

Background Paper:

Scale of development to meet identified requirements



Contents

1.	Introduction.....	3
2.	Scale of Housing Development across the County	3
	Objectively Assessed Housing Need	3
	Local Housing Need	4
3.	Housing Requirement	5
4	Neighbourhood plans	
5	Scale of Employment Land	

1. Introduction

- 1.1. The Council is in the process of preparing a Local Plan that will identify the land required to deliver the planned growth in the county over the period through to 2036. The National Planning Policy Framework (NPPF) requires that strategic policies set out an overall strategy for the pattern, scale and quality of development making sufficient provision for (amongst other things) housing and employment development.¹ As part of preparing the Local Plan the Council has consulted on various options for accommodating the planned housing and employment growth.
- 1.2. This paper provides more detail on how the Council's approach to the Local Plan spatial strategy to meet housing and employment requirements has evolved as preparation of the Local Plan has progressed.
- 1.3. The paper draws together relevant information from the Local Plan evidence base, the consideration of reasonable alternative options and proposals and explains the decision making process and the rationale behind the choices made.
- 1.4. The information and technical studies that are of particular relevance and which are referred to in this paper are:
 - Sustainability Appraisal/Strategic Environmental Assessment (SA/SEA)
 - Habitat Regulations Assessment (HRA)
 - South Kesteven and Rutland Strategic Housing Market Assessment (SHMA)
 - Rutland Employment Land Assessments (ELA)
 - Infrastructure Capacity and Delivery Plan
 - Whole Plan Viability Study
 - Town and village Landscape Capacity and Sensitivity Studies
 - Summary of Responses to Issues and Options Consultation
 - Summary of Consultation Responses – Consultation Draft Plan
 - Consultation on St. George's Barracks Response Summary
 - Settlement Sustainability Background Paper
 - Site Appraisals
- 1.1. These documents are available on the Local Plan Evidence pages of the Council's website.² It is important to note, however that at this stage that some of the evidence is being reviewed and updated as the final version of the plan evolves. Updated versions of the evidence reports will be taken into account in finalising the Pre-Submission Plan and published alongside it.

2. Scale of Housing Development across the County

Objectively Assessed Housing Need

- 1.1. At the time the Local Plan commenced preparation, the then NPPF required local authorities to have a clear understanding of the housing needs of their area and that this should be assessed through the preparation of a Strategic Housing Market Assessment (SHMA). The

¹ NPPF paragraph 20

² For details of the evidence base see <https://www.rutland.gov.uk/my-services/planning-and-building-control/planning/planning-policy/local-plan-evidence-base/>

NPPF also required that the assessment of housing need should be done in partnership with those neighbouring authorities that shared the same Housing Market Area (HMA).

- 1.2. Rutland is within a HMA that also includes Peterborough City, South Kesteven District and South Holland District Councils and the SHMAs prepared have reflected this housing geography, providing an Objectively Assessed Need (OAN) figure for both the HMA and the individual local authorities within it.
- 1.3. The SHMA update (2017) used as its starting point the 2014 household based projections. Taking account of 10 year migration trends and adjustments to the 2014-based headship rates provided a demographic need for housing in Rutland of 160 dwellings per annum (dpa). Adjustments were then considered to support planned economic growth. However, as this suggested a lower level of need than the demographic projections an uplift was not required. The need for adjustments to address affordability issues and respond to market signals was also considered. Although in Rutland various indicators pointed to stronger affordability pressures, as demographic projections (linked to 10-year migration trends) already substantially increased the need from the official 'start point', there was no strong case for a further uplift. Additional work has been undertaken to update the SHMA (2019) to give consideration to the 2016 household based projections. This confirms that it is reasonable for the Council to base the local plan on providing for a need for housing in Rutland of 160 dwellings per annum and provides more up to date information to inform local plan policies on housing mix and dealing with specific housing needs.
- 1.4. Using the SHMA evidence the total Objectively Assessed Need (OAN) for Rutland should be 2,880 dwellings for the period 2018 to 2036.

Local Housing Need

- 1.5. The publication of the revised NPPF in July 2018³ changed the way the Local Plan housing requirement was calculated with the introduction of the standard method for assessing local housing need (LHN).⁴ Based on household projections the standard method uses a formula which includes an uplift to reflect the affordability of an area. The national Planning Practice Guidance (PPG), which provides support for the implementation of the NPPF, sets out a step by step approach to the calculation of the LHN figure.
- 1.6. The LHN for Rutland, calculated using the 2014-based household projections, is 127 dpa.
- 1.7. The LHN will be subject to periodic change as updated affordability ratios are published and every two years new household projections are issued. In September 2018, the 2016-based household projections were published. When calculated against these projections the LHN for Rutland rose to 180 dpa. However, in October 2018 the Government published a consultation update to national planning policy and guidance. This included revising the standard method so that the 2014 household based projections would continue to provide the demographic

³ A revised NPPF was published in February 2019.

