerable improvement to household financial resilience, thereby helping to reduce rent arrears, as well as insulating households against price shocks. At a time of constrained public sector spending, the provision of social rented homes represents improved value for public money compared to supporting households through housing benefit.

Intermediate Housing

5.89 As well as rented forms of affordable housing, the Council could seek to provide forms of intermediate housing, with the analysis below considering the potential affordability of shared ownership and discounted market sale housing (which could include First Homes).

5.90 Generally, intermediate housing will be a newbuild product, sold at a discount (or on a part buy, part rent arrangement with shared ownership) and will therefore be based on the Open Market Value (OMV) of a new home.

Discounted Market Sale

5.91 To be affordable to a household unable to buy or rent housing, the maximum cost to buy should be equivalent to the cost affordable to a household that can just afford private rented housing. An example is given below:

5.92 A lower quartile 2-bedroom home in Cotswold is estimated to have a rent of £1,100 per month;

5.93 If a household spends 35% of its income on housing, then its income will be approximately £37,700 (£1,100/0.35*12);

5.94 With an income of £37,700, a household could be expected to be able to afford a home costing around £188,600 (based on having a 10% deposit and a 4.5 times mortgage multiple); and

5.95 This can be worked backwards to show a £188,600 home with a 10% deposit requires a mortgage for around £169,700. With a mortgage multiple of 4.5, this gives an income of around £37,700 (as shown above) – calculated as £169,700/4.5.

5.96 The table below therefore set out a suggested maximum purchase price for affordable home ownership/First Homes by size. It works through first (on the left-hand side) what the affordable price would be (based on a 10% deposit and a mortgage at 4.5 times' income).

5.97 The right-hand side of the table then sets out what Open Market Value (OMV) this might support, based on a 30% discount. For 1- and 2-bedroom homes in some locations, the estimated lower quartile price is slightly lower than the 'equivalent' figure calculated, so these figures are set to the lower quartile price.

5.98 Focussing again on 2-bedroom homes, it is suggested that an affordable price is no more than £189,000, and therefore the open market value of homes would need to be in no more than £269,000 (if discounted by 30%).

Table 5-16: Affordable home ownership prices – Cotswold

	What households just able to rent but not buy could afford	Open Market Value (OMV) of Home with 30% Discount
1-bedroom	£133,000	£190,000
2-bedrooms	£189,000	£269,000
3-bedrooms	£244,000	£349,000
4+-bedrooms	£360,000	£514,000

Source: Iceni analysis

5.99 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.

5.100 We have, however, looked at newbuild schemes currently advertised on Rightmove, with the tables below providing a general summary of existing schemes.

5.101 This analysis is interesting as it generally shows the median newbuild price to be above the OMV required to make homes affordable to those just able to rent privately. That said, homes at the bottom end of the price range could, in some cases, potentially be discounted by 30% and considered as affordable.

5.102 This analysis shows how important it will be to know the OMV of housing before discounting 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.

5.103 The analysis is also interesting for showing the relative lack of smaller newbuild homes – just 18% of advertised newbuild homes had 1- or 2-bedrooms, 41% had four bedrooms.

Table 5-17: Estimated newbuild housing cost by size – Cotswold

	No. of homes advertised	Range of prices	Median price
1-bedroom	2	£190,000-£295,000	-
2-bedrooms	16	£250,000-£700,000	£565,000
3-bedrooms	41	£395,000-£1,100,000	£565,000
4+-bedrooms	41	£599,000-£2,000,000	£950,000

Source: Iceni analysis of Rightmove data

5.104 An alternative way of looking at the data is to ask what level of discount is required to make homes genuinely affordable, and this is shown in the table below. The figures are based on median newbuild prices and show the discount required to achieve the previously calculated affordable price.

5.105 The tables show that typically a discount of in excess of 50% (and potentially in excess of 60%) would be needed to make homes affordable. Whilst it is arguably possible for discounts of this level to be provided, this would essentially be a subsidy that could be spent in other ways (such as supporting the provision of social rented housing).

5.106 However, there may be specific circumstances where discounted market housing might be considered (e.g. to support viability or to provide a broader mix on site).

5.107 In addition, it needs to be remembered that the analysis in this report is based on estimated prices at a particular point in time, and it is possible for housing to become more affordable relative to the existing market over time. There may also be specific schemes that are affordable relative to the area's general costs.

5.108 Overall, and on balance, it is considered that the evidence does not support any significant need for First Homes (or other discounted market products) in a local context due to the cost of newbuild housing. However, there may be specific schemes where this type of housing could be supported – this would need to be dealt with on a site-by-site basis.

5.109 Equally, this analysis doesn't take account of household preference, in terms of seeking affordable home ownership products that best suit their household circumstances or incomes. For example, The inclusion of an ongoing rent element within Shared Ownership homes (which will always increase over time by CPI plus 1.0% for new Shared Ownership homes) may not necessarily be as attractive to potential buyers compared to a discounted market product.

Table 5-18: Discount required to make affordable home ownership a 'genuinely affordable' product – Cotswold

	Affordable price	Median newbuild	Discount required
1-bedroom	£133,000	-	-
2-bedrooms	£189,000	£565,000	67%
3-bedrooms	£244,000	£565,000	57%
4-bedrooms	£360,000	£950,000	62%

Source: Iceni analysis

Shared Ownership

5.110 The analysis below moves on to consider shared ownership. For this analysis, an assessment of monthly outgoings has been undertaken, with the core assumption that outgoings should be the same as for renting privately, so as to make this tenure genuinely affordable.

5.111 The analysis has looked at what the Open Market Value (OMV) would need to be for a shared ownership to be affordable with a 10%, 25% and 50% share. To work out outgoings, the mortgage part is based on a

10% deposit (for the equity share) and a repayment mortgage over 25 years at 5% with a rent at 2.75% per annum on unsold equity.

5.112 These calculations do not include service charges because they are scheme specific and vary substantially. However, service charges should be taken into account in evaluating affordability on a scheme-specific and household-specific basis and could therefore impact on the conclusions of this analysis.

5.113 The findings for this analysis are interesting and do point to the possibility of shared ownership being a more affordable tenure than discounted market housing (including First Homes) – particularly at initial occupation.

5.114 By way of an explanation of the table (focusing on 2-bedroom homes, if a 50% equity share scheme came forward, then it is estimated the OMV could not be above £291,000 if it is to be genuinely affordable (due to the outgoings being in excess of the cost of privately renting).

5.115 However, given the subsidised rents, the same level of outgoings could be expected with a 10% equity share but a much higher OMV of £425,000. Although affordability can only be assessed on a scheme-by-scheme basis, it is notable that we estimate a median 2-bedroom newbuild to cost around £565,000 in the District – this suggests that it may be difficult to make any share genuinely affordable, but does point to shares as low as possible being required.

Table 5-19: Estimated OMV of Shared Ownership with a 50%, 25% and 10% Equity Share by Size – Cotswold

	50% share	25% share	10% share
1-bedroom	£205,000	£255,000	£299,000
2-bedroom	£291,000	£363,000	£425,000
3-bedroom	£377,000	£470,000	£551,000
4-bedrooms	£556,000	£692,000	£811,000

Source: Iceni analysis

5.116 Another way of looking at this data is to see what level of equity share might be needed to make shared ownership affordable, and this is shown in the table below. As with the analysis above this clearly points to the difficulty of any share making a home genuinely affordable.

5.117 This is however based on a current analysis of newbuild prices. Overall it is considered that shared ownership is likely to be a more affordable product than discounted market housing, but that lower equity shares will need to be encouraged in any development.

Table 5-20: Estimated maximum equity share required to make shared ownership affordable

	1-bedroom	2-bedroom	3-bedroom	4-bedrooms
Cotswold	-	-12%	8%	-3%

Source: Iceni analysis

5.118 One additional advantage of shared ownership is a lower deposit requirement. For example, the data above suggests that a median 3-bedroom new build costs around £565,000, and with a 10% deposit, this would equate to a need for £56,500 in capital. If such a home were sold at 50% shared ownership, the deposit would halve (to around £28,250) and would be around £5,700 at a 10% equity share.

5.119 Although there is no locally specific data on savings, we can look at national data from the English Housing Survey to show the likely difficulty households that are not already owners have in raising deposits. For 2023-34, the EHS records that 48% of private tenants have no savings, and 72% of those living in social rented housing.

