

Report to:

**Rutland
County Council**

**Housing Market
Assessment**

Final Report

August 2023

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Summary

Background

1. This report provides a new Housing Market Assessment (HMA) for Rutland County Council. This report focusses on overall housing need, including consideration of the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people. The project also links with work being undertaken (and commissioned at the same time) to study the local economy and identify the need for employment land. For this report, this is particularly in relation to looking at the link between economic growth and housing need.
2. The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.
3. Overall, the report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
 - Area Profile;
 - Overall Housing Need;
 - Affordable Housing Need;
 - Housing Mix;
 - The Needs of Older People and People with Disabilities; and
 - Other Groups.

Area Profile

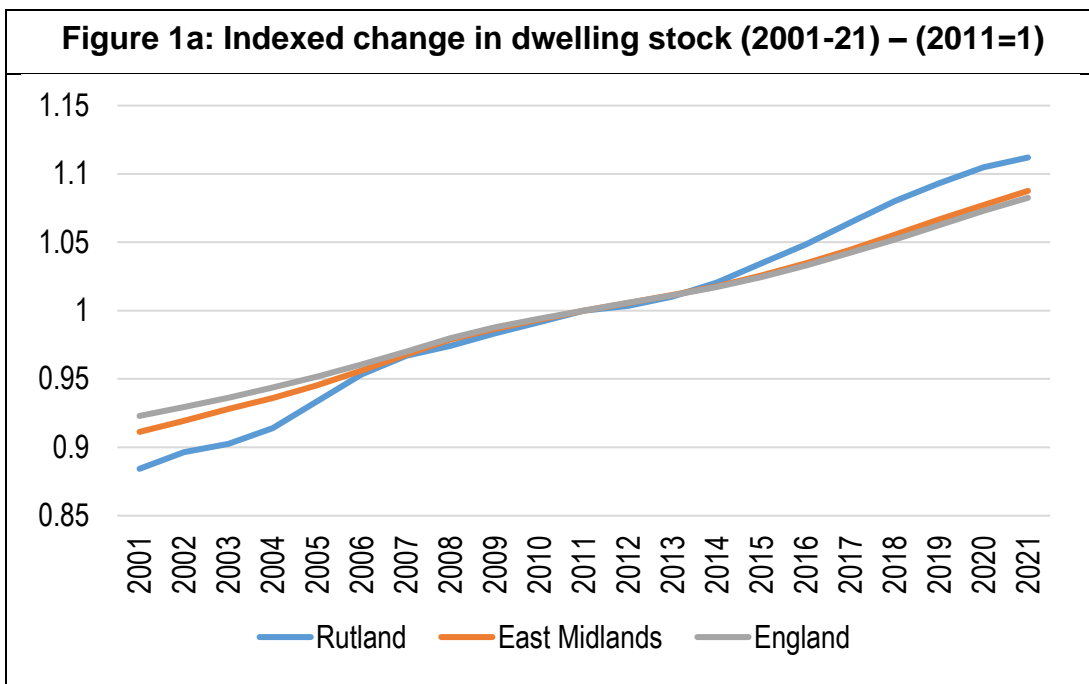
4. Analysis was carried out to provide background information about population and housing in Rutland. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:
 - Demographic baseline (including data on population age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

5. As of mid-2021, the population of Rutland is 41,400 and since 2011 the County’s population has grown by around 10% which is a faster rate of growth than across the East Midlands and nationally. The County also saw relatively fast population growth in the 2001-2011 period.

6. The age structure of the population is also slightly different to other areas, with fewer people aged in their 20s and 30s, and higher proportions of older people. Over the past decade, the County has seen an ageing of the population, with the number of people aged 65 and over increasing by 30%; there have however also been increases in the number of children and people of ‘working-age’ (taken to be 16-64).

7. Population growth in the County is largely driven by internal migration – moves from one part of the UK to another, although there are also positive levels of international migration. Natural change has been negative over the past few years (i.e. more deaths than births).

8. ONS dwelling stock data indicates there were 17,900 dwellings in the County as of 2021, a net increase of 1,800 dwellings between 2011 and 2021. As with population growth, rates of change in dwelling numbers have been in excess of that seen in other areas, going back at least until 2001.



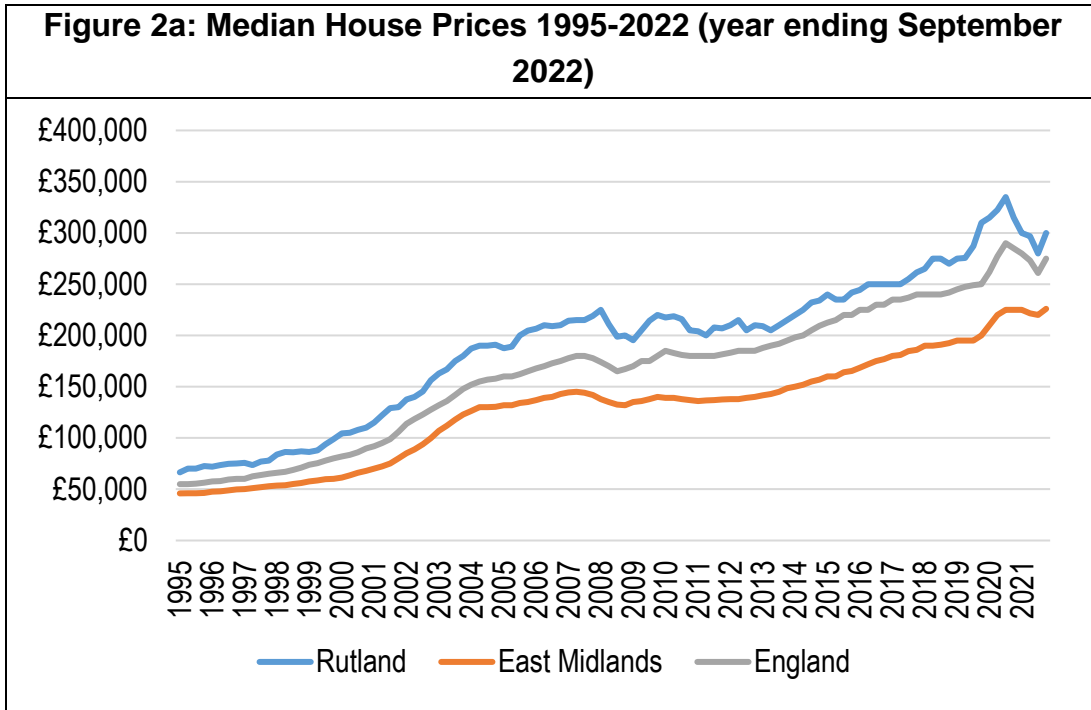
Source: DLUHC

| Figure 1b: Indexed change in dwelling stock (2001-21) – (2011=1) | | | |
|---|---------|---------------|---------|
| | Rutland | East Midlands | England |
| 2001 | 0.884 | 0.911 | 0.923 |
| 2002 | 0.896 | 0.920 | 0.929 |
| 2003 | 0.902 | 0.928 | 0.936 |
| 2004 | 0.914 | 0.936 | 0.944 |
| 2005 | 0.934 | 0.945 | 0.952 |
| 2006 | 0.953 | 0.956 | 0.961 |
| 2007 | 0.967 | 0.968 | 0.970 |
| 2008 | 0.974 | 0.979 | 0.980 |
| 2009 | 0.983 | 0.987 | 0.988 |
| 2010 | 0.991 | 0.994 | 0.994 |
| 2011 | 1.000 | 1.000 | 1.000 |
| 2012 | 1.003 | 1.006 | 1.006 |
| 2013 | 1.010 | 1.011 | 1.011 |
| 2014 | 1.021 | 1.018 | 1.017 |
| 2015 | 1.035 | 1.026 | 1.025 |
| 2016 | 1.048 | 1.035 | 1.033 |
| 2017 | 1.064 | 1.045 | 1.042 |
| 2018 | 1.080 | 1.055 | 1.052 |
| 2019 | 1.093 | 1.067 | 1.063 |
| 2020 | 1.105 | 1.077 | 1.073 |
| 2021 | 1.112 | 1.088 | 1.083 |

Source: DLUHC

9. Some 72% of all households in the County are owner-occupiers, notably higher than the national average of 62% (and higher than other benchmark areas), consequently the proportion of households living in the social/affordable rented (11%) and private rented (17%) sectors is lower than seen in other locations.
10. The housing stock is dominated by detached homes, making up 46% of all dwellings (23% nationally) and related to this the stock is generally larger in nature, with around 34% having 4+-bedrooms. Again linked to this, the County sees high levels of under-occupancy, with over half of all households living in homes with at least two spare bedrooms. Levels of overcrowding are very low – at just 1.0% of all households.

11. In the year to September 2022 the median house price in Rutland was £300,000. This is above the median house price for comparator areas, and is 9% above the national average. Prices have been increasing, rising by 45% (£93,000) over the decade to September 2022 – this percentage increase is however lower than seen regionally (64%) or nationally (52%) – prices rose by 20% in the 5-years to September 2022. When looking at median prices by property type, Rutland also typically sees higher prices for different types of property than the East Midlands region and England as a whole.



Source: Land Registry

| Figure 2b: Median House Prices 1995-2022 (year ending September 2022) | | | |
|--|----------|---------------|----------|
| Year ending September | Rutland | East Midlands | England |
| 1996 | £72,500 | £46,500 | £56,500 |
| 1997 | £75,000 | £49,950 | £59,995 |
| 1998 | £78,000 | £53,000 | £65,000 |
| 1999 | £87,000 | £56,000 | £71,000 |
| 2000 | £98,750 | £60,000 | £79,995 |
| 2001 | £110,000 | £68,000 | £89,950 |
| 2002 | £129,950 | £79,995 | £106,000 |
| 2003 | £156,250 | £99,950 | £127,450 |
| 2004 | £180,000 | £123,000 | £148,000 |
| 2005 | £191,000 | £130,500 | £158,000 |
| 2006 | £204,603 | £135,000 | £165,000 |
| 2007 | £210,000 | £142,995 | £175,000 |
| 2008 | £219,000 | £142,000 | £177,950 |
| 2009 | £200,000 | £132,000 | £167,250 |
| 2010 | £220,000 | £140,000 | £180,000 |
| 2011 | £205,000 | £136,995 | £180,000 |
| 2012 | £207,000 | £137,463 | £181,500 |
| 2013 | £209,950 | £140,000 | £185,000 |
| 2014 | £215,000 | £148,500 | £195,000 |
| 2015 | £233,995 | £157,000 | £209,500 |
| 2016 | £241,995 | £165,250 | £220,000 |
| 2017 | £250,000 | £176,995 | £230,000 |
| 2018 | £261,500 | £186,000 | £239,950 |
| 2019 | £270,000 | £192,500 | £242,000 |
| 2020 | £310,000 | £200,000 | £250,000 |
| 2021 | £315,000 | £225,000 | £285,000 |
| 2022 | £300,000 | £226,000 | £275,000 |

Source: Land Registry

12. Despite the higher house prices, the County typically sees lower private rental costs when compared with the national position; the median private rent for a 2-bedroom home standing at £675 per month in the year to September 2022. Rents overall are around 3% below the national average (compared with 9% higher when looking at median house prices). Over the past five years rents have increased by around 19%, similar to the increase in house prices over the same period.

13. Over the past decade (2012-22) the affordability ratio (which is based on the ratio between median house prices and full-time earnings) has actually improved slightly in Rutland (going from 9.36 to 9.12) – a 3% reduction. Over the same period, the ratio increased by 34% across the East Midlands and 22% nationally.
14. Overall, the data points to Rutland as an affluent area with higher house prices and large proportions of households living in owner-occupied housing. The County also sees a housing mix of larger and detached homes. The analysis points to relatively high levels of housing demand. This can be seen in analysis of house prices and levels of delivery above other areas.
15. That said, there are clearly issues suggested by the data. The house price to income ratio is high, pointing to potential difficulties in first-time-buyers (in particular) accessing the market – private rents are also high in a regional context. At the same time, the relative lack of social rented housing means it will be difficult for the Council to meet affordable housing needs when they arise.

Overall Housing Need

16. The HMA studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 123 dwellings per annum. This is based on household growth of 93 per annum and an uplift for affordability of 32%.
17. The report has considered whether there are exceptional circumstances to move away from the Standard Method (either in an upward or downward direction). This looked at up-to-date demographic trends and is also mindful of the NPPF consultation of December 2022 which points to there being some strengthening of the encouragement for local authorities to consider exceptional circumstances. The consultation NPPF suggests that consideration will be given to 2021-based projections when these are published in 2024.
18. The report looked at more recent demographic trends – taking account of 2021 Census data and ONS mid-year population estimates up to 2021, this data was compared with the 2014-based projections. There were some differences between sources, in particular, recent trends show population growth in the County to have been stronger than was projected in the 2014 projections.

19. An up-to-date trend-based projection was developed to take account of the most recent available data and this pointed to a household growth of around 124-167 per annum (although projections linking to longer-term (10-year) migration trends pointed to lower household growth). Arguably, a further 'affordability' uplift could be applied to the trend-based projection, however this is not considered appropriate. Both figures in the range are above the Standard Method, whilst it is also the case that the County has seen improving affordability over the past decade and percentage increases in house prices are below the regional and national average. The past delivery of housing also seems to have supported population growth (i.e. no barrier to people moving to the area). In addition, overcrowding (another key 'market signal') has fallen over the 2011-21 decade.
20. Net completions have averaged 184 per annum over the past decade whilst it is estimated that a trend-based projection could support around over 1,700 additional jobs (through growth in the resident labour supply) in the 2021-41 period – the emerging employment land review shows a baseline job forecast of around 1,800 additional jobs in the same period. Both of these findings arguably point to a housing need in excess of the Standard Method, but it is not possible to pin a specific number down. The ELR does also include a higher job forecast, which could point to higher housing need; this however might be considered as a 'policy-on' position.
21. Overall, taking all of the evidence in the round, it is concluded the Standard Method housing need should be considered by the Council as very much a minimum figure with a range of different projections typically (but not universally) pointing to a higher figure. The Council should therefore consider if it is reasonable and possible to exceed the Standard Method, in doing so consideration will need to be given to factors other than just need (such as relating to land supply and infrastructure requirements).

Affordable Housing Need

22. Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy or rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.

- 23. The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
- 24. When looking at needs from households unable to buy OR rent, the analysis suggests a need for 78 affordable homes per annum across the County.

| Figure 3: Estimated Need for Social/Affordable Rented Housing (per annum) | |
|--|------------|
| | Per annum |
| Current need | 22 |
| Newly forming households | 87 |
| Existing households falling into need | 22 |
| Total Gross Need | 132 |
| Relet Supply | 53 |
| Net Need | 78 |

Source: Affordable Housing Need analysis (see Section 4)

- 25. Despite the level of need, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.
- 26. The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.

27. When looking at AHO products, the analysis is inconclusive about the scale of the need. Although the evidence does suggest that there are many households in Rutland who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the County is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
28. The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability as it has the advantage of a lower deposit and subsidised rent.
29. However, given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as ‘genuinely affordable’. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.
30. In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).
31. Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Housing Mix

32. Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Rutland is fairly low with around 24% of all households containing dependent children in 2021 (compared with around 28% regionally and 29% nationally). There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social or private rented accommodation.
33. There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which in Rutland is notable in the market sector).
34. In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For rented affordable housing there is a clear need for a range of different sizes of homes, including 30% to have at least 3-bedrooms. Our recommended mix is set out below:

| Figure 4: Suggested size mix of housing by tenure – Rutland | | | | |
|--|--------|---------------------------|-----------------------------|---------------|
| | Market | Affordable home ownership | Affordable housing (rented) | |
| | | | General needs | Older persons |
| 1-bedroom | 5-10% | 15-20% | 20-25% | 55-60% |
| 2-bedrooms | 30-35% | 40-45% | 40-45% | 40-45% |
| 3-bedrooms | 35-40% | 30-35% | 25-30% | |
| 4+-bedrooms | 20-25% | 5-10% | 5-10% | |

Source: Housing Mix analysis (see Section 5)

35. The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.
36. The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, this report also highlighted potential difficulties in making (larger) AHO genuinely affordable.
37. Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
38. Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.

Older and Disabled People

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

40. The data shows that Rutland has a notably older age structure and lower levels of disability compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (78% of all older person households are outright owners).
41. The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2023-33 period include:
- a 24% increase in the population aged 65+ (potentially accounting for in excess of 100% of total population growth);
 - a 33% increase in the number of people aged 65+ with dementia and a 30% increase in those aged 65+ with mobility problems;
 - a need for around 150 housing units with support (sheltered/retirement housing);
 - a need for around 50 additional housing units with care (e.g. extra-care); and
 - a need for up to 190 dwellings to be for wheelchair users (meeting technical standard M4(3)).
42. There is likely to be some overlap between categories (particularly wheelchair users and housing with care (including care bedspaces). In addition, the Council should consider the possible redevelopment/repurposing of existing stock – in particular there is currently a high supply of sheltered/retirement housing in the affordable sector.
43. Overall, the data suggests there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around a tenth in the affordable sector). The viability of providing M4(3) dwellings will need to be tested.
44. In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).

Other Groups

45. The Rutland Self-Build and Custom Housebuilding Register equates to an average of 9 plots per annum (although this falls to 2 if the part 2 register is used) which will need to be permitted if current rates continue. By comparison, the council is permitting an average of 12 plots per annum. The inclusion of a specific self and custom build housing policy within the Local Plan is recommended in order to satisfy the clear demand for plots within the County.
46. There are two MOD facilities within Rutland on which 1,580 personnel are based. St Georges Barracks is to close in 2026 with the current units moving to Kendrew. It is also currently expected that a further regiment will move to Kendrew by 2028 which may cause capacity issue on site, particularly in family rental quarters. First Homes could play a part in meeting the demand for service families wishing to settle in the area.

Overall Summary

47. Rutland has characteristics of an affluent area, including high house prices and a high proportion of households living in owner-occupied housing. However, the high house prices (also when considered relative to local incomes) and the general lack of social rented housing does point to potential affordability issues and the need for affordable housing (although the house price to income affordability ratio has decreased over the past decade).
48. The Standard Method for Rutland shows a housing need for 123 dwellings per annum in the County. Taking account of a range of factors (including recent demographic trends, economic growth and past housing delivery) it is concluded the Standard Method housing need should be considered by the Council as very much a minimum figure with other data typically (but not universally) pointing to a higher figure.
49. There is a significant need for affordable housing, particularly for lower income households likely to need rented accommodation – the Council should investigate if rented accommodation can be provided at social rents, as such housing will be able to meet the needs of a greater number of households (due to lower rents). There is also a potential need for affordable home ownership, although it may be difficult to make such homes genuinely affordable in a local context, thus lending further support for the provision of rented affordable housing.

1. Background

Introduction

- 1.1 Justin Gardner Consulting (JGC) in association with Icen Projects were commissioned to carry out a new Housing Market Assessment (HMA) for Rutland County Council. This report focusses on overall housing need, including consideration of the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people. The project also links with work being undertaken (and commissioned at the same time) to study the local economy and identify the need for employment land. For this report, this is particularly in relation to looking at the link between economic growth and housing need.
- 1.2 The Council is in the process of reviewing the evidence base for the new Local Plan and on that basis a key purpose of the study is to assess how many, and determine the types of, homes that need to be planned for to ensure that the Local Plan remains up to date and continues to meet changing needs.
- 1.3 The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.

National Policy Context

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

NPPF – July 2021

- 1.5 The latest version of the National Planning Policy Framework (NPPF) was published by Government on 20th July 2021. Paragraph 7 in the NPPF states that the purpose of planning is to contribute to the achievement of sustainable development. It sets out that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.
- 1.6 The development plan must include strategic policies to address Council’s priorities for the development and use of land in its area. Plans should apply a presumption in favour of sustainable development and for plan-making, this means that the plan should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change and strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring authorities, where it is sustainable to do so.
- 1.7 Paragraph 11 reiterates that “strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring area, unless...the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area.”.
- 1.8 In order to support the Government’s objective of significantly boosting the supply of homes, Paragraph 60 in the NPPF states it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.
- 1.9 Paragraph 61 sets out that in order to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.

- 1.10 Paragraph 62 goes on to set out that within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, people who rent their homes and people wishing to commission or build their own homes.
- 1.11 Paragraphs 63 – 65 address affordable housing provision. They set out that where an affordable housing need is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless off-site provision or a financial contribution in lieu can be robustly justified, or the agreed approach contributes to the objectives of creating mixed and balanced communities.

Planning Practice Guidance

- 1.12 Government's Planning Practice Guidance (PPG) includes several sections which are relevant to the assessment of housing need. Guidance on Housing and Economic Needs Assessments (Reference ID: 2a-001-20190220) explains:
- “Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.”
- 1.13 The PPG explains that policy-making authorities are expected to follow the Standard Method for assessing housing need and that the method is designed to identify the minimum number of homes expected to be planned for, addressing both projected household growth and historical under-supply.

- 1.14 The guidance does however note that the use of the standard method for strategic policy making purposes is not mandatory but that alternative methods should only be used in exceptional circumstances and will be tested at examination. Where an authority uses an approach leading to a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. The PPG also notes that any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method.
- 1.15 The current guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be used. When using an alternative approach, it is necessary to take account of demographic growth and market signals, but this cannot include using more recent versions of published SNHP. On their own these would not currently constitute exceptional circumstances.
- 1.16 In addition to setting out a Standard Method for assessing housing need there are various planning practice guides that set out how specific elements of analysis should be undertaken. This includes advice about older people, people with disabilities and the private rented sector. The PPG also sets out a methodology for assessing affordable housing need; this is noteworthy for largely being the same as in the previous PPG (linked to the original NPPF) and for not providing any substantive advice about how to measure need captured under the new Annex 2 (NPPF) definition of affordable housing (affordable home ownership).
- 1.17 For clarity, the following main Planning Practice Guides have been used to inform the analysis within this report:
- Housing and economic needs assessment (December 2020)
 - Housing needs of different groups (May 2021)
 - Housing for older and disabled people (June 2019)
 - Housing: optional technical standards (March 2015)
 - First Homes (December 2021)

1.18 Of note, the PPG on the housing needs of different groups comments on how the Standard Method housing need covers different groups, with the key point being to note that estimates of need for particular groups may be high in the context of the Standard Method (with the implication being that not all needs would be likely or expected to be met) – this is likely to be particularly relevant when looking at affordable housing and older people. Key quotes from this PPG are:

‘The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.’

‘This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.’

NPPF – Consultation (December 2022)

1.19 On the 22nd December 2022 the DLUHC published a new draft NPPF for consultation. This document clearly shows the Government’s direction of travel in terms of planning policy and includes a number of proposals which may be relevant to Rutland.

1.20 In paragraph 11 dealing with the presumption in favour of sustainable development additional text has been added to criteria b(ii) along with a new b(iii). The underlined text below shows the proposed changes.

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.; such adverse impacts may include situations where meeting need in full would mean building at densities significantly out of character with the existing area“

iii: there is clear evidence of past over-delivery, in terms of the number of homes permitted compared to the housing requirement in the existing plan.; in which case this over-delivery may be deducted from the provision required in the new plan.

- 1.21 Under ‘Examining Plans’ (notably paragraph 35) it is proposed that Local Plans should be positively prepared – ‘providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs so far as possible, taking into account the policies in this Framework’ . The same paragraph sees a watering down of the tests of soundness by removing the requirement for plans to be justified which in this case means it is an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence.
- 1.22 Section 5 of the consultation NPPF deals with ‘Delivering a sufficient supply of homes’ and contains a number of proposed changes.

Para 60 - The overall aim should be to meet as much housing need as possible with an appropriate mix of housing types to meet the needs of communities

Para 61 - The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area (see paragraph 67 below). There may be exceptional circumstances relating to the particular characteristics of an authority which justify an alternative approach to assessing housing need; in which case the alternative used should also reflect current and future demographic trends and market signals.

- 1.23 Finally, in Section 13 ‘Protecting Green Belt Land’ Green Belt boundaries are not required to be reviewed and altered if this would be the only means of meeting the objectively assessed need for housing over the plan period. There is no Green Belt in Rutland.
- 1.24 An accompanying Scope of Consultation document published alongside the consultation NPPF includes some additional information about the direction of travel. Most notable for this project is the suggestion that future estimates of housing need could move away from using the 2014-based subnational household projections (SNHP). Specifically the text says:

The standard method for assessing local housing need was introduced in 2018 to make sure that plan-making by local authorities is informed by an objective assessment of projected household growth and affordability pressures, while speeding up the process of establishing housing requirement figures through local plans. It remains important that we have a clear starting point for the plan-making process and we are not proposing any changes to the standard method formula itself through this consultation. However, we will review the implications on the standard method of new household projections data based on the 2021 Census, which is due to be published in 2024.

- 1.25 There is also additional text about being more flexible in the use of the Standard Method. Under the heading of Using an Alternative Method the document states:

Local authorities will be expected to continue to use local housing need, assessed through the standard method, to inform the preparation of their plans; although the ability to use an alternative approach where there are exceptional circumstances that can be justified will be retained. We will, though, make clearer in the Framework that the outcome of the standard method is an advisory starting-point to inform plan-making – a guide that is not mandatory – and also propose to give more explicit indications in planning guidance of the types of local characteristics which may justify the use of an alternative method, such as islands with a high percentage of elderly residents, or university towns with an above-average proportion of students.

Adopted Rutland Local Plan

- 1.26 The adopted development plan for Rutland includes the Core Strategy DPD (2011) and the Site Allocations and Policies DPD (2014).
- 1.27 **Policy CS2 – The spatial strategy** aims to focus new developments in the most sustainable locations, primarily in towns and local service centres, away from flood-prone areas and ensuring access to other modes of transportation without relying on cars.
- 1.28 **Policy CS4 – The location of development** directs development towards the most sustainable locations in accordance with the settlement hierarchy of Oakham, Uppingham, Local Service Centres, Smaller Service Centres, and Restraint Villages. Oakham will be the key focus for new development, followed by Uppingham and Local Service Centres.
- 1.29 **Policy CS9 – Provision and distribution of new housing** sought for 3,000 new dwellings to be made available between 2006-2026, with the majority located within and adjoining Oakham and Uppingham. About 20% of new housing was to be located within and adjoining Local Service Centres, and the remaining 10% in the Smaller Service Centres and Restraint Villages.

- 1.30 **Policy CS11 – Affordable housing** aims to address the need for affordable housing by setting a target of at least 40 affordable homes per year through developer contributions and other opportunities in the period 2009-2026. A minimum target of 35% affordable housing provision will apply to all new housing developments. This was reduced to 30% for new consents by the Planning Obligations SPD 2016, with effect from 1 March 2016. This was reduced to ensure development remained viable following the introduction of the Community Infrastructure Levy.
- 1.31 The Site Allocations and Policies DPD was adopted in October 2014 and allocates specific sites for development and sets out more detailed policies for determining planning applications within the overall strategy provided by the Core Strategy.
- 1.32 **Policy SP6 – Housing in the Countryside** states that new housing development is not allowed in the countryside unless it is essential to the operational needs of agriculture, forestry, or an established rural enterprise requiring a rural worker to live nearby, or if affordable housing is required in the area. The reuse or adaptation of existing rural buildings for residential use is allowed if the building is a permanent structure and evidence has been provided that suitable commercial use has been sought.
- 1.33 **Policy SP9 – Affordable Housing** states that affordable housing must be of a size and tenure that meets the local housing need and good practice, be broadly equivalent in standard and siting to open-market properties and be well integrated with open-market housing through layout, siting, design, and style. The Council may refuse development proposals that reduce the affordable housing contribution and/or promote off-site provision.
- 1.34 **Policy SP10 – Market Housing within Rural Exception Sites** states that small sites for affordable housing may include market housing within or adjoining villages, but the Council will consider this only where the provision of market housing is essential and proportionate, and where the development meets the whole affordable housing requirement on site and does not meet some or all of the affordable housing requirement from another site.

Rutland Strategic Housing Market Assessment (2019 Update)

- 1.35 The existing policy in both the Core Strategy and Site Allocations DPD was based on historic evidence. In order to replace these documents the council commissioned an update to the Rutland Strategic Housing Market Assessment (SHMA) in 2019. This document updated this evidence.
- 1.36 The 2019 SHMA updates the analyses on the overall housing need and informed the policy development on affordable housing, housing mix, accessibility standards, and self- and custom-build housing. The analysis focused mainly on the needs in the 2016-36 period, with some analysis on affordable housing need in the 2018-36 period.
- 1.37 The SHMA concluded that the housing need was for 2,004 dwellings per annum across the HMA and 190 dwellings per annum for Rutland, based on the consistent method used in the 2017 SHMA update.
- 1.38 Moving forward, the SHMA develops a bespoke demographic projection to model potential future changes to the population/households of the County and how they might change with the delivery of 160 dwellings per annum over the 2016-36 period.
- 1.39 The analysis identifies a notable need for affordable housing, but the SHMA does not provide an affordable housing target. The evidence suggests that affordable housing delivery should be maximized where opportunities arise. It is recommended that shared ownership is the most appropriate option for providing affordable home ownership, and prices should be set at a level equivalent to the levels needed to access private rented housing.
- 1.40 The SHMA notes that there is a relatively low proportion of households with dependent children in Rutland, and a high proportion of married couples and relatively few lone parents. However, there has been modest past growth in the number of family households, and stronger growth in the number of households with non-dependent children, likely to be grown-up children living with parents.
- 1.41 The SHMA predicts that there will be an increase in the number of households with dependent children in the future, with a projected increase of 14% over the 2016-2036 period, linked to the delivery of 160 dwellings per annum. The SHMA suggests that the focus of new market housing provision should be on 2- and 3-bed properties to meet continued demand for family housing.

- 1.42 The SHMA notes that Rutland has lower levels of disability compared to other areas, but the number of people with disabilities is likely to increase substantially in the future due to an aging population. The SHMA recommends increasing the supply of accessible and adaptable dwellings and wheelchair user dwellings, as well as providing specific provision of older persons housing.
- 1.43 The SHMA suggests that the Council could consider requiring all dwellings to meet the M4(2) standards, which are similar to the Lifetime Homes Standards, and at least 10% of affordable homes to meet M4(3) standards for wheelchair users.
- 1.44 Finally, the SHMA estimates a need for around 190 dwellings in the period to 2036 for enhanced sheltered and extra-care housing and suggests that the Council should consider a different approach for market housing and affordable homes, recognizing that registered providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.
- 1.45 The SHMA notes that private rented sector in Rutland has a younger demographic profile and a high proportion of households with dependent children, including lone parents, leading to relatively high levels of overcrowding. Rent levels have increased over time but not as much as house prices, and the shortage of housing has driven some growth in the PRS. There is no evidence of a need for Build to Rent housing, and proposals for such schemes should be considered on their merit, including any affordable housing offer.
- 1.46 Strong demand for custom- and self-build can be seen in Rutland from the number of people on the register. The Council has granted permission or CIL exemptions for 28 plots of land over the last four base periods, with a further 22 plots to be identified to meet the Base Period 2 requirement.

Housing Market Area

- 1.47 Paragraph 18 of the Plan Making Planning Practice Guidance (PPG)¹ defines what a Housing Market Area (HMA) is and sets out the approach local authorities should take when defining these. According to the PPG a housing market area is a “geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.”

¹ Reference ID: 61-018-20190315

- 1.48 The PPG goes on to add: “These can be broadly defined by analysing:
- The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.
 - Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).
 - Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).”
- 1.49 The guidance finally sets out a range of suggested data sources for doing this. These are: “Office for National Statistics (internal migration and travel to work areas statistics); Land Registry House Price Index and Price Paid data (including sales); data from estate agents and local newspapers about geographical coverage of houses advertised for sale and rent; Ministry of Housing, Communities and Local Government statistics including live tables on affordability (lower quartile house prices/lower quartile earnings); and neighbourhood data from the Census.”
- 1.50 This slimmed down guidance notably omits any self-containment threshold for defining HMAs. This is unlike the previous version of the PPG which stated that migration self-containment of “typically 70 per cent” excluding long distance moves can help identify a suitable HMA.
- 1.51 The scale of a Housing Market Area and its required self-containment rate is therefore less definitive in the current PPG. However, the Government’s previous advice remains a useful benchmark.
- 1.52 It is also worth noting that HMA boundaries do not stop and start at administrative boundaries. Despite this, it is often commonplace for housing market areas to be defined using local authority boundaries. This is because much of the key datasets used in both defining housing market geographies and housing need (such as the household projections) are only published at a local authority level.
- 1.53 In many areas, a pragmatic response has therefore been to define HMAs at a local authority level. However, the appropriate approach needs to take account of the geography of the local area beyond its administrative boundaries.

- 1.54 These issues were touched upon in the Planning Advisory Services Technical Advice Note on Objectively Assessed Housing Need and Housing Targets² (July 2015) which concluded that: “It is best if HMAs, as defined for the purpose of needs assessments, do not straddle local authority boundaries. For areas smaller than local authorities data availability is poor and analysis becomes impossibly complex. There may also be ‘cliff edge’ effects at the HMA boundary, for example development allowed on one side of a road but not the other.”
- 1.55 However, the Technical Advice Note notably adds: “This is not always possible and it may be the case that some areas, particularly those covering an expansive area fall into more than one HMA”.

Previous Definitions

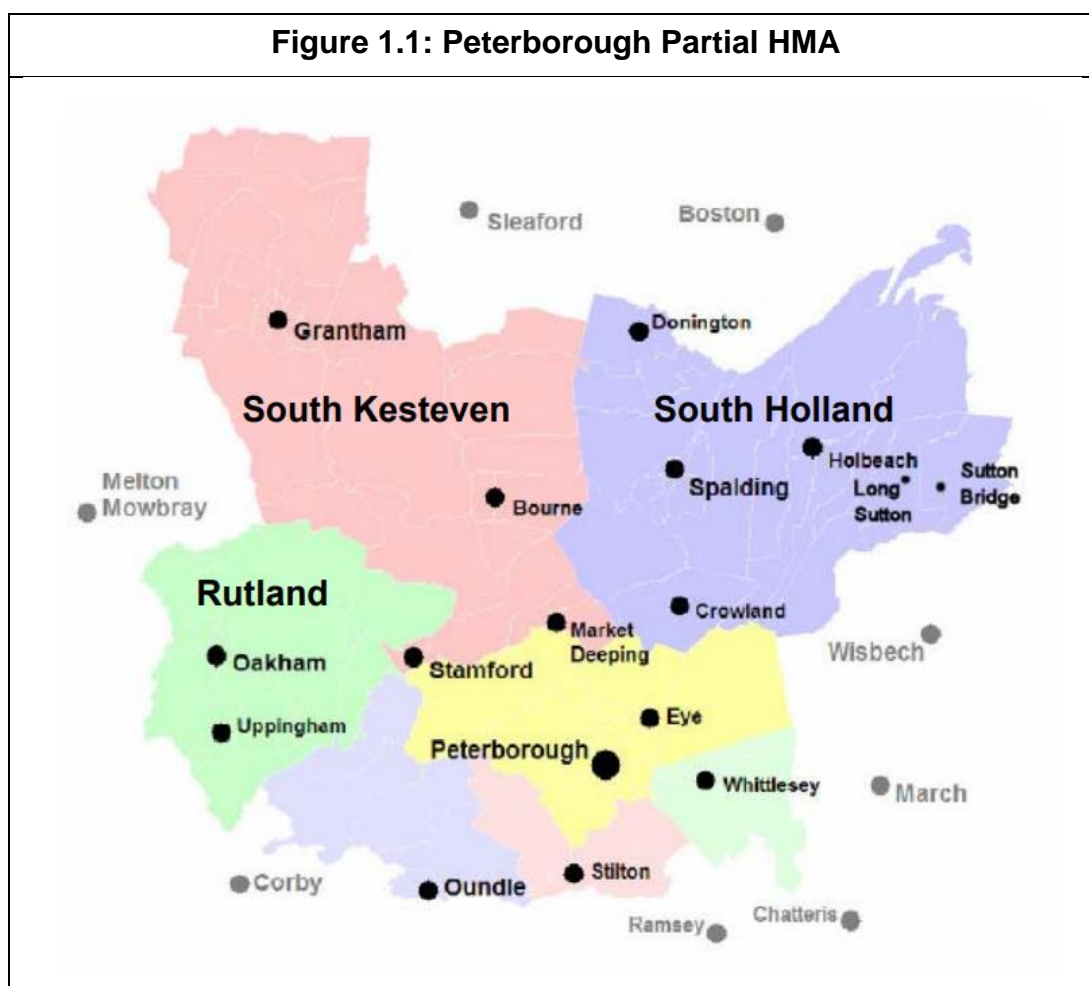
- 1.56 Rutland formed part of Peterborough Partial Housing Market Area which as illustrated below also includes Peterborough, South Holland and South Kesteven as well as some parts of Cambridgeshire and Northamptonshire.
- 1.57 This was derived from the draft East Midlands Regional Spatial Strategy³. It is referred to as a Partial Housing Market Area because the East Midlands RSS only defined those parts in the East Midland while Peterborough is in the East of England Region.
- 1.58 The definition of this HMA was retested in 2014 Peterborough Sub-Regional SHMA⁴ and based on a best fit of local authorities it once again confirmed that Rutland was in a HMA alongside Peterborough, South Holland and South Kesteven. It also recognised that “there is clearly a relationship with Fenland and Huntingdonshire” but that the majority of these local authorities had a greater relationship with Cambridge and this fell out of the definition if only Local Authorities are used as the building block.
- 1.59 This document takes this group of local authorities as a starting point and tests them using the most recent migration from ONS data and house price data from the Land Registry.

² <https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf>

³ <https://www.newark-sherwooddc.gov.uk/media/newark-and-sherwood/images-and-files/planning-policy/pdfs/regional-plan/RD1-East-Midlands-Regional-Plan.pdf>

⁴ [https://www.rutland.gov.uk/sites/default/files/2022-](https://www.rutland.gov.uk/sites/default/files/2022-10/HOU11b%20-%20Strategic%20Housing%20Market%20Assessment%20%28SHMA%29%202014%20Full%20Report%20%20%28J)

[10/HOU11b%20-%20Strategic%20Housing%20Market%20Assessment%20%28SHMA%29%202014%20Full%20Report%20%20%28J](https://www.rutland.gov.uk/sites/default/files/2022-10/HOU11b%20-%20Strategic%20Housing%20Market%20Assessment%20%28SHMA%29%202014%20Full%20Report%20%20%28J)
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Source: Peterborough Sub-Regional SHMA 2008

Migration

- 1.60 Although the Census has not yet published migration data, ONS do publish annual migration data between showing the flow between local authorities although not within them. The data below shows in the last four years Rutland's closest relationship is with South Kesteven. The next closest local authority is Melton, which despite this relationship falls outside of the previously defined HMA and is within the Leicester and Leicestershire HMA.

| Figure 1.2: Average Annual Migration Flow to and from Rutland (2017-2020) | | |
|--|-----------------------|------------------------------|
| | | Gross Migration Per 1,000 |
| 1 st | South Kesteven | 3.97 |
| 2 nd | Melton | 3.14 |
| 3 rd | Harborough | 1.48 |
| 4 th | Corby | 1.26 |
| 5 th | East Northamptonshire | 1.12 |

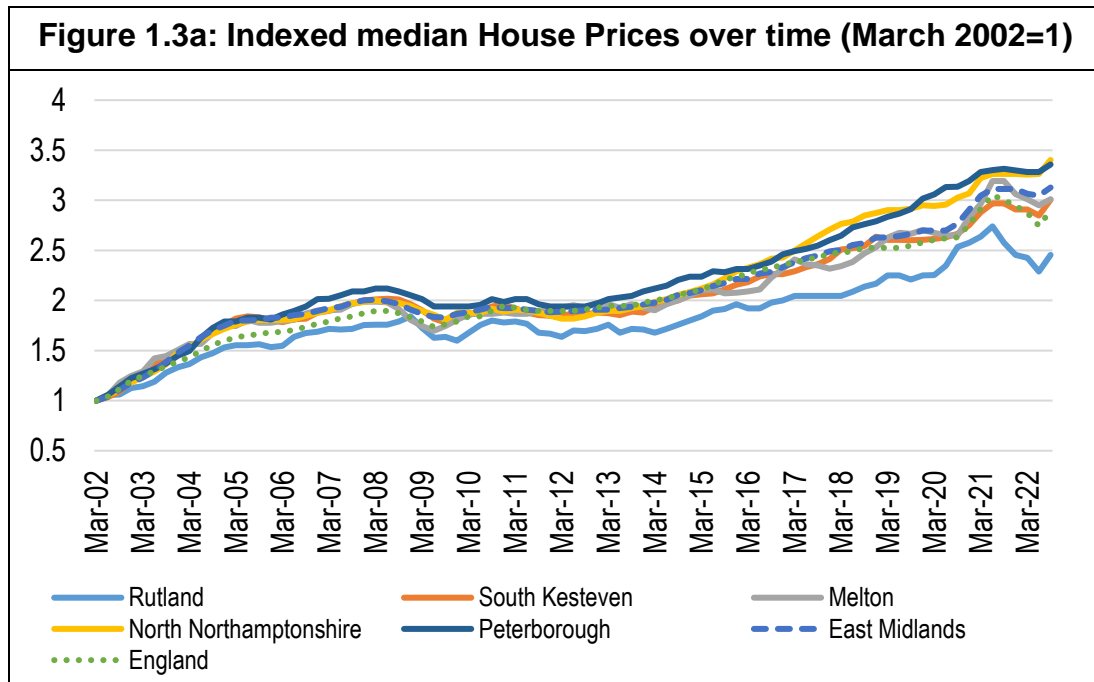
Source: ONS, Mid-Year Population Estimates

- 1.61 This list notably omits Peterborough which is the 6th closest relationship with Rutland. South Kesteven's closest relationship is with Peterborough (and Peterborough's is with South Kesteven) followed by Rutland. Peterborough's next closest relationship is with Huntingdonshire and Fenland (Rutland is 6th). South Holland's closest relationship is with Boston which sits outside of the HMA followed by Peterborough.
- 1.62 Because this data does not include internal movement it is not possible to use it to calculate self-containment rates albeit this has been removed from the guidance. It can still be calculated using the 2011 census and this shows that when long-distance moves (outside the region) are excluded the self-containment rate in Rutland is at most 60%⁵. The County therefore would need to align with other authorities to exceed the former 70% threshold for an HMA.

