Uppingham Neighbourhood Plan Review

Paper 2: Local Housing Needs Assessment

Introduction

It is desirable for a Housing Needs Assessment (HNA) to be carried out as part of the review of the Uppingham Neighbourhood Plan (NP) to underpin planning policies associated with housing site allocations. This will ensure that local housing needs and aspirations are taken into account, and it is not just the market which determines the mix of housing provided in Uppingham. This report draws on the good practice guidance (Housing Needs Assessment at Neighbourhood Plan Level - A Toolkit for Neighbourhood Planners - Locality 2018).

However, it also works on the principle that evidence should be proportionate (as expressed in Government guidance and the NPPF) and where it is appropriate reliance has been placed on the extensive RCC evidence base for the emerging Local Plan. Informed by the findings and conclusions of Paper 1 (Census Data and Population), the assessment focusses on issues and need related to the particular characteristics of Uppingham, where there is a demonstrable variation from the needs and characteristics of Rutland and/or the wider Housing Market Area.

Main Conclusions

1 - The "headline" housing requirement for Rutland is based on established statistics and guidance. There is no reason to challenge this, based on the contents of this report.

2 - The refined population structure data which shows an aging population, coupled with the nature of recent housing developments, indicates a need for the mix in future schemes to include a higher proportion of (market) 2 and 3 bed dwelling to enable downsizing.

3 - The aging population of Uppingham could justify policies to encourage and enable the development of (market and social) housing specifically for older people.

4 - There is a need for affordable housing (to rent or to buy) based on the headline cost of housing, but this is likely to be adequately addressed by levels set in RCC Local Plan policies.

5 - The needs and potential of working from home, including live/work units and self-build, as well as standard housing, should be considered as part of the Neighbourhood Plan review.

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November 2018 - Prepared for Uppingham Town Council by Clive Keble Consulting Ltd. on behalf of OPUN (the Architecture and Design Centre for the East Midlands).

1. Context

1.1 In accordance with the Guidance, the assessment is just one part of the NP evidence base and is not itself a policy. It is intended that the HNA will be clear, consistent, defensible and in line with national planning guidance. This will help ensure that the housing policies in the NP will be considered to be robust by the independent examiner at the examination, enabling the plan to proceed to referendum. This particular analysis can form part of the NP evidence base.

1.2 The NP will be based on the housing requirement for Uppingham in the emerging Rutland Local Plan (RLP). This is expected to be confirmed early in 2019 but it is anticipated that the net figure will fall in the range of 138 to 308. However, it is recognised that the HNA can only show the demand for new housing, whereas the subsequent Site Assessment will show the supply of available land and may indicate a capacity exceeding the requirement. It is at this point that other criteria (for example) on landscape, added value and local character may apply.

1.3 The HNA will call upon existing data at county level, especially the evidence which is being compiled by Rutland County Council (RCC) for the new LP. However, there is also a focus on the differences between Uppingham and the rest of Rutland, in terms of the population structure, the existing housing stock and taking into account the impact of Uppingham School. The amount of data that will be collated and analysed will reflect the principle of "Proportionality", as set out in National Planning Guidance and the HNA will be no more complicated than it needs to be. The data sources drawn upon include:

- The most recent RCC Strategic Housing Market Assessment (SHMA);
- The adopted and emerging RCC Local Plans;
- Housing, Communities & Local Government Household Projections (interpreted by RCC);
- Dwelling completion rate 2001 – 2011;
- Dwelling completion rate 2011 – Present;
- Local housing waiting list;
- Local Enterprise Partnership (LEP) Strategic Economic Plan;
- RCC Employment Land Review;
- Census data (households, household size, population age structure, place of birth, rooms per household, person per room, tenure, household composition, accommodation type, shared dwellings, concealed families, economic activity, rates of long-term health problem, and distance travelled to work), presented to illustrate any differences and similarities between the same data at neighbourhood plan area level, local authority level, and England level;
- Local house prices;
- Local rental prices;
- Local surveys and estate agent interviews (reliance has been placed on the SHLMA).