5.120 Of those with any savings, only 36% of private renters and 17% in social rented housing have more than £16,000. This suggests that fewer than a fifth of households in the PRS have £16,000 or more in savings, which will clearly be a barrier to home ownership – particularly where the deposit will need to be higher, such as for a full-market purchase rather than a smaller equity share.

Rent-to-Buy

5.121 A further affordable option is Rent to Buy; this is a Government scheme designed to ease the transition from renting to buying the same home. Initially (typically for five years although could be longer) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided in that first five years is saved in order to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households as it allows for a smaller ‘step’ to be taken on to the home ownership ladder.

5.122 At the end of the initial period, depending on the scheme, the property is either sold as a shared ownership product or to be purchased outright as a full market property. If the occupant is not able to do either of these then the property is vacated, the tenancy is secure for the duration of the initial agreement period, the tenant may also request for the tenancy to be extended beyond this point.

5.123 In order to access this tenure, it effectively requires the same income threshold for the initial phase as a market rental property, although the cost of accommodation will be that of affordable rent. The lower-than-market rent will allow the household to save for a deposit for the eventual shared ownership or market property. In considering the affordability of rent-to-buy schemes there is a direct read across to the income required to access affordable home ownership (including shared ownership). It should therefore be treated as part of the affordable home ownership products suggested by the NPPF.

5.124 At present we are unaware of any rent-to-buy schemes in Cotswold and so it is difficult to comment on how affordable these schemes are or what the level of demand might be. One possible concern with this product is that rents levels may be quite high if based on a newbuild rental home (which like buying will have some premium). Therefore if a scheme comes forward it is recommended that the rent to be paid should be capped at Local Housing Allowance to ensure affordability. Additionally, with rents at LHA it is likely there would be increased demand for this product when compared with rents capped at 80% of the market.

Policy Response

5.125 It is not possible through this report to fully set the amount of affordable housing to be required through policy as this will largely depend on the viability of provision. We do however note Cotswold's latest adopted plan seeks up to 30% on brownfield sites and 40% on all other sites. No detailed mix is provided with the plan stating, 'the type, size and mix, including the tenure split, of affordable housing will be expected to address the identified and prioritised housing needs of the District'.

5.126 On this basis, it is considered that **a 40% overall target could provide a good start point for viability testing.** This report can provide advice on the tenure split, particularly in light of the December 2024 NPPF which says (in paragraph 64) that 'planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required)'.

5.127 Given the high Standard Method housing number for Cotswold (1,055 dwellings per annum) there is arguably the possibility that affordable needs could be met in full (an estimated need for 336 affordable homes each year representing 32% of the total). It does need to be recognised that many sites may not be able to provide policy compliant levels of affordable housing (e.g. due to viability or site size).

5.128 However, on the basis of potentially meeting all needs, including those who can afford to rent but not buy an **overall split between rented and intermediate housing in a 50:50 ratio** is suggested as a start point.

5.129 In terms of types of affordable housing, **the analysis suggests around 80% of rented homes should be at social rents (the rest at affordable rents)**. The analysis also suggests there is unlikely to be a role for discounted market housing (including First Homes) with the main focus likely to be on shared ownership (and possibly rent-to-buy housing). That said, given current newbuild prices it may be difficult to make any form of affordable home ownership genuinely affordable. However, if the gap between new and second-hand homes falls then shared ownership will potentially become more affordable (relative to discounted market products).

5.130 The following table sets out a suggested tenure split based on the evidence in this report. This would still be subject to viability and also the potential for alternative choices to be made by the Councils – for example it may be considered preferable to provide all rented homes at social rents where it is economically viable to do so (also noting that it may be difficult to develop sites with both social and affordable rented products due to having a different rent for essentially the same home). Affordable rents could be delivered only on sites where it is necessary due to viability issues.

5.131 Overall, the recommendation is for a 50:50 split, with the majority (four-fifths) of rented housing at social rents and the intermediate housing focussing on shared ownership and rent-to-buy; no targets are suggested for discounted market sale or First Homes.). The categories used in the table below are consistent with the affordable housing definitions set out in Annex 2 of the NPPF.

Table 5-21: Suggested mix of affordable housing – Cotswold

Type of affordable housing	Recommended Target (subject to viability)
Social Rent	40%
Other affordable housing to rent	10%
Discounted market sales housing	N/A
Other affordable routes to home ownership (Shared Ownership, Rent to Buy)	50%

Source: Iceni analysis

5.132 In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will however need to consider viability issues alongside the needs evidence.

5.133 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 District. 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 wherever opportunities arise.

6. Older Persons Need & Disabilities

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 potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Understanding Demographic Changes

Current population of older people

6.2 The table below provides baseline population data about older persons in Cotswold and compares this with other areas. The table shows the area has a notably older age structure to that seen in other areas with 27% of the population being aged 65 and over. The proportion of people aged 75 and over is also above the equivalent figure for other locations.

Table 6-1: Older Persons Population, 2024

	Cotswold		Gloucest-ershire	South West	England
	No.	%	%	%	%
Under 65	66,487	72.5%	77.9%	77.2%	81.3%
65-74	12,001	13.1%	10.8%	11.1%	9.4%
75-84	9,566	10.4%	8.2%	8.5%	6.8%
85+	3,607	3.9%	3.1%	3.2%	2.5%
Total	91,661	100.0%	100.0%	100.0%	100.0%
Total 65+	25,174	27.5%	22.1%	22.8%	18.7%
Total 75+	13,173	14.4%	11.3%	11.7%	9.3%

Source: ONS

Demographic change

6.3 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 Cotswold is projected to see a notable increase in the older person population – the projection is based on the Standard Method.

6.4 For the 2026-43 period a projected increase in the population aged 65+ of around 44% is shown – the population aged under 65 is in contrast projected to see a more modest, but still significant, increase (of 35%). In total population terms, the projections show an increase in the population aged 65 and over of 11,600 people. This is against a backdrop of an overall increase of 34,600 – population growth of people aged 65 and over therefore accounts for 34% of the total projected population change.

Table 6-2: Projected Change in Population of Older Persons, 2026 to 2043 – Cotswold

	2026	2043	Change in population	% change
Under 65	66,099	89,050	22,951	34.7%
65-74	12,485	15,795	3,310	26.5%
75-84	10,139	14,871	4,731	46.7%
85+	3,737	7,315	3,579	95.8%
Total	92,460	127,031	34,571	37.4%
Total 65+	26,361	37,981	11,620	44.1%
Total 75+	13,876	22,186	8,310	59.9%

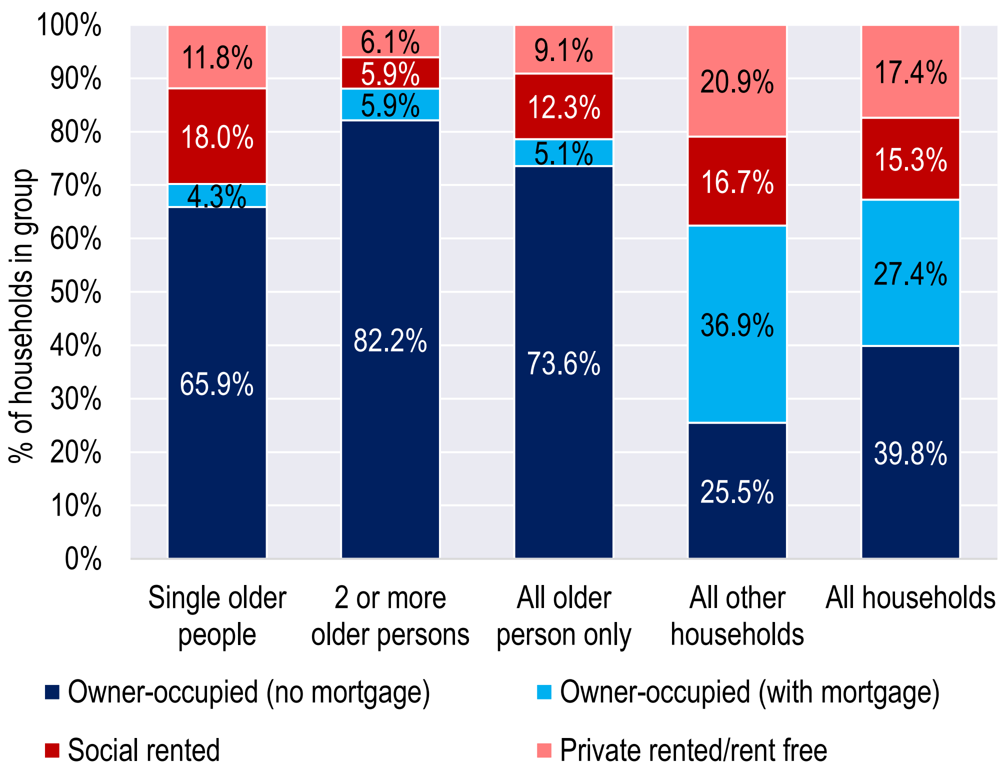
Source: Iceni Analysis

Characteristics of Older Persons' Households

6.5 The figure below shows 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 (79% 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 12% 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 9%).