House Prices

- 1.63 House prices and house price change are another indicator of housing market areas. As illustrated below, house price change in Rutland has been notably lower than Melton and South Kesteven. Although they broadly track each other the lower growth rate in Rutland is perhaps a symptom of a higher starting point in Rutland.

⁵ Based on the percentage of people moving to Rutland in the year before the 2011 Census.



Source: ONS, Median House price for Administrative Geographies

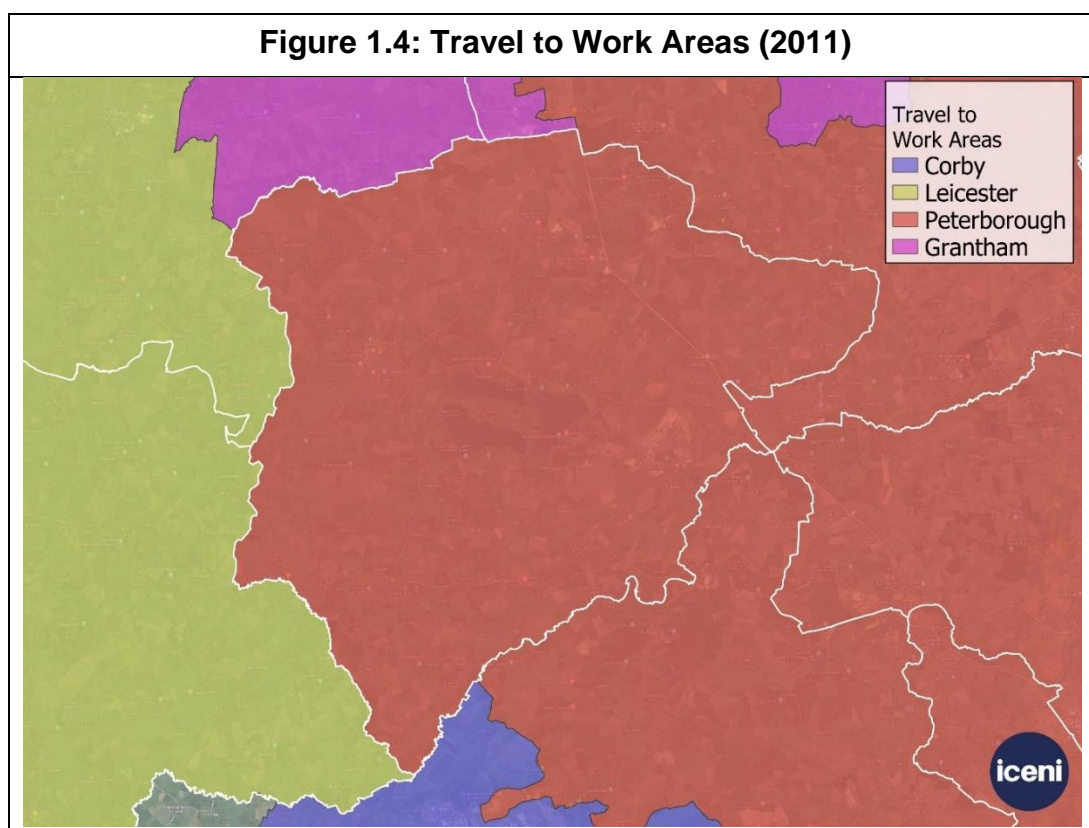
Figure 1.3b: Indexed median House Prices over time (March 2002=1)

| Year ending September | Rutland | South Kesteven | Melton | North Northamptonshire | Peterborough | East Midlands | England |
|-----------------------|---------|----------------|--------|------------------------|--------------|---------------|---------|
| 2002 | 1.06 | 1.09 | 1.18 | 1.11 | 1.14 | 1.11 | 1.12 |
| 2003 | 1.28 | 1.44 | 1.45 | 1.36 | 1.37 | 1.38 | 1.34 |
| 2004 | 1.47 | 1.68 | 1.67 | 1.67 | 1.73 | 1.70 | 1.56 |
| 2005 | 1.56 | 1.83 | 1.78 | 1.81 | 1.83 | 1.81 | 1.66 |
| 2006 | 1.67 | 1.82 | 1.87 | 1.85 | 1.94 | 1.87 | 1.74 |
| 2007 | 1.72 | 1.97 | 1.97 | 1.97 | 2.09 | 1.98 | 1.84 |
| 2008 | 1.79 | 2.01 | 1.92 | 1.97 | 2.09 | 1.97 | 1.87 |
| 2009 | 1.64 | 1.78 | 1.75 | 1.81 | 1.94 | 1.83 | 1.76 |
| 2010 | 1.80 | 1.94 | 1.87 | 1.92 | 2.01 | 1.94 | 1.89 |
| 2011 | 1.68 | 1.85 | 1.89 | 1.88 | 1.96 | 1.90 | 1.89 |
| 2012 | 1.69 | 1.86 | 1.93 | 1.84 | 1.94 | 1.90 | 1.91 |
| 2013 | 1.72 | 1.89 | 1.96 | 1.92 | 2.04 | 1.94 | 1.95 |
| 2014 | 1.76 | 2.00 | 2.00 | 2.06 | 2.21 | 2.06 | 2.05 |
| 2015 | 1.91 | 2.11 | 2.07 | 2.22 | 2.28 | 2.17 | 2.21 |
| 2016 | 1.98 | 2.26 | 2.23 | 2.42 | 2.39 | 2.29 | 2.32 |
| 2017 | 2.04 | 2.36 | 2.35 | 2.64 | 2.55 | 2.45 | 2.42 |
| 2018 | 2.14 | 2.55 | 2.47 | 2.85 | 2.76 | 2.57 | 2.53 |
| 2019 | 2.21 | 2.60 | 2.67 | 2.92 | 2.91 | 2.66 | 2.55 |
| 2020 | 2.54 | 2.67 | 2.65 | 3.03 | 3.13 | 2.77 | 2.63 |
| 2021 | 2.58 | 2.96 | 3.25 | 3.26 | 3.31 | 3.13 | 3.00 |
| 2022 | 2.45 | 3.03 | 3.05 | 3.40 | 3.37 | 3.16 | 2.92 |

Source: ONS, Median House price for Administrative Geographies

Commuting

- 1.64 No new data relating to commuting has been published and the TTWA as illustrated below remains valid. As shown, the Peterborough TTWA includes all of Rutland. The Peterborough TTWA also includes all of Peterborough and extends to much of North Northants (the former East Northants area), Huntingdonshire, South Kesteven and a small part of Fenland.



Source: ONS, 2015

- 1.65 Of note Melton is within the Leicester TTWA and the northern part of South Kesteven is within the Grantham TTWA. South Holland falls within the Spalding TTWA. This suggests some divergence from the Peterborough Partial HMA and also the difference between Melton and Rutland.

HMA Conclusions

- 1.66 Housing markets are complex and rarely begin and end at local authority boundaries. For instance, Peterborough clearly influences surrounding parts of both the East Midlands and East of England in migration and commuting terms.
- 1.67 One of the purposes of defining housing market areas is to identify the “appropriate functional geographical area to gather evidence and develop policies to address these (Strategic) matters, based on demonstrable cross-boundary relationships.”

1.68 Where these areas are identified the relevant local planning authorities are required to cooperate on strategic matters. This cooperation includes, according to Paragraph 11 of the Plan-Making PPG (reference ID: 61-011-20190315), agreeing a statement of common ground which contains:

“if applicable, the housing requirements in any adopted and (if known) emerging strategic policies relevant to housing within the area covered by the statement” or

“distribution of needs in the area as agreed through the plan-making process, or the process for agreeing the distribution of need (including unmet need) across the area”

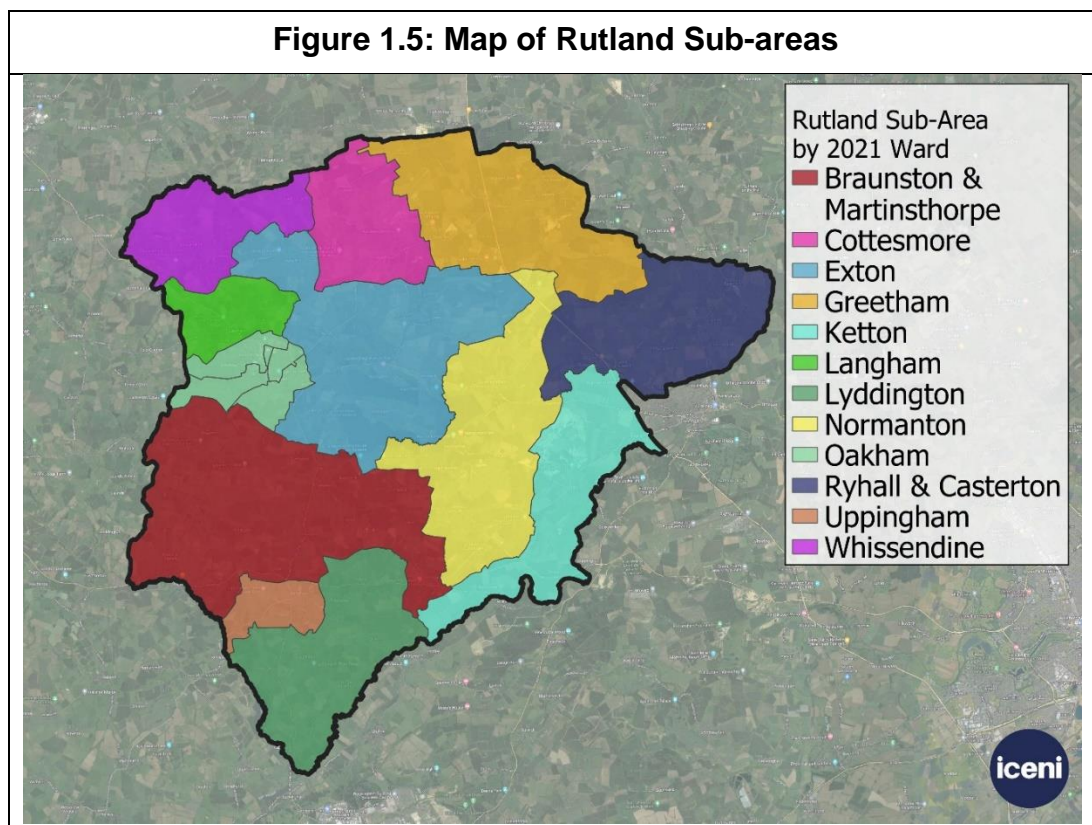
1.69 The data above suggests that there remains a level of connection between Rutland and South Kesteven in migration terms and Peterborough in commuting terms. There is a less obvious link to South Holland although there is a degree of connection between South Holland and South Kesteven.

1.70 There is also a strong migration link between Rutland and Melton and this would extend to some joint services run with the Leicestershire area.

1.71 It will therefore be important for the County Council to continue to liaise with Peterborough, South Kesteven and to a lesser degree Melton and South Holland in discussing any issues associated with unmet housing needs.

Sub-Areas

1.72 The County Council have also asked us to examine differences within the County for key analysis in this report. For this we have used the 2021 Wards although for Oakham, we have joined four wards area into a single sub area (Barleythorpe, Oakham North East, Oakham North West and Oakham South. These areas are illustrated in in the figure below.



Source: IcenI Projects, based on OS data (crown copyright)

Structure of this Report

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

- Section 2 – Area Profile – Provides background analysis including looking at demographic trends, house prices and house price changes;
- Section 3 – Overall Housing Need – Uses the Standard Method to calculate housing need and also considers circumstances where an alternative housing requirement might be justified;
- Section 4 – Affordable Housing Need – Updates previous analysis about the need for affordable housing and builds on this by considering changes in the NPPF since the previous assessment and more recent Government announcements;
- Section 5 – Housing Mix – This section assesses the need for different sizes of homes in the future, modelling the implications of demographic drivers on need/demand for different sizes of homes in different tenures.
- Section 6 – The Needs of Older People and People with Disabilities – Considers the need for specialist accommodation for older people (e.g. sheltered/Extra-care) and also the need for homes to be built to Building Regulations M4(2) any M4(3). The section studies a range of data around older persons and people with disabilities; and
- Section 7 – Other Groups – Provides information about other groups of the population mentioned in the NPPF and PPG.

Rounding

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

Background: Key Messages

- This report provides a new Housing Market Assessment (HMA) for Rutland County Council. This report focusses on overall housing need, including consideration of the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
- The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.
- Overall, the report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
 - Section 2 – Area Profile;
 - Section 3 – Overall Housing Need;
 - Section 4 – Affordable Housing Need;
 - Section 5 – Housing Mix;
 - Section 6 – The Needs of Older People and People with Disabilities; and
 - Section 7 – Other Groups.

2. Area Profile

Introduction

2.1 This section provides some background analysis about population and housing in Rutland, with data also provided for the sub-areas set out in the previous section. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:

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

Population

2.2 As of mid-2021, the population of Rutland is estimated to be 41,400; this is a growth of around 3,800 people over the previous decade. This equates to a growth of around 10% since 2011 which is a higher rate of growth than across the East Midlands region (8%) and nationally (6.5%).

| Figure 2.1: Population change (2011-21) | | | | |
|--|-------------------|-------------------|-----------|----------|
| | Population (2011) | Population (2021) | Change | % change |
| Rutland | 37,581 | 41,381 | 3,800 | 10.1% |
| East Midlands | 4,537,448 | 4,880,094 | 342,646 | 7.6% |
| England | 53,107,169 | 56,536,419 | 3,429,250 | 6.5% |

Source: Mid-year population estimates

2.3 The table below considers population growth rate in the 20-year period from 2001 to 2021. The analysis shows over this period that the population of Rutland has grown at a slightly faster rate to that seen in other areas.

| Figure 2.2: Population Annual Growth Rate (2001-2021) | | | |
|--|------------------------------|------------------------------|------------------------------|
| | Growth Rate (2001 – 2011) | Growth Rate (2011 – 2021) | Growth Rate (2001 – 2021) |
| Rutland | 0.9% | 1.0% | 1.0% |
| East Midlands | 0.8% | 0.8% | 0.8% |
| England | 0.7% | 0.6% | 0.7% |

Source: Mid-year population estimates

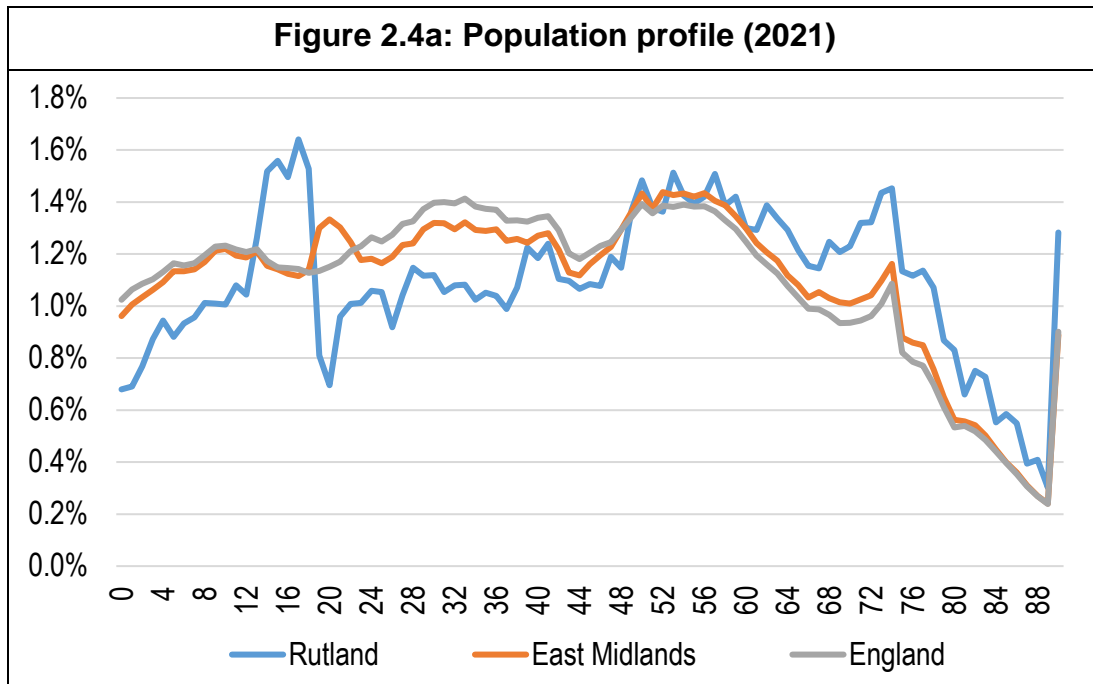
- 2.4 The table below shows the current (2021) population in each of the sub-areas – this is based on the 2021 Census and so totals differ very slightly from those above (which are mid-year estimates). The analysis shows around a third of the population as living in Oakham (the four wards) with the next largest area being Uppingham, with 12% of the population.

| Figure 2.3: Population by sub-area (2021) | | |
|--|------------|-----------------|
| | Population | % of population |
| Oakham | 13,490 | 32.9% |
| Braunston & Martinsthorpe | 2,402 | 5.9% |
| Cottesmore | 3,651 | 8.9% |
| Exton | 1,361 | 3.3% |
| Greetham | 2,474 | 6.0% |
| Ketton | 2,835 | 6.9% |
| Langham | 1,399 | 3.4% |
| Lyddington | 1,350 | 3.3% |
| Normanton | 3,174 | 7.7% |
| Ryhall & Casterton | 2,939 | 7.2% |
| Uppingham | 4,723 | 11.5% |
| Whissendine | 1,239 | 3.0% |
| TOTAL | 41,037 | 100.0% |

Source: Census (2021)

Age Structure

- 2.5 The figure below shows the age structure by single year of age (compared with a range of other areas). From this it is clear that Rutland has fewer people aged in their 20s and 30s than other areas and a higher proportion of people aged 60 and over. The age structure also shows relatively few younger children, but a spike in children in their teens – this will be linked to boarding schools within the County.



Source: Mid-year population estimates

| Figure 2.4b: Population profile (2021) | | | |
|---|---------|---------------|---------|
| | Rutland | East Midlands | England |
| 0-4 | 4.0% | 5.2% | 5.4% |
| 5-9 | 4.8% | 5.8% | 5.9% |
| 10-14 | 5.9% | 6.0% | 6.0% |
| 15-19 | 7.0% | 5.8% | 5.7% |
| 20-24 | 4.7% | 6.2% | 6.0% |
| 25-29 | 5.3% | 6.1% | 6.5% |
| 30-34 | 5.4% | 6.5% | 7.0% |
| 35-39 | 5.4% | 6.3% | 6.7% |
| 40-44 | 5.7% | 6.0% | 6.4% |
| 45-49 | 5.9% | 6.2% | 6.3% |
| 50-54 | 7.2% | 7.1% | 6.9% |
| 55-59 | 7.1% | 7.0% | 6.8% |
| 60-64 | 6.6% | 6.0% | 5.8% |
| 65-69 | 6.0% | 5.2% | 4.9% |
| 70-74 | 6.8% | 5.3% | 4.9% |
| 75-79 | 5.3% | 4.0% | 3.7% |
| 80-84 | 3.5% | 2.6% | 2.5% |
| 85+ | 3.5% | 2.5% | 2.5% |
| TOTAL | 100.0% | 100.0% | 100.0% |

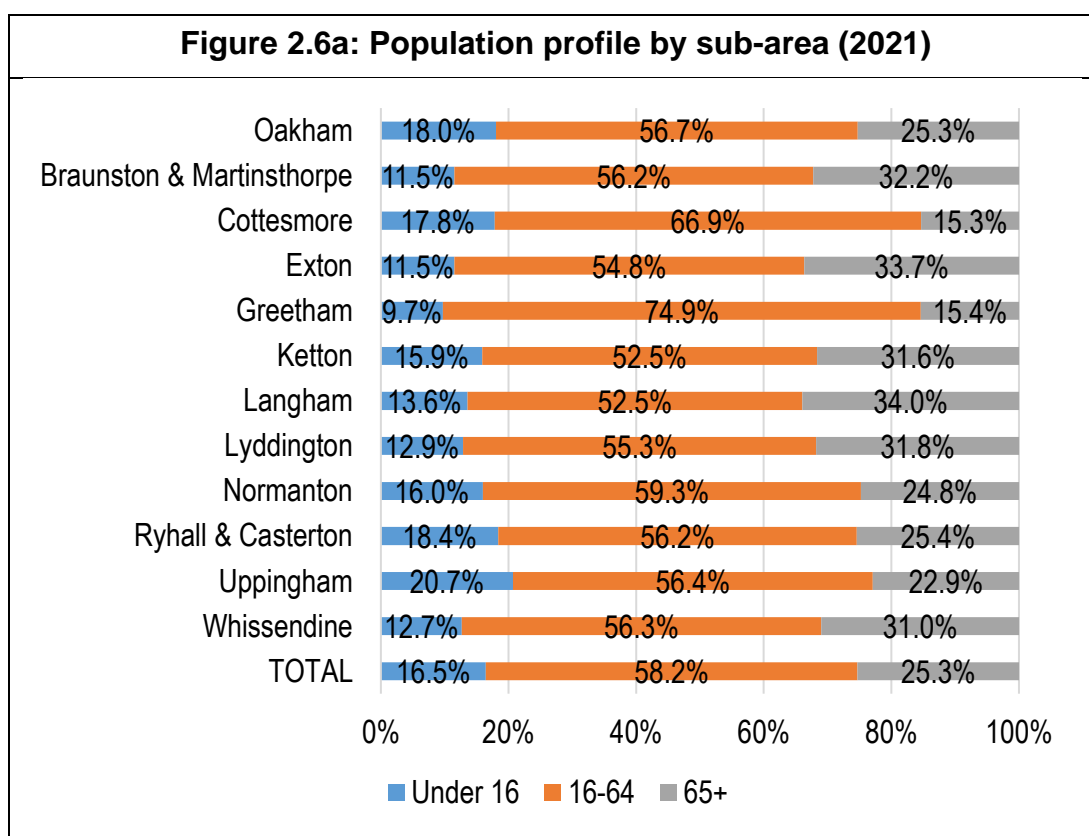
Source: Mid-year population estimates

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

| | Rutland | | East Midlands | England |
|----------|------------|-----------------|-----------------|-----------------|
| | Population | % of population | % of population | % of population |
| Under 16 | 6,711 | 16.2% | 18.1% | 18.5% |
| 16-64 | 24,284 | 58.7% | 62.3% | 63.0% |
| 65+ | 10,386 | 25.1% | 19.6% | 18.5% |
| All Ages | 41,381 | 100.0% | 100.0% | 100.0% |

Source: Mid-year population estimates

- 2.7 The figure below shows the population profile by sub-area (from the 2021 Census). This shows some notable differences between locations – particularly with regard to the proportion of the population aged 65 and over – this ranges from 15.3% in Cottesmore up to 34% in Langham.



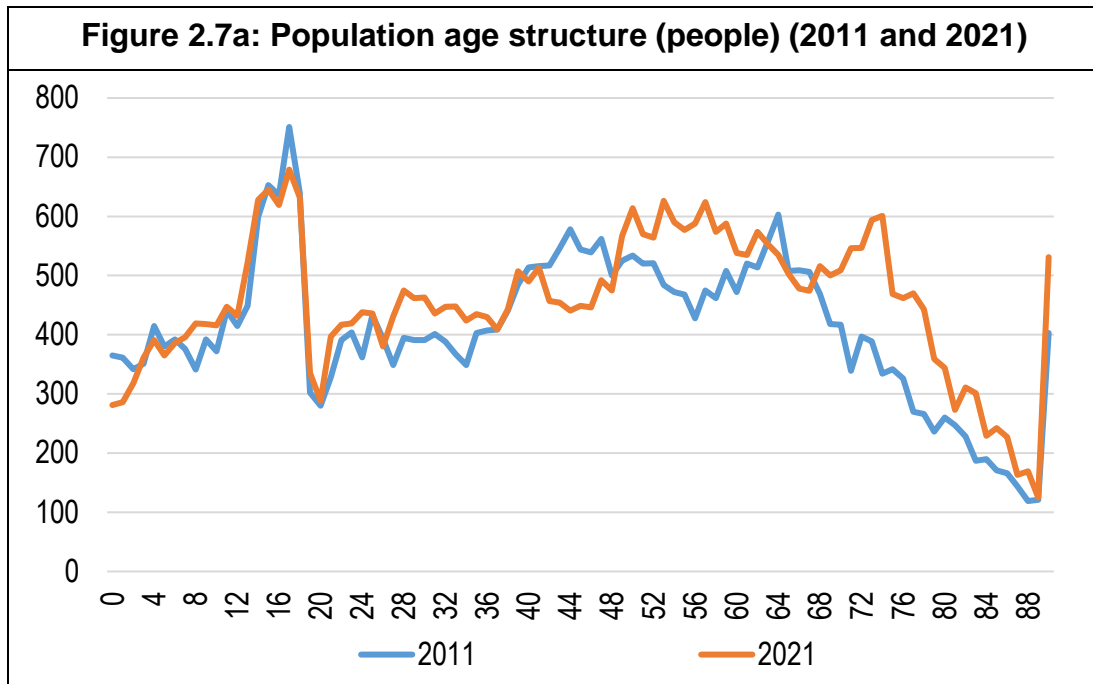
Source: Census (2021)

| Figure 2.6b: Population profile by sub-area (2021) | | | |
|---|----------|-------|-------|
| | Under 16 | 16-64 | 65+ |
| Oakham | 18.0% | 56.7% | 25.3% |
| Braunston & Martinsthorpe | 11.5% | 56.2% | 32.2% |
| Cottesmore | 17.8% | 66.9% | 15.3% |
| Exton | 11.5% | 54.8% | 33.7% |
| Greetham | 9.7% | 74.9% | 15.4% |
| Ketton | 15.9% | 52.5% | 31.6% |
| Langham | 13.6% | 52.5% | 34.0% |
| Lyddington | 12.9% | 55.3% | 31.8% |
| Normanton | 16.0% | 59.3% | 24.8% |
| Ryhall & Casterton | 18.4% | 56.2% | 25.4% |
| Uppingham | 20.7% | 56.4% | 22.9% |
| Whissendine | 12.7% | 56.3% | 31.0% |
| TOTAL | 16.5% | 58.2% | 25.3% |

Source: Census (2021)

Age Structure Changes

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



Source: Mid-year population estimates

| | 2011 | 2021 |
|--------------|---------------|---------------|
| 0-4 | 1,834 | 1,637 |
| 5-9 | 1,881 | 1,984 |
| 10-14 | 2,276 | 2,445 |
| 15-19 | 2,982 | 2,910 |
| 20-24 | 1,765 | 1,959 |
| 25-29 | 1,961 | 2,184 |
| 30-34 | 1,896 | 2,218 |
| 35-39 | 2,145 | 2,224 |
| 40-44 | 2,671 | 2,355 |
| 45-49 | 2,670 | 2,429 |
| 50-54 | 2,531 | 2,964 |
| 55-59 | 2,341 | 2,951 |
| 60-64 | 2,666 | 2,735 |
| 65-69 | 2,410 | 2,471 |
| 70-74 | 1,876 | 2,797 |
| 75-79 | 1,440 | 2,203 |
| 80-84 | 1,112 | 1,458 |
| 85+ | 1,124 | 1,457 |
| TOTAL | 37,581 | 41,381 |

Source: Mid-year population estimates

2.9 The information above is summarised into three broad age bands to ease comparison. The table below shows an increase of 6% in the 16–64 age group and a much larger increase of 30% in the 65+ age group. The population aged 65 and over accounts for 64% of all population change over this period.

| | 2011 | 2021 | Change | % change |
|--------------|---------------|---------------|--------------|--------------|
| Under 16 | 6,644 | 6,711 | 67 | 1.0% |
| 16-64 | 22,975 | 24,284 | 1,309 | 5.7% |
| 65+ | 7,962 | 10,386 | 2,424 | 30.4% |
| TOTAL | 37,581 | 41,381 | 3,800 | 10.1% |

Source: Mid-year population estimates

Components of Population Change

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

Figure 2.9: Components of population change, mid-2001 to mid-2021 – Rutland

| | Natural change | Net internal migration | Net inter-national migration | Other changes | Other (unattributable) | Total change |
|---------|----------------|------------------------|------------------------------|---------------|------------------------|--------------|
| 2001/2 | 25 | 401 | 146 | 207 | -82 | 697 |
| 2002/3 | -18 | 227 | 89 | 57 | -91 | 264 |
| 2003/4 | 38 | 279 | 67 | -249 | -71 | 64 |
| 2004/5 | 48 | 471 | -18 | 82 | -91 | 492 |
| 2005/6 | 84 | 285 | 35 | 66 | -75 | 395 |
| 2006/7 | 47 | 452 | 46 | 134 | -79 | 600 |
| 2007/8 | 22 | 385 | 41 | 9 | -89 | 368 |
| 2008/9 | 2 | 199 | 63 | -246 | -79 | -61 |
| 2009/10 | 21 | 209 | 12 | 114 | -103 | 253 |
| 2010/11 | 13 | 115 | 25 | -149 | -93 | -89 |
| 2011/12 | -64 | -147 | -11 | -263 | 0 | -485 |
| 2012/13 | 22 | 207 | 7 | 459 | 0 | 695 |
| 2013/14 | 17 | 33 | 97 | 325 | 0 | 472 |
| 2014/15 | -42 | 362 | 91 | -322 | 0 | 89 |
| 2015/16 | -7 | 220 | 94 | 290 | 0 | 597 |
| 2016/17 | -43 | 545 | 73 | -50 | 0 | 525 |
| 2017/18 | -90 | 200 | 88 | 25 | 0 | 223 |
| 2018/19 | -60 | 335 | 101 | -146 | 0 | 230 |
| 2019/20 | -147 | 308 | 149 | 239 | 0 | 549 |
| 2020/21 | -148 | 599 | 0 | 74 | 0 | 525 |

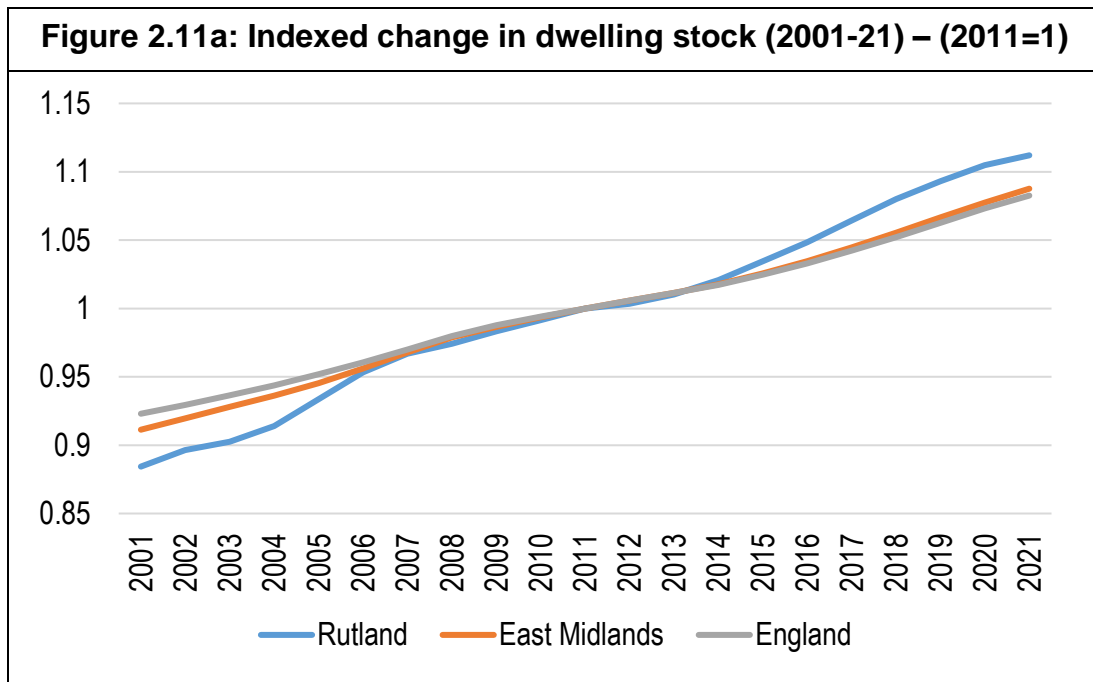
Source: ONS

Housing Stock

2.15 As of 2021 there were 17,900 dwellings in Rutland, an increase of 1,800 over the 10-year period from 2011 – this represents an 11% increase in the number of homes, higher than seen across a range of benchmark areas. The figure below the table shows stronger growth in dwellings more historically as well – at least back to 2001.

| | Dwellings (2011) | Dwellings (2021) | Change | % change |
|---------------|------------------|------------------|-----------|----------|
| Rutland | 16,069 | 17,869 | 1,800 | 11.2% |
| East Midlands | 1,971,514 | 2,144,253 | 172,739 | 8.8% |
| England | 22,976,066 | 24,873,321 | 1,897,255 | 8.3% |

Source: DLUHC (Live Table 125)



Source: DLUHC (Live Table 125)

| Figure 2.11b: Indexed change in dwelling stock (2001-21) – (2011=1) | | | |
|--|---------|---------------|---------|
| | Rutland | East Midlands | England |
| 2001 | 0.884 | 0.911 | 0.923 |
| 2002 | 0.896 | 0.920 | 0.929 |
| 2003 | 0.902 | 0.928 | 0.936 |
| 2004 | 0.914 | 0.936 | 0.944 |
| 2005 | 0.934 | 0.945 | 0.952 |
| 2006 | 0.953 | 0.956 | 0.961 |
| 2007 | 0.967 | 0.968 | 0.970 |
| 2008 | 0.974 | 0.979 | 0.980 |
| 2009 | 0.983 | 0.987 | 0.988 |
| 2010 | 0.991 | 0.994 | 0.994 |
| 2011 | 1.000 | 1.000 | 1.000 |
| 2012 | 1.003 | 1.006 | 1.006 |
| 2013 | 1.010 | 1.011 | 1.011 |
| 2014 | 1.021 | 1.018 | 1.017 |
| 2015 | 1.035 | 1.026 | 1.025 |
| 2016 | 1.048 | 1.035 | 1.033 |
| 2017 | 1.064 | 1.045 | 1.042 |
| 2018 | 1.080 | 1.055 | 1.052 |
| 2019 | 1.093 | 1.067 | 1.063 |
| 2020 | 1.105 | 1.077 | 1.073 |
| 2021 | 1.112 | 1.088 | 1.083 |

Source: DLUHC (Live Table 125)

2.16 By using Census data about the number of households and the number of dwellings it is possible to estimate the number of vacant homes in the County and how this has changed from 2011 to 2021. In 2011, there were 15,002 households in the County, implying a vacancy rate of 6.6%; by 2021 there were 16,696 households and again an implied vacancy rate of 6.6%. This suggests the proportion of vacant homes has not increased, although the actual number will have risen in line with the number of dwellings, in contrast the proportion of vacant homes nationally is estimated to have increased from 4.0% to 5.8% over the 2011-21 decade.

| | 2011 | 2021 |
|---------------|------|------|
| Rutland | 6.6% | 6.6% |
| East Midlands | 3.9% | 5.0% |
| England | 4.0% | 5.8% |

Source: DLUHC (Live Table 125) and Census

- 2.17 The table below shows estimates of vacant homes by sub-area from the Census – as the Census shows a slightly different dwelling count to the tables above the overall vacancy rate from this analysis is shown to be 5.4% - this figure varies from 3.4% of homes being vacant in Ryhall & Casterton, up to 9.9% in Langham.

| | Households | Dwellings | % vacant |
|---------------------------|------------|-----------|----------|
| Oakham | 5,878 | 6,164 | 4.6% |
| Braunston & Martinsthorpe | 1,090 | 1,180 | 7.6% |
| Cottesmore | 1,085 | 1,138 | 4.7% |
| Exton | 626 | 676 | 7.4% |
| Greetham | 604 | 636 | 5.0% |
| Ketton | 1,213 | 1,260 | 3.7% |
| Langham | 638 | 708 | 9.9% |
| Lyddington | 604 | 647 | 6.6% |
| Normanton | 1,320 | 1,410 | 6.4% |
| Ryhall & Casterton | 1,232 | 1,275 | 3.4% |
| Uppingham | 1,876 | 1,997 | 6.1% |
| Whissendine | 535 | 556 | 3.8% |
| TOTAL | 16,701 | 17,647 | 5.4% |

Source: Census (2021)

- 2.18 Alternative Census Data from 2021 also shows the number of dwellings used as a second address in the County. This shows in Rutland 1,680 dwellings are used as a second home. This would equate to around 9.5% of all dwellings. This includes holiday homes (50 dwellings) but the largest numbers included student's home address (580 dwellings) and another parent or guardian's address (610 dwellings). These last two categories demonstrate why these are not vacant homes.

Tenure

2.19 The table below shows household tenure compared with a number of other locations. The analysis identifies a relatively high proportion of owner-occupiers, particularly outright owners. The proportion of households living in both the social rented sector (which includes affordable rent) and private rented accommodation is lower than observed in other areas. The figures for private rent include a small number of households categorised as living rent free.

| Figure 2.14: Tenure (2021) | | | | |
|-----------------------------------|---------------|-----------------|-----------------|-----------------|
| | Rutland | | East Midlands | England |
| | Households | % of households | % of households | % of households |
| Owns outright | 7,291 | 43.7% | 35.4% | 32.5% |
| Owns with mortgage/loan | 4,789 | 28.7% | 30.9% | 29.8% |
| Social/affordable rented | 1,820 | 10.9% | 14.9% | 17.1% |
| Private rented | 2,798 | 16.8% | 18.8% | 20.6% |
| TOTAL | 16,698 | 100.0% | 100.0% | 100.0% |

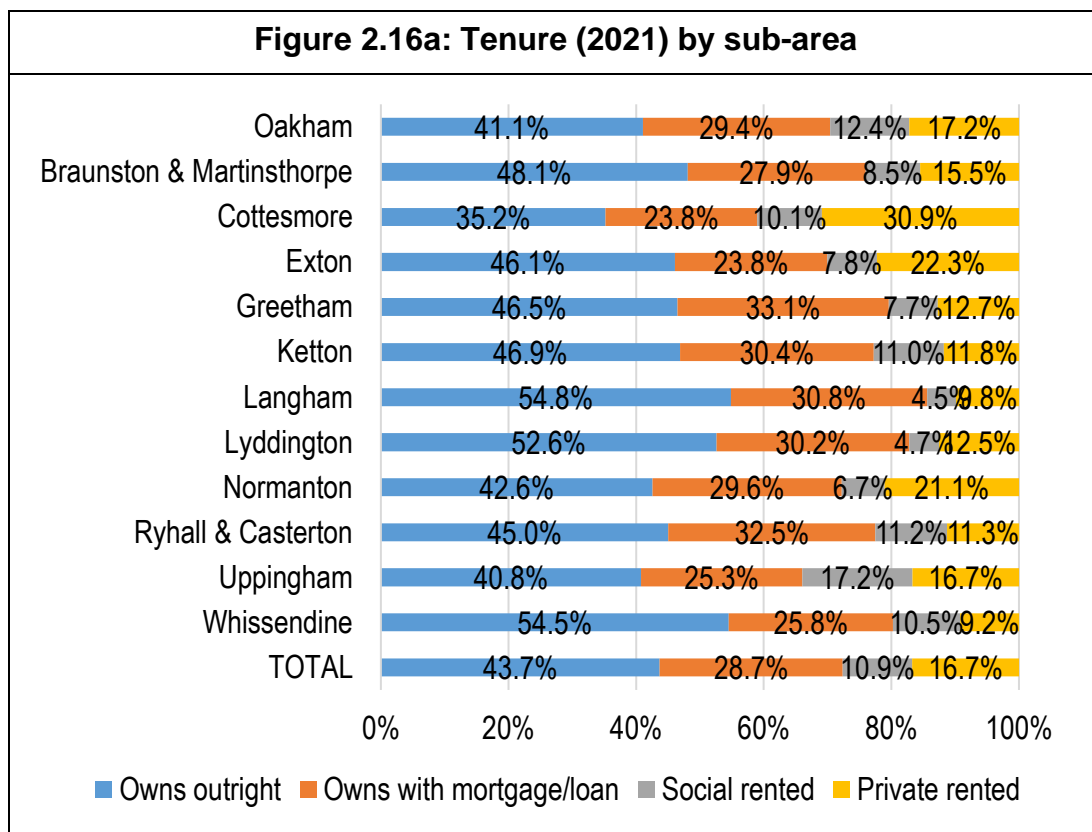
Source: 2021 Census

2.20 As well as looking at the current tenure profile, it is of interest to consider how this has changed over time; the table below shows data from the 2011 and 2021 Census. From this it is clear that there has been notable growth in the number of households who are outright owners and a modest decline in owners with a mortgage. Both the social and private rented sectors have seen increases over time (both by around 8%).

| Figure 2.15: Change in tenure (2011-21) – Rutland | | | | |
|--|---------------|---------------|--------------|--------------|
| | 2011 | 2021 | Change | % change |
| Owns outright | 5,889 | 7,291 | 1,402 | 23.8% |
| Owns with mortgage/loan | 4,827 | 4,789 | -38 | -0.8% |
| Social/affordable rented | 1,685 | 1,820 | 135 | 8.0% |
| Private rented | 2,601 | 2,798 | 197 | 7.6% |
| TOTAL | 15,002 | 16,698 | 1,696 | 11.3% |

Source: Census (2011 and 2021)

2.21 The figure below shows the tenure split by sub-area – this shows owner-occupation to be the main tenure in all areas – indeed all areas see outright owners as the main group. The proportion of households living in social rented housing is fairly low in all locations, the highest proportion (of 17.2%) in Uppingham is the only location with a proportion above the national average (although the national figure is a very similar 17.1%) – only 4.5% of households in Langham live in social rented housing. There are wide variations in the proportion of households living in the private rented sector, ranging from 9% in Whissendine, up to 31% in Cottesmore which will include homes rented by the MOD.