1.4 As far as is practicable, and without a detailed local household survey (which is not advocated as part of a Neighbourhood Plan HNA in the guidance), this assessment will look at the issue of affordable housing in Uppingham. In doing so, it will use the government definition, as referred to in the Locality guidance. That is: *"…housing provided to eligible households whose needs are not met by the market."* This is consistent with national planning guidance. However, unless local circumstances dictate otherwise, the intention will be to address the need for affordable housing through the policies of the existing and emerging Local Plans.

2. Data sets and Background Documents

Emerging and existing Local Plans

2.1 As noted above, it is anticipated that the housing requirement for Uppingham will be established through the Local Plan process, but this Assessment will be shared with RCC as a material consideration in the setting of a specific number, within the range of 138 to 308 (net). This variance relates to the 15%, 20% or 25% of the overall housing requirement for Oakham and Rutland together, which is allocated to Uppingham by RCC in the new Local Plan. Following revised Government Guidance on household projections, issued in October 2018, albeit in draft form, it is anticipated that RCC will use the 2014-based CLG projections which suggest a need for around 102 to 159 new dwellings per annum (dpa) to be provided from 2011-36. This assumption is derived from the SHMA (Mar. 2017) but it covers a wider market area of the Peterborough sub-region (Peterborough, Rutland, South Holland & South Kesteven) & Boston.

2.2 In the Settlement Hierarchy of the emerging Local Plan Uppingham is defined as a Small Town, sitting between Oakham which is the "Main Town", ten Local Service Centres, fifteen Smaller Service Centres and thirty-three Small Villages. However, account will also need to be taken of the emergence of the MoD land (St Georges Park) as a new settlement.

2.3 In the 2017 Draft Plan, a rate of 160 dpa was used and based on a 70% requirement of the total for Oakham and Rutland, the gross allocation for Uppingham (20% of the 70%) was 465. This was reduced to a net figure of 365, taking account of commitments totalling 79. The reason for a possible decrease to this amount (see 1.6 above) in the next version of the plan is because of the emergence of St Georges and an increase number of commitments (112) in Uppingham.

RCC Strategic Housing Market Assessment (SHMA) 2014 and 2017 update

2.4 The approach of the emerging Local Plan is based on the updated SHMA, but in the 2014 study, there is some useful information from a survey of local agents and the key points concerning Uppingham were:

1 - Local Agents were asked to consider if Stamford, Oakham and Uppingham acted as a local housing market and suggested that this was the case, noting that these market towns have a similar appearance and attributes and are all located in areas of high landscape value. Agents explained that prices at Oakham and Uppingham were a little cheaper than Stamford because it is nearer to Peterborough and has access to the East Coast main line and the A1(M). However, the agents noted that Oakham and Uppingham were smaller towns than Stamford and some potential residents would prefer this, especially older people.

2 - An agent at Uppingham said that incomers included people moving from Leicester and Northampton with some relocation from Gtr. London and that the town was popular for retirement. It was also attractive to families because of the reputation of local schools. The agent in Uppingham was clear that the biggest gap in the market was a lack of supply of bungalows which are much sought after by local people wishing to downsize for retirement. The agent commented that chains could not complete due to the inability of first-time buyers to raise deposits. Those that could were competing with investors for lower priced housing.

2.4 In the 2017 update there is little analysis at community level, but the following conclusions for Rutland are relevant to Uppingham.

- There is a requirement for new affordable housing. Councils are justified in seeking to secure additional units and in Rutland various indicators pointed to stronger affordability pressures.

- Population growth is projected to be strongest in Peterborough and weaker in Rutland. The population change (2011 – 2036) for Rutland is from 37,581 to 40,884 (+3,303 or 8.8%)

- In Rutland, the growth in the BME population has been more modest and the number of people from a BME background is relatively low.

- Vacancy rates in Rutland are above the national average (Rutland – 2.2%, England – 1.9%).

- In migration, from 2011 census was only 345 people in Rutland, only 6% of the total for the region (lower than Peterborough, South Holland, South Kesteven and Boston).