6.6 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 higher proportion living in the social rented sector.

Figure 6-1: Tenure of Older Persons Households in Cotswold (2021)



Source: 2021 Census

Disabilities

6.7 The table below shows the proportion of people who are considered as disabled under the definition within the 2010 Equality Act[10], drawn from 2021 Census data, and the proportion of households where at least one person has a disability. The data suggests that some 28% of households in the District contain someone with a disability. This figure is slightly lower than seen in a range of other areas (County, region and nationally). The figures for the population with a disability show the

[10] The Census uses the same definition of disability as described in the Equality Act. This defines disability as a person with a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on their ability to do normal daily activities.

same pattern in comparison with other areas – some 15% of the population having a disability.

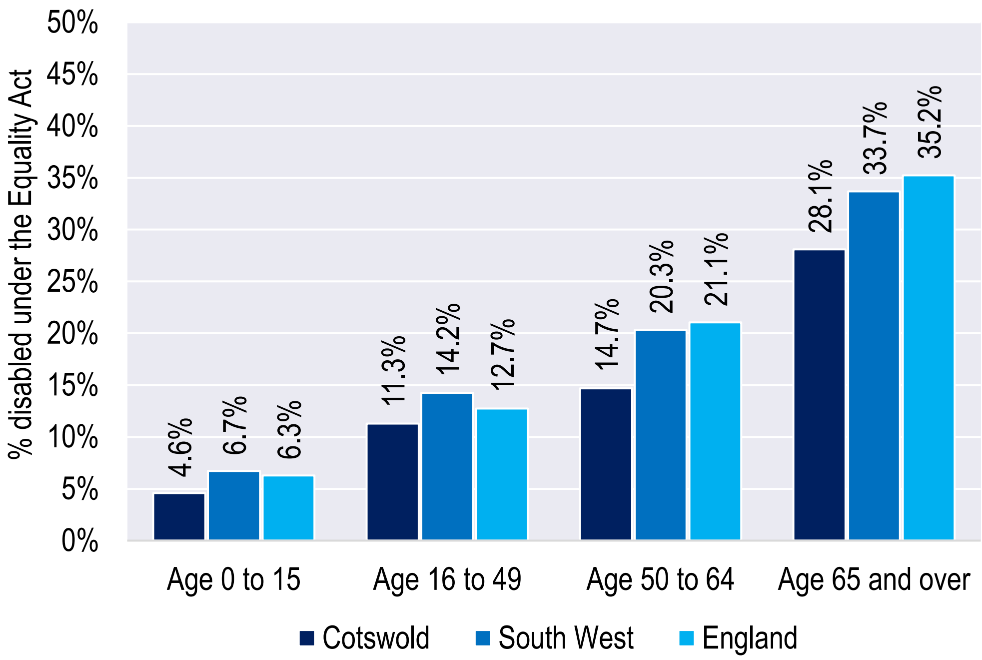
Table 6-3: Households and People with a Disability, 2021

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Cotswold	11,221	27.6%	13,983	15.4%
Gloucestershire	84,732	30.3%	108,378	16.8%
South West	812,037	33.2%	1,058,092	18.6%
England	7,507,887	32.0%	9,774,510	17.3%

Source: 2021 Census

6.8 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 age-specific levels of disability when compared with the national and regional position – particularly for those aged 50 and over.

Figure 6-2: Population with Disability by Age



Source: 2021 Census

Health-related population projections

6.9 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.

6.10 The first row of the table models the Census prevalence rates (related to disability under the Equalities Act) – this shows a projected increase of 5,700 people with a disability over the 2026-43 period, a 39% increase. When related back to the total projected change to the population this represents around 17% of total projected population growth.

6.11 When looking at specific disabilities (linking to POPPI and PANSI data) the large increases in the number of older people with dementia (increasing by 69% from 2026 to 2043 and mobility problems (up 59% over the same period) are most notable. 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.

Table 6-4: Projected Changes to Population with a Range of Disabilities – Cotswold

Disability	Age Range	2026	2043	Change	% change
All disabilities (Equalities Act)	NA	14,644	20,350	5,705	39.0%
Dementia	65+	1,547	2,614	1,067	69.0%
Mobility problems	65+	3,978	6,334	2,356	59.2%
Autistic Spectrum Disorders	18-64	397	551	154	38.8%
	65+	197	280	83	42.0%
Learning Disabilities	15-64	1,049	1,429	381	36.3%
	65+	435	624	189	43.6%
Impaired mobility	16-64	2,700	3,282	582	21.6%

Source: POPPI/PANSI and Demographic Projections

Need for Specialist Accommodation

6.12 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be some 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]

Modelling assumptions

6.18 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.

6.19 The approach taken below considers a range of publications from Housing LIN (including that mentioned in the PPG) to derive a series of prevalence rates. The rates also take into account the health of the population and levels of deprivation (which will impact on the tenure split between market and affordable housing).

6.20 The following prevalence rates, expressed as a need per 1,000 people aged 75 and over have been used in the analysis:

Housing with support (market) – 63 units;

Housing with support (affordable) – 43 units;

Housing with care (market) – 27 units;

Housing with care (affordable) – 11 units;

Residential care – 34 bedspaces; and

Nursing care – 38 bedspaces

Current supply

6.21 It is also important to understand the supply of different types of specialist accommodation with the table below showing various categories of accommodation. Figures are expressed as a total and as a proportion of the population aged 75 and over (estimated to be 13,876 in 2026).

6.22 The analysis shows a total of 1,854 units of housing with support, which represents around 134 per 1,000 people aged 75 and over – the majority, some 53% of this is in the market sector. For housing with care a much lower current supply is shown (379 – just 16% in the affordable sector). For nursing and residential care, a supply of 913 bedspaces is shown with the majority (79%) being nursing care.

Table 6-5: Current supply of housing for older people – Cotswold

		Current supply	Supply per 1,000 aged 75+
Housing with support	Market	977	70
	Affordable	877	63
Total (housing with support)		**1,854**	**134**
Housing with care	Market	319	23
	Affordable	60	4
Total (housing with care)		**379**	**27**
Residential care bedspaces		192	14
Nursing care bedspaces		721	52
Total bedspaces		**913**	**66**

Source: EAC

Current and future need

6.23 Taking the supply forward and using the prevalence rates suggested 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).

6.24 The analysis shows there is currently a largely sufficient supply of housing with support (e.g. sheltered/retirement housing) in both market and affordable sectors, although by 2043 an additional need is identified linked to demographic growth – particularly for market housing. Overall, by 2043, a shortfall of 500 units of housing with support is identified (around three-fifths in the market sector).

6.25 For housing with care (e.g. extra-care) the data suggests a current need for both market and affordable housing and an overall additional need for around 3,800 units by 2043 (around five-sixths as market housing).

6.26 For nursing and residential care, the analysis suggests a modest current shortfall of around 100 units (only for residential care). Moving through to 2043, a total need for 700 additional bedspaces is identified – mainly residential care.

Table 6-6: Specialist Housing Need for Older Persons, 2026-43 – Cotswold

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/ surplus (-ve)	Additional demand to 2043	Shortfall /surplus by 2043
Housing with support	Market	63	977	879	-98	526	428
	Affordable	43	877	591	-286	354	68
Total (housing with support)		**106**	**1,854**	**1,469**	**-385**	**880**	**496**
Housing with care	Market	27	319	379	60	227	287
	Affordable	11	60	150	90	90	180
Total (housing with care)		**38**	**379**	**529**	**150**	**317**	**467**
Residential care bedspaces		34	192	470	278	282	560
Nursing care bedspaces		38	721	529	-192	317	125
Total bedspaces		**72**	**913**	**999**	**86**	**598**	**685**

Source: Iceni analysis/EAC

Wheelchair User Housing

6.27 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 2020/21 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.