Source: Census (2021)

| | Owns outright | Owns with mortgage/ loan | Social rented | Private rented |
|---------------------------|---------------|--------------------------|---------------|----------------|
| Oakham | 41.1% | 29.4% | 12.4% | 17.2% |
| Braunston & Martinsthorpe | 48.1% | 27.9% | 8.5% | 15.5% |
| Cottesmore | 35.2% | 23.8% | 10.1% | 30.9% |
| Exton | 46.1% | 23.8% | 7.8% | 22.3% |
| Greetham | 46.5% | 33.1% | 7.7% | 12.7% |
| Ketton | 46.9% | 30.4% | 11.0% | 11.8% |
| Langham | 54.8% | 30.8% | 4.5% | 9.8% |
| Lyddington | 52.6% | 30.2% | 4.7% | 12.5% |
| Normanton | 42.6% | 29.6% | 6.7% | 21.1% |
| Ryhall & Casterton | 45.0% | 32.5% | 11.2% | 11.3% |
| Uppingham | 40.8% | 25.3% | 17.2% | 16.7% |
| Whissendine | 54.5% | 25.8% | 10.5% | 9.2% |
| TOTAL | 43.7% | 28.7% | 10.9% | 16.7% |

Source: Census (2021)

Dwelling Type

2.22 The 2021 Census shows that, detached homes were the most common dwelling type within Rutland at 46% of total dwelling stock, significantly above the national average for this built-form (23%). Flats/maisonettes are least common at 8.4% (this includes 0.8% of dwellings recorded as 'other').

| | Rutland | | East Midlands | England |
|---------------|-----------|----------------|----------------|----------------|
| | Dwellings | % of dwellings | % of dwellings | % of dwellings |
| Detached | 7,753 | 46.4% | 33.2% | 22.9% |
| Semi-detached | 4,710 | 28.2% | 35.7% | 31.5% |
| Terraced | 2,829 | 16.9% | 19.3% | 23.0% |
| Flat/other | 1,406 | 8.4% | 11.8% | 22.6% |
| TOTAL | 16,698 | 100.0% | 100.0% | 100.0% |

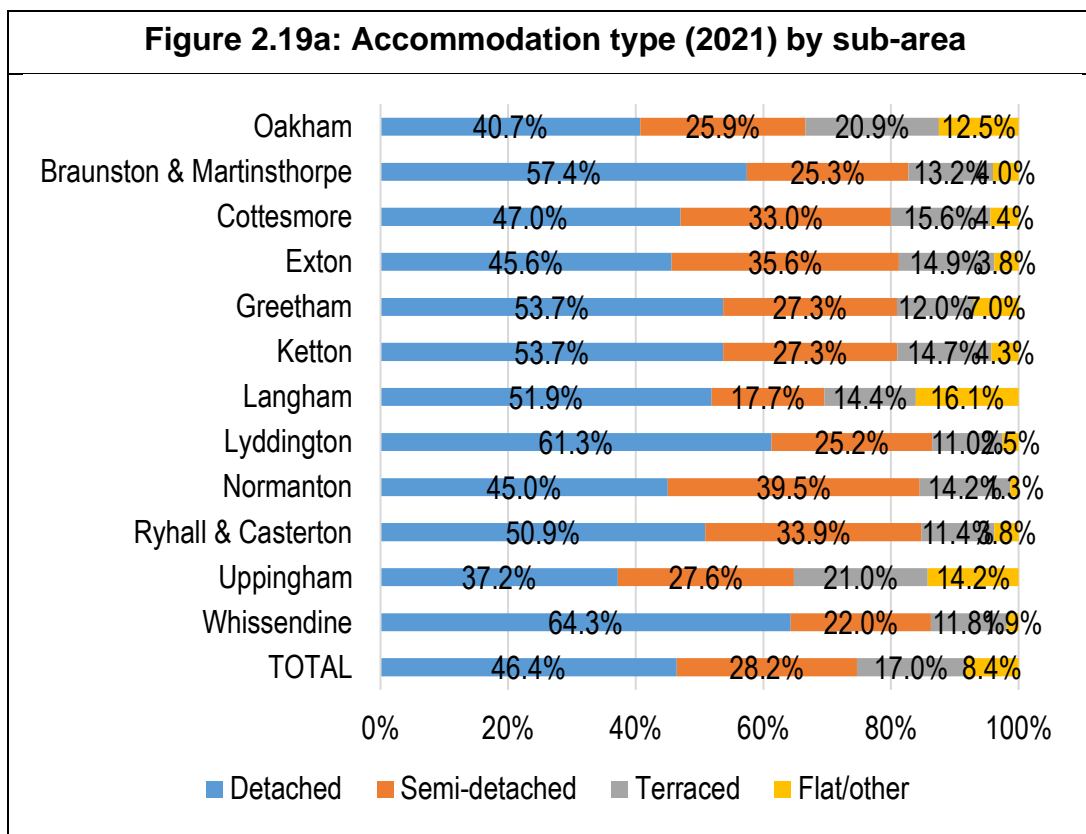
Source: Census (2021)

2.23 The Census can also be used to look at changes in dwelling types over the 2011-21 decade. This shows increases for all built-forms with the number of flats increasing by 20% - this however only represents 14% of additional dwellings – 39% of additional homes shown by the Census are detached, a slightly lower proportion than there are already in the stock. The data points to delivery in the 2011-2021 period as broadly following the profile of the existing stock.

| | 2011 | 2021 | Change | % change | % of change |
|---------------|--------|--------|--------|----------|-------------|
| Detached | 7,097 | 7,753 | 656 | 9.2% | 38.7% |
| Semi-detached | 4,109 | 4,710 | 601 | 14.6% | 35.4% |
| Terraced | 2,628 | 2,829 | 201 | 7.6% | 11.9% |
| Flat/other | 1,168 | 1,406 | 238 | 20.4% | 14.0% |
| TOTAL | 15,002 | 16,698 | 1,696 | 11.3% | 100.0% |

Source: Census (2011 and 2021)

2.24 The figure below shows accommodation type and sub-area – this shows the main type of housing in all locations is detached, with proportions varying from 37% in Uppingham up to 64% in Whissendine. Semi-detached homes are most common in Normanton and terraced homes in Uppingham and Oakham. The proportion in the flat/other group ranges from just 1.3% of homes in Normanton, up to 16.1% in Langham – however around 13% of homes in this area are classified as ‘caravan or other mobile or temporary structure’ and likely to be associated with the large park home site in the area.



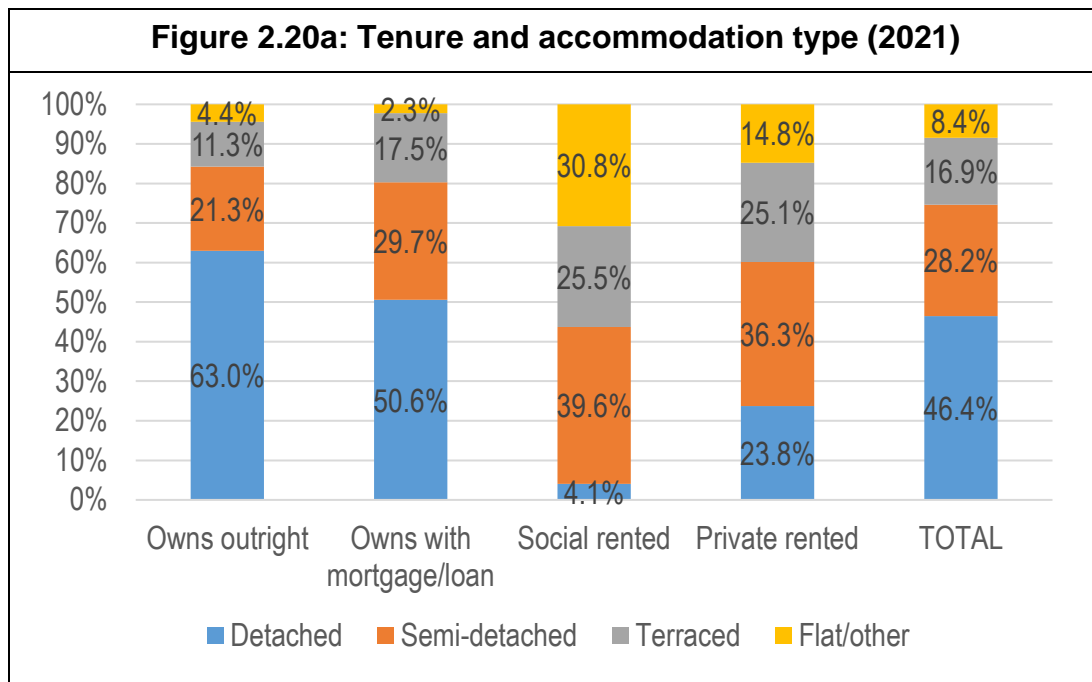
Source: Census (2021)

Figure 2.19b: Accommodation type (2021) by sub-area

| | Detached | Semi-detached | Terraced | Flat/other |
|---------------------------|----------|---------------|----------|------------|
| Oakham | 40.7% | 25.9% | 20.9% | 12.5% |
| Braunston & Martinsthorpe | 57.4% | 25.3% | 13.2% | 4.0% |
| Cottesmore | 47.0% | 33.0% | 15.6% | 4.4% |
| Exton | 45.6% | 35.6% | 14.9% | 3.8% |
| Greetham | 53.7% | 27.3% | 12.0% | 7.0% |
| Ketton | 53.7% | 27.3% | 14.7% | 4.3% |
| Langham | 51.9% | 17.7% | 14.4% | 16.1% |
| Lyddington | 61.3% | 25.2% | 11.0% | 2.5% |
| Normanton | 45.0% | 39.5% | 14.2% | 1.3% |
| Ryhall & Casterton | 50.9% | 33.9% | 11.4% | 3.8% |
| Uppingham | 37.2% | 27.6% | 21.0% | 14.2% |
| Whissendine | 64.3% | 22.0% | 11.8% | 1.9% |
| TOTAL | 46.4% | 28.2% | 17.0% | 8.4% |

Source: Census (2021)

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



Source: Census (2021)

Figure 2.20b: Tenure and accommodation type (2021)

| | Detached | Semi-detached | Terraced | Flat/other | TOTAL |
|-------------------------|----------|---------------|----------|------------|--------|
| Owns outright | 63.0% | 21.3% | 11.3% | 4.4% | 100.0% |
| Owns with mortgage/loan | 50.6% | 29.7% | 17.5% | 2.3% | 100.0% |
| Social rented | 4.1% | 39.6% | 25.5% | 30.8% | 100.0% |
| Private rented | 23.8% | 36.3% | 25.1% | 14.8% | 100.0% |
| TOTAL | 46.4% | 28.2% | 16.9% | 8.4% | 100.0% |

Source: Census (2021)

Bedrooms (accommodation size)

2.26 The analysis below shows the number of bedrooms available to households as of the 2021 Census. Generally, the size profile in Rutland is one of larger homes with 34% of homes having 4+-bedrooms – this compares with just 21% nationally. The proportion of 1- and 2-bedroom homes is relatively low compared with other locations. Overall, the average number of bedrooms in a home is 3.03, higher than both the regional (2.80) and national (2.71) average. The actual average number of bedrooms will actually be higher than these figures as the Census data has a cut-off at 4+-bedrooms (and for the purposes of calculating an average 4+-bedroom homes are treated as having 4-bedrooms).

| | Rutland | | East Midlands | England |
|---------------|------------|-----------------|-----------------|-----------------|
| | Households | % of households | % of households | % of households |
| 1-bedroom | 913 | 5.5% | 8.0% | 11.6% |
| 2-bedrooms | 3,430 | 20.5% | 25.9% | 27.3% |
| 3-bedrooms | 6,597 | 39.5% | 44.0% | 40.0% |
| 4+-bedrooms | 5,754 | 34.5% | 22.0% | 21.1% |
| TOTAL | 16,694 | 100.0% | 100.0% | 100.0% |
| Ave. bedrooms | 3.03 | | 2.80 | 2.71 |

Source: Census (2021)

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

| Figure 2.22: Change in dwelling size (2011-21) – Rutland | | | | | |
|---|--------|--------|--------|----------|-------------|
| | 2011 | 2021 | Change | % change | % of change |
| 1-bedroom | 842 | 913 | 71 | 8.4% | 4.2% |
| 2-bedrooms | 3,109 | 3,430 | 321 | 10.3% | 19.0% |
| 3-bedrooms | 6,116 | 6,597 | 481 | 7.9% | 28.4% |
| 4+-bedrooms | 4,935 | 5,754 | 819 | 16.6% | 48.4% |
| TOTAL | 15,002 | 16,694 | 1,692 | 11.3% | 100.0% |

Source: Census (2011 and 2021)

Overcrowding and Under-Occupation

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

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

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

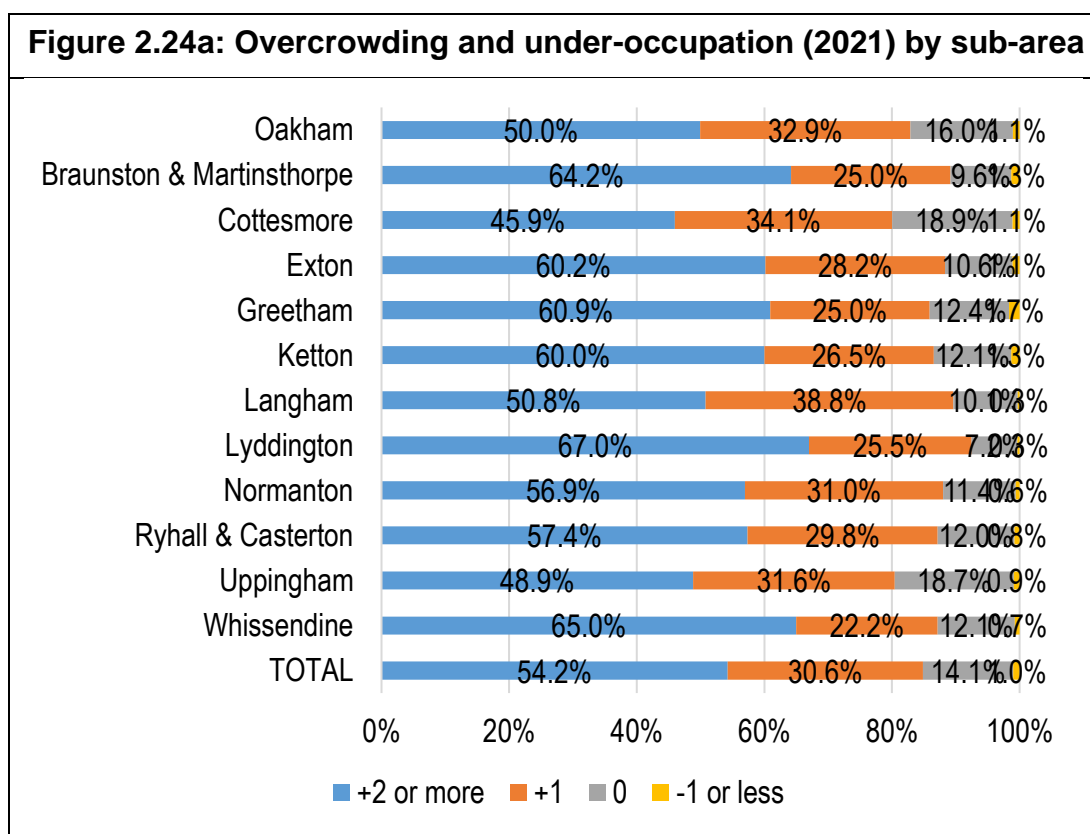
2.29 The analysis shows that levels of overcrowding in Rutland are low in a national context with only 1.0% of households being overcrowded in 2021 (compared with 4.4% nationally). This level of overcrowding is also well below the regional average. Levels of under-occupation are also relatively high with around 54% of households having a rating of +2 or more – this is notably higher than seen in other areas.

Figure 2.23: Overcrowding and under-occupation (2021) – bedroom standard

| | Rutland | | East Midlands | England |
|------------|------------|-----------------|-----------------|-----------------|
| | Households | % of households | % of households | % of households |
| +2 or more | 9,049 | 54.2% | 40.3% | 35.6% |
| +1 or more | 5,117 | 30.7% | 34.7% | 33.2% |
| 0 | 2,363 | 14.2% | 21.8% | 26.8% |
| -1 or less | 165 | 1.0% | 3.1% | 4.4% |
| TOTAL | 16,694 | 100.0% | 100.0% | 100.0% |

Source: Census (2021)

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



Source: Census (2021)

| | +2 or more | 1 | 0 | -1 or less |
|---------------------------|--------------|--------------|--------------|-------------|
| Oakham | 50.0% | 32.9% | 16.0% | 1.1% |
| Braunston & Martinsthorpe | 64.2% | 25.0% | 9.6% | 1.3% |
| Cottesmore | 45.9% | 34.1% | 18.9% | 1.1% |
| Exton | 60.2% | 28.2% | 10.6% | 1.1% |
| Greetham | 60.9% | 25.0% | 12.4% | 1.7% |
| Ketton | 60.0% | 26.5% | 12.1% | 1.3% |
| Langham | 50.8% | 38.8% | 10.1% | 0.3% |
| Lyddington | 67.0% | 25.5% | 7.2% | 0.3% |
| Normanton | 56.9% | 31.0% | 11.4% | 0.6% |
| Ryhall & Casterton | 57.4% | 29.8% | 12.0% | 0.8% |
| Uppingham | 48.9% | 31.6% | 18.7% | 0.9% |
| Whissendine | 65.0% | 22.2% | 12.1% | 0.7% |
| TOTAL | 54.2% | 30.6% | 14.1% | 1.0% |

Source: Census (2021)

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

| | 2011 | 2021 | Change | % change |
|--------------|---------------|---------------|--------------|--------------|
| +2 or more | 7,964 | 9,049 | 1,085 | 13.6% |
| +1 or more | 4,644 | 5,117 | 473 | 10.2% |
| 0 | 2,209 | 2,363 | 154 | 7.0% |
| -1 or less | 185 | 165 | -20 | -10.8% |
| TOTAL | 15,002 | 16,694 | 1,692 | 11.3% |

Source: Census (2011 and 2021)

House Prices

- 2.32 In the year to September 2022 the median house price in Rutland was £300,000 – this is above the average seen in the benchmark areas, including being some 9% above the national average.

| Figure 2.26: Median House Prices (Year ending September 2022) | | |
|--|----------|-------------------------|
| | Price | Difference from England |
| Rutland | £300,000 | 9.1% |
| East Midlands | £226,000 | -17.8% |
| England | £275,000 | - |

Source: ONS Small Area House Price Statistics

- 2.33 At a sub area level Lyddington sees the highest median prices at £625,000 with the lowest in Oakham at £249,000. Again this would be in part due to the mix of housing in these areas. Oakham being the most densely populated sub area is more likely to see denser types of properties such as flats and terraces that will generally cost less than larger detached properties.

| Figure 2.27: Median House Prices by sub-area (Year ending September 2022) | |
|--|--------------|
| | Median price |
| Oakham | £249,000 |
| Braunston & Martinsthorpe | £305,000 |
| Cottesmore | £360,000 |
| Exton | £477,500 |
| Greetham | £391,000 |
| Ketton | £435,000 |
| Langham | £296,000 |
| Lyddington | £625,000 |
| Normanton | £483,500 |
| Ryhall & Casterton | £400,000 |
| Uppingham | £261,750 |
| Whissendine | £475,000 |
| ALL | £300,000 |

Source: Land Registry Price Paid data

- 2.34 The table below shows median prices by dwelling type. This shows some significant differences between prices in Rutland and the East Midlands region. It is also the case that a median flat price in the County is lower than the national average (which is likely to be influenced by prices of flats in London) whilst other dwelling types are slightly more expensive.

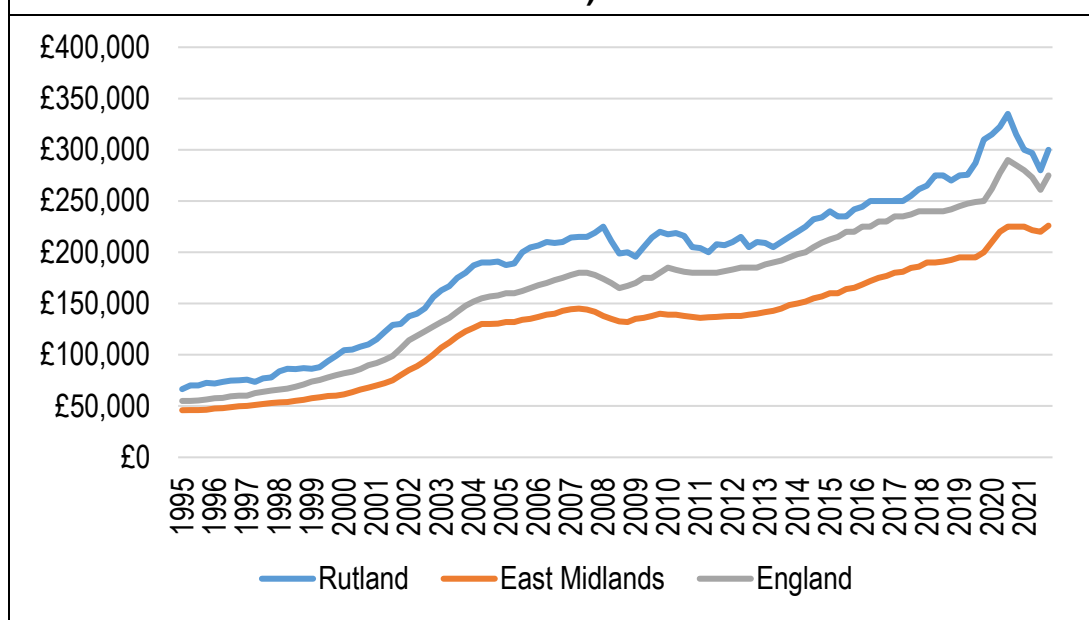
Figure 2.28: Median House Prices (year to September 2022)

| | Flat/ Maisonette | Terraced | Semi- Detached | Detached | All Sales |
|---------------|---------------------|----------|-------------------|----------|-----------|
| Rutland | £129,500 | £230,000 | £265,000 | £440,000 | £300,000 |
| East Midlands | £126,000 | £175,000 | £215,000 | £328,000 | £226,000 |
| Differential | £3,500 | £55,000 | £50,000 | £112,000 | £74,000 |
| England | £220,000 | £225,000 | £260,000 | £425,000 | £275,000 |
| Differential | £-90,500 | £5,000 | £5,000 | £15,000 | £25,000 |

Source: ONS Small Area House Price Statistics

House Price Changes

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

Figure 2.29a: Median House Prices 1995-2022 (year ending September 2022)

Source: ONS Small Area House Price Statistics

| Figure 2.29b: Median House Prices 1995-2022 (year ending September 2022) | | | |
|---|----------------|----------------------|----------------|
| Year ending September | Rutland | East Midlands | England |
| 1996 | £72,500 | £46,500 | £56,500 |
| 1997 | £75,000 | £49,950 | £59,995 |
| 1998 | £78,000 | £53,000 | £65,000 |
| 1999 | £87,000 | £56,000 | £71,000 |
| 2000 | £98,750 | £60,000 | £79,995 |
| 2001 | £110,000 | £68,000 | £89,950 |
| 2002 | £129,950 | £79,995 | £106,000 |
| 2003 | £156,250 | £99,950 | £127,450 |
| 2004 | £180,000 | £123,000 | £148,000 |
| 2005 | £191,000 | £130,500 | £158,000 |
| 2006 | £204,603 | £135,000 | £165,000 |
| 2007 | £210,000 | £142,995 | £175,000 |
| 2008 | £219,000 | £142,000 | £177,950 |
| 2009 | £200,000 | £132,000 | £167,250 |
| 2010 | £220,000 | £140,000 | £180,000 |
| 2011 | £205,000 | £136,995 | £180,000 |
| 2012 | £207,000 | £137,463 | £181,500 |
| 2013 | £209,950 | £140,000 | £185,000 |
| 2014 | £215,000 | £148,500 | £195,000 |
| 2015 | £233,995 | £157,000 | £209,500 |
| 2016 | £241,995 | £165,250 | £220,000 |
| 2017 | £250,000 | £176,995 | £230,000 |
| 2018 | £261,500 | £186,000 | £239,950 |
| 2019 | £270,000 | £192,500 | £242,000 |
| 2020 | £310,000 | £200,000 | £250,000 |
| 2021 | £315,000 | £225,000 | £285,000 |
| 2022 | £300,000 | £226,000 | £275,000 |

Source: Land Registry

2.36 Relative to other areas, percentage house price increases in Rutland have been lower than seen across other locations, however in actual cost terms, the change in Rutland has been slightly higher than seen across the region and virtually the same as seen nationally.

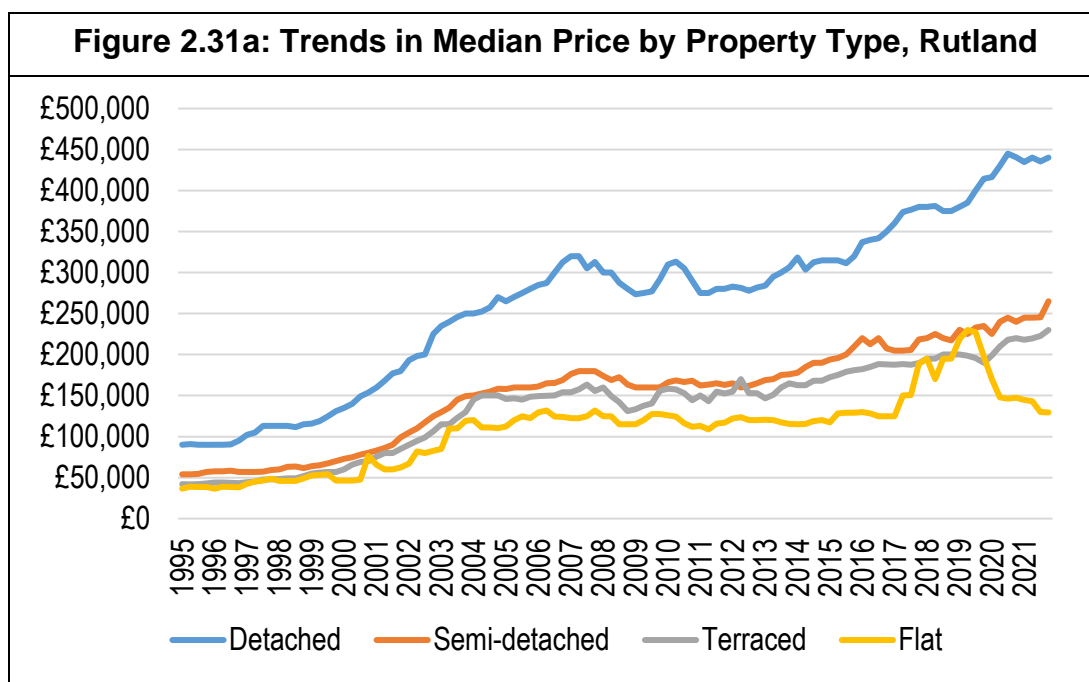
Figure 2.30: Median House Price Change year ending September 2012 to year ending September 2022

| | Year ending Sept 2012 | Year ending Sept 2022 | Change | % change |
|---------------|-----------------------|-----------------------|---------|----------|
| Rutland | £207,000 | £300,000 | £93,000 | 44.9% |
| East Midlands | £137,500 | £226,000 | £88,500 | 64.4% |
| England | £181,500 | £275,000 | £93,500 | 51.5% |

Source: ONS Small Area House Price Statistics

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

Figure 2.31a: Trends in Median Price by Property Type, Rutland



Source: ONS Small Area House Price Statistics

Figure 2.31b: Trends in Median Price by Property Type, Rutland

| Year ending September | Detached | Semi-detached | Terraced | Flat |
|-----------------------|----------|---------------|----------|----------|
| 1996 | £89,998 | £56,800 | £42,950 | £38,625 |
| 1997 | £95,000 | £57,000 | £43,150 | £38,000 |
| 1998 | £112,950 | £59,250 | £48,000 | £48,750 |
| 1999 | £115,000 | £61,500 | £52,000 | £49,250 |
| 2000 | £131,000 | £70,000 | £57,000 | £46,250 |
| 2001 | £153,638 | £80,475 | £70,000 | £76,600 |
| 2002 | £180,000 | £98,950 | £84,950 | £62,500 |
| 2003 | £225,000 | £125,000 | £106,500 | £82,500 |
| 2004 | £249,950 | £149,475 | £130,000 | £119,475 |
| 2005 | £269,950 | £158,250 | £150,000 | £110,495 |
| 2006 | £280,000 | £160,000 | £148,750 | £122,498 |
| 2007 | £312,500 | £169,000 | £154,000 | £124,000 |
| 2008 | £313,000 | £180,000 | £155,750 | £132,000 |
| 2009 | £280,000 | £163,500 | £131,128 | £115,000 |
| 2010 | £292,000 | £160,000 | £156,000 | £127,500 |
| 2011 | £290,000 | £168,000 | £144,500 | £112,000 |
| 2012 | £280,000 | £163,000 | £152,500 | £117,000 |
| 2013 | £281,598 | £165,000 | £153,000 | £119,950 |
| 2014 | £306,138 | £176,000 | £165,000 | £115,500 |
| 2015 | £315,000 | £190,000 | £168,000 | £120,000 |
| 2016 | £320,000 | £210,000 | £181,000 | £129,000 |
| 2017 | £350,000 | £207,500 | £188,000 | £125,000 |
| 2018 | £380,000 | £218,500 | £189,450 | £189,000 |
| 2019 | £375,000 | £217,500 | £199,995 | £194,950 |
| 2020 | £414,450 | £235,000 | £190,000 | £197,500 |
| 2021 | £440,500 | £240,000 | £220,000 | £147,500 |
| 2022 | £440,000 | £265,000 | £230,000 | £129,475 |

Source: ONS Small Area House Price Statistics

2.38 The table below shows data for the last decade (to September 2022) – this shows all house types increasing by a broadly similar percentage, with the percentage increase for flats being somewhat lower.

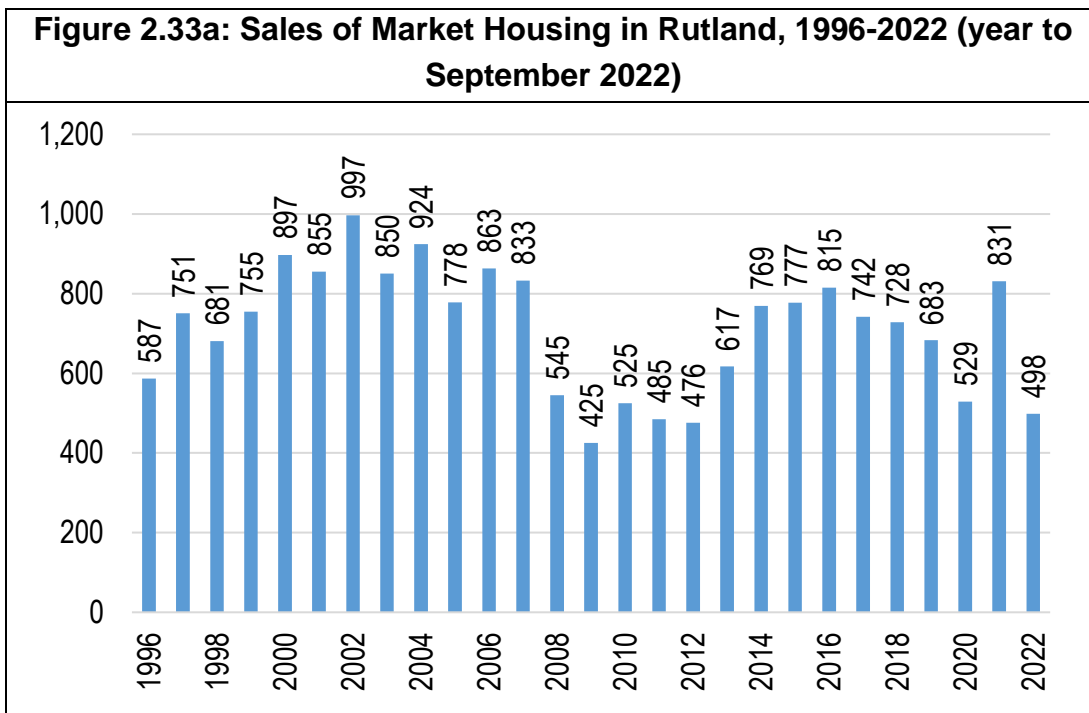
Figure 2.32: Median House Price Change year ending September 2012 to year ending September 2022 by dwelling type – Rutland

| | Year ending Sept 2012 | Year ending Sept 2022 | Change | % change |
|---------------|-----------------------|-----------------------|----------|----------|
| Detached | £280,000 | £440,000 | £160,000 | 57.1% |
| Semi-detached | £163,000 | £265,000 | £102,000 | 62.6% |
| Terraced | £152,500 | £230,000 | £77,500 | 50.8% |
| Flat | £117,000 | £129,500 | £12,500 | 10.7% |

Source: ONS Small Area House Price Statistics

Sales

- 2.39 Transaction levels (sales) reflect the relative buoyancy of the market and provide an indication of ‘effective demand’ for market housing. Sales volumes averaged about 840 per annum over the 10-year period to 2007. They fell dramatically as a result of the ‘credit crunch’, before picking up from 2012 onwards as availability of mortgage finance improved and as a result of Government support for the housing market. Sales of market housing in Rutland have however been trending down since 2016 (with the exception of a high number in 2021 which will be linked to the stamp-duty holiday).
- 2.40 The drop in sales volumes seen since 2016 is likely to have been influenced by the effects of macro-economic uncertainty on the market - linked to Brexit - coupled with changes to mortgage interest relief which have affected the buy-to-let market. The most recent data will also be starting to pick up the impact of the war in Ukraine and associated ‘cost of living crisis’ including increased interest rates. The number of sales could also be influenced by higher or lower numbers of newbuild properties in different periods, although newbuild homes typically only comprise a small proportion of all sales.



Source: ONS Small Area House Price Statistics

| Figure 2.33b: Sales of Market Housing in Rutland, 1996-2022 (year to September 2022) | |
|---|-------|
| Year | Sales |
| 1996 | 587 |
| 1997 | 751 |
| 1998 | 681 |
| 1999 | 755 |
| 2000 | 897 |
| 2001 | 855 |
| 2002 | 997 |
| 2003 | 850 |
| 2004 | 924 |
| 2005 | 778 |
| 2006 | 863 |
| 2007 | 833 |
| 2008 | 545 |
| 2009 | 425 |
| 2010 | 525 |
| 2011 | 485 |
| 2012 | 476 |
| 2013 | 617 |
| 2014 | 769 |
| 2015 | 777 |
| 2016 | 815 |
| 2017 | 742 |
| 2018 | 728 |
| 2019 | 683 |
| 2020 | 529 |
| 2021 | 831 |
| 2022 | 498 |

Source: ONS Small Area House Price Statistics

Private Rental Values

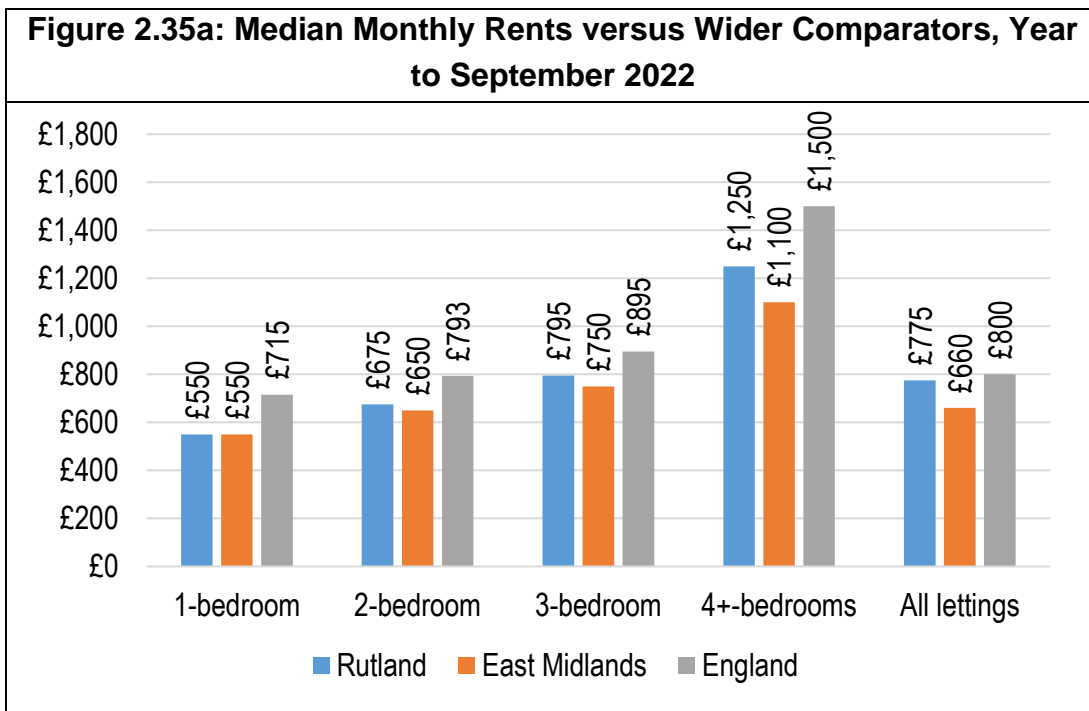
2.41 The analysis below reviews current private rents in Rutland against the County, regional and national average. The data is drawn from the ONS Private Rental Market Statistics. Median monthly rents vary from £550 for 1-bedroom to £1,250 for 4+-bedroom properties in the County.

Figure 2.34: Monthly Rents in Rutland, Year to September 2022

| | Mean | Lower Quartile | Median |
|--------------|--------|----------------|--------|
| 1-bedroom | £566 | £500 | £550 |
| 2-bedrooms | £685 | £625 | £675 |
| 3-bedrooms | £817 | £730 | £795 |
| 4+ bedrooms | £1,316 | £910 | £1,250 |
| All Lettings | £830 | £660 | £775 |

Source: ONS Private Rental Market Statistics

2.42 The median rent for all properties is 17% higher than the East Midlands average and 3% below the England average. Rents in Rutland for all property sizes are all below the national average. These findings are notable as generally prices in the County are above the national average – analysis earlier showed the average house price in the County to be 9% higher than the national average, compared with private rents being 3% lower.