- In Rutland the two scenarios show a reduction in the economically active population.

- Rutland Lower Quartile rents (£550) are higher compared with the England average £500.

- Rutland has the highest mean household income (£44,146) in the SHMA, (p67).

- The income needed in Rutland to access starter homes is estimated to be £34,425 (20% discount on OMV: Rutland OMV - £191,249 OMV -20% £152,999 Cost, minus deposit £137,699).

- **Except in Rutland**, house price growth has fallen below regional and national level.

- Median rental costs **other than Rutland (£675pm)** are below the national average.
- Other than Rutland, the affordability ratio is close to (or below) the national position.

Overall the analysis of market signals points towards limited affordability pressures but t**he exception is in Rutland** where house prices, rents and the affordability ratio does suggest particular pressures; it should be noted that the demographic analysis in this report has already included an uplift in Rutland to take account of supressed household formation.

- There is an interest in self-build in Rutland and 21 people had registered. (8 local and the remainder across England). 9 applications stated they were interested in plots anywhere in Rutland, others mostly indicated their desired location as within a local service centre.
Beyond statistics, the 2017 update concluded that "*Housing demand over the longer-term is particularly influenced by population and economic trends: changes in the size and structure of the population directly influence housing need and demand, and the nature of demand for different housing products. There are then a number of factors playing out at a more local level, within a functional housing market and influence demand in different locations, for example:*
• *quality of place and neighbourhood character;*
• *school performance and the catchments of good schools;*
• *the accessibility of areas including to employment centres; and*
• *the existing housing market and local market conditions"*.

Household Projections (DCLG)

As noted above it is intended to rely upon the methodology projections made by RCC which will define the new housing requirement for Uppingham in the merging Local Plan and this analysis does not include detailed consideration of household projections.

Dwelling Completion Rates

Past completion rates for Uppingham are awaited from RCC. In the meantime, (Annual Monitoring Report 2016/17), 1734 dwellings were completed countywide between 2006 and 2017 at an average of 158 dwellings per annum. The figure for 2016/17 was 248, but none of these were in Uppingham. Given a lack of housing sites in the town over the previous 5 years or so, this may not be untypical. However, looking ahead, based on site allocations, construction on sites off Leicester Rd. should see a significant increase in 2017/2018 and the next two years.

Recent Developments

In addition, the nature of the scheme off Leicester Road which is under construction shows the housing that is currently delivered through a combination of Local Plan and NP policies and open market influences. This 104-unit scheme comprises:
Phase 1: 75 units (52 market and 23 affordable), the market element is: 2 x 5 bed, 29 x 4 bed, 21 x 3 bed and the affordable element comprises 6 x 1 bed, 10 x 2 bed and 7 x 3 bed units.
Phase 2: 29 units (21 x 3 & 4 bed market and 8 affordable (2x1 bed, 2x2 bed & 4x3 bed). The market element comprises: 18 x 4 bed and 3 x 3 bed units. The market element (73 units) in the two phases : 3 bed. - 24 units (33%), 4 bed. - 47 units (64%) and 5 bed. - 2 units (3%).

In the affordable units, the mix is biased towards smaller proprieties, but this does not compensate for the lack of choice in the market sector, which is contrary to local needs and aspirations. It is a good development in terms of design etc. and the Town Council commented favourably on both applications, noting that they fulfilled the spirit and purpose of the Neighbourhood Plan. However, the statistical demand for market 2 and 3 bed units, to enable older property owners to downsize to free up family homes, it is not being met. In addition, there is no specific market provision of single level units, as either bungalows or apartments.

Local Housing Waiting List

A housing officer at RCC has provided the following, up to date, commentary. "*Out of approx. a total of 301 on the housing register there are approx. 126 who have expressed a wish or who are willing to live in Uppingham. This does not mean that they all will if they were to be offered as they might have other preferred locations. It should also be noted that the figure is made up of a variety of house types/need e.g. level access showers, wheelchair access, etc*".

Local Enterprise Partnership Strategic Economic Plan & RCC Economic Growth Strategy.