6.28 The table below shows at a national level the proportion of wheelchair user households by the age of household reference person. Nationally, around 3.1% 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.

Table 6-7 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%	0.4%	0.0%	0.1%	100.0%
25-34	99.4%	0.1%	0.1%	0.3%	100.0%
35-49	97.9%	0.4%	0.3%	1.4%	100.0%
50-64	97.1%	0.5%	0.2%	2.2%	100.0%
65 and over	94.3%	1.3%	0.5%	4.0%	100.0%

All households	96.9%	0.6%	0.3%	2.2%	100.0%

Source: English Housing Survey (2020/21)

6.29 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 1,000 wheelchair user households in 2026, and that this will rise to 1,400 by 2043.

Table 6-8: Estimated number of wheelchair user households (2026-43) – Cotswold

	Prevalence rate (% of households)	Households 2026	Households 2043	Wheelchair user households (2026)	Wheelchair user households (2043)
24 and under	0.5%	700	997	3	5
25-34	0.4%	3,182	6,177	14	26
35-49	1.2%	8,663	12,962	107	160
50-64	1.5%	12,338	14,190	180	207
65 and over	4.0%	17,150	25,120	685	1,003
All households		42,033	59,445	989	1,401

Source: Iceni analysis

6.30 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 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.

6.31 Applying this to the current number of wheelchair user households across the District gives a current need for 250 additional wheelchair user homes. 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) then a further need for 100 homes in the 2026-43 period can be identified. Added together this leads to a need estimate of 350 wheelchair user homes – equating to 21 dwellings per annum.

Table 6-9: Estimated need for wheelchair user homes, 2026-43

	Current need	Projected need (2026-43)	Total current and future need
Cotswold	247	103	350

Source: Iceni Analysis

6.32 Furthermore, information in the EHS (for 2020/21) also provides national data about wheelchair users by tenure. This showed that, at that time, around 6.7% of social tenants were wheelchair user (including 1.8% using a wheelchair indoors/all the time), compared with 2.6% of owner-occupiers (0.8% indoors/all the time). 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.

Table 6-10: Proportion of wheelchair user households by tenure of household reference person – England

Tenure	No house-hold members use a wheel-chair	Uses wheel-chair all the time	Uses wheel-chair indoors only	Uses wheel-chair outdoors only	TOTAL
Owners	97.4%	0.6%	0.2%	1.8%	100.0%
Social sector	93.3%	1.3%	0.5%	4.9%	100.0%
Private renters	98.6%	0.2%	0.2%	1.0%	100.0%
All households	96.9%	0.6%	0.3%	2.2%	100.0%

Source: English Housing Survey (2020/21)

7. Mix of Homes Needed

7.1 This section considers the appropriate mix of housing across Cotswold District. The analysis considers how the number of households in different age groups are projected to change moving forward and the mix of housing to meet this demographic change in different tenure groups. The analysis looks at the Standard Method (for the 2026-43 period).

Current Housing Mix by Tenure

7.2 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, it is possible to see which age groups are expected to change in number, and by how much.

7.3 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 2026-43 to be consistent with other analysis in this report).

7.4 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 80% of the total in this tenure group, a slightly higher proportion to that seen across the County, region and nationally. The profile of the social rented sector is broadly similar across areas whilst the private rented sector has a relatively large profile of dwellings. Observations about the current mix feed into conclusions about future mix later in this section.

Table 7-1: Number of Bedrooms by Tenure, 2021

		Cotswold	Gloucest-ershire	South West	England
Owner-occupied	1-bedroom	2%	3%	4%	4%
	2-bedrooms	17%	20%	21%	21%
	3-bedrooms	39%	43%	44%	46%
	4+-bedrooms	41%	34%	31%	29%
	Total	100%	100%	100%	100%
	Ave. no. beds	3.19	3.07	3.02	3.01
Social rented	1-bedroom	28%	29%	29%	29%
	2-bedrooms	35%	36%	37%	36%
	3-bedrooms	34%	31%	30%	31%
	4+-bedrooms	4%	4%	4%	4%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.14	2.11	2.09	2.10
Private rented	1-bedroom	14%	22%	22%	21%
	2-bedrooms	34%	38%	38%	39%
	3-bedrooms	36%	29%	28%	29%
	4+-bedrooms	16%	12%	12%	11%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.53	2.30	2.30	2.30

Source: Census (2021)

Family households

7.5 The number of families in Cotswold (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 9,500 as of the 2021 Census, accounting for 23% of households; this proportion is lower than seen across other areas.

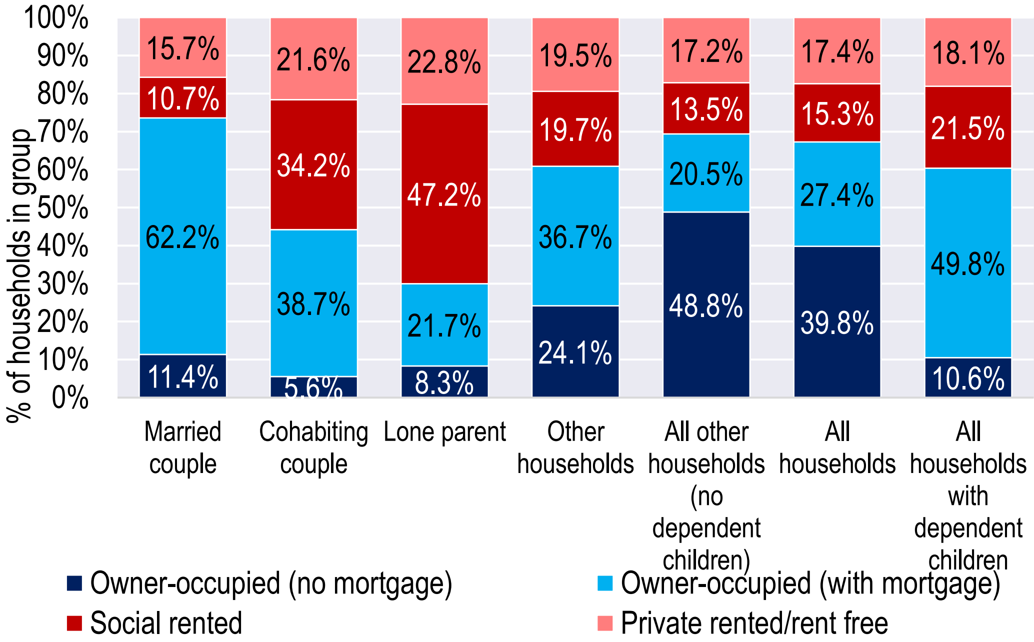
Table 7-2: Households with Dependent Children (2021)

	Cotswold		Glouces-tershire	South West	England
	No.		%	%	%
Married couple	5,860	14.4%	14.4%	13.4%	14.4%
Cohabiting couple	1,419	3.5%	4.4%	4.4%	4.5%
Lone parent	1,799	4.4%	5.5%	5.7%	6.9%
Other households	452	1.1%	1.6%	1.9%	2.7%
All other households	31,068	76.5%	74.1%	74.6%	71.5%
Total	40,598	100.0%	100.0%	100.0%	100.0%
Total with dependent children	9,530	23.5%	25.9%	25.4%	28.5%

Source: Census (2021)

7.6 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 and private rented sectors. Across the District, only 30% of lone-parent households are owner-occupiers compared with 74% of married couples with children.