Source: ONS Private Rental Market Statistics

| | Rutland | East Midlands | England |
|--------------|---------|---------------|---------|
| 1-bedroom | £550 | £550 | £715 |
| 2-bedroom | £675 | £650 | £793 |
| 3-bedroom | £795 | £750 | £895 |
| 4+-bedrooms | £1,250 | £1,100 | £1,500 |
| All lettings | £775 | £660 | £800 |

Source: ONS Private Rental Market Statistics

- 2.43 Analysis below has also sought to consider rental trends over the last 5 years to provide a relative indication of where there is a supply/demand imbalance. The evidence indicates that over this period rents have grown by an average of 19%. The strongest growth has been for smaller (1- and 2-bedroom) properties with little change shown for larger (4+-bedroom) homes, although figures for any specific period will be influenced by the types of property let.

| | 2016/17 | 2021/22 | Change | % Change |
|--------------|---------|---------|--------|----------|
| 1-bed | £450 | £550 | £100 | 22% |
| 2-bed | £600 | £675 | £75 | 13% |
| 3-bed | £695 | £795 | £100 | 14% |
| 4+ bed | £1,288 | £1,250 | -£38 | -3% |
| All Lettings | £650 | £775 | £125 | 19% |

Source: ONS Private Rental Market Statistics

- 2.44 The table below compares changes in overall median private sector rents in Rutland with other locations. Interestingly all areas have seen a similar increase (in the range of £110-£125 or 19%-20% per month).

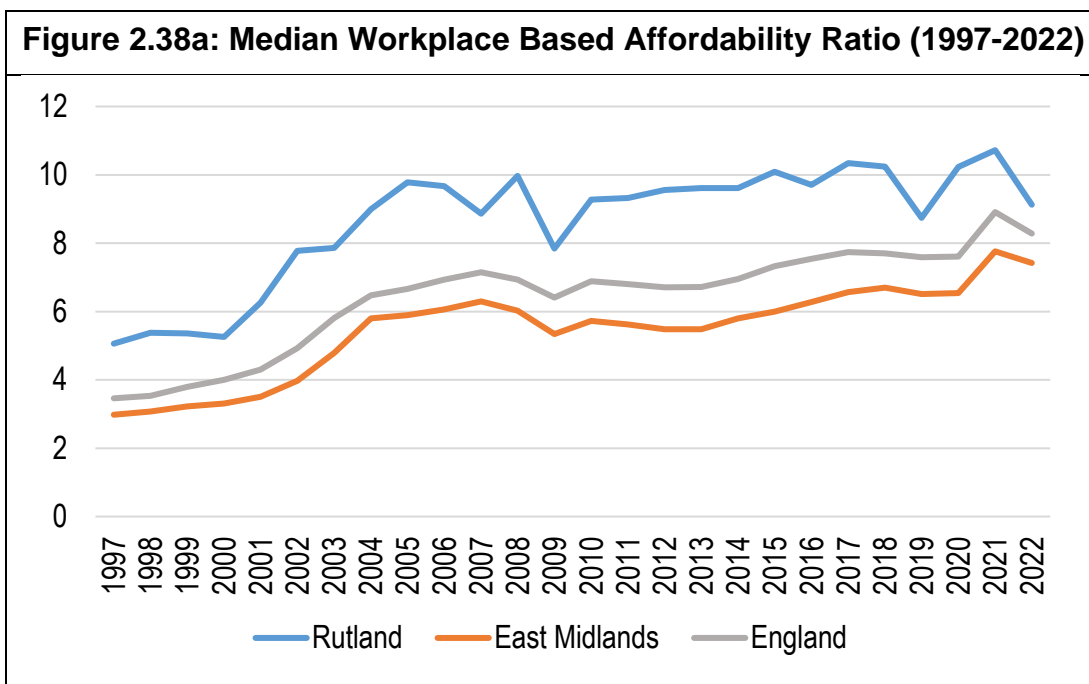
| | 2016/17 | 2021/22 | Change | % Change |
|---------------|---------|---------|--------|----------|
| Rutland | £650 | £775 | £125 | 19% |
| East Midlands | £550 | £660 | £110 | 20% |
| England | £675 | £800 | £125 | 19% |

Source: ONS Private Rental Market Statistics

Market Affordability

2.45 The figure below shows median workplace-based affordability ratios over time. This is the ratio between median house prices and median earnings of those working in the County. In all areas affordability has worsened between 1997 and 2022, Rutland now sees an affordability ratio of 9.12, which is higher than those seen in other locations.

2.46 Over the past decade (2012-22) the affordability ratio has actually improved slightly in Rutland (going from 9.36 to 9.12) – a 3% reduction. Over the same period, the ratio increased by 34% across the East Midlands and 22% nationally.



Source: ONS, Housing Affordability in England and Wales

Figure 2.38b: Median Workplace Based Affordability Ratio (1997-2022)

| | Rutland | East Midlands | England |
|------|---------|---------------|---------|
| 1997 | 5.31 | 3.17 | 3.54 |
| 1998 | 5.48 | 3.26 | 3.67 |
| 1999 | 5.83 | 3.42 | 3.96 |
| 2000 | 5.71 | 3.46 | 4.19 |
| 2001 | 6.69 | 3.72 | 4.50 |
| 2002 | 8.04 | 4.18 | 5.12 |
| 2003 | 7.93 | 5.04 | 5.93 |
| 2004 | 8.99 | 5.94 | 6.60 |
| 2005 | 9.58 | 6.07 | 6.79 |
| 2006 | 9.63 | 6.15 | 6.95 |
| 2007 | 8.86 | 6.43 | 7.15 |
| 2008 | 9.70 | 6.10 | 6.97 |
| 2009 | 7.74 | 5.42 | 6.40 |
| 2010 | 9.27 | 5.80 | 6.85 |
| 2011 | 9.13 | 5.71 | 6.80 |
| 2012 | 9.36 | 5.58 | 6.77 |
| 2013 | 9.30 | 5.62 | 6.76 |
| 2014 | 9.19 | 5.94 | 7.09 |
| 2015 | 10.34 | 6.28 | 7.52 |
| 2016 | 9.67 | 6.49 | 7.72 |
| 2017 | 9.72 | 6.84 | 7.91 |
| 2018 | 9.91 | 6.96 | 8.04 |
| 2019 | 8.93 | 6.86 | 7.88 |
| 2020 | 10.23 | 6.89 | 7.86 |
| 2021 | 10.56 | 7.93 | 9.06 |
| 2022 | 9.12 | 7.45 | 8.28 |

Source: ONS, Housing Affordability in England and Wales

Agent Engagement

2.47 Targeted telephone engagement with local estate agents took place in April 2023. The following selection collates these views although it should be caveated that not all views were universally held, and that they must be regarded as anecdotal. As such they may contradict each other and data presented elsewhere in this report.

Sales Market

- 2.48 The agents engaged with reported being busy throughout the pandemic and shortly after it with many seeing increases in the number of people moving into the area. The agents agreed that this was particularly a result of the Stamp Duty holiday, which also led to some increasing prices.
- 2.49 The level of activity has largely dropped off in 2022, with one agent linking this to increasing interest rates and the cost of living crisis which a lot of buyers and prospective sellers had been 'spooked' by. This has resulted in prices beginning to cool off and many properties taking longer to receive offers than throughout the pandemic.
- 2.50 With general market uncertainty in mind one agent reported being more conservative with valuations in order to manage sellers' expectations.
- 2.51 In terms of the type of property, there was a consensus amongst the agents that flats were the least popular of all property types, with these only really seeing a market within Oakham and Uppingham and largely as retirement properties.
- 2.52 Bungalows were seen to be in short supply in the County with agents reporting more people looking to buy a bungalow than seeking to sell. This can be linked to the aging population in the County and is supportive of a downsizing market.
- 2.53 Agents differed in opinion on other types of property. One agent stated that detached properties usually sold well, another felt that buyers were less concerned about the type of property providing it had the right number of bedrooms and benefitted from a garden.
- 2.54 Generally, agents agreed that 3 bedroom properties were seen as most popular as they were suitable for almost all types of buyer. Families were the most common buyer type overall but were generally seen as less attracted to the most rural locations, instead, preferring areas with good access to schools.
- 2.55 Older couples were also a common type of buyer with many seeking properties that would be suitable later on in life but still had sufficient space.

2.56 The agents reported seeing buyers from the armed forces in the county, these primarily were families who were already fairly settled within the county and not new to Rutland.

Rental Market

- 2.57 Overall the lettings agents believed that the rental market in Rutland had not seen the slowing that had been experienced in the sales market, with agents still reporting a buoyant market with lots of prospective renters.
- 2.58 Generally, family housing was considered popular among tenants with one agent describing many tenants as 'would be first time buyers'.
- 2.59 Many tenants in Rutland had links to the county already, either through being from Rutland originally or working in the county or nearby.
- 2.60 Some rental demand had been seen from those in the Forces although this was not considered significant, agents felt that renting in the private market did not make financial sense for Forces members who could live within Barracks at a discounted rate. This was echoed by our discussions with the Armed Forces Covenant Officer.
- 2.61 In terms of length of stay, generally tenants signed standard 12 month contracts and roll these contracts forward if desired. Neither Covid nor the cost of living crisis were seen to have impacted this to a huge extent, with many landlords also preferring to retain tenants and avoid their properties sitting vacant.
- 2.62 In contrast to the sales market, the demand was focused on slightly smaller homes. Homes with 2 bedrooms were seen as most popular within the rental market, agents believed this was due to many tenants choosing or not being able to afford rents for larger properties than they needed.
- 2.63 The agents were seeking more rental property across all sizes and types, stating that there was a lack of stock in the market overall. However, they would be particularly looking for more stock within the towns of Oakham and Uppingham.
- 2.64 Despite this, the agents largely felt that Build to Rent developments are not in demand in the county, with the exception being if this development was aimed specifically at over 55's.

Area Profile: Key Messages

- Analysis was carried out to provide background information about population and housing in Rutland. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:
 - Demographic baseline (including data on population age structure and changes);
 - Housing stock (including type and tenure); and
 - Housing market (including data on house prices)
- As of mid-2021, the population of Rutland is 41,400 and since 2011 the County's population has grown by around 10% which is a faster rate of growth than across the East Midlands and nationally. The County also saw relatively fast population growth in the 2001-2011 period.
- The age structure of the population is also slightly different to other areas, with fewer people aged in their 20s and 30s, and higher proportions of older people. Over the past decade, the County has seen an ageing of the population, with the number of people aged 65 and over increasing by 30%; there have however also been increases in the number of children and people of 'working-age' (taken to be 16-64).
- Population growth in the County is largely driven by internal migration – moves from one part of the UK to another, although there are also positive levels of international migration. Natural change has been negative over the past few years (i.e. more deaths than births).
- ONS dwelling stock data indicates there were 17,900 dwellings in the County as of 2021, a net increase of 1,800 dwellings between 2011 and 2021. As with population growth, rates of change in dwelling numbers have been in excess of that seen in other areas, going back at least until 2001.
- Some 72% of all households in the County are owner-occupiers, notably higher than the national average of 62% (and higher than other benchmark areas), consequently the proportion of households living in the social rented (11%) and private rented (17%) sectors is lower than seen in other locations.
- The housing stock is dominated by detached homes, making up 46% of all dwellings (23% nationally) and related to this the stock is generally larger in nature, with around 34% having 4+-bedrooms. Again linked to this, the County sees high levels of under-occupancy, with over half of all households living in homes with at least two spare bedrooms. Levels of overcrowding are very low – at just 1.0% of all households.

Area Profile: Key Messages (cont...)

- In the year to September 2022 the median house price in Rutland was £300,000. This is above the median house price for comparator areas, and is 9% above the national average. Prices have been increasing, rising by 45% (£93,000) over the decade to September 2022 – this percentage increase is however lower than seen regionally (64%) or nationally (52%) – prices rose by 20% in the 5-years to September 2022. When looking at median prices by property type, Rutland also typically sees higher prices for different types of property than the East Midlands region and England as a whole.
- Despite the higher house prices, the County typically sees lower private rental costs when compared with the national position; the median private rent for a 2-bedroom home standing at £675 per month in the year to September 2022. Rents overall are around 3% below the national average (compared with 9% higher when looking at median house prices). Over the past five years rents have increased by around 19%, similar to the increase in house prices over the same period.
- Over the past decade (2012-22) the workplace-based affordability ratio (which is based on the ratio between median house prices and full-time earnings of those working in Rutland) has actually improved slightly in Rutland (going from 9.36 to 9.12) – a 3% reduction although it peaked at 10.72 in 2021. Over the same period, the ratio increased by 34% across the East Midlands and 22% nationally.
- Overall, the data points to Rutland as an affluent area with higher house prices and large proportions of households living in owner-occupied housing. The County also sees a housing mix of larger and detached homes. The analysis points to relatively high levels of housing demand. This can be seen in analysis of house prices and levels of delivery above other areas.
- That said, there are clearly issues suggested by the data. The house price to income ratio is high, pointing to potential difficulties in first-time-buyers (in particular) accessing the market – private rents are also high in a regional context. At the same time, the relative lack of social rented housing means it will be difficult for the Council to meet affordable housing needs when they arise.

3. Overall Housing Need

Introduction

- 3.1 This section of the report considers overall housing need set against the framework of Planning Practice Guidance (PPG) – specifically the Standard Method for assessing housing need. The section also considers recent demographic trends to test if there are ‘exceptional circumstances’ that would point to the Standard Method as no longer being reasonable. Where projections are discussed in this section, the analysis looks at the 2023-33 period (as this fits with the Standard Method) with data generally being shown on an annual basis that can be rolled forward for periods post 2033.

Standard Method

- 3.2 The methodology for calculating housing need is set out by Government in PPG and follows a four-step process worked through in the following sub-sections. We consider first the implications of use of the 2014-based Household Projections, the use of which is required in the Planning Practice Guidance.

Step One: Setting the Baseline

- 3.3 The first step in considering housing need against the Standard Method is to establish a demographic baseline of household growth. This baseline is drawn from the 2014-based Household Projections and should be the annual average household growth over a ten-year period, with the current year being the first year i.e. 2023 to 2033. This results in growth of 933 households (93 per annum) over the ten-year period.
- 3.4 Although this figure is calculated over a ten-year period from 2023 to 2033, Paragraph 12 of the PPG states that this average household growth and the local housing need arising from it can then “be applied to the whole plan period” in calculating housing need.

Step Two: Affordability Adjustment

- 3.5 The second step of the standard method is to consider the application of an uplift on the demographic baseline, to take account of market signals (i.e. relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available.
- 3.6 The latest (workplace-based) affordability data is for 2022 and was published by ONS in March 2023. The Government’s Guidance states that for each 1% increase in the ratio of house prices to earnings, above 4, the average household growth should be increased by 6.25%, with the calculation being shown below. For Rutland, the ratio for 2022 was 9.12, giving an uplift of 32% - this leads to a housing need of 123 dwellings per annum.

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

Step Three: The Cap

- 3.7 The third step of the Standard Method is to consider the application of a cap on any increase and ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:
- The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan.
 - The second situation is where plans and evidence are more than five years old. In such circumstances a cap may be applied at 40% above the higher of the projected household growth (step 1) or the housing requirement in the most recent plan, where this exists.
- 3.8 The last Rutland Local Plan dates back to 2011 with a housing target of 150 dwellings per annum. This is however largely irrelevant as the affordability uplift (32%) is below 40% - no cap is applied to the figures and the housing need remains calculated as 123 dwellings per annum.

Step Four: Urban Uplift

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

Standard Method Calculation using 2014-based Household Projections

- 3.10 The table below works through the Standard Method calculations for the County and shows a need for 123 dwellings per annum.

| Figure 3.1: Standard Method Housing Need Calculations using 2014-based Household Projections | |
|---|---------|
| | Rutland |
| Households 2023 | 16,443 |
| Households 2033 | 17,376 |
| Change in households | 933 |
| Per annum change | 93 |
| Affordability ratio (2022) | 9.12 |
| Uplift to household growth | 32% |
| Uncapped need (per annum) | 123 |
| Capped need (per annum) | 123 |

Source: Derived from a range of ONS and MHCLG sources

Divergence from the Standard Method (Exceptional Circumstances)

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

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

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

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

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

- 3.12 Paragraph 2a-010 also sets out circumstances where it might be appropriate to plan for a higher housing need figure than the standard method indicates; this includes noting that the method 'does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates'. In Rutland, economic growth potential (increases in jobs) could put pressure on the need to provide housing delivery in excess of the Standard Method, and this is discussed later in this report.

- 3.13 Regarding demographic trends and projections, the guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be applied where relevant. When using an alternative approach, it is necessary to take account of demographic growth and market signals, but this cannot include using more recent versions of published SNHP. The PPG does not specifically set out examples of exceptional circumstances but it is considered that there are likely to be two main considerations:
- Firstly that demographic data on which projections are based is demonstrably wrong and cannot realistically be used for trend-based projections on which the Standard Method is based; and
 - Secondly that demographic trends have changed so much that it is unrealistic to use a set of projections based on information in a trend period to 2014, which is now over 8-years old.
- 3.14 The analysis below principally focuses on the second of the two bullet points above before moving on to look at what might be seen as a reasonable trend-based projection using available information. The focus is particularly on population projections and the report does not seek to challenge the market signals element of the Standard Method. For this element we have used the latest affordability figures published by ONS to generate estimates of need. The first analysis below briefly considers the validity of the 2014-based projections.

Data Used in 2014-based Projections

- 3.15 On the 22nd March 2018 ONS released revised population estimates for England and Wales: mid-2012 to mid-2016. The main justification ONS listed for this were that improvements had been made to international emigration and foreign armed forces dependents and that the distribution of people aged in their 20s and 30s has changed more than for other age groups.
- 3.16 By updating previous estimates of population change and migration (including in the period 2011-14) ONS were essentially changing the data used to underpin part of the 2014-based projections. It is therefore worthwhile seeing how significant these changes were for Rutland and if updated information point to the 2014-based projections as being substantially wrong.

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

| Figure 3.2: Original & Revised Estimate of Population in 2014 | | | |
|--|-------------------|------------------|------------|
| | Original estimate | Revised estimate | Difference |
| Rutland | 38,022 | 38,263 | +241 |

Source: ONS

Population Trends

3.18 The analysis below looks at population trends across the County. Two main sources are initially used, these are:

- MYE (unadjusted) – unadjusted ONS mid-year population estimates (MYE) – these are estimates of population made by ONS through its tracking of births, deaths and migration from 2021. This is an important source as the data contained within this data source (notably about migration) is likely to be used by ONS as part of the next round of population projections (2021-based SNPP); and
- MYE (Census adjusted) – these are estimates of population in 2021 that take account of 2021 Census data. Essentially, ONS use the Census (which dates from March 2021) and roll forward to a mid-year estimates based on births, deaths and migration in the 3 month period. The Census adjusted MYE replace the unadjusted figures as the ONS view of population in 2021.

3.19 Eventually, ONS will revise the full back series of data from 2011 to take account of the new 2021 MYE. However, at the time of writing this had not been done and so there are only two reasonable data points (2011 and 2021) – much of the analysis to follow therefore looks at trends in this 10-year period.

- 3.20 Above it was noted that one exceptional circumstance might be that the 2014-based subnational household projections (SNHP) that underpin the Standard Method are clearly wrong – in this instance we are looking to consider if the trends that have actually occurred are substantially different from those projected back in 2014 and that this is locally exceptional. One way of considering this is to compare data for 2021 with recently published Census data and also MYE data (prior to a Census adjustment). Comparisons are made for both population (as this underpins the household projections) and household estimates.
- 3.21 The table below shows population figures for 2011 and 2021 from these sources. The data shows the 2014-based projections had projected the population of the County to reach 38,600 by 2021 and ONS in their monitoring of data had actually estimated a higher population figure (41,000). Following publication of the 2021 Census, ONS has revised slightly upwards its estimate of population in 2021 to 41,400.

Figure 3.3: Estimated Population in 2011 and 2021 – range of sources – Rutland

| | 2011 | 2021 | Change | % change |
|-----------------------|--------|--------|--------|----------|
| 2014-based SNPP/SNHP | 37,581 | 38,581 | 1,000 | 2.7% |
| MYE (unadjusted) | 37,581 | 41,001 | 3,420 | 9.1% |
| MYE (Census adjusted) | 37,581 | 41,381 | 3,800 | 10.1% |

Source: ONS

- 3.22 There is clearly a difference between the projections as used in the Standard Method and the reality of what seems to have happened in the 2011-21 period and arguably this could be considered to be ‘exceptional’ – as nationally there is also a difference in the figures but in the opposite direction – for England both MYE estimates sit slightly below the 2014-SNPP figures.

Figure 3.4: Estimated Population in 2011 and 2021 – range of sources – England

| | 2011 | 2021 | Change | % change |
|-----------------------|------------|------------|-----------|----------|
| 2014-based SNPP/SNHP | 53,107,200 | 57,248,400 | 4,141,200 | 7.8% |
| MYE (unadjusted) | 53,107,200 | 56,536,400 | 3,429,300 | 6.5% |
| MYE (Census adjusted) | 53,107,200 | 56,334,700 | 3,227,600 | 6.1% |

Source: ONS

Household Trends

- 3.23 In terms of more recent trends, we can also look at household changes as projected in the 2014-SNHP and as now shown by the Census, this is shown in the table below. This shows across the County that household growth in the 10-year period to 2021 was projected to be at a lower level in the 2014-SNHP than the Census has now shown to be the case.
- 3.24 As with the population data, this is the opposite trend to that observed regionally and nationally where the Census records lower household growth than projected across both the East Midlands and England. This finding does point to stronger demographic trends than previously projected and that this might point to needing to consider a higher projection when looking at housing need and requirements.

Figure 3.5: Estimated Households in 2011 and 2021 – range of sources

| | | 2011 | 2021 | Change | % change |
|---------------|-----------------|------------|------------|-----------|----------|
| Rutland | 2014-based SNHP | 15,159 | 16,263 | 1,104 | 7.3% |
| | Census | 15,002 | 16,696 | 1,694 | 11.3% |
| East Midlands | 2014-based SNHP | 1,897,445 | 2,070,504 | 173,059 | 9.1% |
| | Census | 1,895,604 | 2,037,334 | 141,730 | 7.5% |
| England | 2014-based SNHP | 22,103,878 | 24,371,273 | 2,267,395 | 10.3% |
| | Census | 22,063,368 | 23,436,085 | 1,372,717 | 6.2% |

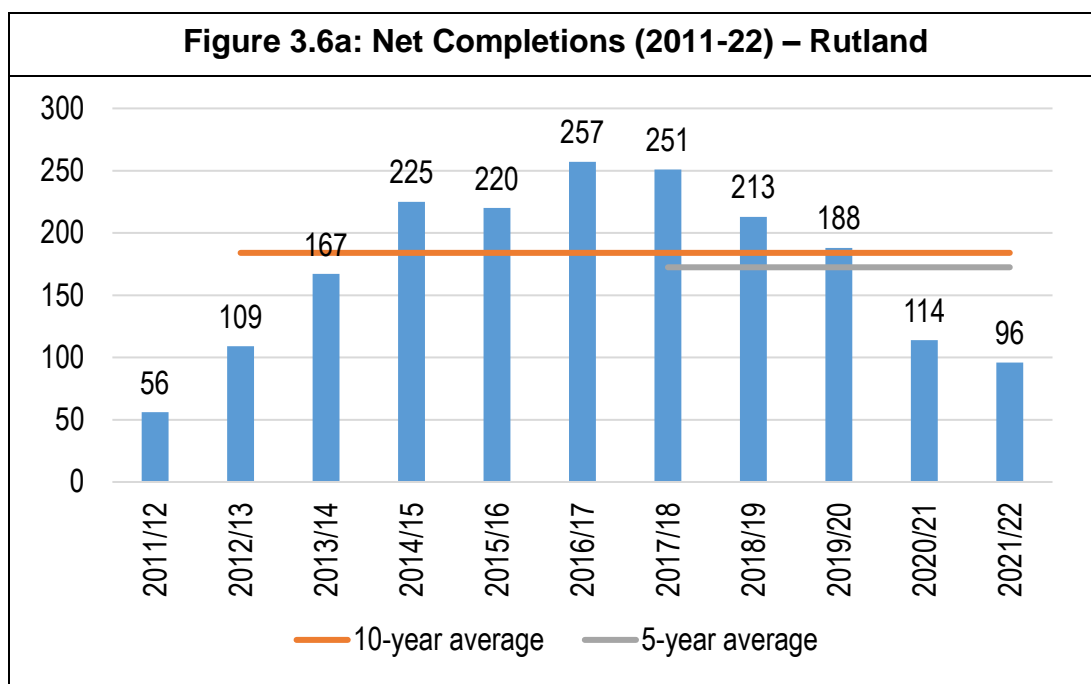
Source: ONS

Past build rates

- 3.25 The final consideration for a housing requirement is looking at past housing delivery. This is a key part of the PPG, which says (2a-010):

‘There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method... Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests’.

3.26 The figure below shows housing completions over the period from 2011 to 2022 – this shows average completions of 184 per annum over the past decade and a slightly lower figure of 172 per annum over the past 5-years. Generally, these figures would point to a housing need in excess of the Standard Method (123 per annum) – supply has almost consistently exceeded the Standard Method although figures for the last two-years do show a slowing down in completions (to a level below the Standard Method).



Source: DLUHC (Live Table 122)

Figure 3.6b: Net Completions (2011-22) – Rutland

| | Net completions |
|---------|-----------------|
| 2011/12 | 56 |
| 2012/13 | 109 |
| 2013/14 | 167 |
| 2014/15 | 225 |
| 2015/16 | 220 |
| 2016/17 | 257 |
| 2017/18 | 251 |
| 2018/19 | 213 |
| 2019/20 | 188 |
| 2020/21 | 114 |
| 2021/22 | 96 |

Source: DLUHC (Live Table 122)

Studying More Recent Projection Releases

- 3.27 All of the analysis above points to stronger demographic trends – both in terms of population and household growth than had been projected in the 2014-based subnational population and household projections and this could point to the need to consider a higher level of housing need/requirement.
- 3.28 A start point for the analysis to follow is to look at more recent projections, although this is done in the knowledge that the PPG clearly states ‘... any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method’.
- 3.29 The first projections published since the 2014-based release were a 2016-based set and there is now also a 2018-based release and both are studied below. The 2018-based SNPP contain a number of assumptions that have been changed from the 2016-based version, these assumptions essentially filtering down from changes made at a national level. The key differences are:
- ONS’ long-term international migration assumptions have been revised upwards to 190,000 per annum compared to 165,000 in the 2016-based projections. This is based on a 25-year average;
 - The latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.78 compared to 1.84 in the 2016-based projections – both these figures are down from those projected in the 2014-based projections; and
 - Life expectancy increases are less than in the 2016-based projections (and 2014-based) as a consequence of the continued limited growth in life expectancy over the two years to 2018.
- 3.30 As well as providing a principal projection, in 2018 ONS developed a number of variants. In all cases the projections use the same fertility and mortality rates with differences being applied in relation to migration. The key variants in terms of this assessment can be described as:
- Principal projection
 - an alternative internal migration variant
 - a 10-year migration variant

- 3.31 In the principal projection, data about internal (domestic) migration uses data for the past 2-years and data about international migration from the past 5-years. The use of 2-years data for internal migration has been driven by ONS changing their methodology for recording internal moves, with this data being available from 2016 only.
- 3.32 The alternative internal migration variant uses data about migration from the last 5-years (2013-18), as well as also using 5-years of data for international migration. This variant is closest to replicating the methodology used in the 2016-based SNPP although it does mean for internal migration that data used is collected on a slightly different basis.
- 3.33 The 10-year migration variant (as the name implies) uses data about trends in migration over the past decade (2008-18). This time period is used for both internal and international migration.
- 3.34 The table below shows the outputs from each of these three variant scenarios along with comparisons from the 2016- and 2014-based SNPP. This shows that the 2018-based principal projection shows projected population growth of 7.0%, with the alternative internal migration scenario being slightly lower than this (4.9%). The 10-year trend projection (at 3.2%) is lower again. These latter two scenarios sit either side of the projected change in the 2014-based SNPP (which is an important projection as it underpins the 2014-based SNHP which is used in the Standard Method).

| | 2023 | 2033 | Change in population | % change |
|-----------------------------|--------|--------|----------------------|----------|
| 2018 (principal) | 41,511 | 44,434 | 2,923 | 7.0% |
| 2018 (alternative internal) | 40,894 | 42,901 | 2,007 | 4.9% |
| 2018 (10-year trend) | 40,485 | 41,766 | 1,280 | 3.2% |
| 2016-based | 40,047 | 41,377 | 1,330 | 3.3% |
| 2014-based | 38,964 | 40,434 | 1,470 | 3.8% |

Source: ONS

3.35 As well as looking at population growth, it is important to consider household growth as this is ultimately what drives estimates of housing need. In the ONS subnational household projections the same scenarios are run where estimates of households are set against the different population projections.

3.36 The table shows the 2018-based principal projection with a change in households of 175 per annum, the alternative internal migration projection sits at 144 – both of which are above the 2014-based figure (93 per annum).

Figure 3.8: Projected household growth (2023-33) – Rutland – range of SNHP releases

| | Households 2023 | Households 2033 | Change in households | % change |
|-----------------------------|-----------------|-----------------|----------------------|----------|
| 2018 (principal) | 17,629 | 19,379 | 1,750 | 9.9% |
| 2018 (alternative internal) | 17,414 | 18,851 | 1,437 | 8.3% |
| 2018 (10-year trend) | 17,186 | 18,222 | 1,036 | 6.0% |
| 2016-based | 17,061 | 18,241 | 1,180 | 6.9% |
| 2014-based | 16,443 | 17,376 | 933 | 5.7% |

Source: ONS

3.37 Although this report is not proposing to take any of these figures forward as an estimate of need (due to the wording of the PPG) it does seem clear that more recent population and household projection releases do point to stronger growth.

3.38 However, were we to specifically use one of these projections it is suggested that the alternative internal migration variant is likely to be the most robust in a local context. This is because the principal SNPP has too short a data period when looking at internal migration whilst the 10-year alternative is not thought likely to reflect recent changes (such as a slight uplift in housing completions and stronger recent demographic trends). The alternative internal migration scenario is also likely to be closest in methodological terms to the next round of (2021-based) projections.

Developing 2021-based Population Projections

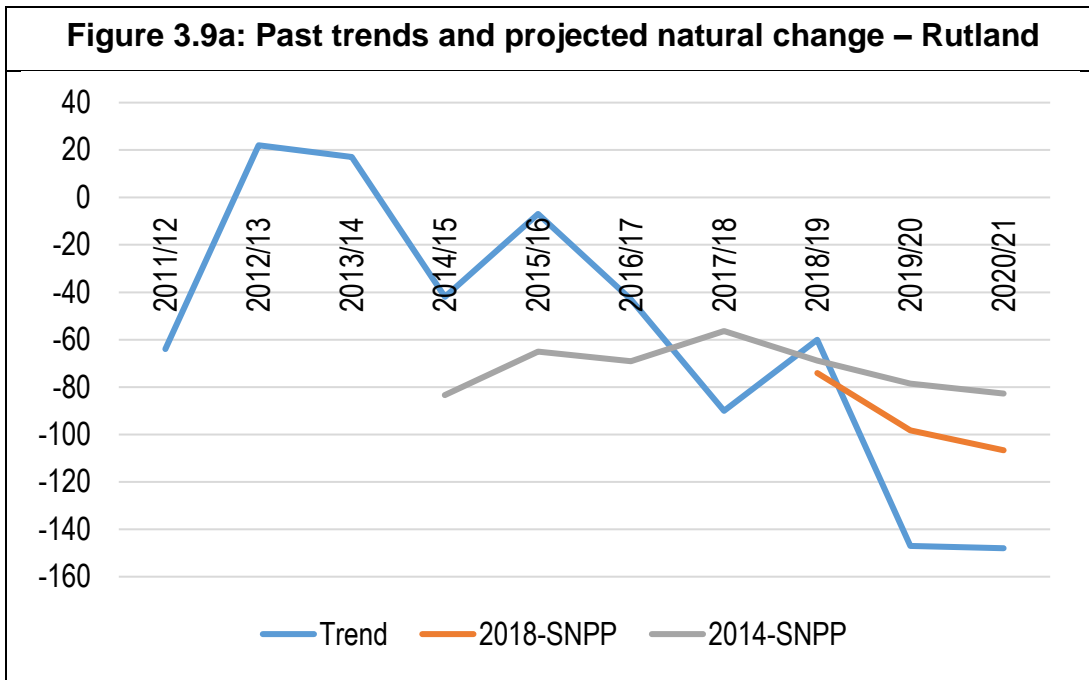
- 3.39 The analysis below makes estimates of the level of population and household growth that might emerge from the next round of (2021-based) ONS population and household projections. This has in part been driven by the December 2022 NPPF consultation noting that the Government ‘will review the implications on the standard method of new household projections data based on the 2021 Census, which is due to be published in 2024’.
- 3.40 Whilst this section develops a series of projections using data up to 2021, some caution should be exercised in interpreting these – this is mainly because the methodology to be used by ONS in developing projections could change and therefore assumptions made in this report can only be considered as a best/educated guess. For example:
- We do not know what assumptions ONS will make about international migration in the future and how this filters down to subnational projections;
 - We do not know what the relationship between past trends in migration and the projection will be. Generally projections, whilst based on trends will actually show higher or lower levels of migration than the trends; and
 - We do not know how ONS will deal with trends in household representative rates (HRRs) – essentially the likelihood of a person of a particular age group being the ‘head of household’.
- 3.41 In addition, whilst the NPPF consultation said that Government is ‘not proposing any changes to the standard method formula itself through this consultation’ it is possible once 2021-based projections are published that this is rethought. Alternatively, it could be that the 2021-based projections are rejected with continued use of 2014-based figures.
- 3.42 Where projections are developed, base data has been taken from the most recent subnational population and household projections (SNPP and SNHP) – these are a 2018-based release. The 2018-based projections included a number of variants and data has been drawn from the ‘alternative internal migration’ release as this is the one closest in methodology to the 2014-based projections.

Background Data on Population

- 3.43 The household projections have two components – population projections and then applying HRRs to make a household projection. This report treats these two elements separately starting with population estimates and projections.
- 3.44 Population projections have two main components – natural change (births minus deaths) and migration (in- and out-migration and conventionally split between internal (domestic) and international migration) – each of these are considered below.

Natural Change

3.45 The figure below shows past trends in natural change (going back to 2011) and how this was projected forward in the 2014-SNPP. The data is clear that natural change has been falling and to some extent this is picked up in the 2014-SNPP (where a typically lower level of natural change than past trends is shown although projecting forward there is a fairly flat level of natural change). The most recent (2018-based) SNPP seems to have also recognised this reduced level of natural change although it does sit slightly above recent trends (which may be Covid-19 influenced). On balance it is considered in developing a trend based projection that the use of birth and death rates from the 2018-based figures is reasonable.



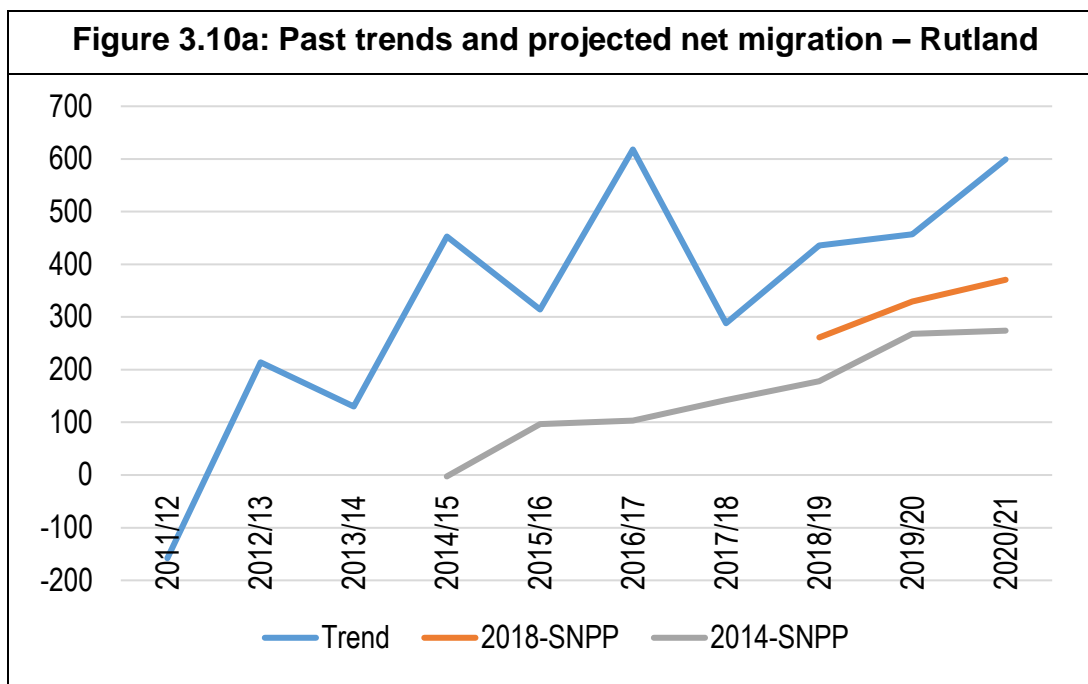
Source: ONS

| Figure 3.9b: Past trends and projected natural change – Rutland | | | |
|--|-------|-----------|-----------|
| | Trend | 2018-SNPP | 2014-SNPP |
| 2011/12 | -64 | - | - |
| 2012/13 | 22 | - | - |
| 2013/14 | 17 | - | - |
| 2014/15 | -42 | - | -83 |
| 2015/16 | -7 | - | -65 |
| 2016/17 | -43 | - | -69 |
| 2017/18 | -90 | - | -56 |
| 2018/19 | -60 | -74 | -69 |
| 2019/20 | -147 | -98 | -79 |
| 2020/21 | -148 | -107 | -83 |

Source: ONS

Migration

- 3.46 For migration it can often be difficult to identify trends as figures can be highly variable year on year (as demonstrated in the figure below). In addition, once Census data was published, ONS rebased population estimates and differences between pre- and post-Census estimates could arguably be due to under- or over-estimates of migration. This point was dealt with earlier in this section where it was noted that the population shown in the Census was around 380 people higher than ONS had previously estimated (an average of around 38 people per annum). This is not considered to be a significant difference between the figures and in any case it is unlikely that ONS will take account of differences between these estimates when developing the next set of projections.
- 3.47 The figure below shows a general upward trend in net migration over the past decade and that both the 2014- and 2018-based projection releases projected migration below the recorded trend. The 2018-based SNPP did however project for a higher level of migration than the earlier (2014-based) release.



Source: ONS

| | Trend | 2018-SNPP | 2014-SNPP |
|---------|-------|-----------|-----------|
| 2011/12 | -158 | - | - |
| 2012/13 | 214 | - | - |
| 2013/14 | 130 | - | - |
| 2014/15 | 453 | - | -3 |
| 2015/16 | 314 | - | 97 |
| 2016/17 | 618 | - | 103 |
| 2017/18 | 288 | - | 142 |
| 2018/19 | 436 | 261 | 178 |
| 2019/20 | 457 | 329 | 268 |
| 2020/21 | 599 | 371 | 274 |

Source: ONS

3.48 On the basis of variable data it is easier to look at averages for different time periods – for this 5-year periods are used. This is because conventionally ONS principal projections look at trends over the past 5-years. The table below also shows averages as projected in the 2018-SNPP. Figures are shown for all migration together although in modelling this is split between domestic and international migration.