⁴ For further information on LHN and the standardised methodology see <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

baseline for assessing LHN. This approach was confirmed by the Government in February 2019.

- 1.8. The NPPF states that the standard method should be used, unless exceptional circumstances would justify an alternative approach. The PPG advises that the LHN provides a minimum starting point in determining the number of homes needed in an area⁵ and there may be circumstances where a higher figure may be appropriate. These might include:
 - Facilitating deliverable growth strategies;
 - Strategic infrastructure improvements driving the need for more homes locally;
 - Taking on a neighbouring authority's unmet need.
- 1.9. The PPG also indicates that when considering the appropriate level of housing need to plan for, local authorities should take into account recent assessments of need (through a SHMA) where this indicates a greater need than the outcome from the standard method.
- 2.10 The application of the Government's LHN gives a minimum housing requirement for Rutland of an average of 127 (rounded to 130) dwellings per annum. The Local Plan therefore needs to provide for a minimum requirement to meet this assessed need of 130 dwellings per annum over the period 1st April 2018 to 31st March 2036 (18 years); i.e 2,340 dwellings over the plan period. However, Paragraph 60 of the NPPF (2019) states that "to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals".
- 2.11 In terms of housing supply, in addition to meeting this minimum requirement, the Council proposes in this plan to provide for a buffer of around 25%. This is in order to provide choice and contingency to the market, to reflect current housing market signals in Rutland and to address the issue of affordability. The Council is concerned that limiting the housing supply to deliver just the minimum requirement will significantly restrict the housing supply and therefore raise house prices to levels which create increased cost barriers to local residents and workers. Adopting this approach is supported by the Strategic Housing Market Assessment (SHMA) Updated 2019, which assesses a need for Rutland of 3,200 dwellings from 2016 to 2036. This equates to 160 new homes per annum over this period. This evidence assesses the additional housing needs of the County's growing population over the whole plan period in more detail than the LHN. The Council considers that the Strategic Housing Market Assessment provides a more detailed analysis of local housing needs, taking account of market signals and affordability. Such an approach would respond to market demand as evidenced by recent rates of housebuilding in Rutland. In addition, adding a buffer as an uplift to the Government's local housing need assessment (of 130 homes per annum) would help address affordability issues and demographic trends as identified in the SHMA where various indicators point to pressures in Rutland.
- 2.12 The Interim Sustainability Appraisal (August 2019) considers 12 options for the location of growth across the county against 18 sustainability objectives which cover environmental, economic and social factors. Each option was also considered against its ability to deliver both the minimum LHN of 130 dpa or the OAN of 160 dpa. It is important to note that all 12 options

⁵ Paragraph 010 Housing and Economic Development Needs Assessments, PPG <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

have the ability to meet the lower LHN requirement, however only half of the options would be able to meet the full OAN requirement. The interim SA report makes no recommendations about which option should be selected by the Council it is however a tool to inform decision making by identifying the potential effect of each option on the SA objectives.

2.13 Options 1 and 5 most closely meet the minimum housing need of 130 dwellings per annum, whilst options 4, 6, 7 and 11a and b most closely fit the higher housing need of 160 dwellings per annum. Options 9 and 10 significantly exceed both annual need figures.

- Option 4 would deliver high levels of growth in Oakham, Uppingham and the Local Service Centres with no new settlement
- Option 6 would deliver high levels of growth in the Local Service Centres and low growth in Oakham, Uppingham with a small amount of development on a new settlement
- Option 7 delivers low growth in Oakham, Uppingham and the Local Service Centres with a moderate sized garden village
- Option 11a and 11b would deliver growth through a single large new settlement

There are therefore a range of options for meeting the housing need identified by both the LHN and OAN calculation. The potential effect of each option on the SA objectives and the identification of sufficient suitable and deliverable sites to meet the need in each option will be considered separately in the background paper of distribution of development.