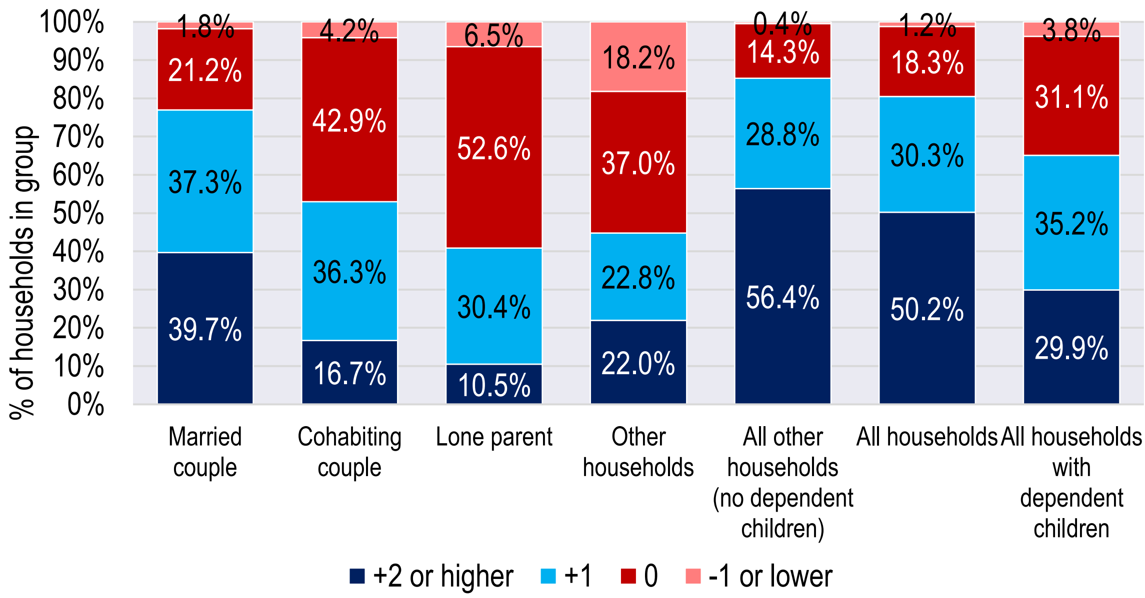
Figure 7-1: Tenure of households with dependent children (2021) – Cotswold



Source: Census (2021)

7.7 The figure below shows levels of overcrowding and under-occupancy of households with dependent children. This shows higher levels of overcrowding (minus figure) for all household types with dependent children with 7% of all lone parents and 18% of 'other' households being overcrowded. Overall, some 4% of households with dependent children are overcrowded, compared with less than 1% of other households. Levels of under-occupancy (positive figures) are also notably lower in households with dependent children.

Figure 7-2: Occupancy rating of households with dependent children (2021) – Cotswold



Source: Census (2021)

Housing mix modelling methodology

7.8 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 analyses.

Understanding how households occupy homes

7.9 While 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 in particular, 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.

7.10 The size of housing which households occupy in the market sector 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.

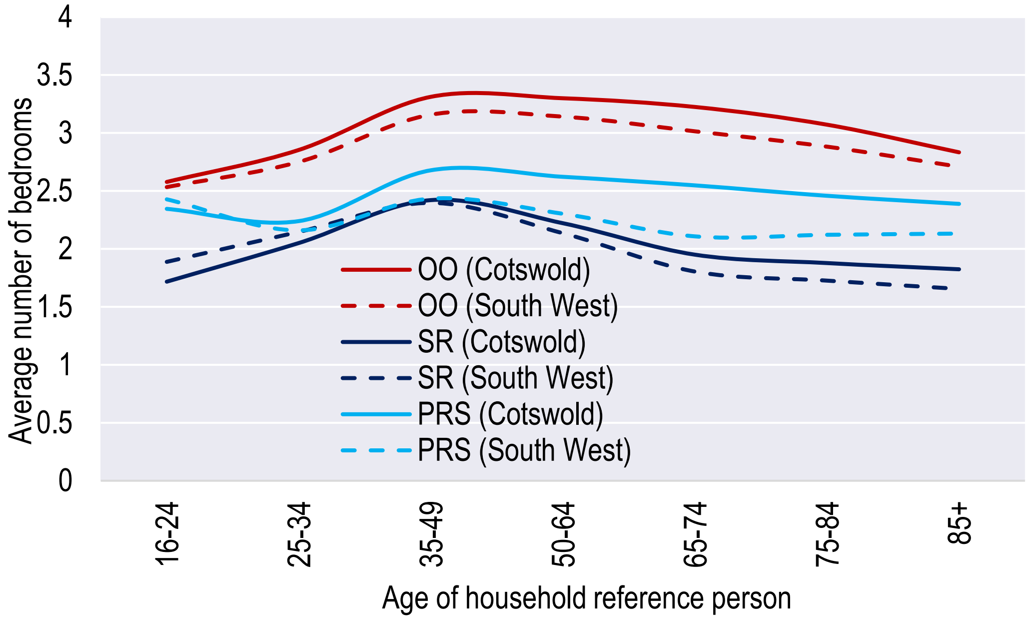
7.11 That said, issues of supply can also impact occupancy patterns, for example, it may be that a supply of additional smaller-level access homes would encourage older people to downsize but in the absence of such accommodation, these households remain living in their larger accommodation.

7.12 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')).

7.13 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).

7.14 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Cotswold and the South West 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 slightly – as typically some households downsize as they get older. The analysis also shows the District as having larger dwelling sizes for most age groups in the owner-occupied and private rented sectors when compared to the South West.

Figure 7-3: Average Bedrooms by Age and Tenure in Cotswold and the region



Source: Census (2021)

7.15 The analysis uses the existing occupancy patterns at a local and regional level as a starting 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 market sector (i.e. owner-occupiers and the private rented 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

7.16 The table below presents the projected change in households by age of household reference person based on the Standard Method. This shows growth as being expected in all age groups and in particular older age groups (notably 85+), although some high growth is also projected in younger age groups, in part due to an assumption that household formation could improve over time.

Table 7-3: Projected Change in Household by Age of HRP in Cotswold

	2026	2043	Change in Households	% Change
Under 25	700	997	297	42.4%
25-34	3,182	6,177	2,995	94.1%
35-49	8,663	12,962	4,299	49.6%
50-64	12,338	14,190	1,852	15.0%
65-74	7,246	9,174	1,928	26.6%
75-84	7,028	10,318	3,290	46.8%
85+	2,876	5,627	2,752	95.7%
TOTAL	42,033	59,445	17,412	41.4%

Source: Iceni Analysis

Housing Mix Results

Initial modelled mix

7.17 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.

7.18 The table below shows the modelled outputs of need by dwelling size in the three broad tenures. The need for market housing is strongest for

3+-bedroom homes; for affordable home ownership for 2- and 3-bedroom homes; and rented affordable housing showing a slightly smaller profile again.

7.19 **Table 7-4:** Initial Modelled Mix of Housing by Size and Tenure based on proposed housing distribution – Cotswold

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	7%	26%	40%	26%
Affordable home ownership	19%	38%	32%	12%
Affordable housing (rented)	29%	37%	30%	4%

Source: Housing Market Model

Rightsizing

7.20 The analysis above sets out the potential need for housing if occupancy patterns remain 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).

7.21 There is a case to seek for new stock to more closely match actual size requirements. 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. Further analysis has been undertaken to take account of overcrowding and under-occupancy (by tenure).

7.22 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers) using 2021 Census data. 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 number of overcrowded households. In the owner-occupied sector in 2021, there were 25,400 households with some degree of under-occupation and around 120 overcrowded households – some 93% of all owner-occupiers have some degree of under-occupancy.

Table 7-5: Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector) – Cotswold

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	7,395	10,081	17,476
+1 spare bedrooms	0	4,110	2,518	1,028	7,656
0 “Right sized”	634	594	730	96	2,054
-1 too few bedrooms	12	47	52	9	120
TOTAL	646	4,751	10,695	11,214	27,306

Source: Census (2021)

7.23 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.

Table 7-6: Cross-tabulation of occupancy rating and number of bedrooms (social rented sector) – Cotswold

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	635	82	717
+1 spare bedrooms	0	1,077	646	71	1,794
0 “Right sized”	1,646	992	756	62	3,456
-1 too few bedrooms	70	90	90	14	264
TOTAL	1,716	2,159	2,127	229	6,231

Source: Census (2021)

Table 7-7: Cross-tabulation of occupancy rating and number of bedrooms (private rented sector) – Cotswold

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	1,336	860	2,196
+1 spare bedrooms	0	1,807	848	185	2,840
0 “Right sized”	951	577	333	47	1,908
-1 too few bedrooms	43	42	22	7	114
TOTAL	994	2,426	2,539	1,099	7,058

Source: Census (2021)

7.24 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. This does need to be recognised as an assumption but can be seen to be reasonable as they do retain some (considerable) 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).