- 3.49 There are a number of observations that can be made from the data. Firstly, in projecting forward ONS is looking at migration at a similar (very slightly lower) level to the past trend – between 2013 and 2018 the average recorded level of net migration was 361 people per annum and the first 5-years of the projection is at 342. Additionally, it can be seen that projected migration figures do vary on a year-by-year basis.
- 3.50 In using this data to project forward it is considered the most prudent approach is to assume that migration would start (in 2021-22) at the average level seen over the past 5-years (or 10-years if looking at longer-term trends). Moving forward migration is projected to change modestly depending on the level assumed at the start, the reason for this is that with stronger migration, population growth would be stronger and this means there are more people in the area who could potentially be out-migrants. Therefore higher levels of migration might be expected to see modest decreases in net migration over time, with the opposite being seen if a lower start point is used. The last 5-years of recorded data shows an average net migration of 480 per annum and this level is assumed to be the start point, with a lower figure of 335 per annum if using a 10-year trend.

| Figure 3.11: Net Migration Trends and Projections – Rutland | | |
|--|-----------|------------|
| | MYE Trend | 2018-based |
| 2011/12 | -158 | - |
| 2012/13 | 214 | - |
| 2013/14 | 130 | - |
| 2014/15 | 453 | - |
| 2015/16 | 314 | - |
| 2016/17 | 618 | - |
| 2017/18 | 288 | - |
| 2018/19 | 436 | 261 |
| 2019/20 | 457 | 329 |
| 2020/21 | 599 | 371 |
| 2021/22 | - | 374 |
| 2022/23 | - | 376 |
| 2023/24 | - | 413 |
| 2024/25 | - | 417 |
| 2025/26 | - | 395 |
| 2026/27 | - | 391 |
| 2027/28 | - | 377 |
| Average (2013-18) | 361 | - |
| Average (2018-23) | - | 342 |
| Average (2016-21) | 480 | - |
| Average (2011-21) | 335 | - |

Source: ONS

Developing Population Projections

3.51 On the basis of the table above, two projections have been developed with the names and migration assumptions being set out below:

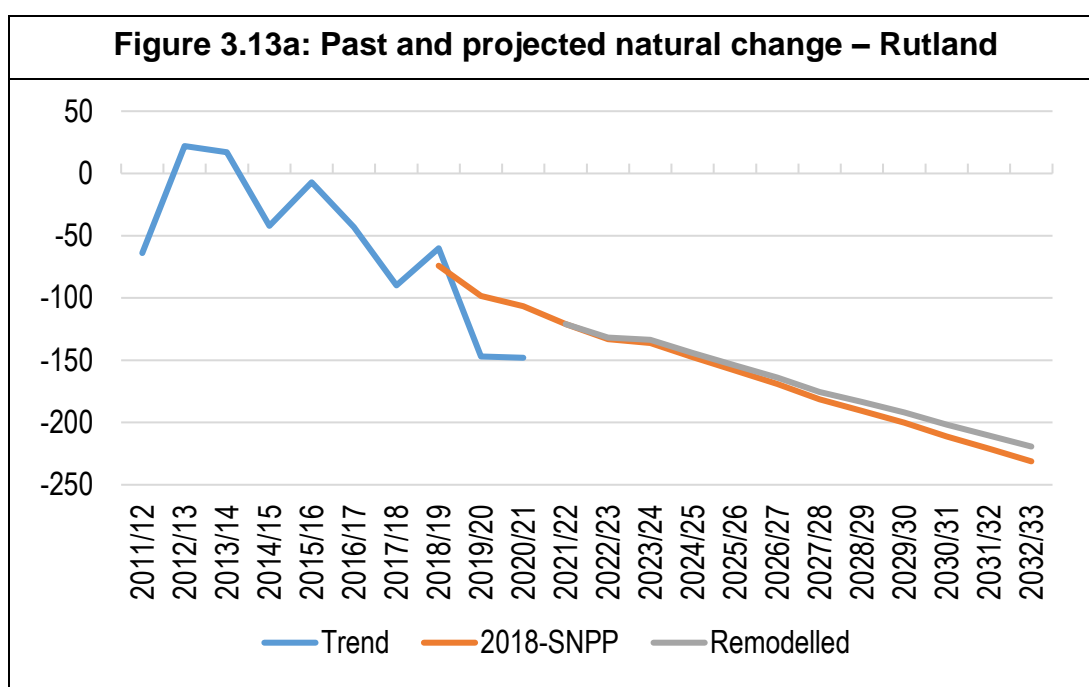
- 5-year MYE – this takes average migration for the past 5-years (2016-21) and projects this level forward; and
- 10-year MYE – a similar projection to the 5-year MYE one, apart from using average migration over the past 10-years;

3.52 The table below shows estimated population growth from each of these projections. There are a range of figures, from population growth of 1,500 (3.6%) with 10-year migration trends, up to 2,800 (6.6%) with the 5-year MYE figures.

| Figure 3.12: Projected population change with a range of scenarios – Rutland | | | | |
|---|--------|--------|--------|----------|
| | 2023 | 2033 | Change | % change |
| 5-year MYE | 42,087 | 44,870 | 2,783 | 6.6% |
| 10-year MYE | 41,800 | 43,285 | 1,485 | 3.6% |

Source: Demographic Projections

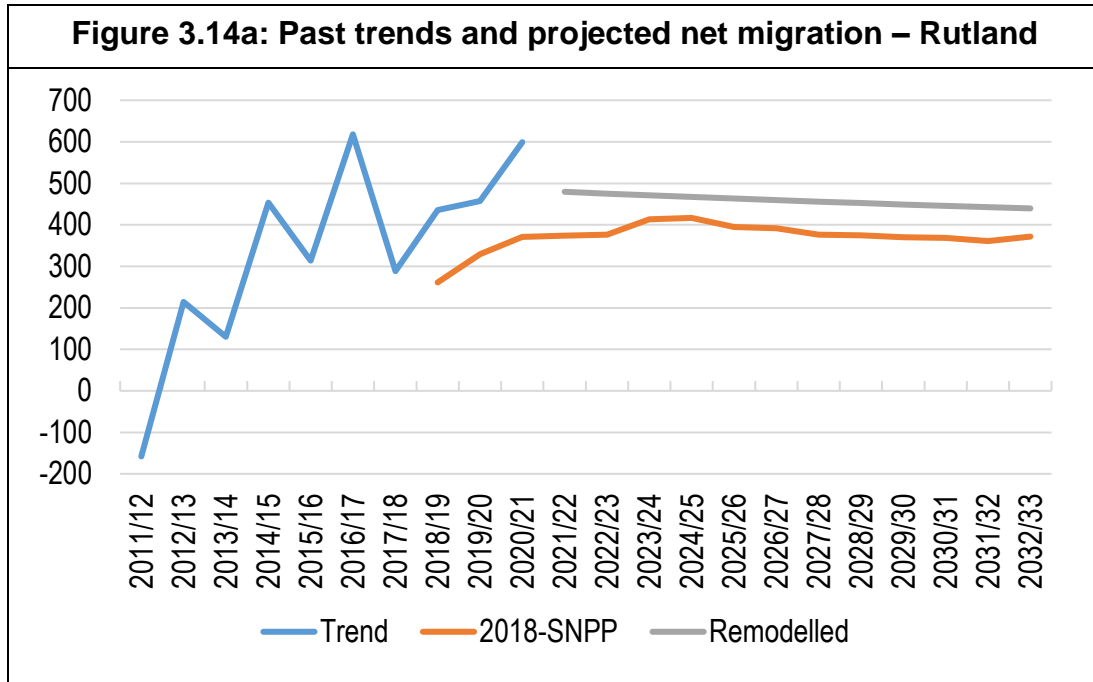
- 3.53 It is difficult to say which scenario is the most realistic but taking everything in the round it is considered that the 5-year trend projection is probably the best of the scenarios in methodological terms. This is because this scenario uses the time period and data ONS would be using if developing a new projection.
- 3.54 Below are a series of charts showing key components of change (using the 5-year trend (MYE) projection). For contrast, data is compared with that from the 2018-based SNPP, that being the most recent projection released by ONS.



Source: ONS and demographic projections

| Figure 3.13b: Past and projected natural change – Rutland | | | |
|--|-------|-----------|------------|
| | Trend | 2018-SNPP | Remodelled |
| 2011/12 | -64 | - | - |
| 2012/13 | 22 | - | - |
| 2013/14 | 17 | - | - |
| 2014/15 | -42 | - | - |
| 2015/16 | -7 | - | - |
| 2016/17 | -43 | - | - |
| 2017/18 | -90 | - | - |
| 2018/19 | -60 | -74 | - |
| 2019/20 | -147 | -98 | - |
| 2020/21 | -148 | -107 | - |
| 2021/22 | - | -121 | -121 |
| 2022/23 | - | -133 | -132 |
| 2023/24 | - | -136 | -134 |
| 2024/25 | - | -147 | -144 |
| 2025/26 | - | -158 | -154 |
| 2026/27 | - | -169 | -164 |
| 2027/28 | - | -181 | -175 |
| 2028/29 | - | -191 | -183 |
| 2029/30 | - | -200 | -192 |
| 2030/31 | - | -211 | -202 |
| 2031/32 | - | -221 | -210 |
| 2032/33 | - | -231 | -219 |

Source: ONS and demographic projections



Source: ONS and demographic projections

| Figure 3.14b: Past trends and projected net migration – Rutland | | | |
|--|-------|-----------|------------|
| | Trend | 2018-SNPP | Remodelled |
| 2011/12 | -158 | - | - |
| 2012/13 | 214 | - | - |
| 2013/14 | 130 | - | - |
| 2014/15 | 453 | - | - |
| 2015/16 | 314 | - | - |
| 2016/17 | 618 | - | - |
| 2017/18 | 288 | - | - |
| 2018/19 | 436 | 261 | - |
| 2019/20 | 457 | 329 | - |
| 2020/21 | 599 | 371 | - |
| 2021/22 | - | 374 | 480 |
| 2022/23 | - | 376 | 475 |
| 2023/24 | - | 413 | 471 |
| 2024/25 | - | 417 | 467 |
| 2025/26 | - | 395 | 463 |
| 2026/27 | - | 391 | 460 |
| 2027/28 | - | 377 | 456 |
| 2028/29 | - | 375 | 452 |
| 2029/30 | - | 370 | 449 |
| 2030/31 | - | 368 | 446 |
| 2031/32 | - | 361 | 442 |
| 2032/33 | - | 372 | 440 |

Source: ONS and demographic projections

3.55 The table below shows estimated population growth across the County split into 3 broad age bands (which can generally be described as a) children, b) working-age and c) pensionable age). This analysis shows population being projected to increase by around 2,800 people – this is a 6.6% increase over the 10-year period. The population aged 65 and over is projected to see the largest increase with the number of children and the population aged 16-64 remaining largely unchanged in number.

| Figure 3.15: Projected change in population by broad age group (2023-33) – Rutland | | | | |
|---|--------|--------|--------|----------|
| | 2023 | 2033 | Change | % change |
| Under 16 | 6,881 | 6,683 | -198 | -2.9% |
| 16-64 | 24,357 | 24,543 | 185 | 0.8% |
| 65+ | 10,848 | 13,644 | 2,796 | 25.8% |
| TOTAL | 42,087 | 44,870 | 2,783 | 6.6% |

Source: Demographic projections

Household Growth Projections

- 3.56 Having developed a population projection, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of headship or household representative rates is used (HRRs). These can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).
- 3.57 As with developing the population projections there will be some degree of assumption here about how ONS might deal with this point. From the 2021 Census it is possible for us to estimate HRRs for 2021 (for the purposes of this assessment 2018-based rates are used and then scaled to household estimates in 2021). However projecting forward there are a number of approaches that could be taken. The ones developed here are:
- ONS – for the HRRs to follow the trend from 2011 to 2021 for a further 10-years before levelling off – this is the same method as was used by ONS in the 2016- and 2018-SNHP although we would note that it is possible in the next round of projections for ONS to also include a longer time series back to 2001; and
 - Flat – to maintain the HRRs at the rates calculated for 2021 – whilst this would be a departure from the normal ONS method, it is a possible alternative, particularly as this would not continue any observed trends of suppressed household formation in the 2011-21 period.

3.58 The table below shows how HRRs are estimated to have changed in the 2011-21 period for a series of broad age groups – we would note that ONS is likely to use a more fine-grained analysis, but the table below reflects the data readily available at the time of writing. Generally, the data for Rutland does show some reduction in HRRs with the only age group seeing an increase being the 50-64 group, and even then the difference is fairly minor.

| Figure 3.16: Household Representative Rates by Age 2011 and 2021 – Rutland | | |
|---|-------|-------|
| | 2011 | 2021 |
| 16-24 | 8.9% | 7.9% |
| 25-34 | 43.6% | 41.8% |
| 35-49 | 54.7% | 54.1% |
| 50-64 | 59.2% | 59.7% |
| 65 and over | 66.6% | 64.2% |

Source: Census (2011 and 2021)

- 3.59 In addition, it is recognised one of the reasons for Government rejecting more recent projection releases than the 2014-based figures is that the HRRs in many areas build in a degree of suppression (i.e. rates for the younger population reducing over time due to difficulties in forming independent households due to market conditions (notably difficulties in obtaining mortgages). Therefore a third scenario has been run linking directly back to the 2014-SNHP rates.
- 14-b – for the HRRs from the 2014-based subnational household projections to be used as published. In this scenario the estimated number of households for 2021 has not been rebased to estimates derived from the 2021 Census.
- 3.60 Having developed these three alternative views of HRRs these are then modelled against the population projections giving a total of six scenarios for which household growth is estimated. These are shown in the table below. As with population there a range of outputs with the lowest scenario showing a household growth of 80 per annum and figures going up to 180 per annum.
- 3.61 The range of household growth shown based on the preferred population projection (5-year MYE) is in the range of 124 to 167 per annum – this is data also using the most up-to-date information about household numbers and representative rates.

| Figure 3.17: Projected household change with a range of scenarios – Rutland | | | | |
|--|--------|--------|--------|-----------|
| | 2023 | 2033 | Change | Per annum |
| 5-year MYE – ONS | 17,134 | 18,372 | 1,238 | 124 |
| 5-year MYE – Flat | 17,204 | 18,875 | 1,671 | 167 |
| 5-year MYE – 14-b | - | - | 1,803 | 180 |
| 10-year MYE – ONS | 17,113 | 18,333 | 1,220 | 122 |
| 10-year MYE – Flat | 17,044 | 17,848 | 804 | 80 |
| 10-year MYE – 14-b | - | - | 1,299 | 130 |

Source: Demographic projections

Relationship Between Housing and Economic Growth

3.62 The analysis to follow considers the relationship between housing and economic growth; seeking to understand what level of jobs might be supported by changes to the local labour supply (which will be influenced by population change). To look at estimates of the job growth to be supported, a series of stages are undertaken. These can be summarised as:

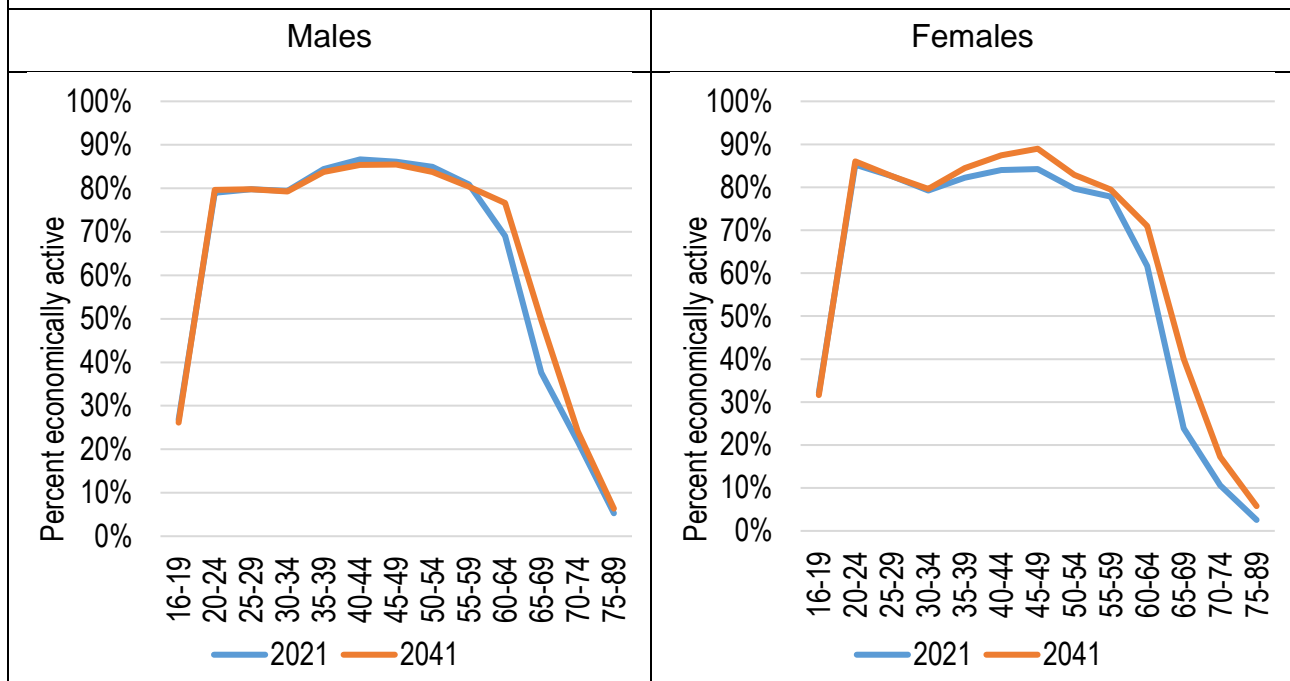
- Estimate changes to the economically active population (this provides an estimate of the change in labour-supply);
- Overlay information about commuting patterns, double jobbing (i.e. the fact that some people have more than one job) and potential changes to unemployment; and
- Bringing together this information will provide an estimate of the potential job growth supported by the population projections.

3.63 The analysis of housing and economic growth looks at the 2021-41 period (rather than 2023-33 for demographic data above). This is due to seeking alignment with the Council's Employment Land Review (ELR) from which this report takes a number of economic forecasts.

Growth in Resident Labour Supply

- 3.64 The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop. This is a fairly typical approach with data being drawn in this instance from the Office for Budget Responsibility (OBR) – July 2018 (Fiscal Sustainability Report) – this data has then been rebased to information in the 2011 Census (on age, sex and economic activity) and the 2021 Annual Population Survey (for an updated numbers of people who are economically active).
- 3.65 The figure and table below show the assumptions made for the County. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable degree link to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).

Figure 3.18: Projected changes to economic activity rates (2021 and 2041) – Rutland



Source: Based on OBR and Census (2021) data

| Figure 3.19: Projected changes to economic activity rates (2021 and 2041) – Rutland | | | | | | |
|--|-------|-------|--------|---------|-------|--------|
| | Males | | | Females | | |
| | 2021 | 2041 | Change | 2021 | 2041 | Change |
| 16-19 | 26.8% | 26.1% | -0.6% | 32.1% | 31.6% | -0.5% |
| 20-24 | 78.9% | 79.6% | 0.7% | 85.3% | 86.0% | 0.8% |
| 25-29 | 79.8% | 79.8% | 0.0% | 82.6% | 82.6% | 0.0% |
| 30-34 | 79.5% | 79.2% | -0.2% | 79.2% | 79.6% | 0.4% |
| 35-39 | 84.4% | 83.8% | -0.6% | 82.2% | 84.5% | 2.3% |
| 40-44 | 86.7% | 85.3% | -1.3% | 84.0% | 87.4% | 3.4% |
| 45-49 | 86.1% | 85.5% | -0.6% | 84.2% | 89.0% | 4.7% |
| 50-54 | 84.9% | 83.8% | -1.2% | 79.7% | 82.9% | 3.2% |
| 55-59 | 80.9% | 80.4% | -0.5% | 77.8% | 79.4% | 1.6% |
| 60-64 | 69.0% | 76.6% | 7.6% | 61.6% | 70.9% | 9.3% |
| 65-69 | 37.6% | 49.7% | 12.1% | 23.9% | 40.0% | 16.1% |
| 70-74 | 21.7% | 24.1% | 2.4% | 10.6% | 17.2% | 6.6% |
| 75-89 | 5.3% | 6.4% | 1.1% | 2.6% | 5.8% | 3.2% |

Source: Based on OBR and Census (2021) data

3.66 Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the County – this is set out in the table below. The analysis shows that the projection linked to the 5-year trend (MYE) results in growth in the economically-active population of 1,600 people – an 8% increase.

| Figure 3.20: Estimated change to the economically active population (2021-41) – Rutland | | | | |
|--|----------------------------|----------------------------|-------------------------------------|----------|
| | Economically active (2021) | Economically active (2041) | Total change in economically active | % change |
| 5-year trend (MYE) | 19,655 | 21,259 | 1,604 | 8.2% |
| 10-year trend (MYE) | 19,655 | 19,978 | 323 | 1.6% |

Source: Derived from demographic projections

Linking Changes to Resident Labour Supply and Job Growth

3.67 The analysis above has set out potential scenarios for the change in the number of people who are economically active. However, it is arguably more useful to convert this information into an estimate of the number of jobs this would support. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:

- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);
- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs; and
- Unemployment – if unemployment were to fall then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

Commuting Patterns

3.68 The table below shows summary data about commuting to and from Rutland from the 2011 Census. Overall, the data shows the County sees a small level of net in-commuting for work with the number of people resident in the area who are working being about 1.5% lower than the total number who work in the area. This number is shown as the commuting ratio in the final row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live).

| Figure 3.21: Commuting patterns (2011) | |
|---|---------|
| | Rutland |
| Live and work in Local Authority (LA) | 7,378 |
| Home workers | 3,076 |
| No fixed workplace | 1,225 |
| In-commute | 6,794 |
| Out-commute | 6,516 |
| Total working in LA | 18,473 |
| Total living in LA (and working) | 18,195 |
| Commuting ratio | 0.985 |

Source: 2011 Census

- 3.69 In translating the commuting pattern data into growth in the labour-force, a core assumption is that the commuting ratio remains at the same level as shown by the 2011 Census. A sensitivity has also been developed where commuting for new jobs is assumed to be on a 1:1 ratio (i.e. the increase in the number of people working in the area is equal to the number of people living in the area who are working).

Double Jobbing

- 3.70 The analysis also considers that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) for the past 5-years suggests across the County that typically about 6.7% of workers have a second job.
- 3.71 For the purposes of this assessment it has been assumed that around 6.7% of people will have more than one job moving forward. A double jobbing figure of 6.7% gives rise to a ratio of 0.933 (i.e. the number of jobs supported by the workforce will be around 6.7% higher than workforce growth). It has been assumed in the analysis that the level of double jobbing will remain constant over time.

Unemployment

- 3.72 The last analysis when looking at the link between jobs and resident labour supply is a consideration of unemployment. Essentially, this is considering if there is any latent labour force that could move back into employment to take up new jobs. This is particularly important given there is likely to have been notable increases in unemployment due to Covid-19, although it will be difficult to be precise about numbers. Given the estimates of economic activity and job growth are taken from mid-2021 it is considered that there is no need to include a further adjustment to take account of the pandemic. Essentially, it is assumed that people who lost employment through the pandemic will now be back in work (if they are seeking work) and so there is no latent labour supply available to fill additional jobs.

Jobs Supported by Growth in the Resident Labour Force

- 3.73 The table below shows how many additional jobs might be supported by population growth under the 5-year trend (MYE) based projection. Given different assumptions about commuting patterns and estimates about double jobbing, it is estimated that over 1,700 additional jobs could be supported by the changes to the resident labour supply over the 2021-41 period.

| Figure 3.22: Jobs supported by demographic projections (2021-41) | | | |
|---|-------------------------------------|------------------------------|--|
| | Total change in economically active | Allowance for double jobbing | Allowance for net commuting (= jobs supported) |
| Census commuting | 1,604 | 1,720 | 1,746 |
| 1:1 commuting | 1,604 | 1,720 | 1,720 |

Source: Derived from a range of sources

Economic Forecasts

- 3.74 At the time of drafting this report, the Council had recently commissioned a new employment land review (ELR) to Iceni Projects and it has therefore been possible to access the economic forecast being used in that study. Two forecasts were provided, a baseline and what is described as an Alternative scenario (which looks at individual sectors and makes reasoned adjustments). The table below show the forecast job growth in each of these.

| Figure 3.23: Forecast change in jobs (2021-41) – Rutland | | | | |
|---|--------|--------|--------|----------|
| | 2021 | 2041 | Change | % change |
| Baseline | 20,545 | 22,387 | 1,842 | 9.0% |
| Alternative | 20,545 | 23,408 | 2,863 | 13.9% |

Source: Icen Projects

- 3.75 To look at estimates of the numbers of homes required to support jobs growth, the method which is followed is identical to that set out for translating homes into jobs but completed in reverse to get to a population growth.
- 3.76 This level of population growth is then applied to the household formation rates developed earlier in this section to get to a household growth. A final adjustment to reflect a level of vacancy in the housing stock is applied to the household growth to get to dwelling growth. The stages can be summarised as:
- Start with estimates of job growth (as shown above);
 - Estimate changes required to the economically active population to meet the jobs growth – this takes account of information about commuting patterns, double jobbing (i.e. the fact that some people have more than one job) and potential changes to unemployment;
 - Flex levels of migration within the demographic model so that the change in the economically active population equals the change required to meet the number of jobs (migration can be ‘flexed’ up or down with stronger economic growth resulting in higher net in-migration as more people are required in the labour-supply); and
 - Apply household representative rates to the resulting population projection and apply a vacancy allowance to calculate the number of households and dwellings needed.

Economic Growth and Housing Need

- 3.77 The demographic model developed to look at housing need has been used to consider the link between jobs and housing. Within the modelling, migration assumptions have been changed so that the change in the economically active population matches the change in the resident workforce required. This might for example require the modelling to assume an increase in net migration from the base position and to achieve a net increase adjustments are made to both in- and out-migration (e.g. if net migration needs to increase by 2% then (broadly speaking) in-migration is increased by 1% and out-migration is reduced by 1% within the modelling).
- 3.78 In line with earlier assumptions on changes in economic participation and commuting, we assume an increase in the resident workforce in line with the growth in people in employment (i.e. a 1:1 ratio between growth in people working in Rutland and residents in work) as well as modelling a continuation of commuting dynamics shown by the 2011 Census. The analysis also assumes that 6.7% of people hold down more than one job.
- 3.79 Once the level of economically active population matches the job growth forecast, the population (and its age structure) is modelled against household representation (i.e. the changes of a person of a particular age group being the 'head of household'. Finally, a 3% vacancy allowance is included in relating household growth to housing need (this is a fairly standard assumption).
- 3.80 The first part of the analysis estimates what level of growth in the labour supply would be needed for the job growth forecasts to be met. This calculation is shown in the table below and shows growth in the resident labour supply of between 1,700 and 2,700 people depending on the forecast used and the commuting assumption applied.

| Forecast | Commuting assumption | Total additional jobs | Allowance for commuting | Allowance for double jobbing (=change in economically active) |
|-------------|----------------------|-----------------------|-------------------------|---|
| Baseline | Census commuting | 1,842 | 1,815 | 1,693 |
| | 1:1 commuting | 1,842 | 1,842 | 1,718 |
| Alternative | Census commuting | 2,863 | 2,820 | 2,630 |
| | 1:1 commuting | 2,863 | 2,863 | 2,670 |

Source: Derived from a range of sources

3.81 Drawing through the modelling assumptions the tables below shows estimates of housing need set against the job growth scenarios. Two tables are provided, the first using HRRs adjusted to take account of 2011-21 trends and the second showing figures if the position in 2021 is maintained. As with other analysis, a range of outcomes are found with need ranging from 116 to 197 dwellings per annum.

| Forecast | Commuting assumption | Households 2021 | Households 2041 | Change in households | Per annum | Dwellings (per annum) |
|-------------|----------------------|-----------------|-----------------|----------------------|-----------|-----------------------|
| Baseline | Census commuting | 16,804 | 19,063 | 2,259 | 113 | 116 |
| | 1:1 commuting | 16,804 | 19,080 | 2,275 | 114 | 117 |
| Alternative | Census commuting | 16,804 | 19,669 | 2,865 | 143 | 148 |
| | 1:1 commuting | 16,804 | 19,695 | 2,890 | 145 | 149 |

Source: Demographic projections

Figure 3.26: Economic-led Housing Need – constant HRRs – Rutland

| Forecast | Commuting assumption | Households 2021 | Households 2041 | Change in households | Per annum | Dwellings (per annum) |
|-------------|----------------------|-----------------|-----------------|----------------------|-----------|-----------------------|
| Baseline | Census commuting | 16,804 | 19,972 | 3,167 | 158 | 163 |
| | 1:1 commuting | 16,804 | 19,988 | 3,184 | 159 | 164 |
| Alternative | Census commuting | 16,804 | 20,609 | 3,805 | 190 | 196 |
| | 1:1 commuting | 16,804 | 20,636 | 3,832 | 192 | 197 |

Source: Demographic projections

Bringing the Data Together

- 3.82 Using the Government’s Standard Method, it is calculated the housing need for Rutland is 123 dwellings per annum. This is based on household growth for the 2023-33 period shown by 2014-based household projections and an affordability uplift of 32% to reflect the affordability ratio of 9.12.
- 3.83 Planning practice guidance notes an authority can move away from the Standard Method where there are exceptional circumstances, and this could be in an upward or downward direction. For Rutland it is arguable there is an exceptional circumstance, this mainly being seen by the observation that household and (in particular) population growth has been stronger than was projected in the 2014-based projections; therefore trend-based projections would be expected to show stronger growth and higher need.
- 3.84 Using up-to-date information about birth and death rates, and migration information for the past five years (a consistent period to that used by ONS when developing projections) it has been projected that the number of households might increase by 124-167 per annum in the future (although projections linking to longer-term (10-year) migration trends pointed to lower household growth).

- 3.85 Arguably, a further 'affordability' uplift could be applied to the trend-based projection, however this is not considered appropriate. Both figures in the range are above the Standard Method, whilst it is also the case that the County has seen improving affordability over the past decade and percentage increases in house prices are below the regional and national average. The past delivery of housing also seems to have supported population growth (i.e. no barrier to people moving to the area). In addition, overcrowding (another key 'market signal') has fallen over the 2011-21 decade.
- 3.86 Net completions have averaged 184 per annum over the past decade whilst it is estimated that a trend-based projection could support around over 1,700 additional jobs (through growth in the resident labour supply) in the 2021-41 period – the emerging employment land review shows a baseline job forecast of around 1,800 additional jobs in the same period. Both of these findings arguably point to a housing need in excess of the Standard Method, but it is not possible to pin a specific number down. The ELR does also include a higher job forecast, which could point to higher housing need; this however might be considered as a 'policy-on' position.
- 3.87 Overall, taking all of the evidence in the round, it is concluded the Standard Method housing need should be considered by the Council as very much a minimum figure with a range of different projections typically (but not universally) pointing to a higher figure. The Council should therefore consider if it is reasonable and possible to exceed the Standard Method, in doing so consideration will need to be given to factors other than just need (such as relating to land supply and infrastructure requirements).

Developing a Projection linking to the Standard Method

- 3.88 The data above points to demographic trends and economic growth suggesting a higher need than the Standard Method although the analysis is not definitive – including in pointing to what a reasonable estimate of housing need is. It therefore seems reasonable for the purposes of this report to continue with analysis linked to the Standard Method and therefore a bespoke projection has been developed, linking to provision of 123 dwellings per annum, and this projection is then used for other analysis in the report (including looking at the mix of housing).

- 3.89 A scenario has been developed which flexes migration to and from the County such that there is sufficient population for 123 additional homes each year. The modelling links to 2018-based population and household projections and also rebases population and households to the levels shown in the 2021 Census – of the household representative scenarios discussed above the ‘flat’ method is used so as to avoid the possibility of suppressed or additional suppressed household formation.
- 3.90 Within the modelling, migration assumptions have been changed so that across the Council area the increase in households matches the housing need (including a standard 3% vacancy allowance). Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).
- 3.91 In developing this projection a population increase of around 1,400 people is shown, with population growth shown in the 65 and over age bands – there is projected to be a modest decline in the number of children and also those aged 16-64.

| Figure 3.27: Population change 2023 to 2033 by broad age bands – Rutland (linked to Standard Method) | | | | |
|---|--------|--------|----------------------|--------------------|
| | 2023 | 2033 | Change in population | % change from 2023 |
| Under 16 | 6,949 | 6,464 | -485 | -7.0% |
| 16-64 | 22,755 | 22,086 | -669 | -2.9% |
| 65 and over | 10,889 | 13,481 | 2,592 | 23.8% |
| Total | 40,594 | 42,032 | 1,438 | 3.5% |

Source: Demographic Projections

Overall Housing Need: Key Messages

- The HMA studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 123 dwellings per annum. This is based on household growth of 93 per annum and an uplift for affordability of 32%.
- The report has considered whether there are exceptional circumstances to move away from the Standard Method (either in an upward or downward direction). This looked at up-to-date demographic trends and is also mindful of the NPPF consultation of December 2022 which points to there being some strengthening of the encouragement for local authorities to consider exceptional circumstances. The consultation NPPF suggests that consideration will be given to 2021-based projections when these are published in 2024.
- The report looked at more recent demographic trends – taking account of 2021 Census data and ONS mid-year population estimates up to 2021, this data was compared with the 2014-based projections. There were some differences between sources, in particular, recent trends show population growth in the County to have been stronger than was projected in the 2014 projections.
- An up-to-date trend-based projection was developed to take account of the most recent available data and this pointed to a household growth of around 124-167 per annum (although projections linking to longer-term (10-year) migration trends pointed to lower household growth). Arguably, a further ‘affordability’ uplift could be applied to the trend-based projection, however this is not considered appropriate. Both figures in the range are above the Standard Method, whilst it is also the case that the County has seen improving affordability over the past decade and percentage increases in house prices are below the regional and national average. The past delivery of housing also seems to have supported population growth (i.e. no barrier to people moving to the area). In addition, overcrowding (another key ‘market signal’) has fallen over the 2011-21 decade.
- Net completions have averaged 184 per annum over the past decade whilst it is estimated that a trend-based projection could support around over 1,700 additional jobs (through growth in the resident labour supply) in the 2021-41 period – the emerging employment land review shows a baseline job forecast of around 1,800 additional jobs in the same period. Both of these findings arguably point to a housing need in excess of the Standard Method, but it is not possible to pin a specific number down. The ELR does also include a higher job forecast, which could point to higher housing need; this however might be considered as a ‘policy-on’ position.

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

- Overall, taking all of the evidence in the round, it is concluded the Standard Method housing need should be considered by the Council as very much a minimum figure with a range of different projections typically (but not universally) pointing to a higher figure. The Council should therefore consider if it is reasonable and possible to exceed the Standard Method, in doing so consideration will need to be given to factors other than just need (such as relating to land supply and infrastructure requirements).

4. Affordable Housing Need

Introduction

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

Methodology Overview

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

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

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

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

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

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

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

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

Local Prices and Rents

- 4.11 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).
- 4.12 The analysis below considers the entry-level costs of housing to both buy and rent across the County. The approach has been to analyse Land Registry and ONS data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest properties may be of sub-standard quality.
- 4.13 Data from the Land Registry for the year to September 2022 shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £122,000 for a second-hand flat and rising to £360,000 for a detached home. Looking at the lower quartile price across all dwelling types, the analysis shows a lower quartile price of £220,000. The figures are all based on cost of existing homes in the market although newbuild prices are considered later in this section when looking at potential costs of affordable home ownership properties.

| Figure 4.1: Estimated lower quartile cost of housing to buy by type (existing dwellings) – year to September 2022 – Rutland | |
|--|----------------------|
| | Lower quartile price |
| Flat/maisonette | £122,500 |
| Terraced | £195,000 |
| Semi-detached | £225,000 |
| Detached | £360,000 |
| All dwellings | £220,000 |

Source: Land Registry

- 4.14 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). The analysis suggests a lower quartile price of about £120,000 for a 1-bedroom home, rising to £380,000 for homes with 4-bedrooms.

| Figure 4.2: Estimated lower quartile cost of housing to buy by size (existing dwellings) – year to September 2022 – Rutland | |
|--|----------------------|
| | Lower quartile price |
| 1-bedroom | £120,000 |
| 2-bedrooms | £190,000 |
| 3-bedrooms | £240,000 |
| 4-bedrooms | £380,000 |
| All Dwellings | £220,000 |

Source: Land Registry and Internet Price Search

- 4.15 A similar analysis has been carried out for private rents using ONS data – this covers a 12-month period to September 2022. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of £660 per month.

| Figure 4.3: Lower Quartile Market Rents, year to September 2022 – Rutland | |
|--|--------------------------|
| | Lower Quartile rent, pcm |
| 1-bedroom | £500 |
| 2-bedrooms | £625 |
| 3-bedrooms | £730 |
| 4-bedrooms | £910 |
| All properties | £660 |

Source: ONS

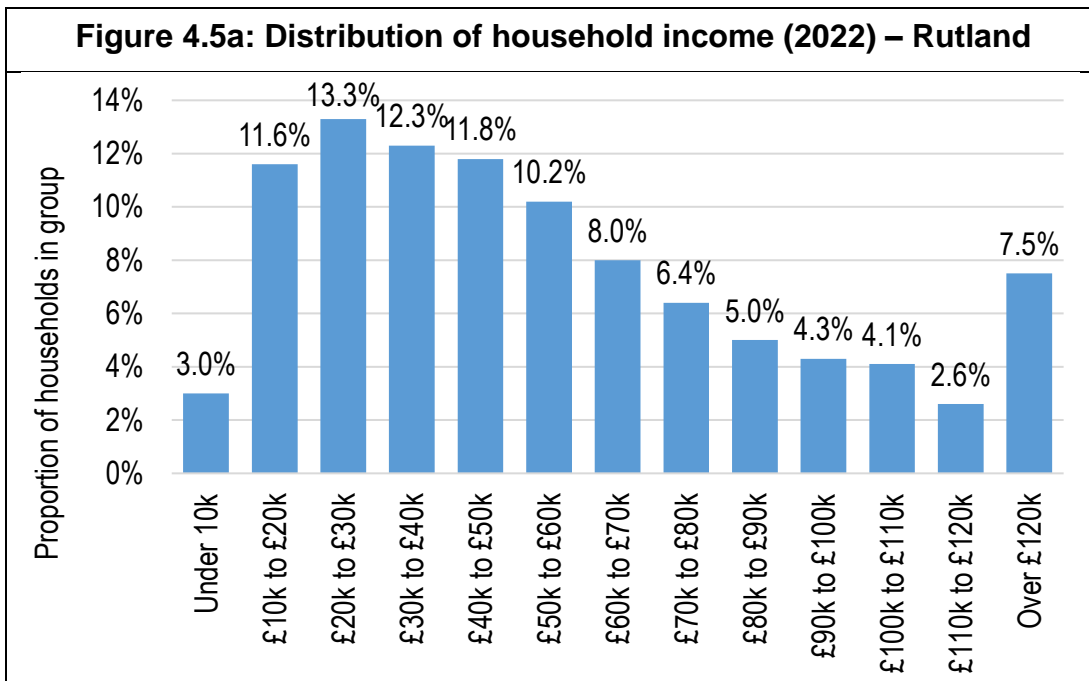
- 4.16 It is of interest for this study to see how prices and rents vary by location. The table below shows an estimate of the overall lower quartile house price and private rent in each of the sub-areas; this is based on Land Registry data for prices and analysis of online data on available lettings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

| Figure 4.4: Lower Quartile Prices and Market Rents, by sub-area | | |
|--|--|-----------------------------|
| | Lower quartile price (existing dwellings) | Lower Quartile rent, pcm |
| Oakham | £198,000 | £605 |
| Braunston & Martinsthorpe | £254,000 | £700 |
| Cottesmore | £237,000 | £735 |
| Exton | £263,000 | £785 |
| Greetham | £253,000 | £755 |
| Ketton | £294,000 | £855 |
| Langham | £255,000 | £800 |
| Lyddington | £337,000 | £920 |
| Normanton | £251,000 | £750 |
| Ryhall & Casterton | £227,000 | £695 |
| Uppingham | £212,000 | £610 |
| Whissendine | £261,000 | £735 |
| All properties | £220,000 | £660 |

Source: Internet private rental cost search and Land Registry

Household Incomes

- 4.17 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates updated to a 2022 base using data from the Annual Survey of Hours and Earnings (ASHE). Additional data from the English Housing Survey (EHS) has been used to provide information about the distribution of incomes.
- 4.18 Drawing this data together an income distribution for all households across the County has been constructed for 2022. The figure below shows that around a quarter of households have incomes below £30,000 with a further quarter in the range of £30,000 to £50,000. Overall, the average (mean) income is estimated to be around £57,200, with a median income of £48,300; the lower quartile income of all households is estimated to be £28,000.



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

| Figure 4.5b: Distribution of household income (2022) – Rutland | |
|---|-------------------------|
| | % of households in band |
| Under 10k | 3.0% |
| £10k to £20k | 11.6% |
| £20k to £30k | 13.3% |
| £30k to £40k | 12.3% |
| £40k to £50k | 11.8% |
| £50k to £60k | 10.2% |
| £60k to £70k | 8.0% |
| £70k to £80k | 6.4% |
| £80k to £90k | 5.0% |
| £90k to £100k | 4.3% |
| £100k to £110k | 4.1% |
| £110k to £120k | 2.6% |
| Over £120k | 7.5% |
| TOTAL | 100.0% |

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

- 4.19 Analysis has also been undertaken to estimate how incomes vary by sub-area, with the table below showing the estimated median household income in each location, the table also shows the variance in incomes from the County average. There is some variation in the estimated incomes by area, with only Oakham and Uppingham showing an average below the County average.

| Figure 4.6: Estimated average (median) household income by sub-area (2022) | | |
|---|---------------|--------------------------|
| | Median income | As a % of County average |
| Oakham | £44,400 | 92% |
| Braunston & Martinsthorpe | £53,600 | 111% |
| Cottesmore | £48,300 | 100% |
| Exton | £56,300 | 116% |
| Greetham | £52,200 | 108% |
| Ketton | £53,400 | 111% |
| Langham | £49,800 | 103% |
| Lyddington | £58,200 | 121% |
| Normanton | £52,000 | 108% |
| Ryhall & Casterton | £48,400 | 100% |
| Uppingham | £44,100 | 91% |
| Whissendine | £53,600 | 111% |
| All households | £48,300 | 100% |

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

Affordability Thresholds

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

- 4.21 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue. CLG SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable start point, it also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).
- 4.22 At £660 per calendar month, lower quartile rent levels in Rutland are above average in comparison to those seen nationally (a lower quartile rent of £610 for England in the year to September 2022). This would suggest that a proportion of income to be spent on housing could be higher than the bottom end of the range (the range starting from 25%). On balance, it is considered that a threshold of 30% is reasonable in a local context, to afford a £660 pcm rent would imply a gross household income of about £26,400 (and the rent would likely be around 36% of net income).
- 4.23 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.
- 4.24 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.
- 4.25 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four and a half times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis.