The Greater Cambridge and Peterborough LEP operates at a higher, sub-regional level and has little to say about Uppingham, but the RCC reflects the 2014 Strategic Economic Plan in its own documents. (NB - The GCGP LEP has now become "The Business Board of the Cambridgeshire and Peterborough Combined Authority" and is focusing to a considerable extent on the new Cambridge- Milton Keynes- Oxford corridor proposals. RCC will be evaluating which LEP alignment meets the needs of the area to best effect).

The RCC Economic Growth Strategy (2014 -21) sets out an overall Vision: "By *2021, we want a vibrant, prosperous, sustainable and diverse economy. We plan to achieve this by:*

- *Playing on our strengths – building on our wealth of natural, cultural, leisure and heritage assets.*
- *Maximising public and private investments.*
- *Encouraging growth while retaining our unique characteristics.*
- *Supporting growth at a community level*."

It is stated that "*It is critical that business growth is not constrained by poor infrastructure, that housing and business development is appropriately located and there is greater access to affordable housing*."

The importance of self-employment and home working, which can influence housing provision, is acknowledged and the strategy states that Rutland's population is entrepreneurial with a high level of self-employment. Supporting farm diversification and micro-businesses in more rural areas will help tap into new forms of entrepreneurship. In addition, the socio-economic profile provides latent capacity for entrepreneurship and business start-up potential.

In Oakham, there is a correlation between the planned growth of housing as part of the Urban Extension and the opportunities provided in the "Oakham North West Corridor." In Uppingham, Uppingham Gate, is identified as the main office park and Station Road Industrial Estate as a focus for manufacturing. In the Local Plan and the Neighbourhood Plan, there is an allocation of a small area of land at Uppingham Gate for new business development, but this is not on a sufficient scale to generate a need for additional housing allocations. It is reasonable to assume that if the proposed large-scale development at St Georges proceeds, based on sustainable development principles it will include a strategic employment land allocation. This will be reasonably accessible to Uppingham and counters a need for any further allocations in the NP.

In terms of demographics, the strategy notes that…"*Rutland will see a significant increase in the over 65 population (between 2014 and 2030 an increase of 8.5% as a proportion of the total population is forecast) with a decreasing supply of those in younger working age groups adding pressure to an already tight labour supply. There is also a forecast increase of 3.28% in those aged 85 and over with increasing demand for health and social care services in particular for increased dementia and mobility needs which is also likely to require specific housing solutions. (Source:www.poppi.org.uk based on ONS, subnational population projections, May 2014)".*

It describes Uppingham as… "*having a population of 4,693 (ONS Mid 2013 estimate) with a more limited range of facilities, employment and shopping, a weekly market and bus services to the surrounding area and links to Corby, Stamford and Leicestershire from where links can be made to the wider network*".

In terms of housing, the conclusion for Rutland is as follows. "*Rutland has a housing offer focussed slightly more towards larger and more expensive properties with detached housing at 47% of stock (second only to South Holland at 56% and well above the East of England, East Midland and England & Wales averages). Rutland also has the highest proportion of four and five bedroomed homes across all tenure types than the HMA average. The County also has a high proportion of pensioner only households at 28%. There may be some benefit in seeking to* *diversify the housing offer to provide smaller and cheaper homes for younger households or to support downsizing of older households*". In terms of affordability, it is stated that "*House prices in Rutland have been consistently above the national average since 1996. The ratio of house prices to earnings is also significantly higher than the national average. Median house prices are nine times that of the median annual salary for residents in the County. Private rented accommodation is also significantly less affordable*."

RCC Employment Land Assessment and Review (Update 2016)

The high level of employment in the education sector is noted, including several public schools (e.g. Uppingham see census data below). Otherwise, the key recommendation are as follows.

- That the County needs an additional 29.09 ha of land to 2036.
- The County needs to protect employment sites from uses, such as housing or retail.
- The Council should designate seven key employment sites and areas to be safeguarded for B Class Uses and other employment uses which achieve economic enhancement.
- There is an identified need for further start-up and micro business accommodation, particularly to meet workshop and storage needs.