7.25 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following tables. It can be seen that this tends to suggest a very slightly different profile of homes as being needed (compared to the initial modelling) including an increase in the need for 4+-bedroom homes in the rented affordable housing sector due to levels of overcrowding and a reduction in the 4+-bedroom market need due to high levels of under-occupancy.

Table 7-8: Modelled Mix of Housing by Size and Tenure – Cotswold

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	7%	33%	40%	20%
Affordable home ownership	18%	43%	30%	9%
Affordable housing (rented)	28%	40%	28%	5%

Source: Housing Market Model

Affordable housing supply vs need by size

7.26 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 190 dwellings per annum from households unable to buy OR rent) with additional data from CoRe about the sizes of homes let over the past three years.

7.27 This analysis is quite clear in showing the low supply of larger homes relative to the need for 4+-bedroom accommodation in particular, where it is estimated the supply is only around a quarter of the need arising each year, whereas for 1- and 2-bedroom homes over half of the need can be met.

7.28 **Table 7-9:** Need for rented affordable housing by number of bedrooms – Cotswold

	Gross Annual Need	Gross Annual Supply	Net Annual Need	As a % of total net annual need	Supply as a % of gross need
1-bedroom	122	69	53	28.1%	56.4%
2-bedrooms	156	81	75	39.6%	51.9%
3-bedrooms	93	41	53	27.7%	43.6%
4+-bedrooms	12	3	9	4.6%	24.5%
Total	383	193	190	100.0%	50.5%

Source: Iceni analysis

7.29 Across the District, the analysis points to over a quarter 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.

7.30 This indeed identifies a slightly 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 housing for older people (e.g. age restricted), although it does need to be noted that not all older people would be expected to live in homes solely for older people.

7.31 The 2, 3, and 4+-bedroom categories have been merged for the purposes of older persons, as we would not generally expect many (if any) households in this category to need (or indeed be able to be allocated) more than 2-bedrooms in the rented affordable housing sector.

Table 7-10: Modelled Mix of Housing by Size and Age – affordable housing (rented) – Cotswold

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	22%	40%	32%	6%
65 and over	39%	61%		
All affordable housing (rented)	28%	40%	28%	5%

Source: Housing Market Model

Housing Mix Recommendations

7.32 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 and levels of under-occupancy and overcrowding.

7.33 The analysis (for rented affordable housing) also draws on data from the local authority Housing Register with regards to the profile of need 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).

7.34 The Housing Register data below shows a pattern of need focussed on 1-bedroom homes, but with over a fifth needing 3+-bedroom accommodation. When focussing on what we have described as priority need (excluding those in the Bronze category) a higher proportionate need for larger dwellings is seen, but the main focus is still on 1-bedroom homes.

Table 7-11: Size of Social/Affordable Rented Housing Needed – Housing Register Information (September 2025)

	All Register		Priority need	
	Number	%	Number	%
1-bedroom	997	57.7%	218	58.9%
2-bedrooms	445	25.8%	67	18.1%
3-bedrooms	221	12.8%	56	15.1%
4+-bedrooms	65	3.8%	29	7.8%
TOTAL	1728	100.0%	370	100.0%

Source: Cotswold District Council

Social/Affordable Rented

7.35 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). The analysis also considers the turnover of different sizes of accommodation. The following mix of social/affordable rented housing is therefore suggested across the District:

1-bedroom – 25-35%

2-bedrooms – 30-40%

3-bedrooms – 20-30%

4+-bedroom – 5-15%

7.36 If a development is to include housing specifically for older people (e.g. forms of age-restricted housing) then broadly a 50:50 split between 1- and 2-bedroom homes is recommended. The inclusion of some 2-bedroom homes is considered sensible with the aim to promote the opportunity for older person households to downsize – a 2-bed offering being more likely to encourage this than 1-bed homes, as well as offering the ability for stay-at-home carers, friends and family to support these individuals overnight as required. Also, whilst technically most older person households will only have a 'need' for a 1-bed home, a larger property remains affordable as most older person households are not impacted by the bedroom tax/spare room subsidy.

7.37 It should be noted that the above recommendations are to a considerable degree based on projecting the need forward to 2043 and will vary over time. It may be at a point in time the case that Housing Register data 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.

Affordable Home Ownership

7.38 In the affordable home ownership sector a profile of housing that more 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 – with a focus on 2- and 3-bed properties. The conclusions also take account of the earlier observation that it may be difficult to make homes genuinely affordable for AHO due to newbuild prices. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

1-bedroom – 15-20%

2-bedrooms – 40-50%

3-bedrooms – 25-35%

4+-bedroom – 5-15%

Market Housing

7.39 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).

7.40 We have also had regard to the potential for rightsizing but also recognise that in the market sector there is limited ability to control what households purchase. This sees a slightly larger recommended profile compared with other tenure groups.

1-bedroom – 5-10%

2-bedrooms – 30-35%

3-bedrooms – 35-45%

4+-bedroom – 15-25%

7.41 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market (including the stock profile in different tenures as set out earlier in this section), it does not necessarily follow that the figures, particularly for market housing, should necessarily be applied prescriptively to every development site. Site location and area character are also relevant considerations as to what the appropriate mix of market housing on individual development sites.

7.42 In all sectors the analysis points to a particular need for 2- and 3-bedroom accommodation, with varying proportions of 1- and 4+-bedroom homes. For rented affordable housing there is a clear need for a range of different sizes of homes, including up to 45% to have at least 3-bedrooms of which up to 15% should have at least 4-bedrooms. Our recommended mix at a strategic level is set out below:

Table 7-12: Suggested size mix of housing by tenure – Cotswold

	Market	**Affordable home ownership**	**Rented affordable housing**
1-bedroom	5%-10%	15%-20%	25%-35%
2-bedrooms	30%-35%	40%-50%	30%-40%
3-bedrooms	35%-45%	25%-35%	20%-30%
4+-bedrooms	15%-25%	5%-15%	5%-15%

Source: Iceni analysis

7.43 Demand can change over time linked to macro-economic factors and local supply. 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.

7.44 It should be recognised that there will be variations in the need within the District due to the different role and function of a location and the specific characteristics of local households (which can also vary over time). Below are some points for consideration when looking at needs in any specific location.

- Whilst there are 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;
- 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;

- That said, some of these areas will have very few small/cheaper stocks and so consideration needs to be given to diversifying the stock; and
- The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in urban locations such as Cirencester 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.
- 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.

7.45 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. However we would expect specific justification to be provided where the mix of homes on larger sites differs from that set out herein.

8. Housing Market Segments

Build-to-Rent

8.1 The NPPF sets out that the needs of people who rent their homes (as separate from affordable housing) should be assessed and reflected in planning policies (Para 63). The NPPF glossary also includes a definition for Build to Rent development:

> *"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."*

8.2 It therefore represents development which is constructed with the intention that it will be let rather than sold.

8.3 Over recent years, there has been rapid growth in the Build to Rent (BtR) sector backed by domestic and overseas institutional investment. Savills' UK Build-to-Rent Market Update[11] For Q1 2026, the BTR market nationally now has 132,000 completed units, 51,000 units under construction, and 110,000 units in the development pipeline, totalling 293,000 units, up 5% from the year previous. However, much of this stock is located in the London and other Core Cities.

8.4 We do not consider that there is sufficient depth in the local market to support 'multi-family' flatted BtR development in Cotswold District. Such development is more focused towards larger urban areas.

8.5 However there are a range of examples of how single-family BtR is being utilised by volume housebuilders on large sites as a method of

[11] https://www.savills.co.uk/research_articles/229130/379550-0

ensuring the delivery and take up of housing. This is evidenced by significant deals from volume housebuilders Barratt and Countryside (Vistry), both of while have signed significant deals with BtR operators to deliver single-family BtR housing on their sites. This sits within the context of a weakening sales market, as discussed earlier, where market house prices are not increasing at the same pace as previously and the generally pace of sale of homes is slow.

8.6 Whilst the market for BtR is relatively embryonic at the time of writing, there is an important potential role for BtR in supporting the supply of private rented homes, helping drive up standards within the sector and in supporting overall housing delivery – recognising current affordability challenges restrict the ability of younger households to buy.