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

| Figure 4.7: Estimated Household Income Required to Buy and Privately Rent by sub-area | | | |
|--|---------|---------------------|------------|
| | To buy | To rent (privately) | Income gap |
| Oakham | £39,600 | £24,200 | £15,400 |
| Braunston & Martinsthorpe | £50,800 | £28,000 | £22,800 |
| Cottesmore | £47,400 | £29,400 | £18,000 |
| Exton | £52,600 | £31,400 | £21,200 |
| Greetham | £50,600 | £30,200 | £20,400 |
| Ketton | £58,800 | £34,200 | £24,600 |
| Langham | £51,000 | £32,000 | £19,000 |
| Lyddington | £67,400 | £36,800 | £30,600 |
| Normanton | £50,200 | £30,000 | £20,200 |
| Ryhall & Casterton | £45,400 | £27,800 | £17,600 |
| Uppingham | £42,400 | £24,400 | £18,000 |
| Whissendine | £52,200 | £29,400 | £22,800 |
| County-wide | £44,000 | £26,400 | £17,600 |

Source: Based on Housing Market Cost Analysis

Need for Social/Affordable Rented Housing

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

Current Need

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

| Figure 4.8: Main Sources for Assessing the Current Need for Affordable Housing | | |
|---|---|---|
| | Source | Notes |
| Homeless households (and those in temporary accommodation) | MHCLG Statutory Homelessness data | Household in temporary accommodation at end of quarter. |
| Households in overcrowded housing 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]

- 4.29 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include an element of double counting (although this is likely to be small). Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.

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>

- 4.30 The table below sets out the categories in the PPG and estimates of the number of households within each need category. This shows an estimated need from around 700 households. The data draws on a number of sources, including the 2021 Census.

| Figure 4.9: Estimated housing need by category of household | | |
|--|------------|-----------------|
| | Households | % of households |
| Concealed/homeless household | 142 | 20.2% |
| Households in overcrowded housing | 165 | 23.5% |
| Existing affordable housing tenants in need | 40 | 5.6% |
| Households from other tenures in need | 357 | 50.7% |
| TOTAL | 704 | 100.0% |

Source: Derived from a range of sources

- 4.31 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. The affordability in different groups is based on estimates of how incomes are likely to vary, for owner-occupiers there is a further assumption about potential equity levels. For homeless and concealed households it is assumed incomes will be low and households unlikely to be able to afford to rent privately.
- 4.32 The table below shows over two-fifths of those households identified above are unlikely to be able to afford market housing to buy OR rent and therefore there is a current need from 303 households. The estimate above can be compared with data from the Council's Housing Register, which at April 2022 had a total of 297 applicants (a broadly similar figure).

| Figure 4.10: Estimated housing need and affordability by tenure | | | |
|--|----------------|--------------------|----------------------------------|
| | Number in need | % unable to afford | Current need after affordability |
| Owner-occupied | 181 | 2.9% | 5 |
| Affordable housing | 122 | 66.3% | 81 |
| Private rented | 259 | 29.1% | 75 |
| No housing (homeless/concealed) | 142 | 100.0% | 142 |
| TOTAL | 704 | 43.1% | 303 |

Source: Derived from a range of sources

- 4.33 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 223. For the purposes of analysis, it is assumed that the local authority would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2023 to 2033, the need is annualised by dividing by 10 (to give an annual need for 23 dwellings across all areas). This does not mean that some households would be expected to wait 10-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.
- 4.34 The table below shows this data for sub-areas – this includes the number in need (once taking account of affordability), the number once excluding housing in affordable housing and the annual figure this represents.

| Figure 4.11: Estimated current housing need by sub-area | | | |
|--|----------------|---------------------------------------|------------|
| | Number in need | Excluding those in affordable housing | Annualised |
| Oakham | 110 | 78 | 8 |
| Braunston & Martinsthorpe | 19 | 17 | 2 |
| Cottesmore | 21 | 14 | 1 |
| Exton | 11 | 10 | 1 |
| Greetham | 17 | 14 | 1 |
| Ketton | 24 | 15 | 1 |
| Langham | 13 | 11 | 1 |
| Lyddington | 4 | 4 | 0 |
| Normanton | 21 | 18 | 2 |
| Ryhall & Casterton | 28 | 22 | 2 |
| Uppingham | 25 | 13 | 1 |
| Whissendine | 10 | 6 | 1 |
| TOTAL | 303 | 223 | 22 |

Source: Derived from a range of sources

Newly-Forming Households

- 4.35 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.
- 4.36 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 4.37 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).
- 4.38 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.
- 4.39 The assessment suggests overall that around a third of newly forming households will be unable to afford market housing (to rent privately) and this equates to a total of 87 newly forming households that will have a need per annum on average across the County.

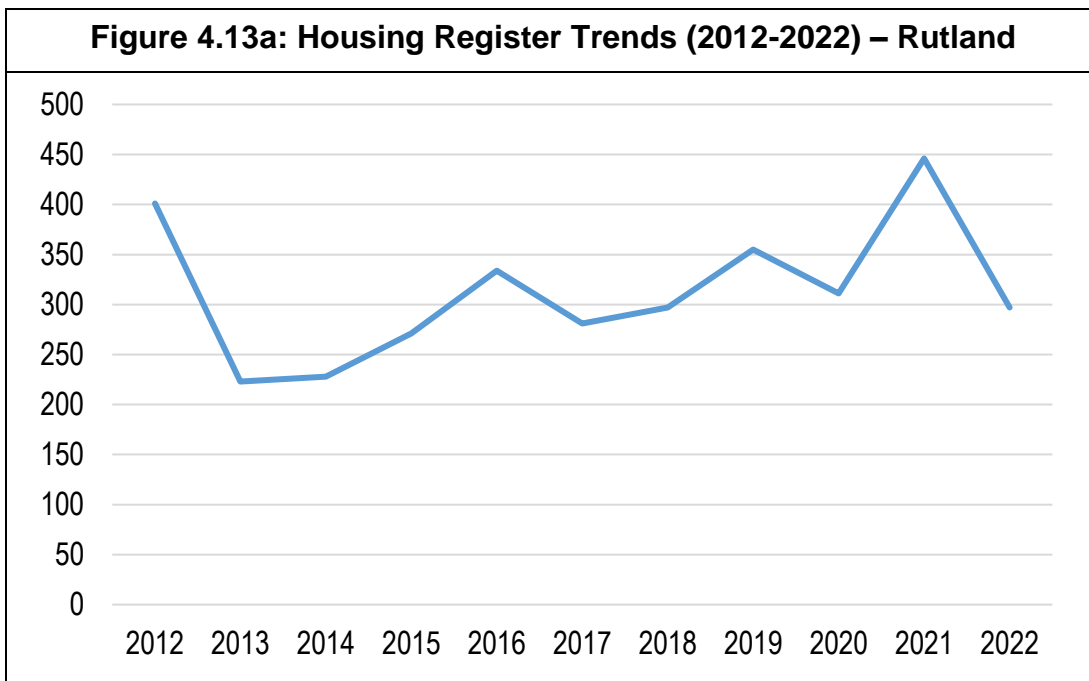
| Figure 4.12: Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (per annum) | | | |
|---|--------------------------|--------------------|--|
| | Number of new households | % unable to afford | Annual newly forming households unable to afford to rent |
| Oakham | 92 | 29.9% | 28 |
| Braunston & Martinsthorpe | 11 | 26.7% | 3 |
| Cottesmore | 38 | 33.5% | 13 |
| Exton | 7 | 29.9% | 2 |
| Greetham | 26 | 30.8% | 8 |
| Ketton | 15 | 36.6% | 5 |
| Langham | 7 | 35.8% | 2 |
| Lyddington | 7 | 33.9% | 2 |
| Normanton | 21 | 31.0% | 7 |
| Ryhall & Casterton | 17 | 31.4% | 5 |
| Uppingham | 33 | 31.3% | 10 |
| Whissendine | 6 | 28.6% | 2 |
| TOTAL | 279 | 31.3% | 87 |

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

- 4.40 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. Data has been drawn from a number of sources, including Local Authority Housing Statistics (LAHS), Continuous Recording of Sales and Lettings (CoRe) and information provided by the Council.

- 4.41 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that ‘Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)’.
- 4.42 In addition, analysis has considered trends in the Housing Register, recognising an increase in numbers would point to a higher level of need than is indicated from past lettings (and vice versa). Over the past decade, the number of households on the Register has been variable, but with no clear trend. Therefore no further adjustments have been made from estimates based on past lettings.



Source: DLUHC Live Table 600

| | Number on Housing Register |
|------|----------------------------|
| 2012 | 401 |
| 2013 | 223 |
| 2014 | 228 |
| 2015 | 271 |
| 2016 | 334 |
| 2017 | 281 |
| 2018 | 297 |
| 2019 | 355 |
| 2020 | 311 |
| 2021 | 446 |
| 2022 | 297 |

Source: DLUHC Live Table 600

- 4.43 Following the analysis through suggests a need arising from 22 existing households each year across the County with the table below showing how this is estimated to vary across sub-areas.

| | Total Additional Need | % of Total |
|--------------------------|-----------------------|---------------|
| Oakham | 8 | 35.0% |
| Braunston & Martinthorpe | 1 | 5.7% |
| Cottesmore | 3 | 12.8% |
| Exton | 1 | 5.0% |
| Greetham | 1 | 2.8% |
| Ketton | 1 | 5.5% |
| Langham | 1 | 2.5% |
| Lyddington | 1 | 2.9% |
| Normanton | 2 | 10.2% |
| Ryhall & Casterton | 1 | 5.0% |
| Uppingham | 2 | 10.9% |
| Whissendine | 0 | 1.7% |
| TOTAL | 22 | 100.0% |

Source: Derived from a range of sources

Supply of Social/Affordable Rented Housing Through Relets

- 4.44 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.
- 4.45 The Practice Guidance suggests that the estimate of likely future relets from the social/affordable rented stock should be based on past trend data which can be taken as a prediction for the future. Information from a range of sources (LAHS, CoRe and Council data) has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.
- 4.46 On the basis of past trend data it has been estimated that 53 units of social/affordable rented housing are likely to become available each year moving forward for occupation by households in need.

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

| | Total Lettings | % as Non-New Build | Lettings in Existing Stock | % Non-Transfers | Lettings to New Tenants |
|---------|----------------|--------------------|----------------------------|-----------------|-------------------------|
| 2019/20 | 112 | 88.4% | 99 | 62.5% | 62 |
| 2020/21 | 81 | 91.4% | 74 | 72.8% | 54 |
| 2021/22 | 74 | 86.5% | 64 | 68.9% | 44 |
| Average | 89 | 88.8% | 79 | 67.4% | 53 |

Source: CoRe

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

| Figure 4.16: Estimated supply of affordable housing from relets of existing stock by sub-area (per annum) | | |
|--|---------------|---------------|
| | Annual supply | % of supply |
| Oakham | 21 | 40.0% |
| Braunston & Martinsthorpe | 3 | 5.1% |
| Cottesmore | 3 | 6.0% |
| Exton | 1 | 2.7% |
| Greetham | 1 | 2.5% |
| Ketton | 4 | 7.3% |
| Langham | 1 | 1.6% |
| Lyddington | 1 | 1.5% |
| Normanton | 3 | 4.9% |
| Ryhall & Casterton | 4 | 7.6% |
| Uppingham | 9 | 17.7% |
| Whissendine | 2 | 3.1% |
| TOTAL | 53 | 100.0% |

Source: CoRe/Census (2021)

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

Net Need for Social/Affordable Housing

- 4.49 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 78 dwellings per annum across the area – an affordable need is seen in all sub-areas. 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

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

| | Current need | Newly forming households | Existing households falling into need | Total Gross Need | Relet Supply | Net Need |
|---------------------------|--------------|--------------------------|---------------------------------------|------------------|--------------|-----------|
| Oakham | 8 | 28 | 8 | 43 | 21 | 22 |
| Braunston & Martinsthorpe | 2 | 3 | 1 | 6 | 3 | 3 |
| Cottesmore | 1 | 13 | 3 | 17 | 3 | 14 |
| Exton | 1 | 2 | 1 | 4 | 1 | 3 |
| Greetham | 1 | 8 | 1 | 10 | 1 | 9 |
| Ketton | 1 | 5 | 1 | 8 | 4 | 4 |
| Langham | 1 | 2 | 1 | 4 | 1 | 3 |
| Lyddington | 0 | 2 | 1 | 3 | 1 | 2 |
| Normanton | 2 | 7 | 2 | 11 | 3 | 8 |
| Ryhall & Casterton | 2 | 5 | 1 | 9 | 4 | 5 |
| Uppingham | 1 | 10 | 2 | 14 | 9 | 5 |
| Whissendine | 1 | 2 | 0 | 3 | 2 | 1 |
| TOTAL | 22 | 87 | 22 | 132 | 53 | 78 |

Source: Derived from a range of sources

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

The Relationship Between Affordable Need and Overall Housing Numbers

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

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

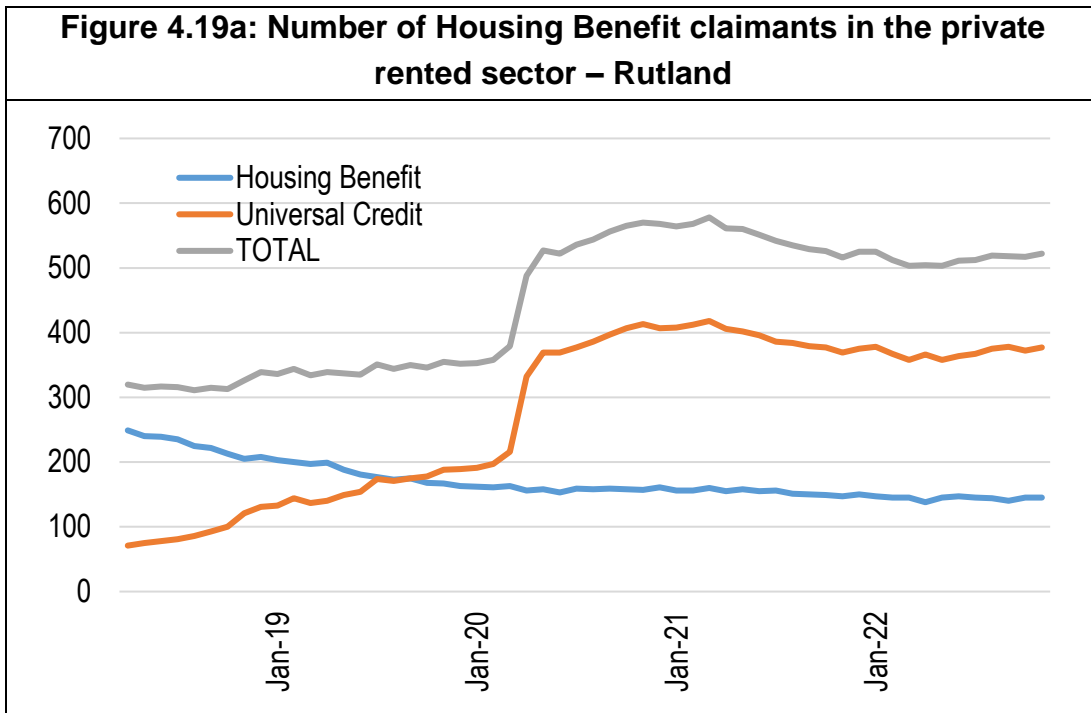
- 4.52 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015. PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need. There are a number of reasons why the two cannot be 'arithmetically' linked.
- 4.53 Firstly, the modelling contains a category in the projection of 'existing households falling into need'; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is no net need to provide additional homes. The modelling also contains 'newly forming households'; these households are a direct output from the demographic modelling and are therefore already included in the overall housing need figures.
- 4.54 The analysis estimates an annual need for 78 rented affordable homes, which is notionally 63% of a Local Housing Need of 123 dwellings per annum (as calculated using the Standard Method). However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).
- 4.55 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below which identifies that meeting these needs would lead to an affordable need for 48 homes per annum across the County – notionally 39% of the Standard Method. This figure is theoretical and should not be seen to be minimising the need (which is clearly acute). It does however serve to show that there is a substantial difference in the figures when looking at overall housing shortages.
- 4.56 The analysis is arguably even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections and so the demonstrating of a need for this group again should not be seen as additional to that estimated through demographic projections (including the Standard Method).

| Figure 4.18: Estimated Need for Affordable Housing (social/affordable rented) excluding households already in accommodation – Rutland | | |
|--|-------------------------------|-------------------------------|
| | Including existing households | Excluding existing households |
| Current need | 22 | 14 |
| Newly forming households | 87 | 87 |
| Existing households falling into need | 22 | 0 |
| Total Gross Need | 132 | 102 |
| Re-let Supply | 53 | 53 |
| Net Need | 78 | 48 |

Source: Derived from a range of sources

- 4.57 Additionally, it should be noted that the need estimate is on a per annum basis and should not be multiplied by the plan period to get a total need. Essentially, the estimates are for the number of households who would be expected to have a need in any given year (i.e. needing to spend more than 30% of income on housing). In reality, some (possibly many) households would see their circumstances change over time such that they would ‘fall out of need’ and this is not accounted for in the analysis. One example would be a newly forming household with an income level that means they spend more than 30% of income on housing, as the household’s income rises they would potentially pass the affordability test and therefore not have an affordable need. Additionally, there is the likelihood when looking over the longer-term that a newly-forming household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.
- 4.58 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall provision (with the exception of potentially providing housing for concealed households although this should be picked up as part of an affordability uplift). It is however worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit. In particular, the role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.

- 4.59 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main ‘full market’ PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their “homelessness duty” through providing an offer of a suitable property in the PRS.
- 4.60 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: ‘Affordable housing: housing for sale or rent, for those whose **needs are not met by the market**’ [emphasis added]. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning housing market.
- 4.61 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of November 2022, it is estimated that there were over 500 benefit claimants in the private rented sector in Rutland. From this, it is clear that the PRS contributes to the wider delivery of ‘affordable homes’ with the support of benefit claims, and further complicates any attempts to find a relationship between affordable need and overall housing need.
- 4.62 It should however be noted that it may be difficult for households to access private rented housing where they are reliant on HB/UC. In some cases Local Housing Allowance (LHA) levels will be low compared to the rent being sought and there will also be cases where landlords do not let homes to households claiming benefits (LHA levels are discussed later in this section). Therefore, whilst the private rented sector does release some pressure from affordable housing, it should not be considered as an affordable tenure.
- 4.63 The figure below shows the trend in the number of claimants in the County. This shows there has been a notable increase since March 2020, which is likely to be related to the Covid-19 pandemic. However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically around 350 households).



Source: Department of Work and Pensions

| Figure 4.19b: Number of Housing Benefit claimants in the private rented sector – Rutland | | | |
|---|-----------------|------------------|-------|
| | Housing Benefit | Universal Credit | TOTAL |
| May-18 | 240 | 75 | 315 |
| Aug-18 | 225 | 86 | 311 |
| Nov-18 | 205 | 121 | 326 |
| Feb-19 | 200 | 144 | 344 |
| May-19 | 188 | 149 | 337 |
| Aug-19 | 173 | 171 | 344 |
| Nov-19 | 167 | 188 | 355 |
| Feb-20 | 161 | 197 | 358 |
| May-20 | 158 | 369 | 527 |
| Aug-20 | 158 | 386 | 544 |
| Nov-20 | 157 | 413 | 570 |
| Feb-21 | 156 | 412 | 568 |
| May-21 | 158 | 402 | 560 |
| Aug-21 | 151 | 384 | 535 |
| Nov-21 | 147 | 369 | 516 |
| Feb-22 | 145 | 367 | 512 |
| May-22 | 145 | 358 | 503 |
| Aug-22 | 144 | 375 | 519 |
| Nov-22 | 145 | 377 | 522 |

Source: Department of Work and Pensions

- 4.64 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing it needs to be noted that delivery of affordable housing through planning obligations is an important, but not the only means, of delivery affordable housing; and the Council should also work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets.
- 4.65 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply the two do not measure the same thing and in interpreting the affordable need figure, consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home. Further issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.

- 4.66 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue across the County. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.
- 4.67 Finally, whilst there is no direct link between the affordable need and overall housing need, it is the case that the levels of affordable need across areas can feed into considerations about the distribution of housing for different locations, along with an understanding of demographic trends and economic growth.

Split Between Social and Affordable Rented Housing

- 4.68 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.
- 4.69 The table below shows current rent levels in the County for a range of products along with relevant local housing allowance (LHA) rates. Rutland is split across a number of Broad Rental Market Area (BRMA) for the purposes of LHA, with the main settlements of Oakham and Uppingham being within the Leicester BRMA.
- 4.70 Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile and median market rents (from ONS data). This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are notably lower than both lower quartile and median market rents.
- 4.71 The LHA rates for all sizes of home are below lower quartile market rents and notably below median figures. This does mean that households seeking accommodation in many locations may struggle in some cases to secure sufficient benefits to cover their rent (where they can find a landlord willing to accept benefit tenants).

Figure 4.20: Comparison of rent levels for different products – Rutland

| | 1- bedroom | 2-bed- rooms | 3-bed- rooms | 4-bed- rooms | All |
|---------------------------------|---------------|-----------------|-----------------|-----------------|------|
| Social rent | £354 | £402 | £424 | £503 | £402 |
| Affordable rent (AR) | £382 | £486 | £560 | £642 | £508 |
| Lower quartile (LQ) market rent | £500 | £625 | £730 | £910 | £660 |
| Median market rent | £550 | £675 | £795 | £1,250 | £775 |
| LHA (Leicester) | £449 | £563 | £673 | £893 | - |
| LHA (Northants Central) | £474 | £598 | £693 | £893 | - |
| LHA (Peterborough) | £479 | £593 | £693 | £898 | - |

Source: RSH, ONS and VOA

4.72 To some extent it is easier to consider the data above in terms of the percentage one housing cost is of another and this is shown in the table below. Caution should be exercised when looking at the overall averages as these will be influenced by the profile of stock in each category and so the discussion focusses on 2-bedroom homes. This shows that social rents are significantly cheaper than market rents (and indeed affordable rents) and that affordable rents (as currently charged) represent 78% of a current lower quartile rent (72% if comparing with a median rent).

Figure 4.21: Difference between rent levels for different products – Rutland

| | Social rent as % of affordable rent | Social rent as % of LQ market rent | Social rent as % of median market rent | Affordable rent as % of LQ market rent | Affordable rent as % of median market rent | LQ market rent as % of median market rent |
|------------|-------------------------------------|------------------------------------|--|--|--|---|
| 1-bedroom | 93% | 71% | 64% | 76% | 69% | 91% |
| 2-bedrooms | 83% | 64% | 60% | 78% | 72% | 93% |
| 3-bedrooms | 76% | 58% | 53% | 77% | 70% | 92% |
| 4-bedrooms | 78% | 55% | 40% | 70% | 51% | 73% |
| All | 79% | 61% | 52% | 77% | 66% | 85% |

Source: RSH, ONS and VOA

- 4.73 For the affordability test, a standardised average rent for each product has been used based on the proportion of stock in each size category. The table below suggests that around 36% of households who cannot afford to rent privately could afford an affordable rent, with a further 23% being able to afford a social rent (but not an affordable one). A total of 41% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

| Figure 4.22: Estimated need for affordable rented housing (% of households able to afford) | |
|---|--------------------------------|
| | % of households able to afford |
| Afford affordable rent | 36% |
| Afford social rent | 23% |
| Need benefit support | 41% |
| All unable to afford market | 100% |

Source: Affordability analysis

- 4.74 The finding that only 36% of households can afford an affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent – hence a higher proportion of affordable rented housing might be appropriate – indeed the analysis does identify a substantial proportion of households as being likely to need benefit support. On the flip side, providing more social rents might enable households to return to work more easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent.
- 4.75 There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need. Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided, for example, it is likely that affordable rented housing is more viable, and therefore a greater number of units could be provided. Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – e.g. if tenants are paying a different rent for essentially the same size/type of property and services.

- 4.76 On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes (and particularly socially rented housing) are likely to be required.

Establishing a Need for Affordable Home Ownership

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

Gross Need for Affordable Home Ownership

- 4.80 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the County – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.

- 4.81 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 46% already have sufficient income to buy a lower quartile home, with 25% falling in the rent/buy 'gap'. The final 29% are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than the calculated threshold of their income on housing costs) although in reality it should be noted that many households will spend a higher proportion of their income on housing.
- 4.82 These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in, or who might be expected to access, this sector (e.g. newly forming households).

Figure 4.23: Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing

| | Can afford to buy OR rent | Can afford to rent but not buy | Cannot afford to buy OR rent |
|---------------------------|---------------------------|--------------------------------|------------------------------|
| Oakham | 49% | 23% | 28% |
| Braunston & Martinsthorpe | 46% | 29% | 25% |
| Cottesmore | 44% | 25% | 31% |
| Exton | 46% | 25% | 28% |
| Greetham | 45% | 27% | 29% |
| Ketton | 38% | 27% | 35% |
| Langham | 41% | 25% | 34% |
| Lyddington | 34% | 34% | 32% |
| Normanton | 45% | 26% | 29% |
| Ryhall & Casterton | 47% | 24% | 30% |
| Uppingham | 45% | 25% | 29% |
| Whissendine | 44% | 29% | 27% |
| TOTAL | 46% | 25% | 29% |

Source: Derived from Housing Market Cost Analysis and Affordability Testing

- 4.83 The finding that a proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests for some households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 4.84 To study current need, an estimate of the number of household living in the Private Rented Sector (PRS) has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The start point is the number of households living in private rented accommodation; as of the 2021 Census there were some 2,081 households living in the sector across the County (renting from private landlord or letting agency).
- 4.85 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point (1,250 households if applied to Rutland) and of these some 40% (500 households) would expect this to happen in the next 2-years. These figures are taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 4.86 As noted above, on the basis of income it is estimated that around 25% of the private rented sector sit in the gap between renting and buying (varying by location). Applying this proportion to the above figures would suggest a current need for around 124 affordable home ownership units (12 per annum if annualised over a 10-year period).
- 4.87 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 91 dwellings (72 from newly forming households and 19 from existing households in the private rented sector).

4.88 Bringing together the above analysis suggests that there is a need for around 103 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum across the County. This is before any assessment of the potential supply of housing is considered.

Figure 4.24: Estimated Gross Need for Affordable Home Ownership (per annum)

| | Current need | Newly forming households | Existing households falling into need | Total Gross Need |
|---------------------------|--------------|--------------------------|---------------------------------------|------------------|
| Oakham | 5 | 22 | 7 | 33 |
| Braunston & Martinsthorpe | 1 | 3 | 1 | 6 |
| Cottesmore | 1 | 10 | 1 | 11 |
| Exton | 1 | 2 | 1 | 4 |
| Greetham | 0 | 7 | 1 | 8 |
| Ketton | 1 | 4 | 1 | 6 |
| Langham | 0 | 2 | 0 | 3 |
| Lyddington | 1 | 2 | 1 | 4 |
| Normanton | 1 | 6 | 2 | 8 |
| Ryhall & Casterton | 1 | 4 | 1 | 6 |
| Uppingham | 2 | 9 | 2 | 12 |
| Whissendine | 0 | 2 | 0 | 3 |
| TOTAL | 12 | 72 | 19 | 103 |

Source: Derived from a range of sources

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

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

- 4.90 One source is likely to be resales of low cost home ownership products with data from the Regulator of Social Housing showing a total stock in 2022 of 210 homes. If these homes were to turnover at the same rate seen for the social housing stock then they would be expected to generate around 7 resales each year. These properties would be available for these households and can be included as the potential supply.
- 4.91 In addition, it should be noted that the analysis looks at households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, in Rutland there were a total of 477 resales (i.e. excluding newly-built homes) in the last year (year to September 2022) and therefore around 119 would be priced below the lower quartile. This is 119 homes that would potentially be affordable to the target group for affordable home ownership products and is a potential supply that is in excess of the level of need calculated.
- 4.92 It is then possible to provide a best estimate of the supply of lower quartile homes that are bought by the target group of households (assumed to be first-time buyers). Whilst dated, a report by Bramley and Wilcox in 2010 (Evaluating requirements for market and affordable housing) noted that around 40% of first-time buyer with a mortgage buy at or below the lower quartile⁸. Other recent data suggests that first time buyers account for around half of home purchase loans⁹ with a total of around 65% of all homes being bought with a loan (35% as cash buyers¹⁰).
- 4.93 Bringing this together would point to 32.5% of homes being bought by first-time buyers and around 13% of all homes being a lower quartile home bought by a first-time buyer (32.5% × 40%) – this would point to around half of all lower quartile sales as being to first-time buyers (as half of 25% is 12.5%). Therefore, for the purposes of estimating a ‘need’ half of all lower quartile sales are included in the supply.

⁸ https://thinkhouse.org.uk/site/assets/files/1614/2010_20nhpau_202.pdf

⁹ <https://www.mortgagesolutions.co.uk/news/2022/01/24/first-time-buyer-numbers-rose-to-nearly-410000-in-2021/#:~:text=First%2Dtime%20buyers%20accounted%20for,39%20per%20cent%20in%202009>

¹⁰ <https://www.ft.com/content/e0ad2830-094f-4e61-acaa-d77457e2edbb>

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

- Only count the supply from affordable home ownership resales (7 per annum);
- Include the supply from affordable home ownership and half of resales of lower quartile homes (67 per annum (60+7)); and
- Include the supply from affordable home ownership and all resales of lower quartile homes (127 per annum (119+7)).

4.95 The table below shows the estimated net need from applying these three supply scenarios. Only including the resales of AHO shows a need for 96 dwellings per annum and this reduces to 36 if 50% of lower quartile sales are included. If all lower quartile sales are included in the supply, then there is a surplus of affordable home ownership shown.

| Figure 4.25: Estimated Net Need for Affordable Home Ownership (per annum) | | | |
|--|------------------|----------------------------------|-----------------------------------|
| | AHO resales only | AHO resales plus 50% of LQ sales | AHO resales plus 100% of LQ sales |
| Total gross need | 103 | 103 | 103 |
| LCHO supply | 7 | 67 | 127 |
| Net need | 96 | 36 | -24 |

Source: Derived from a range of sources

4.96 Focussing on the middle of the three scenarios above (50% of lower quartile sales) the table below shows a need for affordable home ownership in most areas, but particularly larger settlements, likely to be linked to concentrations of private rented accommodation in these areas.

| Figure 4.26: Estimated Need for Affordable Home Ownership by sub-area (per annum) | | | |
|--|------------------|-----------|-----------|
| | Total Gross Need | Supply | Net need |
| Oakham | 33 | 29 | 4 |
| Braunston & Martinsthorpe | 6 | 2 | 3 |
| Cottesmore | 11 | 3 | 8 |
| Exton | 4 | 2 | 1 |
| Greetham | 8 | 2 | 6 |
| Ketton | 6 | 5 | 1 |
| Langham | 3 | 2 | 0 |
| Lyddington | 4 | 3 | 1 |
| Normanton | 8 | 5 | 4 |
| Ryhall & Casterton | 6 | 3 | 2 |
| Uppingham | 12 | 8 | 4 |
| Whissendine | 3 | 2 | 0 |
| TOTAL | 103 | 67 | 36 |

Source: Derived from a range of sources

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

Implications of the Analysis

4.98 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the definition of 'affordable home ownership' – although this conclusion is largely based on only considering supply from resales of affordable housing. If supply estimates are expanded to include market housing for sale below a lower quartile price then the need for AHO is less clear-cut.

- 4.99 Regardless, it does seem that there are many households in Rutland who are being excluded from the owner-occupied sector (although they can afford private rented housing). This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 8% from 2011 to 2021 (following a much higher increase in the 2001-11 period). Over the same period (2001-11 and 2011-21), the number of owners with a mortgage has decreased. That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 4.100 On this basis, and as previously noted, it seems likely in Rutland that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than simply being due to the cost of housing to buy (although this will be a factor).
- 4.101 The NPPF (last updated in July 2021) gives a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership (in other words, if 20% of homes were to be affordable then half would be affordable home ownership) and it is now the case that policy compliant planning applications would be expected to deliver a minimum of 25% affordable housing as First Homes (as a proportion of the total affordable housing), with Councils being able to specify the requirement for any remaining affordable housing (subject to at least 10% of all housing being for AHO).
- 4.102 Firstly regarding the 10%, it is not clear that this is the best solution in the County. The NPPF does provide some examples of where the 10% might not be required (paragraph 65), most notably that the 10% would be expected unless this would 'significantly prejudice the ability to meet the identified affordable housing needs of specific groups'. In Rutland, the clear need for additional rented housing would arguably mean that providing the affordable home ownership would 'prejudice the ability' to meet the needs of the 'specific group' requiring rented accommodation.
- 4.103 Regarding the 25% of affordable housing as First Homes, it is not clear whether there is any scope to challenge the 'minimum of 25%', nor what role other tenures of affordable home ownership (such as shared ownership) might play. It is possible that provision of First Homes could squeeze out other forms of LCHO such as shared ownership, although it is likely that there will still be a role for this type of housing given typically lower deposit requirements.

- 4.104 Whilst there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low-cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households.
- 4.105 The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 4.106 There will also be a role for AHO on any 100% affordable housing schemes that may come forward (as well as through Section 106). Including a mix of both rented and intermediate homes to buy would make such schemes more viable, as well as enabling a range of tenures and therefore potential client groups to access housing.
- 4.107 In addition, it should also be noted that the finding of a ‘need’ for affordable home ownership does not have any impact on the overall need for housing. It seems clear that this group of households is simply a case of seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes required. Where a household taking up AHO is a newly-forming household (e.g. having been living with parents) this still does not impact on overall needs, as such a household may have been expected to move to private rented accommodation were the ownership option not available.

How Much Should Affordable Home Ownership Homes Cost?

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

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

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

Discounted Market Sales Housing (focussing on First Homes)

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

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

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

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

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

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

- Previous analysis has shown that the lower quartile rent for a 2-bedroom home in Rutland is £625 per month;
- On the basis of a household spending no more than 30% of their income on housing, a household would need an income of around £2,100 per month to afford ($£625/0.3$) or £25,000 per annum; and
- With an income of £25,000, it is estimated that a household could afford to buy a home for around £125,000. This is based on assuming a 10% deposit (mortgage for 90% of value) and a 4.5 times mortgage multiple – calculated as $£25,000 * 4.5 / 0.9$.

4.114 Therefore, £125,000 is a suggested purchase price to make First Homes/discounted home ownership affordable for households in the rent/buy gap in Rutland. This figure is essentially the equivalent price that is affordable to a household who can just afford to rent privately. In reality, there will be a range of incomes in the rent/buy gap and so some households could afford a higher price; however, setting all homes at a higher price would mean that some households will still be unable to afford.

4.115 On this basis, it is considered reasonable to look at the cost of First Homes as a range, from the equivalent private rent figure up to a midpoint of the cost of open market purchase and the relevant private rented figure (for a 2-bedroom home this is £190,000, giving a midpoint of £157,500). The use of a midpoint would mean that only around half of households in the rent/buy gap could afford, and therefore any housing provided at such a cost would need to also be supplemented by an equivalent number at a lower cost (which might include other tenures such as shared ownership).

4.116 The table below therefore sets out a suggested purchase price for affordable home ownership/First Homes in the County. The table also shows an estimated Open Market Value (OMV) and the level of discount likely to be required to achieve affordability. The OMV is based on taking the estimated lower quartile price by size and adding 15% (which is the typically newbuild premium seen nationally). It should be noted that the discounts are based on the OMV as estimated, in reality the OMV might be quite different for specific schemes and therefore the percentage discount would not be applicable. For example, if the OMV for a 2-bedroom home were to actually be £300,000 (rather than the modelled £218,500) then the discount would be up to 58%.

4.117 On the basis of the specific assumptions used, the analysis points to a discount of up to 43% for 2-bedroom homes and a figure of up to 47% for larger (3+-bedroom) properties. The analysis also suggests higher discounts for 4+-bedroom homes and a likelihood that they would be priced above the £250,000 cap – however it is unlikely that many First Homes would be delivered with 4+-bedrooms. If the authority considers discounts above 30% it will be important to ensure this does not prejudice the viability of provision of rented forms of affordable housing (for which there is a more acute need).

| Figure 4.27: Affordable home ownership prices – data for year to September 2022 – Rutland | | | |
|--|-------------------|---------------------------|-------------------|
| | Affordable Price | Estimated newbuild OMV | Discount required |
| 1-bedroom | £100,000-£110,000 | £138,000 | 20%-28% |
| 2-bedrooms | £125,000-£157,500 | £218,500 | 28%-43% |
| 3-bedrooms | £146,000-£193,000 | £276,000 | 30%-47% |
| 4+-bedrooms | £182,000-£281,000 | £437,000 | 36%-58% |

Source: Derived from a range of sources

4.118 It should also be noted that the analysis above is for the whole of the local authority area; the pricing of housing does vary across the County and therefore adjustments to the figures might be appropriate in some instances. That said, affordable needs can be met anywhere in the authority (where opportunities arise) and so using an expectation of an authority-wide affordability calculation should ensure affordable products on sites regardless of location.

Key Points in Relation to First Homes

4.119 The paragraphs below seek to answer a series of questions in relation to First Homes. This should help the Council in deciding the appropriate approach, although ultimately there will be choices and decisions to be made by the Council that this report can only comment on. Whilst the analysis above has focussed on pricing, the discussion below also draws on this information to consider whether there are any specific local criteria that could be applied.

4.120 The Council has already published informal planning guidance for First Homes¹¹ and the comments below are mindful of this, but are also driven by the evidence in this report.

- Is there a justification for a discount of greater than 30%, if so, what should it be?

4.121 Arguably there is a case to seek a discount in excess of 30% - a higher discount will certainly make homes cheaper and therefore potentially open up additional households as being able to afford. In addition, the analysis does suggest that larger homes could potentially need a higher discount to make them affordable (with 4-bedroom homes needing at least a 43% discount to get below the £250,000 cap). It should be noted in reality the discount can only alter in multiples of 10% (e.g. 70%, 60% or 50% of open market value).

4.122 However, providing a higher discount may well have an impact on viability, meaning the Council will not be able to provide as many homes in other tenures (such as rented affordable housing which is likely to be needed by those with more acute needs and fewer choices in the housing market). The Council could therefore investigate higher discounts, but it is not recommended to seek figures higher than 30%, unless this can be proven to not impact on overall affordable delivery.

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<https://rutlandcounty.moderngov.co.uk/documents/s23227/Report%20No.%2088.2022%20-%20First%20Homes%20Informal%20Planning%20Guidance.pdf>

4.123 In its planning guidance the Council has decided to stick with a 30% discount, with part of the justification text being ‘the percentage discount can be increased to 40% or 50%, but these are excessive discounts and are not thought to be necessary for the properties to sell’. Overall the Council’s position is considered reasonable.

- Is the maximum price of £250K after discount an appropriate maximum sales value?

4.124 Looking at the previous table above, it can be seen that all of the affordable prices other than for 4-bedroom homes sit below the £250,000 cap and therefore it is arguable that a lower cap would be appropriate. It is considered that the number of 4-bedroom homes likely to be provided as First Homes will be low (focus likely to be on 2- and 3-bedroom homes – see section on Housing Mix) and this gives further reason for looking at a lower cap.

4.125 A lower cap would help to ensure that homes are affordable even on schemes where the OMV is relatively high (although consideration about viability and potential loss of other forms of affordable housing will also be a consideration). Looking at the affordable prices, and the analysis of typical newbuild costs it is considered that a cap of something in the region of £200,000 ‘might’ be appropriate. However, pricing will vary across the County which might see a cap at this level making it difficult to provide homes in some circumstances. Having a cap could however help to ensure that First Homes are only offered on properties where the initial OMV is not significantly above the affordable prices.

4.126 In its planning guidance, the Council has used the £250,000 figure as the cap but does note that a larger (3-bedroom) home could be bought in the current market in some locations.

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

4.127 To study the income threshold analysis has been provided below to consider the likely incomes required to afford both the lower end and midpoint Affordable Price. This is shown in the table below and shows even the most expensive price would only require an income of about £49,000. It should however be noted that these findings are based on a specific set of assumptions about mortgage multiples and deposit availability (10% deposit and a 4.5 times mortgage multiple) and it is unclear at this stage what size of multiple lenders might offer against a First Home. Additionally, individual households will have their own specific circumstances.