2. Housing Requirement and Supply

- 2.1. The NPPF is clear that strategic policies should as a minimum provide for the objectively assessed needs of an area unless there is a lack of physical capacity or any adverse impacts of doing so would significantly and demonstrably outweigh the benefits.
- 2.2. The OAN/LHN may not necessarily be the same as the Local Plan housing requirement but in setting this it is necessary to consider if there are any constraints on delivery of the OAN/LHN.
- 2.3. A number of Local Plan evidence documents have considered land supply (SHELAA), development viability (Whole Plan Viability Study), the social, environmental and economic effects of development (Sustainability Appraisal) and the capacity of existing or the need for new infrastructure to support the scale of planned growth (Infrastructure Capacity Study). These have identified that there are no fundamental constraints to delivering the OAN or LHN requirement in terms of land availability, viability, environmental capacity and infrastructure capacity, although there are localised issues relating to the impact of development of some sites on individual settlements. There is, therefore, considered to be no justification for setting a Local Plan housing target that does not meet Rutland's OAN/LHN in full.
- 2.4. Rutland's boundary with South Kesteven District runs tightly up to the edge of the town of Stamford. In 2015 South Kesteven District Council commissioned a Stamford Capacity Study to identify potential development areas on the edge of the existing settlement to meet the development needs of the town. The study identified land on the north side of Stamford as being relatively constraint free, including land on the edge of Stamford extending into Rutland. This also reflects the conclusions of the Rutland Landscape Sensitivity and Capacity Study. Informal meetings between officers and with elected members of the two authorities subsequently took place and recognised the importance of joint working through the

expectations placed in the NPPF on local planning authorities in terms of the Duty to Co-operate. This will be elaborated in the Duty to Co-operate statement which will accompany the Pre-Submission Local Plan. It was recognised that any site coming forward as an urban extension covering both local authorities would require master planning across its entirety in order to ensure a co-ordinated approach. The agreed way forward was for both Councils to make joint Local Plan allocations on either side of the boundary. In doing so, it was recognised that the Rutland element of Stamford North (Quarry Farm) would not be allocated unless it is considered to be an essential element in the comprehensive development of this wider proposed development, enabling the provision of a west to east distributor road to be provided from the Old Great North Road at Great Casterton to Ryhall Road in Stamford. The 2017 Consultative Draft Local Plan makes it clear that this site will **only** be brought forward for development in conjunction with the land in South Kesteven as a comprehensive mixed use scheme which delivers a new road connection between Ryhall Road in the east and the Great North Road to the west. A part of the Quarry Farm site is identified as a candidate wildlife site and would not normally be considered appropriate for development. However, the wider economic and social benefits arising from a comprehensive development in this location which delivers this new road connection is considered to outweigh the potential impact of development on wildlife in this instance. The candidate status of the site is due to the identification of important flora on site. The Leicestershire County ecologist service has worked with the County Council to assess the potential impact of development on the wildlife interest and how this could be mitigated. The development proposal therefore requires the creation of a new wildlife site and the translocation of the notable species.

- 2.5. Paragraph 2.8 of the Council's adopted Core Strategy recognises this possibility. It states: "The parish boundary for Little Casterton adjoins the edge of Stamford, a market town within South Kesteven District, making this a relatively sustainable location albeit outside the administrative boundary for Rutland. As such there may be scope for development within this area in order to support the sustainable growth of Stamford and to overcome infrastructure constraints. However, this will depend on the favoured preferred location for development in Stamford and will be determined as part of South Kesteven District Council's Site Allocation's Development Plan Document. If this should be regarded as a suitable location for development, it will need to be considered jointly with South Kesteven District Council and be subject to where appropriate, either a joint Site Allocations Development Plan Document or joint Area Action Plan developed in consultation with the local communities of Rutland and South Kesteven."
- 2.6. The publication of the Stamford Capacity Study also led to the respective landowners and development interests coming together through a Memorandum of Understanding to work together to deliver the Stamford North development. The site has been included in the South Kesteven Local Plan which has been submitted to the Government and has been under examination throughout 2019. The examination hearings have now concluded and the Inspector's report is awaited.
- 2.7. The preferred approach between the local authorities was that any allocations determined to be suitable for inclusion in the respective Local Plans would be followed by the preparation of a joint Development Brief, initially for consultation. This approach was referenced in the South Kesteven Local Plan public examination. A draft Development Brief is being prepared by Officers of both local authorities in collaboration with the landowners and developers of land at Stamford North. This will be finalised following an independent Design Review Panel meeting. In addition, the respective local authorities have requested that more detailed traffic modelling is undertaken of the whole development scheme. This will feed into the

revised Development Brief so that it can include more detail on the nature, timing and phasing of elements of the development (including the west-to-east distributor road) within the proposed development site as well as any off site highway mitigation work which may be required. It is intended that the Development Brief will then come to both local planning authorities to consider and approve for the purposes of public consultation only. This is now likely to be in early 2020. Following public consultation, the Development Brief will again be considered by both Councils for adoption as a Supplementary Planning Document in line with their respective Local Development Schemes.