In the new NP, this could impact options for land adjoining Uppingham Gate and suggests a need for a focus on smaller units, but it does not suggest that the scale of business development will create a need or demand for additional housing in Uppingham above the emerging planned requirement.

Census Data (Also see Paper 1)

It has proved difficult to obtain 2001 Census Data at the level of Uppingham, but the higher level SHMA and household forecasting work undertaken by RCC for the Local Plan analyses trends for the county and makes comparisons with the East Midlands and England. It has already been acknowledged that the review of the NP will be undertaken based on the housing requirements which emerge from the Local Plan. Consequently, this analysis is not intended to challenge that figure and emphasis is to be placed on the housing mix should be provided to meet the needs of the town.

The relatively small size of Rutland is acknowledged in the Economic Strategy, which states, that "*…the Office of National Statistics (ONS) mid-2016 population estimate 38,606, projected to rise to 40,880 by 2036 and 41,280 by 2039. Rutland remains by far the smallest region in the East Midlands, making up 0.8% of the overall population of the region."* There is a reduced scope for major variance from the county averages and there is a proven similarity in social characteristics between Oakham and Uppingham, which means that most of the trends at county level will also apply in Uppingham. These shared characteristics have been described above and are also referred to in Paper 1 (Census Data and Population). In summary, they are:

- The population is ageing.
- House prices and rent levels are above the regional and England averages.
- There is an established need for affordable housing (for purchase and rent) to be provided as part of new residential development, at least in accordance with Local Plan policies.

- Rutland has the lowest level of deprivation in the East Midlands and is 301 out of 326 nationally. However, this may mask pockets of deprivation and should not diminish from a need at household level for support in terms of housing, social support and care).

The impact of Uppingham School

One of the shared characteristics is that both Uppingham and Oakham are home to established public schools, although given the smaller population of Uppingham the relative impact (in statistical and functional terms) is likely to be greater than in Oakham. 2018 figures, provided by Uppingham School, are set out below.

- Pupils aged 13-16 450
- Pupils aged 16-18 348
- Total 798

787 (98.6%) are boarders and only 11 (1.4%) day pupils but this may increase. The staff total is 590, with 256 (43.3%) full-time and 334 (56.7%) part-time. 209 (35.4%) are Uppingham residents, 211 (35.8%) live within 10 miles and 170 (28.8%) beyond 10 miles.

The ONS has recently examined the impact of student numbers on the interpretation of Census statistics. It was found that the presence of boarding schools and universities in communities can skew population statistics, giving the impression of a comparatively large number of young people living there, whereas in reality they are only present during term time and for a limited period. ONS acknowledged that in an increasingly mobile society there is a need for statistics to not only look at where people usually live, but to also look at a range of other alternatives. It examined out of term populations, where students and school children are recorded at their "home" address), age, sex and geographical breakdown. The majority of the data concerns universities, but there is an interesting key point to emerge concerning Rutland, which read: "differences in the younger student population (aged 10 to 15) were also apparent in some local authorities with boarding schools: **the out of term population of Rutland aged 10 to 15 was 15% lower than the usually resident population**".

A potential consequence of using unrefined data is that it could be inferred that there is a higher than actual proportion of younger people. This can become part of an argument for a focus on the provision of family housing. In fact, the converse may be true and a community like Uppingham could have a higher than average proportion of older people. This may justify an alternative focus on smaller housing for downsizing or on specialist housing for older people.

In the 2011 Census, the summary statistics for Uppingham are, as follows:-

All Residents: 4,745
Males: 2380 and Females 2365.
Number of households: 1,740
Average household size: 2.20
Residents in households: 3,763
Residents in communal living: 982
Area (hectares): 778
Population density (people per hectare): 6.10

The fact that 982 people, that is, 20.6% live communally again reflects the impact of the school, looking in more detail 955 people were recorded as being in "Other Establishments" with the remainder in medical and care premises. These residents are not categorised as households. The average age of the population will also be affected by the presence of the school with greater numbers of 13-18 years olds than may otherwise be expected.