4.128 That said, it is considered that an £80,000 threshold looks to be too high; households with that level of income would be expected to readily buy a home in the area without the need for any discount. On balance, and looking at the figures in the round (and recognising that there may be relatively few 4-bedroom homes delivered) it is considered that an income cap of around £45,000 might be appropriate in the case of Rutland – this is based on the upper end of the 3-bedroom category with a small allowance for flexibility and to help ‘future-proof’. If the Council are minded to not cap property prices then an income cap of around £60,000 might be appropriate (and indeed a £60,000 cap is used by the Council in its planning guidance).

| Figure 4.28: Incomes Required to Afford First Homes – Rutland | | |
|--|------------------------------|-----------------------------|
| | Affordable Price (lower end) | Affordable Price (midpoint) |
| 1-bedroom | £20,000 | £22,000 |
| 2-bedrooms | £25,000 | £31,500 |
| 3-bedrooms | £29,200 | £38,600 |
| 4+-bedrooms | £36,400 | £56,200 |

Source: Derived from a range of sources

- What is the level of need for such products?

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

4.130 Regardless of the need/demand, it is not recommended that the Council seek to reduce the amount of social/affordable rented homes by prioritising First Homes. The evidence does not support the Council in seeking more than 25% of affordable housing as First Homes. However, there may be some cases where First Homes come forward on ‘exception’ sites and a higher proportion is provided (possibly to help support viability).

- Should the Council set local eligibility criteria?

4.131 First Homes are designed to help people to get on the housing ladder in their local area, and in particular to ensure that key workers providing essential services are able to buy homes in the areas where they work. The Council can therefore prioritise key workers for First Homes, and are encouraged to do so, especially if they have an identified local need for certain professions. The Council's planning guidance on First Homes does include a list of professions which looks to be a reasonable list (includes many public sector workers).

4.132 The Council's planning statement also recommends including a local connection test, although this is not specified in the document, typically such a test would be in-line with any criteria within local allocations policy and for example could require potential purchasers to demonstrate that they:

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

Shared Ownership

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

4.134 For the purposes of the analysis in this report it is considered that for shared ownership to be affordable, total outgoings should not exceed that needed to rent privately.

- 4.135 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below therefore seeks to estimate the typical equity share that might be affordable for different sizes of property with any share lower than 10% likely to be unavailable. The key assumptions used in the analysis are:
- OMV at LQ price plus 10% (reflecting likelihood that newbuild homes will have a premium attached and that they may well be priced above a LQ level) – it should be noted that this is an assumption for modelling purposes and consideration will need to be given to the OMV of any specific product;
 - 10% deposit on the equity share;
 - Rent at 2.75% pa on unsold equity;
 - Repayment mortgage over 25-years at 4% (this is based on typical longer-term interest rates and it is noted at the time of writing that such a figure is unlikely to be achieved); and
 - It is also assumed that shared ownership would be priced for households sitting towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property.
- 4.136 In rural areas, Registered Providers often have difficulties in selling 1-bedroom affordable home ownership homes (including shared ownership) and the Council have highlighted in the case of Rutland that development of 1-bedroom shared ownership is unlikely. The analysis below therefore only looks at the affordability of homes with 2+-bedrooms.
- 4.137 The table below shows that to make shared ownership affordable, equity shares in the region of around 25% could work for 2-bedroom homes, with much lower figures for other sizes of accommodation (a negative figure is calculated for homes with 4+-bedrooms). It seems likely that it will be quite difficult to make shared ownership 'work' for homes with 3+-bedrooms. The Council could consider additional rented homes of these sizes where it is difficult to make homes genuinely affordable.

4.138 As with conclusions on First Homes, it should also be noted that the analysis below is predicated on a particular set of assumptions (notably about likely OMV). In reality costs do vary across the area and will vary from site to site. Therefore, this analysis should be seen as indicative with specific schemes being tested individually to determine if the product being offered is genuinely (or reasonably) affordable.

| | 2-bedrooms | 3-bedrooms | 4-bedrooms |
|---------------------------------|------------|------------|------------|
| OMV | £218,500 | £276,000 | £437,000 |
| Share | 23% | 14% | -8% |
| Equity Bought | £50,700 | £39,500 | -£37,100 |
| Mortgage Needed | £45,600 | £35,500 | -£33,400 |
| Monthly Cost of Mortgage | £241 | £188 | -£176 |
| Retained Equity | £167,800 | £236,500 | £474,100 |
| Monthly Rent on Retained Equity | £385 | £542 | £1,086 |
| Total Cost per month | £625 | £730 | £910 |

Source: Data based on Housing Market Cost Analysis

4.139 In policy terms, whilst the analysis has provided an indication of the equity shares possibly required by size, the key figure is actually the total cost per month (and how this compares with the costs to access private rented housing). For example, whilst the table suggests a 23% equity share for a 2-bedroom home, this is based on a specific set of assumptions. Were a scheme to come forward with a 23% share, but a total cost in excess of £625 per month, then it would be clear that a lower share is likely to be required to make the home genuinely affordable. Hence the actual share can only be calculated on a scheme-by-scheme basis. That said, higher levels of outgoings might still be affordable to a household at the midpoint of the rent/buy gap but would be limited in affordability terms to fewer households.

Rent to Buy

- 4.140 A further affordable option is Rent to Buy; this is a government scheme designed to ease the transition from renting to buying the same home¹². Initially (typically two years but this can be extended) a home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided is saved in order to put towards a deposit on the purchase of the same or another property – the purchase can include buying through shared ownership.
- 4.141 What is not clear from information available is what happens to the home if the occupant is unable to buy a home and vacates the property (i.e. is it still offered to another applicant at a rent 20% below market value) or what happens to any receipts if the home is sold. On this basis, whilst rent-to-buy may provide a route into home ownership for some households it will be important to check any proposals carefully, and to ensure any discount or funding is held in perpetuity where public grant funding is provided (this would be necessary to meet the requirements of the NPPF).

¹² <https://www.gov.uk/rent-to-buy>

Affordable Housing Need: Key Messages

- Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy or rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.
- The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
- When looking at needs from households unable to buy OR rent, the analysis suggests a need for 78 affordable homes per annum across the County.
- Despite the level of need, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.
- The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
- When looking at AHO products, the analysis is inconclusive about the scale of the need. Although the evidence does suggest that there are many households in Rutland who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the County is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
- The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability as it has the advantage of a lower deposit and subsidised rent.

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

- However, given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as 'genuinely affordable'. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.
- In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).
- Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

5. Housing Mix

Introduction

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

Background Data

5.2 The number of families in Rutland (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 4,100 as of the 2021 Census, accounting for 24% of households; this proportion is lower than seen in other areas. However, within this group a higher proportion of married couple households can be observed and relatively few lone parent households.

Figure 5.1: Households with dependent children (2021)

| | Rutland | | East Midlands | England |
|-------------------------------|---------|--------|---------------|---------|
| | No. | % | % | % |
| Married couple | 2,585 | 15.5% | 13.8% | 14.4% |
| Cohabiting couple | 560 | 3.4% | 5.1% | 4.5% |
| Lone parent | 712 | 4.3% | 6.5% | 6.9% |
| Other households | 223 | 1.3% | 2.4% | 2.7% |
| All other households | 12,616 | 75.6% | 72.2% | 71.5% |
| Total | 16,696 | 100.0% | 100.0% | 100.0% |
| Total with dependent children | 4,080 | 24.4% | 27.8% | 28.5% |

Source: Census (2021)

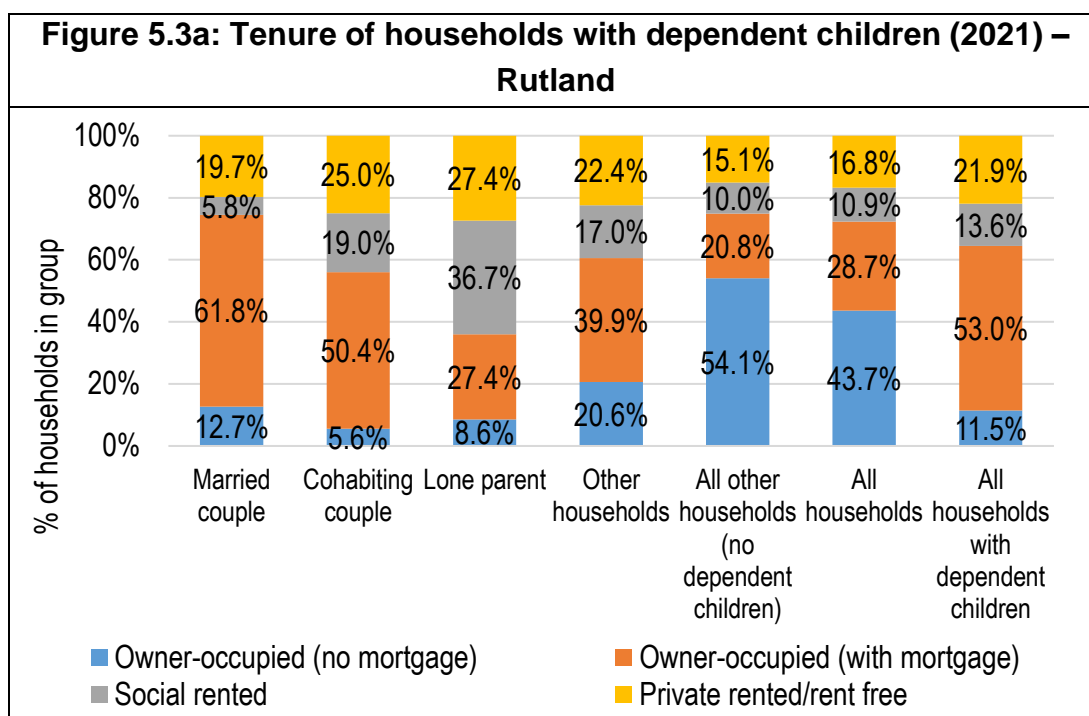
5.3 The table below shows household composition (focussing on households with dependent children) for each of the sub-areas). This clearly shows higher proportions of households with dependent children in Cottesmore and low proportions in Braunston & Martinsthorpe and Exton. This could point to the potential need for a slightly larger mix of homes in areas with more family households.

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

| | Married couple | Co-habiting couple | Lone parent | Other households | All other households | Total | Total with dependent children |
|--------------------------|----------------|--------------------|-------------|------------------|----------------------|--------|-------------------------------|
| Oakham | 14.8% | 3.9% | 5.4% | 1.4% | 74.6% | 100.0% | 25.4% |
| Braunston & Martinthorpe | 12.0% | 2.2% | 2.2% | 1.3% | 82.3% | 100.0% | 17.7% |
| Cottesmore | 26.0% | 3.4% | 4.1% | 0.9% | 65.6% | 100.0% | 34.4% |
| Exton | 12.6% | 3.0% | 2.7% | 1.0% | 80.7% | 100.0% | 19.3% |
| Greetham | 16.2% | 3.1% | 3.6% | 1.8% | 75.2% | 100.0% | 24.8% |
| Ketton | 17.1% | 2.1% | 3.1% | 1.6% | 76.1% | 100.0% | 23.9% |
| Langham | 14.6% | 1.4% | 2.0% | 1.9% | 80.1% | 100.0% | 19.9% |
| Lyddington | 14.4% | 3.0% | 2.3% | 0.3% | 80.0% | 100.0% | 20.0% |
| Normanton | 16.7% | 3.7% | 3.6% | 1.3% | 74.8% | 100.0% | 25.2% |
| Ryhall & Casterton | 16.0% | 4.3% | 4.1% | 1.5% | 74.1% | 100.0% | 25.9% |
| Uppingham | 13.2% | 3.7% | 5.8% | 1.3% | 76.0% | 100.0% | 24.0% |
| Whissendine | 14.0% | 1.9% | 3.7% | 1.5% | 78.9% | 100.0% | 21.1% |
| Oakham | 15.5% | 3.4% | 4.3% | 1.3% | 75.5% | 100.0% | 24.5% |
| TOTAL | 14.8% | 3.9% | 5.4% | 1.4% | 74.6% | 100.0% | 25.4% |

Source: Census (2021)

5.4 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. In Rutland, only 36% of lone parent households are owner-occupiers compared with 75% of married couples with children.



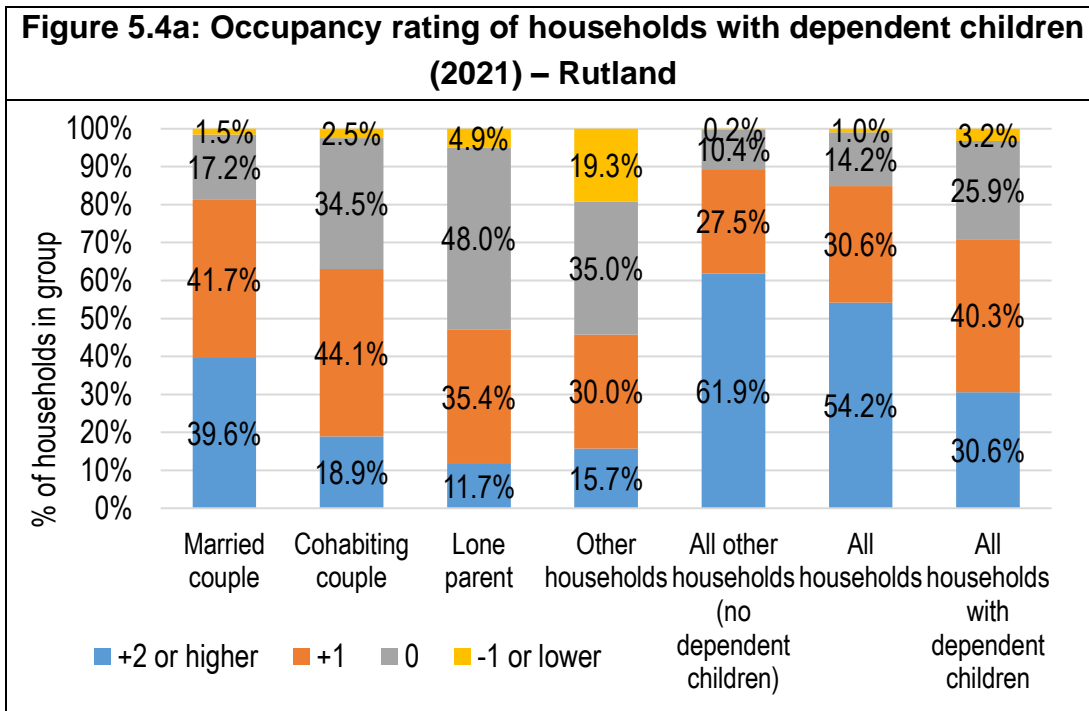
Source: Census (2021)

Figure 5.3b: Tenure of households with dependent children (2021) – Rutland

| | Owner-occupied (no mortgage) | Owner-occupied (with mortgage) | Social rented | Private rented/rent free | TOTAL |
|--|------------------------------|--------------------------------|---------------|--------------------------|--------|
| Married couple | 12.7% | 61.8% | 5.8% | 19.7% | 100.0% |
| Cohabiting couple | 5.6% | 50.4% | 19.0% | 25.0% | 100.0% |
| Lone parent | 8.6% | 27.4% | 36.7% | 27.4% | 100.0% |
| Other households | 20.6% | 39.9% | 17.0% | 22.4% | 100.0% |
| All other households (no dependent children) | 54.1% | 20.8% | 10.0% | 15.1% | 100.0% |
| All households | 43.7% | 28.7% | 10.9% | 16.8% | 100.0% |
| All households with dependent children | 11.5% | 53.0% | 13.6% | 21.9% | 100.0% |

Source: Census (2021)

5.5 The figure below shows levels of overcrowding and under-occupancy of households with dependent children. This shows higher levels of overcrowding for all household types with dependent children, including 5% of all lone parents and 19% of 'other' households being overcrowded. Overall, some 3.2% of households with dependent children are overcrowded, compared with 0.2% of other households. Levels of under-occupancy are also notably lower in households with dependent children.



Source: Census (2021)

Figure 5.4b: Occupancy rating of households with dependent children (2021) – Rutland

| | +2 or higher | +1 | 0 | -1 or lower | TOTAL |
|--|--------------|-------|-------|-------------|--------|
| Married couple | 39.6% | 41.7% | 17.2% | 1.5% | 100.0% |
| Cohabiting couple | 18.9% | 44.1% | 34.5% | 2.5% | 100.0% |
| Lone parent | 11.7% | 35.4% | 48.0% | 4.9% | 100.0% |
| Other households | 15.7% | 30.0% | 35.0% | 19.3% | 100.0% |
| All other households (no dependent children) | 61.9% | 27.5% | 10.4% | 0.2% | 100.0% |
| All households | 54.2% | 30.6% | 14.2% | 1.0% | 100.0% |
| All households with dependent children | 30.6% | 40.3% | 25.9% | 3.2% | 100.0% |

Source: Census (2021)

The Mix of Housing

5.6 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections, it is possible to see which age groups are expected to change in number, and by how much.

- 5.7 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed is over the assessment period to 2033 (from 2023).
- 5.8 An important starting point is to understand the current balance of housing in the area – the table below profiles the sizes of homes in different tenure groups across areas. The data shows a market stock (owner-occupied) that is dominated by 3+ bedroom homes (making up 84% of the total in this tenure group, a notably higher proportion to that seen in other locations). The profile of the social rented sector is broadly similar across areas as is the private rented sector (again a slightly larger mix in Rutland). Observations about the current mix feed into conclusions about future mix later in this section.
- 5.9 The table below also shows the average number of bedrooms by tenure and location although it should be noted that the actual average number of bedrooms will actually be higher than these figures as the Census data has a cut-off at 4+ bedrooms (and for the purposes of calculating an average 4+-bedroom homes are treated as having 4-bedrooms).

| Figure 5.5: Number of Bedrooms by Tenure, 2021 | | | | |
|---|---------------|---------|---------------|---------|
| | | Rutland | East Midlands | England |
| Owner-occupied | 1-bedroom | 1% | 2% | 4% |
| | 2-bedrooms | 15% | 20% | 23% |
| | 3-bedrooms | 40% | 49% | 48% |
| | 4+-bedrooms | 44% | 29% | 25% |
| | Total | 100% | 100% | 100% |
| | Ave. no. beds | 3.26 | 3.06 | 3.01 |
| Social rented | 1-bedroom | 28% | 28% | 31% |
| | 2-bedrooms | 36% | 36% | 34% |
| | 3-bedrooms | 33% | 32% | 31% |
| | 4+-bedrooms | 3% | 4% | 4% |
| | Total | 100% | 100% | 100% |
| | Ave. no. beds | 2.10 | 2.11 | 2.10 |
| Private rented | 1-bedroom | 8% | 14% | 23% |
| | 2-bedrooms | 36% | 39% | 39% |
| | 3-bedrooms | 42% | 36% | 28% |
| | 4+-bedrooms | 14% | 11% | 10% |
| | Total | 100% | 100% | 100% |
| | Ave. no. beds | 2.63 | 2.43 | 2.30 |

Source: Census (2021)

5.10 The table below shows the average number of bedrooms in dwellings by tenure. In the market sector this shows a slightly higher average in the Whissendine area than other locations, with Langham having the smallest dwelling sizes. For social rented housing, it is Exton with the largest dwellings sizes (smallest in Langham). Finally in the private rented sector, the smallest dwellings are seen in Uppingham, larger homes in the Greetham.

| | Owner-occupied | Social rented | Private rented | ALL |
|---------------------------|----------------|---------------|----------------|------|
| Oakham | 3.19 | 2.10 | 2.55 | 2.94 |
| Braunston & Martinsthorpe | 3.40 | 2.20 | 2.58 | 3.17 |
| Cottesmore | 3.24 | 1.99 | 2.74 | 2.96 |
| Exton | 3.29 | 2.42 | 2.72 | 3.09 |
| Greetham | 3.36 | 2.33 | 2.77 | 3.19 |
| Ketton | 3.33 | 2.08 | 2.74 | 3.13 |
| Langham | 3.04 | 1.93 | 2.63 | 2.95 |
| Lyddington | 3.38 | 2.04 | 2.66 | 3.23 |
| Normanton | 3.33 | 2.14 | 2.74 | 3.12 |
| Ryhall & Casterton | 3.31 | 2.24 | 2.74 | 3.13 |
| Uppingham | 3.23 | 2.01 | 2.48 | 2.89 |
| Whissendine | 3.46 | 2.38 | 2.70 | 3.27 |
| TOTAL | 3.26 | 2.11 | 2.63 | 3.03 |

Source: Census (2021)

Overview of Methodology

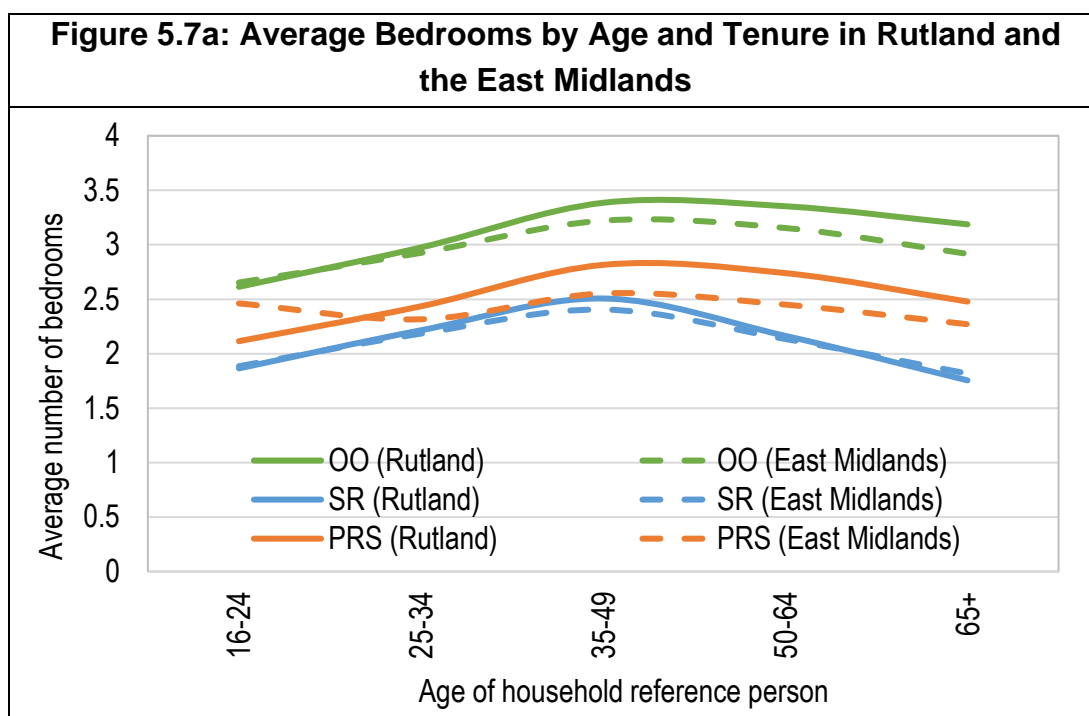
5.11 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

Understanding How Households Occupy Homes

5.12 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.

5.13 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.

- 5.14 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 5.15 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy ('bedroom tax')).
- 5.16 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups (data being drawn from the 2021 Census).
- 5.17 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Rutland and the East Midlands region. In all sectors the average size of accommodation rises over time to typically reach a peak around the age of 50. After peaking, the average dwelling size decreases – as typically some households downsize as they get older. The analysis identifies some differences between Rutland and the region with dwellings in Rutland typically being larger, although the pattern of average dwelling sizes by age of HRP are similar in both areas.



Source: Census (2021)

Figure 5.7b: Average Bedrooms by Age and Tenure in Rutland and the East Midlands

| | Owner-occupied | | Social rented | | Private rented | |
|-------|----------------|---------------|---------------|---------------|----------------|---------------|
| | Rutland | East Midlands | Rutland | East Midlands | Rutland | East Midlands |
| 16-24 | 2.61 | 2.65 | 1.87 | 1.89 | 2.11 | 2.46 |
| 25-34 | 2.98 | 2.93 | 2.22 | 2.18 | 2.44 | 2.32 |
| 35-49 | 3.39 | 3.22 | 2.51 | 2.41 | 2.82 | 2.55 |
| 50-64 | 3.35 | 3.15 | 2.16 | 2.13 | 2.74 | 2.45 |
| 65+ | 3.19 | 2.92 | 1.76 | 1.82 | 2.48 | 2.27 |

Source: Census (2021)

5.18 Replicating the existing occupancy patterns at a local level would however result in the conclusions being skewed by the existing housing profile. On this basis a further model has been developed that applies regional occupancy assumptions for the East Midlands region. Assumptions are applied to the projected changes in Household Reference Person by age discussed below.

5.19 The analysis has been used to derive outputs for three broad categories. These are:

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

Changes to Households by Age

5.20 The table below presents the projected change in households by age of household reference person, this shows growth as being expected in many age groups and in particular older age groups. The number of households headed by someone aged Under 25 and 50-64 are projected to see a decline over the period studied.

| Figure 5.8: Projected Change in Household by Age of HRP in Rutland – linking to Standard Method | | | | |
|--|--------|--------|----------------------|----------|
| | 2023 | 2033 | Change in Households | % Change |
| Under 25 | 285 | 301 | 17 | 5.9% |
| 25-34 | 1,533 | 1,287 | -247 | -16.1% |
| 35-49 | 3,545 | 3,622 | 77 | 2.2% |
| 50-64 | 4,932 | 4,568 | -364 | -7.4% |
| 65-74 | 2,796 | 3,482 | 685 | 24.5% |
| 75-84 | 2,847 | 3,257 | 410 | 14.4% |
| 85+ | 1,105 | 1,720 | 615 | 55.7% |
| TOTAL | 17,043 | 18,237 | 1,194 | 7.0% |

Source: Demographic Projections

Initial Modelled Outputs

- 5.21 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. Two tables are provided, considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.
- 5.22 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data shows a pattern of need which is focussed on 1- and 2-bedroom homes but over a fifth of households as requiring 3+-bedroom accommodation.

| Figure 5.9: Size of Social/Affordable Rented Housing Needed – Housing Register Information | | |
|---|----------------------|-----------------|
| | Number of households | % of households |
| 1-bedroom | 136 | 46% |
| 2-bedrooms | 98 | 33% |
| 3-bedrooms | 50 | 17% |
| 4+-bedrooms | 11 | 4% |
| Unspecified | 2 | 1% |
| TOTAL | 297 | 100.0% |

Source: Local Authority Housing Statistics

- 5.23 The tables below show the modelled outputs of need by dwelling size in the three broad tenures. Tables are providing by linking to local and regional occupancy patterns with a further table combining the outputs from the two models.

| Figure 5.10: Modelled Mix of Housing by Size and Tenure in Rutland (linked to local occupancy patterns) | | | | |
|--|-----------|------------|------------|-------------|
| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
| Market | 2% | 19% | 40% | 38% |
| Affordable home ownership | 10% | 35% | 41% | 15% |
| Affordable housing (rented) | 35% | 33% | 30% | 3% |

Source: Housing Market Model

Figure 5.11: Modelled Mix of Housing by Size and Tenure in Rutland (linked to regional occupancy patterns)

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 3% | 29% | 50% | 18% |
| Affordable home ownership | 15% | 40% | 35% | 11% |
| Affordable housing (rented) | 35% | 36% | 26% | 3% |

Source: Housing Market Model

Figure 5.12: Modelled Mix of Housing by Size and Tenure in Rutland (combining methodologies)

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 2% | 24% | 45% | 28% |
| Affordable home ownership | 12% | 37% | 38% | 13% |
| Affordable housing (rented) | 35% | 35% | 28% | 3% |

Source: Housing Market Model

Adjustments for Under-Occupation and Overcrowding

- 5.24 The analysis above sets out the potential need for housing if occupancy patterns remained the same as they were in 2021 (with differences from the current stock profile being driven by demographic change). It is however worth also considering that the 2021 profile will have included households who are overcrowded (and therefore need a larger home than they actually live in) and also those who under-occupy (have more bedrooms than they need).
- 5.25 Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector) it is the case that in seeking to make the most efficient use of land it would be prudent to look to reduce this over time. Indeed, in the future there may be a move away from current (2021) occupancy patterns due to affordability issues (or eligibility in social rented housing) as well as the type of stock likely to be provided (potentially a higher proportion of flats). Further adjustments to the modelled figures above have therefore been made to take account of overcrowding and under-occupancy (by tenure).

5.26 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers). This shows a high number of households with at least 2 spare bedrooms who are living in homes with 3 or more bedrooms. There are also a small number of overcrowded households. Overall, in the owner-occupied sector in 2021, there were 11,300 households with some degree of under-occupation and just 42 overcrowded households.

| Figure 5.13: Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector) – Rutland | | | | | |
|---|--------------------|-------|-------|--------|--------|
| Occupancy rating | Number of bedrooms | | | | |
| | 1-bed | 2-bed | 3-bed | 4+-bed | TOTAL |
| +2 | 0 | 0 | 3,311 | 4,733 | 8,044 |
| +1 | 0 | 1,574 | 1,154 | 526 | 3,254 |
| 0 | 171 | 197 | 326 | 47 | 741 |
| -1 or lower | 6 | 13 | 15 | 8 | 42 |
| TOTAL | 177 | 1,784 | 4,806 | 5,314 | 12,081 |

Source: Census (2021)

5.27 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.

| Figure 5.14: Cross-tabulation of occupancy rating and number of bedrooms (social rented sector) – Rutland | | | | | |
|--|--------------------|-------|-------|--------|-------|
| Occupancy rating | Number of bedrooms | | | | |
| | 1-bed | 2-bed | 3-bed | 4+-bed | TOTAL |
| +2 | 0 | 0 | 172 | 20 | 192 |
| +1 | 0 | 347 | 198 | 19 | 564 |
| 0 | 501 | 279 | 196 | 6 | 982 |
| -1 or lower | 12 | 26 | 38 | 6 | 82 |
| TOTAL | 513 | 652 | 604 | 51 | 1,820 |

Source: Census (2021)

Figure 5.15: Cross-tabulation of occupancy rating and number of bedrooms (private rented sector) – Rutland

| Occupancy rating | Number of bedrooms | | | | |
|------------------|--------------------|-------|-------|--------|-------|
| | 1-bed | 2-bed | 3-bed | 4+-bed | TOTAL |
| +2 | 0 | 0 | 542 | 271 | 813 |
| +1 | 0 | 756 | 446 | 101 | 1,303 |
| 0 | 216 | 224 | 182 | 19 | 641 |
| -1 or lower | 6 | 16 | 18 | 1 | 41 |
| TOTAL | 222 | 996 | 1,188 | 392 | 2,798 |

Source: Census (2021)

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

Figure 5.16: Adjusted Modelled Mix of Housing by Size and Tenure – Rutland

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 9% | 38% | 37% | 15% |
| Affordable home ownership | 20% | 42% | 29% | 9% |
| Affordable housing (rented) | 38% | 36% | 22% | 4% |

Source: Housing Market Model (with adjustments)

- 5.30 Across the study area, the analysis points to just over a third of the social/affordable housing need being for 1-bedroom homes and it is of interest to see how much of this is due to older person households. In the future household sizes are projected to drop whilst the population of older people will increase. Older person households (as shown earlier) are more likely to occupy smaller dwellings. The impacts of older people have on demand for smaller stock is outlined in the table below.
- 5.31 This indeed identifies a larger profile of homes needed for households where the household reference person is aged Under 65, with a concentration of 1-bedroom homes for older people. This information can be used to inform the mix required for General Needs rather than Specialist housing, although it does need to be noted that not all older people would be expected to live in homes with some form of care or support.

| Figure 5.17: Adjusted Modelled Mix of Housing by Size and Age – affordable housing (Rented) – Rutland | | | | |
|--|-----------|------------|------------|-------------|
| Age of HRP | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
| Under 65 | 25% | 42% | 28% | 5% |
| 65 and over | 59% | 26% | 15% | |
| All affordable housing (rented) | 38% | 36% | 22% | 4% |

Source: Housing Market Model (with adjustments)

Indicative Targets for Different Sizes of Property by Tenure

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

Social/Affordable Rented Housing

- 5.33 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). That said, there will be a need for 1-bedroom social housing arising due to homelessness which the Council will give a reasonable priority (typically such homeless households are more likely to be younger single people).
- 5.34 As noted, the conclusions also consider the Housing Register (and also take account of the current profile of housing in this sector). In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing would be appropriate – separated into general needs and housing for older people:

| General Needs | Housing for Older People |
|---------------------|--------------------------|
| • 1-bedroom: 20-25% | • 1-bedroom: 55-60% |
| • 2-bedroom: 40-45% | • 2+-bedroom: 40-45% |
| • 3-bedroom: 25-30% | |
| • 4+-bedroom: 5-10% | |

Affordable Home Ownership

- 5.35 In the affordable home ownership and market sectors a profile of housing that closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate (although it is recognised that analysis did not definitively show a need for this tenure of housing):
- 1-bedroom: 15-20%
 - 2-bedroom: 40-45%
 - 3-bedroom: 30-35%
 - 4+-bedroom: 5-10%

5.36 In rural areas, Registered Providers often have difficulties in selling 1-bedroom affordable home ownership homes and the Council have highlighted in the case of Rutland that development of 1-bedroom shared ownership is unlikely. Therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. In addition, this report also highlighted potential difficulties in making (larger) AHO genuinely affordable which might reduce or remove the development of 4+-bedroom homes. Overall, AHO is likely to be very much focussed on 2- and 3-bedroom accommodation.

Market Housing

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

- 1-bedroom: 5-10%
- 2-bedroom: 30-35%
- 3-bedroom: 35-40%
- 4+-bedroom: 20-25%

5.38 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the study area) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.

5.39 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 to receive justification for a housing mix on such sites which significantly differ from that modelled herein. Site location and area character are also however relevant considerations for the appropriate mix of market housing on individual development sites.

Smaller-area Housing Mix

5.40 The analysis above has focussed on overall County-wide needs with conclusions at the strategic level. It should however be recognised that there will be variations in the need within areas due to the different role and function of a location and the specific characteristics of local households (which can also vary over time). This report does not seek to model smaller-area housing mix although the report does contain a range of data that can help inform specific local issues (including data about household composition, current housing mix and overcrowding and under-occupation). Below are some points for consideration when looking at needs in any specific location:

- a) Whilst there will be differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;
- b) As well as looking at the stock, an understanding of the role and function of areas is important. For example, areas traditionally favoured by family households might be expected to provide a greater proportion of larger homes;
- c) That said, some of these areas will have very few small/cheaper stock and so consideration needs to be given to diversifying the stock; and
- d) The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in the centre of towns may be more suited to flatted development (as well as recognising the point above about role and function) whereas a rural site on the edge of an existing village may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level.

- 5.41 Overall, it is suggested the Council should broadly seek the same mix of housing in all locations but would be flexible to a different mix where specific local characteristics suggest. The Council should also monitor what is being built to ensure that a reasonable mix is provided in a settlement overall. For example, if a recent housing site has provided nothing but 4+-bedroom 'executive' homes, then it could be expected that the next site to come along might provide a mix which includes more homes for younger/smaller family households and childless couples.
- 5.42 Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement.

Built-form

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

Bungalows

- 5.44 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the County as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. Data from the Valuation Office Agency (VOA) does however provide estimates of the number of bungalows (by bedrooms) although no tenure split is available.
- 5.45 The table below shows a notable proportion of homes in Rutland are bungalows (11% of all flats and houses) with about half of these having up to 2-bedrooms, and a further 40% 3-bedrooms); a slightly lower proportion (9%) of homes across England are bungalows. Data provided by the Council identifies 329 bungalows in the affordable sector, of which 227 (69%) have 1-bedroom and the remainder 2-bedrooms.

**Figure 5.18: Number of dwellings by property type and number of bedrooms
(March 2020) – Rutland**

| | Number of bedrooms | | | | | All |
|---------------------|--------------------|-------|-------|-------|-----------|--------|
| | 1 | 2 | 3 | 4+ | Not Known | |
| Bungalow | 310 | 670 | 740 | 130 | 10 | 1,850 |
| Flat/Maisonette | 510 | 770 | 100 | 10 | - | 1,380 |
| Terraced house | 130 | 1,150 | 1,920 | 330 | - | 3,530 |
| Semi-detached house | 20 | 660 | 2,850 | 400 | - | 3,930 |
| Detached house | 20 | 260 | 2,060 | 4,010 | 20 | 6,370 |
| All flats/houses | 990 | 3,510 | 7,670 | 4,880 | 30 | 17,060 |
| Annexe | - | - | - | - | - | 40 |
| Other | - | - | - | - | - | 180 |
| Unknown | - | - | - | - | - | 310 |
| All properties | - | - | - | - | - | 17,600 |

Source: Valuation Office Agency

- 5.46 In general, discussions with local estate agents (discussions nationally) find that there is a demand for bungalows and in addition, analysis of survey data (in other locations) points to a high demand for bungalows (from people aged 65 and over in particular).
- 5.47 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available (this is different from specialist accommodation for older people which would have some degree of care or support).
- 5.48 As a new build option, bungalows are often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.

- 5.49 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.
- 5.50 Overall, the Council should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive.
- 5.51 Bungalows are likely to see a particular need and demand in the market sector and also for rented affordable housing (for older people as discussed in the next section of the report). Bungalows are likely to particularly focus on 2-bedroom homes, including in the affordable sector where such housing may encourage households to move from larger 'family-sized' accommodation (with 3+-bedrooms).

Flats versus Houses

- 5.52 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 82% of all 1-bedroom homes are flats, 38% of 2-bedroom homes and just 5% of homes with 3-bedrooms.
- 5.53 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in Rutland, the East Midlands and England. This shows a relatively low proportion of flats in Rutland (20% of all 2-bedroom homes) and this would arguably point to the majority of 2-bedroom homes in the future being houses. The analysis does also show a higher proportion of flats in the social and private rented sectors (although it is still the case that the majority of homes in these sectors are houses).

| Figure 5.19: Proportion of 2-bedroom homes that are a flat, maisonette or apartment (by tenure) | | | |
|--|---------|---------------|---------|
| | Rutland | East Midlands | England |
| Owner-occupied | 11% | 8% | 25% |
| Social rented | 43% | 31% | 48% |
| Private rented | 22% | 30% | 52% |
| All (2-bedroom) | 20% | 19% | 38% |

Source: 2021 Census

5.54 For completeness, the table below shows the proportion of flats in Rutland for all sizes of accommodation and different tenures. Of particular note is the very small proportion of 3+-bedroom homes as flats.

| Figure 5.20: Proportion of homes that are a flat, maisonette or apartment (by tenure and dwelling size) – Rutland | | | | |
|--|-----------|------------|------------|-------------|
| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
| Owner-occupied | 51% | 11% | 0% | 0% |
| Social rented | 48% | 43% | 6% | 2% |
| Private rented | 60% | 22% | 3% | 3% |
| All | 51% | 20% | 1% | 0% |

Source: 2021 Census

- 5.55 As noted, this analysis would suggest that most 2-bedroom homes should be built as houses (or bungalows) rather than flats given the nature of the current stock. Any decisions will have to take account of site characteristics, which in some cases might point towards flatted development as being most appropriate.
- 5.56 The analysis would suggest that the affordable sector might be expected to see a higher proportion of flats than for market housing although the Council reports that 2-bedroom flats can be quite difficult to let. This is due to the ‘bedroom tax’ making it difficult to let to childless households along with some Registered Providers being strict about the ages of children accepted in flatted accommodation. There is also reluctance to let 2-bedroom flats to single people, even if they can afford.

Housing Mix: Key Messages

- Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Rutland is fairly low with around 24% of all households containing dependent children in 2021 (compared with around 28% regionally and 29% nationally). There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas lone parents are particularly likely to live in social or private rented accommodation.
- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which in Rutland is notable in the market sector).
- In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For rented affordable housing there is a clear need for a range of different sizes of homes, including 30% to have at least 3-bedrooms. Our recommended mix is set out below:

| | Market | Affordable home ownership | Affordable housing (rented) | |
|-------------|--------|---------------------------|-----------------------------|---------------|
| | | | General needs | Older persons |
| 1-bedroom | 5-10% | 15-20% | 20-25% | 55-60% |
| 2-bedrooms | 30-35% | 40-45% | 40-45% | 40-45% |
| 3-bedrooms | 35-40% | 30-35% | 25-30% | |
| 4+-bedrooms | 20-25% | 5-10% | 5-10% | |

- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.

Housing Mix: Key Messages (cont...)

- The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, this report also highlighted potential difficulties in making (larger) AHO genuinely affordable.
- Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
- Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.

6. Older and Disabled People

Introduction

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

Understanding the Implications of Demographic Change

6.2 The population of older persons is increasing, and this will potentially drive a need for housing which is capable of meeting the needs of older persons. Initially below a series of statistics about the older person population of Rutland are presented.