2.8. A draft document has been produced setting out a Statement of Common Ground (SoCG) between Lincolnshire County Council (LCC), Rutland County Council (RCC) and South Kesteven District Council (SKDC), and is currently being updated to coincide with the publication of the Pre-Submission Local Plan. The purpose of this SoCG is to facilitate co-ordination and co-operation between the three Councils as they seek to jointly plan land to the north of Stamford extending across both Rutland and South Kesteven's area. It also confirms the established position that the development of the land in Rutland will support the sustainable growth of Stamford, and so it is appropriate for the capacity here to contribute to South Kesteven's housing needs. This position was set out in the Consultation draft Local Plan issued in 2017 and in the focused consultation on the implications of potential development at St Georges Barracks issued in 2018. The approach is in line with paragraph 35a) of the NPPF (2019).

2.9. Taking account of expected delivery from appropriate sources the residual (net) housing requirement for the remainder of the plan period is set out in Table 1 below:

Table 1: Calculation of Residual Housing Requirement, 2018-36

County Housing requirement 2018-2036 (130 x 18)	2,340
Completions 2018-2019	211
Sites with planning permission @ 01-04-2019	600
Residual requirement	1,529

(note: not all sites with planning permission will be delivered)

2.10. Through the Local Plan there is a need to find land for at least 1,529 additional dwellings. Government guidance indicates that Local Planning Authorities may make an allowance for windfall sites if they have compelling evidence that such sites have consistently become available. There is evidence within Rutland that windfall sites continue to make a contribution to housing delivery within the county, although it is recognised that windfall sites are finite and the opportunities for such sites to come forward are reducing. A part of the supply of sites with planning permission indicated in the table above are windfall sites and are expected to be delivered within the next three years, therefore it is appropriate to make a windfall allowance for the remainder of the plan period beyond 2022 as part of the housing supply. In light of the evidence of past delivery rates on small windfall sites in recent years it is considered appropriate to include an allowance for 20 windfall sites per annum for the period 2022-2036.

3. Neighbourhood Plans

- 3.1. Some of the housing requirement can be met through allocations made in Neighbourhood Plans. Several Neighbourhood Plans have been made or are currently being prepared across the County and the Local Plan will need to set out a housing requirement for designated neighbourhood areas, which reflect the proposed spatial strategy of the Local Plan.
- 3.2. To date only Uppingham Neighbourhood Plan has proposed to allocate sites in their Plan. It is intended therefore that the Local Plan will not make allocations in Uppingham but will propose a quantum of development to be met through an emerging Neighbourhood Plan for Uppingham. If allocations are not forthcoming in the Neighbourhood Plan, then this will need to be incorporated in any review to the Local Plan.

4. Scale of Employment Land

- 5.1 The requirement for future employment land has been considered through an Employment Land Assessment (ELA). The Employment Land Assessment Update (January 2016) assessed the supply, need and demand for employment land and premises in Rutland. Its key recommendations were:
 1. that the County needs an additional 29.09 ha of land to 2036 and includes 9.85 as a five year “buffer” beyond the plan period;
 2. there is a need to protect its employment sites from non-employment uses, such as housing or retail;
 3. that the Council should designate seven key employment sites and areas to be Safeguarded for B Class Uses and other employment uses;
 4. there is an identified need for further start-up and micro-business accommodation, particularly to meet workshop and storage needs; and
 5. that the Council should review and monitor the employment land and premises position and undertake the study again in about three years, as 2036 is a long time in the future and much will happen before then.
- 5.2 A further update to this study was conducted in May 2018 to ensure that the evidence base to the Local Plan was up to date ([attached here](#)). This Employment Land Report sets out two scenarios which show widely differing results. The short term take up scenario (which the consultants recommend as the evidence to support this is more robust) indicates an existing over-supply of employment land in Rutland. However, the alternative long term take up scenario shows that there is a requirement for us to provide an additional 25 ha of employment land. The consultants also recommend that: “Rutland County Council maintain a flexible employment land supply, which can meet the full range of needs to 2036, provide choice and flexibility in supply, allowing for likely further losses”.
- 5.3 Whilst it is not the approach recommended by the consultants, Officers consider that it is an appropriate approach to make additional provision in this Local Plan in order to cater for the long term take up scenario, provide choice and flexibility in the supply to the market, and ensure that sufficient, suitable and attractive employment land is available to meet the Council’s aspirations for the local economy. This approach is supported by the Council’s own, more recent, evidence of demand for managed workspace at Ashwell Business Park and the King Centre.