Therefore, based on the statistics showing that Rutland/Uppingham has an above average older population there is weight to be added to the argument expressed in the May 2018 report that there is justification for an emphasis on an increased proportion of smaller homes in new housing schemes and, potentially, for bespoke accommodation for older people.

Local Housing Market Information

The 2014 SHMA (and the 2017 update) includes interview-based information for local agents, as described in the earlier paragraphs. There is no reason to suppose that the principles behind the views expressed have changed, but the opinions of local agents and developer will be sought throughout the NP review process.

In addition, the RCC Authority Monitoring Report (April 2016 to March 2017) confirms he findings of the SHMA and contains useful information on house prices and related social-economic information. The report states that:

- The average house price in Rutland in May 2016 was £257,000 compared with the East Midlands regional average of £167,000. It is one of the least affordable areas in the region with the median house price to median earnings ratio of 10.8 (Gov.uk, July 2016). Rutland has a high proportion of detached and very large houses and properties owned outright compared with the rest of the region and a low proportion of local authority rented and mortgaged properties. The Strategic Housing Market Assessment update (SHMA 2017) for Rutland identifies an annual need for an additional 41 affordable housing units in the 20-year period to 2036.
- Social Characteristics: Rutland is a relatively affluent area with very low levels of deprivation, the lowest in the East Midlands and 301 out of 326 nationally, where 1 is the most deprived. However, small pockets of deprivation exist across the county which tend to be masked by the wider prosperity. There are low levels of unemployment (3.7%) on out of work benefits in February 2016), low levels of crime and lowest levels of premature death (under the age of 75) in the East Midlands. The County also has a higher than average rating for happiness (ONS Annual Population Survey).
- Other economic influences on housing. There is a high incidence of self-employment; 14.3% compared to East Midlands average of 9.7% (Nov. 2016-ONS- Employment and Unemployment). A high proportion of the work force is managerial or professional (53%). Earnings of residents on average are higher than those for the region.

Zoopla reveals the following up to date figures (November 2018) for the past 12 months.

- Average price paid - £296,648
- Sales - 50
- Current average value £303,344
- (Zoopla Zed-Index) Value change +£5,999 (+2%)

Local rented sector. The 2014 SHMA contains details on the (public and private) rented sector across the County, including opinions from agents. It was noted that there are two local rental markets in operation; the focus is on the mass market segment, but there is a premium market with higher rents. Mass market rents were cheaper in the surrounding villages especially to the south of Uppingham. There was upward pressure on these rents due to shortage of supply however conditions were good for investors and new supply was always coming forward. Overall there was a shortage of homes to rent, particularly 3 bed semis with a garden and garage. Demand for these homes was driven by working families unable to buy . A letting agent at Oakham estimated that around 20% of lettings would be taken by people outside the local housing market area and the driver for this would be either retirement or work-related.

Regarding social housing, the former Council stock was transferred to Spire Homes some years ago. There is a general lack of 1-bedroom housing for single persons as well as 4/5 bedroom homes for larger families. Around 50% of all people presenting as homeless are a result of a failed private rented sector tenancy or one that has ended. The council offers a rent deposit scheme for people that are homeless or threatened with homelessness but there is a general shortage of affordable private rented sector homes and the schemes can be extended to households seeking accommodation in Leicestershire or Lincolnshire.

Current Housing Land Supply

The 2016/17 RCC Annual Monitoring Report concluded that: "*There is a 6.44 year supply of deliverable land for housing in Rutland for the period up to 31st March 2022. This includes a 5% buffer as required by the NPPF paragraph 47."* This is a satisfactory situation which will enable the decisions on the scale and locations of future housing to be addressed systematically though a Plan Led process (in accordance with the NPPF). This should enable important decisions about the location and type of new housing to be provided in Uppingham to be made through the revised Neighbourhood Plan. However, RCC as with all local planning authorities, will need to fulfil the Housing Delivery Test, introduced in November 2018 which will penalise councils that under-deliver over three-year periods.