8.7 Such development is likely to be focused towards larger strategic sites. **On strategic sites, where single-family BTR provision is brought forwards, the Council might reasonably consider BTR provision as part of the market housing offer on site**. This will however depend on the specific circumstances and details related to individual phases. **We would reasonably expect provision for BTR development to be included in consideration of any new settlement-scale locations** – in particular reflecting how it can help to support development at pace, in line with the recommendations of the *Letwin Review*.

Self- and Custom-build Homes

8.8 Self-build and custom housebuilding covers a spectrum of different forms of development, from projects where individuals are involved in building or managing the construction of their home from beginning to end, to projects where individuals commission their home, making key design and layout decisions. The legal definition is set out in the Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) ('the Act').[12] The PPG[13] is clear that self-build or custom build helps to diversify the housing market and increase consumer choice.

8.9 The Council has a Self-build and Custom Housebuilding Register[14] as it is required to by the legislation. It is required by the Act to grant sufficient planning permissions to meet the level of demand shown on the Register, by reference to base periods. At the end of each base period, relevant authorities have 3 years in which to meet their legal duty and grant permission for an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period.

8.10 The Levelling Up and Regeneration Act (2023) ('LURA') made some amendments to the 2015 Self and Custom Housebuilding Act which advised how the supply and demand of self and custom build housing plots can be assessed. When assessing demand, the LURA inserted in section 6 of the 2015 Act the following:

"(a) the demand for self-build and custom housebuilding in an authority's area in respect of a base period is the aggregate of—

(i) the demand for self-build and custom housebuilding arising in the authority's area in the base period; and

(ii) any demand for self-build and custom housebuilding that arose in the authority's area in an earlier base period and in relation to which—

(A) the time allowed for complying with the duty in subsection (2) expired during the base period in question, and

(B) the duty in subsection (2) has not been met;

(aa) the demand for self-build and custom housebuilding arising in an authority's area in a base period is evidenced by the number of entries added during that period to the register under section 1 kept by the authority;"

[12] https://www.legislation.gov.uk/ukpga/2015/17/contents/enacted/data.htm

[13] Paragraph: 16a Reference ID: 57-016a-20210208

[14] https://www.cotswold.gov.uk/housing/private-housing/self-build-housing/

8.11 As a result, although each authority still has 3 years to meet the need that arises from its Register, **this need must now be counted cumulatively**. For example, as of October 30, 2026, the need will be the cumulative demand shown in all base periods prior to October 30, 2023.

8.12 When considering the supply of plots LURA removes section 6(c) of the 2015 Act which read:

"development permission is 'suitable' if it is permission in respect of development that could include self-build and custom housebuilding"

8.13 This change means that the Council will therefore need to demonstrate that serviced plots have resulted in self and custom-build development rather than what could be self and custom-build plots, for example, on the assumption of a CIL exemption. This means that in order for planning permissions to be counted towards the supply of self and custom build homes, there needs to be evidence to show that this is what the development is for.

8.14 The total cumulative need on the Register as at October 2025 is 236 entries.

Table 8.1 New Entrants to Self- and Custom-Housebuilding Register

	Cotswold
Base Period 1	66
Base Period 2	73
Base Period 3	10
Base Period 4	3
Base Period 5	0
Base Period 6	28
Base Period 7	33
Base Period 8	12
Base Period 9	11
Total	236
Average (base periods 1-9)	28
Average (base periods 7-9)	19

Source: CDC Register

8.15 The current position in meeting need that the Council was required to grant 158 permissions by October 2025; but has granted permissions for 140 dwellings - a shortfall of 32 dwellings or 20%.

Table 8.2 Self- and Custom-Build Supply and Demand Balance – Spring 2026

	Need (Total entries on Part 1 at end of base period 7)	Total Permissions Granted to Oct 2025	Over/Under supply
Cotswold	158	140	-32

8.16 If the rate of people joining the register in recent years, at 19 per annum, is used to consider the need over the plan period and the historic shortfall of 32 dwellings added on, an indicative need for self- and custom-build dwellings over the plan period would be for 355 dwellings.

8.17 The adopted Cotswold Local Plan (2018) considers self-build in Policy H1 Housing Mix. In part 3 of the policy it states that *"Proposals of more than 20 dwellings will be expected to provide 5% of dwelling plots for sale as serviced self or custom build plots unless demand identified on the Local Planning Authority's Self-Build and Custom Register, or other relevant evidence, demonstrates that there is a higher or lower level of demand for plots."* However the Plan is to be based on a significant greater scale of growth.

8.18 The strategic site allocations in the Plan envisage delivery of around 11,900 homes over the plan period. The indicative quantum of need for self- and custom-build dwellings over the plan period equates to around 3% of this. On this basis, **Iceni recommend that the Council seeks 3% of dwellings on strategic sites in the Plan for self- and custom housebuilding.**

8.19 Whilst some plots may come forwards on smaller sites and non-strategic allocations, this policy approach will support product differentiation on larger sites – helping to boost delivery – which was a core intention of the Government in introducing policies to support self-build and custom housebuilding.

Rural Housing Needs

8.20 The Gloucestershire HENA has included analysis of rural housing needs at a Gloucestershire-wide level. This points to higher house prices and a price premium on market housing in smaller settlements in the County and in rural areas, with a difference, Gloucestershire-wide, of around £100,000 – albeit this is partly influenced by the stock mix. Combined with this, the housing stock in rural areas is focused more towards larger, more expensive homes with 73% of homes having 3 or more bedrooms. Combined with a relatively modest stock of affordable housing, these issues contribute to particular issues for younger and lower income households in accessing housing and challenges associated with retaining workers.

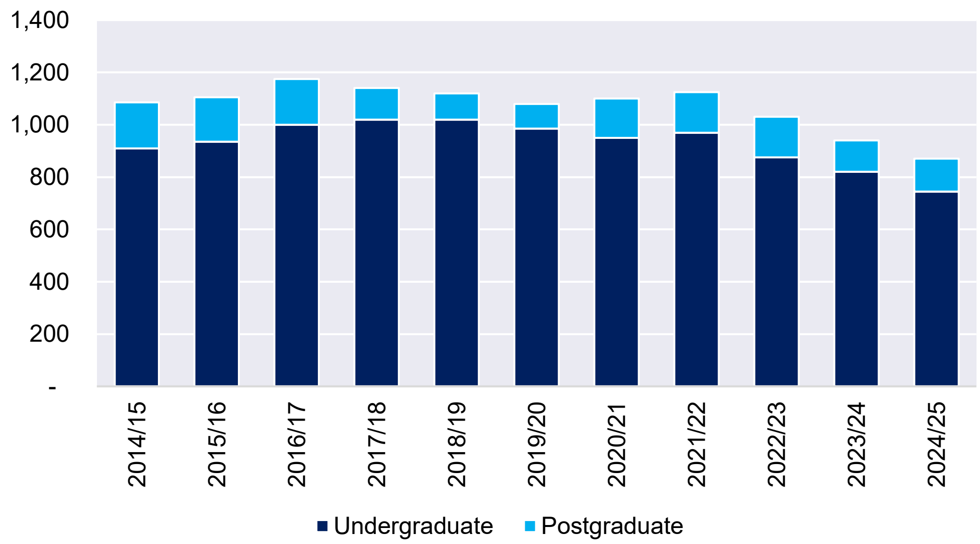
8.21 The evidence for Cotswold District points to notable in-commuting to the District to lower paid roles, and a key role for lower cost market homes and affordable housing in helping households to live and work more locally, reducing commuting distances.

9. Housing Needs of Specific Groups

Student Housing Needs

9.1 The Royal Agricultural University (RAU) is based in Cirencester. Data from the Higher Education Statistics Agency (HESA) indicates that in 2024/25, the RAU accommodated 870 full-time students. As the chart below shows, the number of full-time students has however fallen over the last four years.

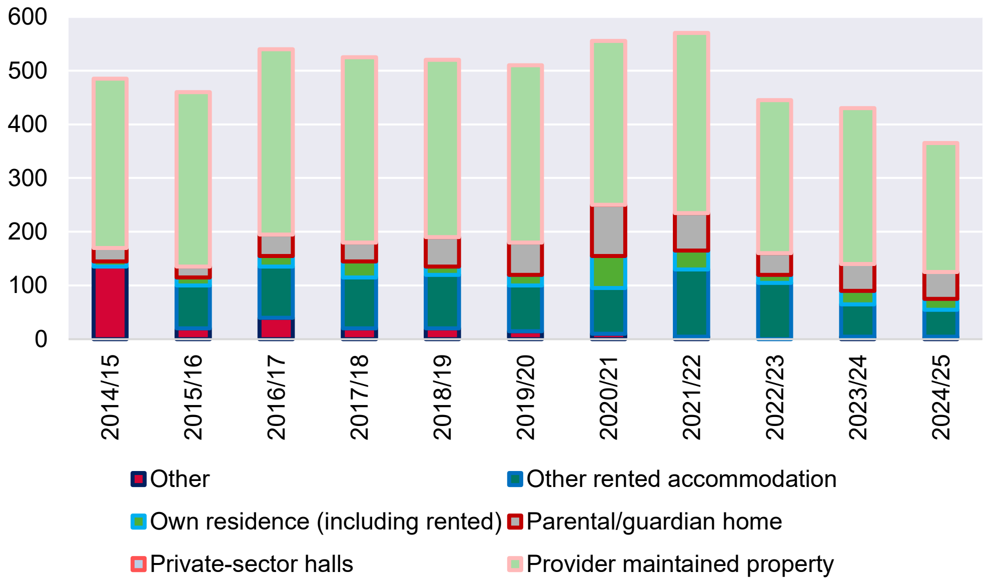
Figure 9.1 Full-time Students at Royal Agricultural University



Source: Higher Education Statistics Authority

9.2 The figure below charts changes in the term-time accommodation profile for students. It shows quite clearly that the majority of students live in provider-maintained properties (such as those managed by the university), with the trend in the numbers of students living in other rented accommodation (such as in private rented homes in Cirencester) downwards in recent years.

Figure 9.2 Term-time Accommodation Profile for RAU Students



Source: Higher Education Statistics Authority

9.3 The data for 2024/25 indicates two thirds (66%) of students in provider-maintained property, which in our experience is particularly high; 14% in rented accommodation; 14% living with parents; and 5% in their own property (such as one they own).

9.4 Iceni has engaged with the Royal Agricultural University (RAU) who have explained that although they submitted a masterplan in c. 2024 setting out ambitions for 4% annual growth from 2025/26 over a four-year period, the higher-education landscape has since changed significantly.

9.5 The domestic student market has weakened markedly, with rising fees discouraging applicants and larger universities lowering entry requirements to secure their own numbers, effectively drawing students away from smaller specialist institutions such as RAU. Demand for agricultural courses has also declined. As a result, the University has shifted its focus toward short-term overseas recruitment. They currently have around twenty-five international students and anticipate further increases in Spring 2026. These overseas cohorts are expected to come for a single term, for summer school programmes, or for postgraduate study at Masters' or PhD level, and they would be housed in existing halls of residence during periods when they would otherwise be empty.

9.6 RAU already has an established international footprint, with operations in China, Tashkent (in Uzbekistan) and Ukraine, and they regularly send academic staff abroad to deliver teaching. Despite this international activity, the University's overall student body currently comprises around 1,100 to 1,200 full-time students and approximately 150 part-time or postgraduate learners, significantly lower than the 1,300 to 1,500 students they previously supported.

9.7 In terms of accommodation capacity, halls of residence provide 346 beds, primarily reserved for first-year students, yet around forty rooms remain vacant in the 2025/26 year because demand has effectively flatlined.

9.8 Only 15–20% of non-first-year students live at home; the vast majority enter the private rented sector, where RAU reports no observable drop in availability or uptake. Were demand to rise meaningfully in the future, particularly if short-term international students began requiring term-time accommodation, the University would consider developing an additional block of around one hundred rooms as part of a broader refresh, but any such expansion would be located on Campus. At the current time, there are no firm plans for new accommodation, and their current major development relates to teaching facilities rather than residential provision - including a new science hub. Most off-campus students live in the Chesterton area of Cirencester.

9.9 In discussing their wider academic relationships, RAU noted their positive collaboration with Hartpury. The two institutions are complementary rather than competitive: Hartpury offers a more practical, hands-on curriculum, while RAU's strengths lie in policy, land management and bloodstock studies. Overall, the University's position is one of cautious adaptation—managing current under-demand, maintaining international teaching partnerships, and monitoring accommodation needs while navigating a constrained local planning environment.

9.10 Drawing the evidence together:

Student numbers at RAU have been falling over recent years and the short-term outlook is not particularly growth-orientated;

Student accommodation is managed by the university, with little evidence of private PBSA provision. The local market is in effect too small for this;

Whilst there is potential for competition between student and other households, in the private rented sector in particular, the short-term outlook for student growth is weak and there is significant new-build housing envisaged through the Plan.

The Council should continue to monitor student housing issues, including through engagement with the University, and support delivery of student accommodation at or near to the Campus.

Military Personnel and Veterans

9.11 Cotswold District includes a number of military facilities: including RAF Fairford (which accommodates US Air Force) and; the Duke of Gloucester Barracks at South Cerney, near Cirencester. There are also other facilities close to the District boundaries. MOD Statistics indicate that there were 550 service personnel in Cotswold District, comprising 490 forces personnel and 60 civilians. The evidence indicates that this has been relatively stable over time.

9.12 The 2025 draft NPPF consultation seeks to align with wider Government policy to expand affordable housing opportunities for serving personnel and their families. The consultation sits alongside major reforms in Defence housing policy.

9.13 In early 2025, the Ministry of Defence announced a deal returning more than 36,000 military homes to public ownership, enabling the Government to accelerate building new service family accommodation and create “*new opportunities for forces homeownership*”, including affordable homes delivered through MOD land releases.

9.14 The Defence Housing Strategy aims to ensure service personnel and their families are provided with high quality housing that meets military operational requirements. It is accompanied by a commitment for £7 billion of investment in Defence accommodation, including £1.5 billion to improve family homes. It provides for investment and modernisation of existing homes, establishing a new Defence Housing Service; and the use of surplus land to support housebuilding – for service personnel and wider housing needs.

9.15 Access to affordable housing is a key issue. The Common Allocations Policy for affordable housing provides a level of flexibility around local connections policies for serving forces’ members and reservists and those who served in the previous 5 years; who are also afforded additional priority in the allocation of affordable housing.

9.16 Iceni would note that consultation on the draft NPPF in 2025 proposed to expand the definition of affordable housing to include a specific “military affordable housing” policy category. This form of affordable housing will need to be considered, in consultation with the MOD, on sites which are close to and accessible from key military facilities in the District.

Looked after Children

9.17 Key legislation relating to the accommodation and maintenance of a looked-after child is set out in Section 22G of the Children Act 1989. The Act places a duty on local authorities to plan strategically for the children in their care, ensuring that, where aligned with the child’s welfare, accommodation should be provided within the authority's own area. This means councils must take steps to ensure sufficient local provision is available. Looked-after children should remain close to their home community, family and support networks wherever possible.

9.18 Gloucestershire's Sufficiency Strategy sets out a decisive shift towards increasing in-county residential provision after more than 15 years of relying almost entirely on the external market for children's homes. The approach is rooted in a "family first" principle, residential care is used only for the small cohort of children whose complex needs mean foster care or kinship care is not appropriate. The strategy responds directly to national concerns about the fragility, high cost and risk-aversion of the independent residential sector, aiming instead to deliver high-quality, trauma-informed, relational care through new council-run homes integrated with health, education and specialist support. This ambition to increase provision is relevant when the Council is determining applications for new children's homes in Cotswold District.

9.19 The County Council has also begun repurposing its own buildings to create a network of children's homes and supported accommodation. Four new in-house children's homes are being mobilised, expected to provide around 18–20% of Gloucestershire's total residential requirement by 2025. However, it is likely some provision will be though other providers.

9.20 Planning policy should recognise the potential need for additional children's care homes, particularly those with complex needs. Our experience is that often children's homes are delivered through the change of use of existing residential properties in suburban settings. Homes generally have between 2-5 bedrooms – accommodating between1-4 children together with provision for staff to sleep and communal accommodation. They will typically fall within a C2 use class.

9.21 Appropriate locations for such development should take account of Ofsted's Location Assessment[15] for such accommodation. In summary, this includes ensuring safeguarding concerns are met and that children have access to services.

9.22 We do not consider that the evidence requires a particular response through the Local Plan. The commentary herein, and Gloucestershire County Council's Sufficiency Strategy are relevant in determining applications for new children's homes.

15 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/339545/Children_s_homes_regulations_amendments_2014.pdf