Current Population of Older People

6.3 The table below provides baseline population data about older persons in Rutland and compares this with other areas. The population data has been taken from 2021 mid-year population estimates (as updated by ONS to take account of Census data). The table shows that Rutland has an older age structure to other areas with 25% of the population being aged 65 and over, this compares with 20% regionally and 19% nationally.

| | Rutland | East Midlands | England |
|-----------|---------|---------------|---------|
| Under 65 | 74.9% | 80.4% | 81.5% |
| 65-74 | 12.7% | 10.5% | 9.8% |
| 75-84 | 8.8% | 6.6% | 6.2% |
| 85+ | 3.5% | 2.5% | 2.5% |
| Total | 100.0% | 100.0% | 100.0% |
| Total 65+ | 25.1% | 19.6% | 18.5% |
| Total 75+ | 12.4% | 9.1% | 8.7% |

Source: ONS mid-year population estimates

6.4 The table below shows similar information for sub-areas – in this case taken from the 2021 Census. This shows some variation in the proportion of people aged 65 and over, ranging from 15% in Cottesmore and Greetham, up to 34% of the population in Langham and Exton.

| | Under 65 | 65-74 | 75-84 | 85+ | Total | Total 65+ | Total 75+ |
|--------------------------|----------|-------|-------|------|--------|-----------|-----------|
| Oakham | 74.7% | 12.0% | 9.5% | 3.8% | 100.0% | 25.3% | 13.2% |
| Braunston & Martinthorpe | 67.8% | 16.3% | 11.2% | 4.7% | 100.0% | 32.2% | 15.9% |
| Cottesmore | 84.7% | 8.2% | 5.1% | 1.9% | 100.0% | 15.3% | 7.1% |
| Exton | 66.3% | 19.0% | 10.5% | 4.1% | 100.0% | 33.7% | 14.6% |
| Greetham | 84.6% | 9.4% | 4.6% | 1.3% | 100.0% | 15.4% | 6.0% |
| Ketton | 68.4% | 15.8% | 10.8% | 5.0% | 100.0% | 31.6% | 15.8% |
| Langham | 66.0% | 17.6% | 12.4% | 3.9% | 100.0% | 34.0% | 16.4% |
| Lyddington | 68.2% | 18.2% | 10.3% | 3.3% | 100.0% | 31.8% | 13.6% |
| Normanton | 75.2% | 13.5% | 8.3% | 2.9% | 100.0% | 24.8% | 11.2% |
| Ryhall & Casterton | 74.6% | 13.9% | 8.0% | 3.5% | 100.0% | 25.4% | 11.5% |
| Uppingham | 77.1% | 11.1% | 7.8% | 4.0% | 100.0% | 22.9% | 11.8% |
| Whissendine | 69.0% | 18.2% | 9.8% | 3.0% | 100.0% | 31.0% | 12.8% |
| TOTAL | 74.7% | 13.0% | 8.8% | 3.5% | 100.0% | 25.3% | 12.3% |

Source: 2021 Census

Projected Future Change in the Population of Older People

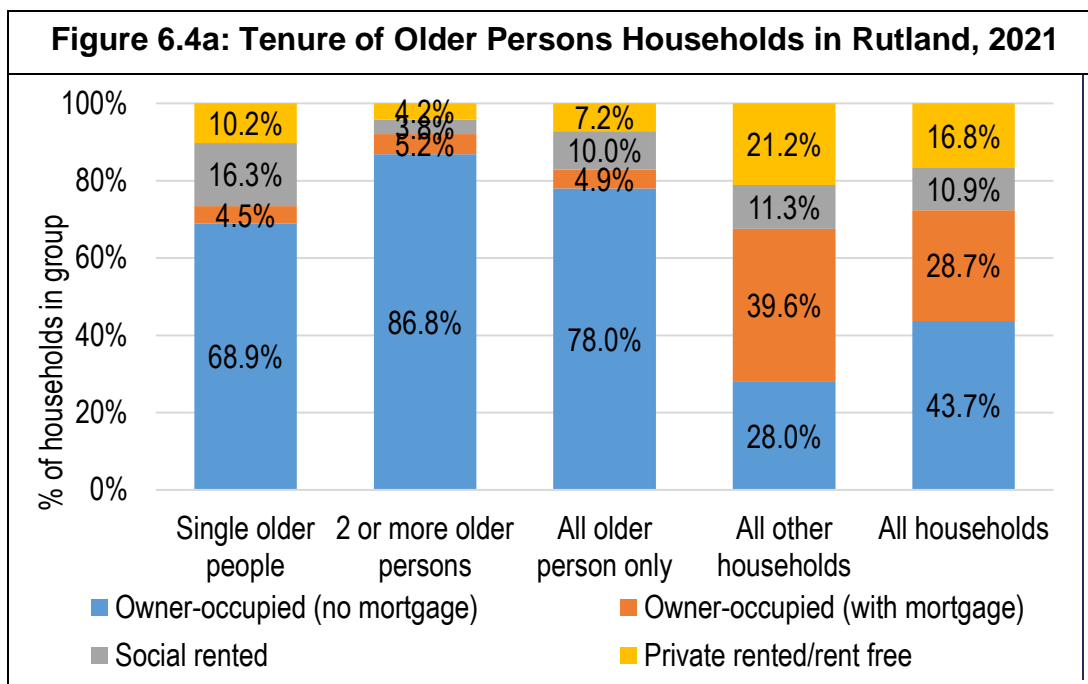
- 6.5 Population projections can next be used to provide an indication of how the number of older persons might change in the future with the table below showing that Rutland is projected to see a notable increase in the older person population. The table below shows a projected increase in the population aged 65+ of around 24% - the population aged Under 65 is in contrast projected to decrease by around 4%.
- 6.6 In total population terms, the projections show an increase in the population aged 65 and over of 2,600 people. This is against a backdrop of an overall increase of 1,400 – population growth of people aged 65 and over therefore accounts for in excess of 100% of the total projected population change.

| Figure 6.3: Projected Change in Population of Older Persons, 2023 to 2033 – Rutland (linked to Standard Method) | | | | |
|--|--------|--------|----------------------|----------|
| | 2023 | 2033 | Change in population | % change |
| Under 65 | 30,792 | 29,638 | -1,154 | -3.7% |
| 65-74 | 5,129 | 6,346 | 1,217 | 23.7% |
| 75-84 | 4,120 | 4,653 | 532 | 12.9% |
| 85+ | 1,538 | 2,382 | 843 | 54.8% |
| Total | 41,580 | 43,018 | 1,438 | 3.5% |
| Total 65+ | 10,788 | 13,380 | 2,592 | 24.0% |
| Total 75+ | 5,659 | 7,034 | 1,375 | 24.3% |

Source: Demographic Projections

Characteristics of Older Person Households

- 6.7 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 (78% 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 10% of older persons households across the County live in the social rented sector; the proportion of older person households living in the private rented sector is relatively low (about 7%).
- 6.8 There are also notable differences for different types of older person households with single older people having a much lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.



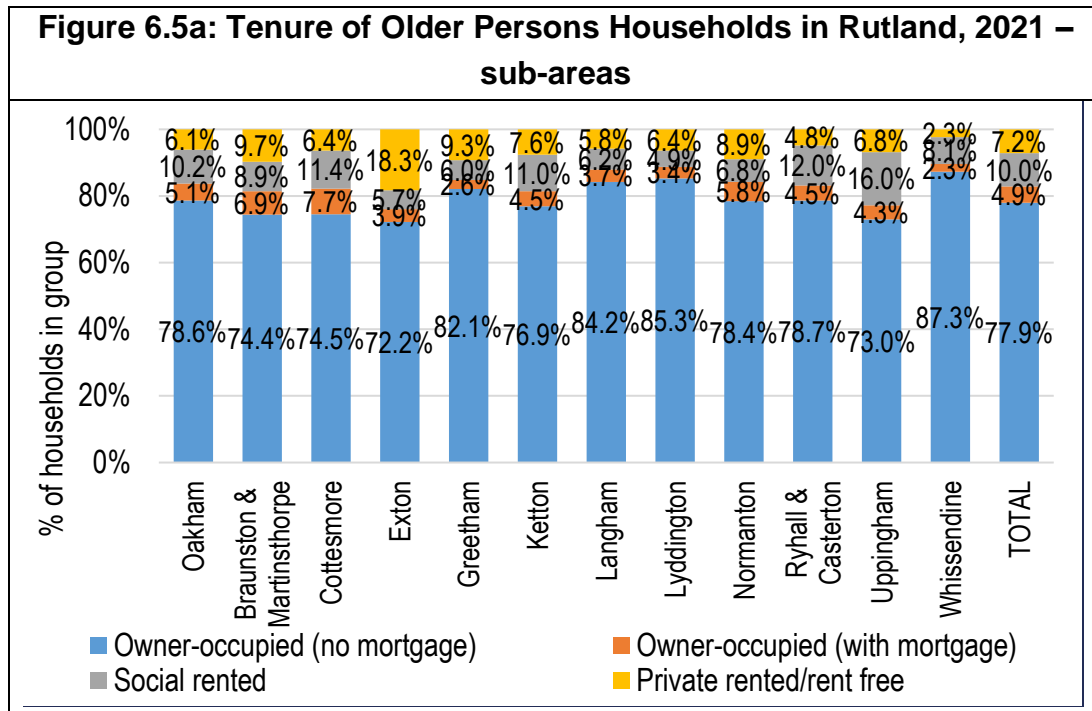
Source: 2021 Census

Figure 6.4b: Tenure of Older Persons Households in Rutland, 2021

| | Owner-occupied (no mortgage) | Owner-occupied (with mortgage) | Social rented | Private rented/rent free | TOTAL |
|-------------------------|------------------------------|--------------------------------|---------------|--------------------------|--------|
| Single older people | 68.9% | 4.5% | 16.3% | 10.2% | 100.0% |
| 2 or more older persons | 86.8% | 5.2% | 3.8% | 4.2% | 100.0% |
| All older person only | 78.0% | 4.9% | 10.0% | 7.2% | 100.0% |
| All other households | 28.0% | 39.6% | 11.3% | 21.2% | 100.0% |
| All households | 43.7% | 28.7% | 10.9% | 16.8% | 100.0% |

Source: 2021 Census

6.9 The figure below shows the same information for sub-areas – the data is provided for all older person households. The data shows that the tenure profile of older person households varies slightly across the County although all areas see the majority of older person households as owner-occupiers (largely mortgage free).



Source: 2021 Census

Figure 6.5b: Tenure of Older Persons Households in Rutland, 2021 – sub-areas

| | Owner-occupied (no mortgage) | Owner-occupied (with mortgage) | Social rented | Private rented/rent free | TOTAL |
|---------------------------|------------------------------|--------------------------------|---------------|--------------------------|--------|
| Oakham | 78.6% | 5.1% | 10.2% | 6.1% | 100.0% |
| Braunston & Martinsthorpe | 74.4% | 6.9% | 8.9% | 9.7% | 100.0% |
| Cottesmore | 74.5% | 7.7% | 11.4% | 6.4% | 100.0% |
| Exton | 72.2% | 3.9% | 5.7% | 18.3% | 100.0% |
| Greetham | 82.1% | 2.6% | 6.0% | 9.3% | 100.0% |
| Ketton | 76.9% | 4.5% | 11.0% | 7.6% | 100.0% |
| Langham | 84.2% | 3.7% | 6.2% | 5.8% | 100.0% |
| Lyddington | 85.3% | 3.4% | 4.9% | 6.4% | 100.0% |
| Normanton | 78.4% | 5.8% | 6.8% | 8.9% | 100.0% |
| Ryhall & Casterton | 78.7% | 4.5% | 12.0% | 4.8% | 100.0% |
| Uppingham | 73.0% | 4.3% | 16.0% | 6.8% | 100.0% |
| Whissendine | 87.3% | 2.3% | 8.1% | 2.3% | 100.0% |
| TOTAL | 77.9% | 4.9% | 10.0% | 7.2% | 100.0% |

Source: 2021 Census

Prevalence of Disabilities

6.10 The table below shows the proportion of people who are disabled under the Equality Act drawn from 2021 Census data, and the proportion of households where at least one person has a disability. The data suggests that some 29% of households in Rutland contain someone with a disability. This figure is below that seen across both the East Midlands and nationally. The figures for the population with a disability show a similar pattern when compared with other locations – some 16% of the population having a disability.

| Figure 6.6: Households and People with a Disability, 2021 | | | | |
|--|---|-------|------------------------------|-------|
| | Households Containing Someone with a Disability | | Population with a Disability | |
| | No. | % | No. | % |
| Rutland | 4,797 | 28.7% | 6,523 | 15.9% |
| East Midlands | 680,791 | 33.4% | 894,920 | 18.3% |
| England | 7,507,886 | 32.0% | 9,774,510 | 17.3% |

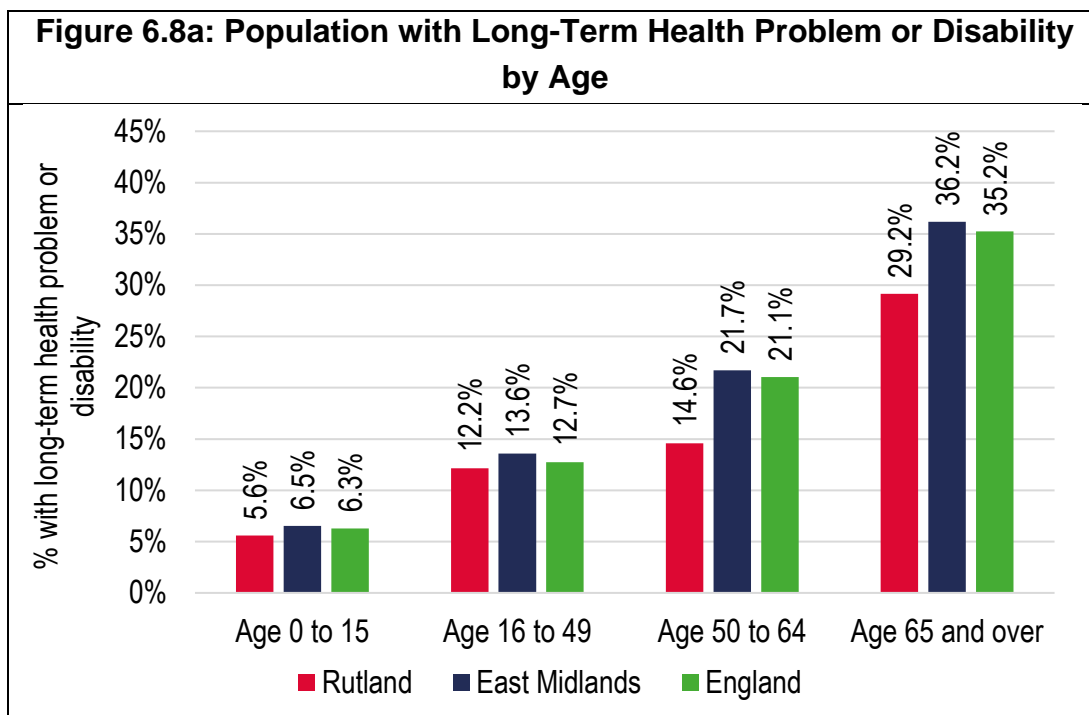
Source: 2021 Census

6.11 The analysis also shows some differences between different parts of the County although there are no clear patterns – all areas see a proportion of households with a disability as being below both the regional and national average. When looking at the population with a disability, the ward of Greetham stands out as having a high figure – this is likely to be related to the prison population in this area.

| Figure 6.7: Households and People with a Long-Term Health Problem or Disability, 2021 – sub-areas – Rutland | | | | |
|--|---|--------------|----------------------------------|--------------|
| | Households Containing Someone with a Health Problem | | Population with a Health Problem | |
| | No. | % | No. | % |
| Oakham | 1,779 | 30.2% | 2,284 | 16.9% |
| Braunston & Martinsthorpe | 311 | 28.5% | 418 | 17.4% |
| Cottesmore | 291 | 26.8% | 430 | 11.8% |
| Exton | 179 | 28.7% | 214 | 15.7% |
| Greetham | 154 | 25.6% | 544 | 22.0% |
| Ketton | 343 | 28.3% | 460 | 16.3% |
| Langham | 185 | 28.9% | 220 | 15.7% |
| Lyddington | 160 | 26.7% | 191 | 14.2% |
| Normanton | 363 | 27.4% | 440 | 13.9% |
| Ryhall & Casterton | 357 | 29.0% | 452 | 15.4% |
| Uppingham | 523 | 27.9% | 686 | 14.5% |
| Whissendine | 148 | 27.7% | 186 | 14.9% |
| TOTAL | 4,793 | 28.7% | 6,525 | 15.9% |

Source: 2021 Census

6.12 As noted, it is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. The figure below shows the age bands of people with a LTHPD (data from the 2021 Census). It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD. The analysis also typically shows lower levels of LTHPD in each age band within Rutland when compared with the national and regional position.



Source: 2021 Census

Figure 6.8b: Population with Long-Term Health Problem or Disability by Age

| | Rutland | East Midlands | England |
|-----------------|---------|---------------|---------|
| Age 0 to 15 | 5.6% | 6.5% | 6.3% |
| Age 16 to 49 | 12.2% | 13.6% | 12.7% |
| Age 50 to 64 | 14.6% | 21.7% | 21.1% |
| Age 65 and over | 29.2% | 36.2% | 35.2% |

Source: 2021 Census

Health Related Population Projections

- 6.13 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.
- 6.14 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.

- 6.15 Of particular note are the large increases in the number of older people with dementia (increasing by 33% from 2023 to 2033 and mobility problems (up 30% over the same period). Changes for younger age groups are smaller (negative), reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of people aged 65+ with a mobility problem represents around 35% of total projected population growth.

| Figure 6.9: Projected Changes to Population with a Range of Disabilities – Rutland (linked Standard Method projection) | | | | | |
|---|-----------|-------|-------|--------|----------|
| Disability | Age Range | 2023 | 2033 | Change | % Change |
| Dementia | 65+ | 649 | 865 | 216 | 33.4% |
| Mobility problems | 65+ | 1,683 | 2,189 | 506 | 30.1% |
| Autistic Spectrum Disorders | 18-64 | 203 | 195 | -8 | -3.9% |
| | 65+ | 85 | 106 | 21 | 25.3% |
| Learning Disabilities | 15-64 | 515 | 503 | -12 | -2.4% |
| | 65+ | 185 | 228 | 43 | 23.3% |
| Impaired mobility | 16-64 | 1,194 | 1,145 | -49 | -4.1% |

Source: POPPI/PANSI and Demographic Projections

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

Need for Specialist Accommodation for Older People

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

Definitions of Different Types of Older Persons' Accommodation

Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.

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

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

Residential care homes and nursing homes (care bedspaces): These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010]

- 6.19 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people. The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory and financial issues. Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.
- 6.20 There are a number of ‘models’ for considering older persons’ needs, but they all essentially work in the same way. The model results are however particularly sensitive to the prevalence rates applied, which are typically calculated as a proportion of people aged over 75 who could be expected to live in different forms of specialist housing. Whilst the population aged 75 and over is used in the modelling, the estimates of need would include people of all ages. This is typically expressed as the number of units per 1,000 head of population aged over 75.
- 6.21 Whilst there are no definitive rates, the PPG [63-004] notes that ‘the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ for Older People Analysis Tool)’. The PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since the PPG was published the Housing Learning and Information Network (Housing LIN) has removed the Shop@ online toolkit although the base rates used for analysis are known.
- 6.22 The SHOP@ tool was originally based on data in a 2008 report (More Choice Greater Voice) and in 2011 a further suggested set of rates was published (rates which were repeated in a 2012 publication). In 2016, Housing LIN published a review document which noted that the 2008 rates are ‘outdated’ but also noting that the rates from 2011/12 were ‘not substantiated’. The 2016 review document therefore set out a series of proposals for new rates to be taken forward onto the Housing LIN website.

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

| Figure 6.10: Range of suggested baseline prevalence rates from a number of tools and publications | | | |
|--|----------------------------|--|---------------------------|
| Type/Rate (supply per 1,000 people aged over 75) | SHOP@ (2008) ¹³ | Housing in Later Life (2012) ¹⁴ | 2016 Housing LIN Review |
| Age-restricted general market housing | - | - | 25 |
| Retirement living or sheltered housing (housing with support) | 125 | 180 | 100 |
| Extra care housing or housing-with-care (housing with care) | 45 | 65 | 30-40 ('proactive range') |
| Residential care homes | 65 | (no figure apart from 6 for dementia) | 40 |
| Nursing homes (care bedspaces), including dementia | 45 | | 45 |

Source: Range of sources as identified

¹³ Based on the More Choice Greater Voice publication of 2008 (https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

¹⁴ https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

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

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

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

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

- 6.28 Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population. This has been based on Census data about the proportion of the population aged 75 and over who have a long-term health problem or disability (LTHPD) compared with the England average. In Rutland, the data shows better health in the older person population and so the prevalence rates used have been decreased slightly (by an average of about 14%) – these figures are based on comparing the proportion of people aged 75 and over with a LTHPD in Rutland (37.8%) with the equivalent figure for England (43.9%).
- 6.29 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the 2016 Review which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Rutland is the 303rd most deprived local authority in England (out of 317) – i.e. a lower than average level of deprivation – this suggests a greater proportion of market housing than a local authority in the middle of the range (for housing with support and housing with care).
- 6.30 Additionally, relevant to Rutland and in discussions with the Council there are a number of considerations. For example, the Council has reduced considerably its reliance on care homes by increasing the use of live-in carers and at present funding is not yet available for affordable extra-care housing locally. In addition, there is a shortage of care beds funded by the Council and providing additional ‘luxury’ care would not improve this situation (the sources used for modelling do not separate out Council and self-funded care bedspaces) – the issue is the number of beds in homes who accept local authority rates. A further discussion of the specific situation locally can be found in the Council’s Market Sustainability Plan (for Residential and Home Care)¹⁵.
- 6.31 The modelling below sets out the current supply of each type of accommodation for reference. The estimates of need are based on increases projected for the older person population in the future.

¹⁵ <https://www.rutland.gov.uk/sites/default/files/2023-03/Rutland%20Adult%20Social%20Care%20Market%20Sustainability%20Plan%20for%20Residential%20and%20Home%20Care%20March%202023.pdf>

- 6.32 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).
- 6.33 Overall, the analysis suggests that there will be a need for housing with support (particularly in the market sector) and housing with care (again mainly for market housing). The table also highlights a high current supply of housing with support in the affordable sector – the Council should consider if some redevelopment/repurposing of this stock could meet some of the shortfall in care.
- 6.34 The analysis also shows a projected need for around 100 additional care bedspaces to 2033. However, at the present time, of the current supply of 409 only 290 are currently being used (leaving availability of up to 119 units). This latter figure is in excess of the projected need and would point to there being no shortage of care bedspaces currently and at least in the period to 2033.

Figure 6.11: Specialist Housing Need using adjusted SHOP@Review Assumptions, 2023-33 – Rutland (linked to Standard Method)

| | | Housing demand per 1,000 75+ | Current supply | Projected demand to 2033 | |
|----------------------|------------|------------------------------|----------------|--------------------------|-----------|
| | | | | Total | Per annum |
| Housing with support | Market | 70 | 78 | 96 | 10 |
| | Affordable | 38 | 523 | 52 | 5 |
| | Total | 108 | 601 | 148 | 15 |
| Housing with care | Market | 29 | 75 | 39 | 4 |
| | Affordable | 10 | 20 | 14 | 1 |
| | Total | 39 | 95 | 53 | 5 |
| Care bedspaces | | 73 | 409 | 101 | 10 |

Source: Derived from Demographic Projections and Housing LIN/ supply from EAC and RCC

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

County Council Engagement

- 6.37 As well as the quantitative analysis above, we have undertaken consultation with Rutland County Council's Head of Commissioning and Head of Adult Social Care to understand the current housing provision for older persons and identify future needs.
- 6.38 Rutland County Council do not operate any sheltered accommodation or extra care facilities. These forms of accommodation are provided by Registered Providers (in the case of sheltered accommodation) or the private sector.
- 6.39 Rutland has a high proportion of self-funders, including a significant amount from outside the county, who are served in part by 'luxury' care home providers including two recently completed sites. This pushes prices up and distorts the market because these providers do not need council-funded residents to operate profitably and can maintain vacancies for a considerable length of time.
- 6.40 It is the Council's aim to provide in-situ domiciliary care for as long as possible, but there is a need for sheltered accommodation and extra-care facilities that have a business model geared towards a split between council-funded and self-funded residents rather than the current supply which is typically just self-funders. However, this will require a change of policy by the Council.

- 6.41 There is also a need for temporary accommodation where people can receive occupational therapy after being discharged from the hospital.
- 6.42 However, large complex care homes are not needed because there is insufficient health care provision to support them, and the rural nature of the county complicates access for staff (of which there is a general lack) and visitors. There are also low numbers of local residents who would require that care therefore any need would be imported.
- 6.43 The Council has considered the potential benefits of a council-run extra-care facility but has not developed a future strategy. If the government's adult social care charging reforms are put into place, the Council will be better able to compete in the older persons housing market and may be more successful in placing council-funded residents in existing facilities.
- 6.44 The adult social care workforce in the County is limited and the potential alternative workforce is also limited by the low working-age population and low unemployment rates. As a result, care staff are primarily sourced from outside the County.
- 6.45 Much of the county's family housing is occupied by older persons and it would benefit the county to build smaller homes so older persons can right size, vacating homes that could provide needed housing for working families.

Older Persons' Housing, Planning Use Classes and Affordable Housing Policies

- 6.46 The issue of use classes and affordable housing generally arises in respect of extra care/ assisted living development schemes. The Planning Practice Guidance defines extra care housing or housing with care as follows:

“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”.

- 6.47 There is a degree to which different terms can be used for this type of development inter-changeably, with reference sometimes made to extra care, assisted living, continuing care retirement communities, or retirement villages. Accommodation units typically include sleeping and living accommodation, bathrooms and kitchens; and have their own front door. Properties having their own front doors is not however determinative of use.
- 6.48 The distinguishing features of housing with care is the provision of personal care through an agency registered with the Care Quality Commission, and the inclusion of extensive facilities and communal space within these forms of development, which distinguish them from blocks of retirement flats.

Use Classes

- 6.49 Use classes are defined in the Town and Country Planning (Use Classes) Order 1987 (as amended). Use Class C2: Residential Institutions is defined as “use for the provision of residential accommodation and care to people in need of care (other than a use within class C3 (dwelling houses).” C3 (dwelling houses) are defined as “use as a dwelling house (whether or not as a sole or main residence) a) by a single person or by people living together as a family; or b) by no more than 6 residents living together as a single household (including a household where care is provided for residents).”
- 6.50 Care is defined in the Use Class Order as meaning “personal care for people in need of such care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder, and in class C2 also includes the personal care of children and medical care and treatment.”
- 6.51 Personal care has been defined in Regulations¹⁶ as “the provision of personal care for persons who, by reasons of old age, illness or disability are unable to provide it for themselves, and which is provided in a place where those persons are living at the time the care is provided.”

¹⁶ Schedule 1 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010.

6.52 Government has released Planning Practice Guidance of Housing for Older and Disabled People in June 2019. In respect of Use Classes, Para 63-014 therein states that:

“It is for a local planning authority to consider into which use class a particular development may fall. When determining whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwelling house) of the Use Classes Order, consideration could, for example, be given to the level of care and scale of communal facilities provided.”

6.53 The relevant factors identified herein are the level of care which is provided, and the scale of communal facilities. It is notable that no reference is made to whether units of accommodation have separate front doors. This is consistent with the Use Class Order, where it is the ongoing provision of care which is the distinguishing feature within the C2 definition. In a C2 use, the provision of care is an essential and ongoing characteristic of the development and would normally be secured as such through the S106 Agreement.

6.54 A range of appeal decisions have addressed issues relating to how to define the use class of a development. These are fact specific, and there is a need to consider the particular nature of the scheme. What arises from this, is that schemes which have been accepted as a C2 use commonly demonstrate the following characteristics:

- Occupation restricted to people (at least one within a household) in need of personal care, with an obligation for such residents to subscribe to a minimum care package. Whilst there has been debate about the minimum level of care to which residents must sign-up to, it is considered that this should not be determinative given that a) residents' care needs would typically change over time, and in most cases increase; and b) for those without a care need the relative costs associated with the care package would be off-putting.
- Provision of access to a range of communal areas and facilities, typically beyond that of simply a communal lounge, with the access to these facilities typically reflected in the service charge.

NPPF Policies on Affordable Housing

- 6.55 For the purposes of developing planning policies in a new Local Plan, use class on its own need not be determinative on whether affordable housing provision could be applied. In all cases we are dealing with residential accommodation. But nor is there a clear policy basis for seeking affordable housing provision or contributions from a C2 use in the absence of a development plan policy which seeks to do so.
- 6.56 The NPPF (July 2021) sets out in paragraph 34 that Plans should set out the contributions expected from development, including levels of affordable housing. Such policies should not undermine the deliverability of the Plan. Paragraph 63 states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless off-site provision or a financial contribution can be robustly justified; and the agreed approach contributes to the objective of creating mixed and balanced communities.
- 6.57 Paragraph 64 states that affordable housing should not be sought from residential developments that are not major developments other than in designated rural areas such as in Rutland (all parishes apart from Oakham and Uppingham) where policies may set out a lower threshold of 5 units or fewer.
- 6.58 Paragraph 65 sets out that specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students) are exempt from the requirement for 10% of homes (as part of the affordable housing contribution) to be for affordable home ownership. But neither of these paragraphs set out that certain types of specialist accommodation for older persons are exempt from affordable housing contributions.
- 6.59 The implication for Rutland is that:
- The ability to seek affordable housing contributions from a C2 use at the current time is influenced by how its current development plan policies were constructed and evidenced; and
 - If policies in a new development plan are appropriately crafted and supported by the necessary evidence on need and viability, affordable housing contributions could be sought from a C2 use through policies in a new Local Plan.

6.60 Within the local plan, it would be possible to craft a policy in such a way that affordable housing could be sought on extra care housing from both C2 and C3 use classes and it should be noted that in July 2020 the High Court rejected claims that ‘extra care’ housing should not contribute affordable homes because it falls outside C3 use (CO/4682/2019). It is however important to recognise that the viability of extra care housing will differ from general mixed tenure development schemes, and there are practical issues associated with how mixed tenure schemes may operate.

Viability

6.61 There are a number of features of a typical extra care housing scheme which can result in substantively different viability characteristics relative to general housing. In particular:

- Schemes typically include a significant level of communal space and on-site facilities, such that the floorspace of individual units might equate to 65% of the total floorspace, compared to 100% for a scheme of houses and perhaps 85% for typical flatted development. There is a significant proportion of space from which value is not generated through sales (although individual units may be smaller);
- Higher construction and fit out-costs as schemes need to achieve higher accessibility requirements and often include lifts, specially adapted bathrooms, treatment rooms etc. In many instances, developers need to employ third party building contractors that are also not able to secure the same economies of scale as the larger volume housebuilders;
- Sales rates are also typically slower for extra care schemes, not least as older residents are less likely to buy ‘off plan.’ The combination of this and the limited ability to phase flatted schemes to sales rates can result in higher finance costs for a development.

6.62 There are a number of implications arising from this. Firstly, there is a need for viability evidence to specifically test and consider what level of affordable housing could be applied to different forms of older persons accommodation, potentially making a distinction between general market housing; retirement living/sheltered housing; and extra care/housing with care. It may well be that a differential and lower affordable housing policy is justified for housing with care.

6.63 Secondly, developers of extra care schemes can struggle to secure land when competing against mainstream housebuilders or strategic land promoters. One way of dealing with this could be to allocate sites specifically for specialist older persons housing, and this may be something that the Council wishes to consider through the preparation of a new Local Plan. There could be benefits of doing this through achieving relatively high-density development of land at accessible locations, and in doing so, releasing larger family housing elsewhere as residents move out. However, it is possible that allocating land would add to non-allocated sites that might come forward anyway.

Practical Issues

- 6.64 In considering policies for affordable housing provision on housing with care schemes, there is one further factor which warrants consideration relating to the practicalities of mixed-tenure schemes. The market for extra care development schemes is currently focused particularly on providers at the affordable and higher ends of the market, with limited providers currently delivering within the 'mid-market.' At the higher ends of the market, the level of facilities and services/support available can be significant, and the management model is often to recharge this through service charges.
- 6.65 Whilst recognising the benefits associated with mixed income/tenure development, in considering whether mixed tenure schemes can work it is important to consider the degree to which service charges will be affordable to those on lower incomes and whether Registered Providers will want or be able to support access to the range of services/facilities on site. In a range of instances, this has meant that authorities have accepted off-site contributions to affordable housing provision.

Wheelchair User Housing

- 6.66 The analysis below draws on secondary data sources to estimate the number of current and future wheelchair users and to estimate the number of wheelchair accessible/adaptable dwellings that might be required in the future. Estimates of need produced in this report draw on data from the English Housing Survey (EHS) – mainly 2018/19 data. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them 'visitible' for wheelchair users and data about wheelchair users by tenure.

6.67 The table below shows at a national level the proportion of wheelchair user households by the age of household reference person. Nationally, around 3.4% of households contain a wheelchair user – with around 1% using a wheelchair indoors. There is a clear correlation between the age of household reference person and the likelihood of there being a wheelchair user in the household.

Figure 6.12: Proportion of wheelchair user households by age of household reference person – England

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

Source: English Housing Survey (2018/19)

6.68 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 444 wheelchair user households in 2023, and that this will rise to 523 by 2033.

Figure 6.13: Estimated number of wheelchair user households (2023-33) – Rutland

| Age of HRP | Prevalence rate (% of households) | Households 2023 | Households 2033 | Wheelchair user households (2023) | Wheelchair user households (2033) |
|----------------|-----------------------------------|-----------------|-----------------|-----------------------------------|-----------------------------------|
| 24 and under | 0.6% | 285 | 301 | 2 | 2 |
| 25-34 | 0.3% | 1,533 | 1,287 | 4 | 4 |
| 35-49 | 1.0% | 3,545 | 3,622 | 37 | 37 |
| 50-64 | 1.4% | 4,932 | 4,568 | 69 | 64 |
| 65 and over | 4.9% | 6,748 | 8,459 | 332 | 416 |
| All households | | 17,043 | 18,237 | 444 | 523 |

Source: Derived from a range of sources (EHS and 2021 Census)

- 6.69 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be needed for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home. Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully ‘visitable’ – this is around 25% of wheelchair user households.
- 6.70 Applying this to the current number of wheelchair user households and adding the additional number projected forward suggests a need for around 190 additional wheelchair user homes in the 2023-33 period. If the projected need is also discounted to 25% of the total (on the basis that many additional wheelchair user households will already be in accommodation) leads to a need estimate of 131 homes. These figures equate to a need for 13-19 dwellings per annum. If the estimate of current need is excluded (so as to just look at future changes) the need drops to just 2-8 dwellings per annum.

| Figure 6.14: Estimated need for wheelchair user homes, 2023-33 | | | |
|---|--------------|-----------------------------|----------------------------------|
| | Current need | Projected need (2023-33) | Total current and future need |
| Total | 111 | 79 | 190 |
| @ 25% of projected | 111 | 20 | 131 |

Source: Derived from a range of sources (EHS and 2021 Census)

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

Figure 6.15: Proportion of wheelchair user households by tenure of household reference person – England

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

Source: English Housing Survey (2018/19)

- 6.72 To meet the identified need, the Council could seek a proportion (maybe up to 5%) of all new market homes to be M4(3) compliant and potentially a higher figure in the affordable sector (say 10%). These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing (although some could be built as M4(3)A to help provide for needs in the coming years).
- 6.73 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below).
- 6.74 It is worth noting that the Government has recently reported on a consultation on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds¹⁷.
- 6.75 The key outcome is: 'Government is committed to raising accessibility standards for new homes. We have listened carefully to the feedback on the options set out in the consultation and the government response sets out our plans to mandate the current M4(2) requirement in Building Regulations as a minimum standard for all new homes'. This change is due to shortly be implemented though a change to building regulations.

¹⁷ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes>

- 6.76 The consultation outcome still requires a need for M4(3) dwellings to be evidenced, stating ‘M4(3) (Category 3: Wheelchair user dwellings) would continue as now where there is a local planning policy in place in which a need has been identified and evidenced. Local authorities will need to continue to tailor the supply of wheelchair user dwellings to local demand’.
- 6.77 As well as evidence of need, the viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target. The table below shows estimated costs for different types of accessible dwellings, taken from research sitting behind the initial PPG on accessible housing – these costings are now 8-year old but do still provide an indication of the relative costs of different options.

| Figure 6.16: Access Cost Summary | | | | | |
|---|--------------------|--------------------|------------------|---------------------------|----------------------------|
| | 1-Bed Apartment | 2-Bed Apartment | 2-Bed Terrace | 3-Bed Semi Detached | 4-Bed Semi- Detached |
| M4(2) | £940 | £907 | £523 | £521 | £520 |
| M4(3)(A) – Adaptable | £7,607 | £7,891 | £9,754 | £10,307 | £10,568 |
| M4(3)(B) – Accessible | £7,764 | £8,048 | £22,238 | £22,791 | £23,052 |

Source: EC Harris, 2014

- 6.78 It should be noted that local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock.
- 6.79 A further option for the Council would be to consider seeking a higher contribution, where it is viable to do so, from those homes to which they have nomination rights. This would address any under delivery from other schemes (including schemes due to their size e.g. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence for wheelchair use within social rent tenures. This should be considered when setting policy.

Older and Disabled People: Key Messages

- A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- The data shows that Rutland has a notably older age structure and lower levels of disability compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (78% of all older person households are outright owners).
- The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2023-33 period include:
 - a 24% increase in the population aged 65+ (potentially accounting for in excess of 100% of total population growth);
 - a 33% increase in the number of people aged 65+ with dementia and a 30% increase in those aged 65+ with mobility problems;
 - a need for around 150 housing units with support (sheltered/retirement housing);
 - a need for around 50 additional housing units with care (e.g. extra-care); and
 - a need for up to 190 dwellings to be for wheelchair users (meeting technical standard M4(3)).
- There is likely to be some overlap between categories (particularly wheelchair users and housing with care (including care bedspaces). In addition, the Council should consider the possible redevelopment/repurposing of existing stock – in particular there is currently a high supply of sheltered/retirement housing in the affordable sector.
- Overall, the data would suggest there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around a tenth in the affordable sector). The viability of providing M4(3) dwellings will need to be tested.

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

- In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for.

7. Other Groups

Introduction

- 7.1 This section of the report considers a range of other groups set out in the NPPF and PPG. This includes the need for self- and custom-build development, students and service personnel.

Self- and Custom-Build Housing

- 7.2 As of 1st April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area in order to build their own self-build and custom houses.
- 7.3 According to the Right to Build Taskforce Self-build involves the occupier of a new home taking responsibility for the design, construction and funding of the home on a single building plot. Self-builders are in control of their development timeline and are not bound by any requirement to act in a given way to satisfy the needs of a developer, contractor, landowner or specialist enabler, with the exception of any statutory requirements imposed by a mortgage lender, insurer or local planning authority.
- 7.4 Custom build involves the development of typically a multi-plot site and involves the occupier of a new home commissioning or building their new custom home through a range of housing delivery models facilitated and/or supported by a landowner, developer, contractor, or enabler. Custom builders commit to delivering their new home as part of a pre-defined process when they agree to purchase a serviced plot of land, including taking the responsibility to construct their home themselves.
- 7.5 The Rutland Self-Build and Custom Housebuilding Register was introduced on the 20th of March 2016 and there have now been six and a half full base periods¹⁸ up to 30th October 2022.

¹⁸ A base period is a period of typically 12 months in which demand for custom and self-build is recorded. However, the first base period. The first base period began on the day on which the register (which meets the requirement of the 2015 Act) was established and ended on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.

- 7.6 The Council is required to grant sufficient planning permissions to meet the demand identified on the Register as per the 2015 Act (as amended). The council introduced a local connection test in 2017, this separates the register into 2 parts with those who do not meet the local connection criteria entered into Part 2 of the register. Statutorily, the 2015 Act only requires the council to permit the number of plots indicated as needed by those on Part 1 of the register. However, any need from entrants who do not meet local connection criteria must be considered within the decision making process.
- 7.7 If assessed over the six and half base periods, there has been a total of 57 registered expressions of interest in a serviced plot of land in Rutland. Of these expressions of interest only two are on Part 2 of the register as at end of October 2023.
- 7.8 The Part 1 register equates to an average of 9 plots per annum. The Table below provides a base period breakdown of those individuals who have been entered the register (the identified demand) alongside the number of plots that have been awarded CIL self-build exemption in that base period (the supply).

| Base Period | Annual Entries | Cumulative Total Entries | Per- missions |
|--|----------------|--------------------------|---------------|
| Base Period 1 (1 st April 2016 to 30 th October 2016) | 15 | 15 | - |
| Base Period 2 (31 st October 2016 to 30 th October 2017) | 27 | 40 | 13 |
| Base Period 3 (31 st October 2017 to 30 th October 2018) | 2 | 44 | 21 |
| Base Period 4 (31 st October 2018 to 30 th October 2019) | 0 | 44 | 11 |
| Base Period 5 (31 st October 2019 to 30 th October 2020) | 3 | 19 | 6 |
| Base Period 6 (31 st October 2020 to 30 th October 2021) | 6 | 23 | 12 |
| Base Period 7 (31 st October 2021 to 30 th October 2022) | 4 | 26 | 14 |
| Total | 57 | - | 77 |
| Average | 9 | - | 12 |

Source: Rutland Self and Custom Build register

- 7.9 The table above also provides an indication of the number of permissions that the Council gave out over the same period. As shown this averaged 12 and therefore is meeting the identified demand without a need for a further policy response. However, this also indicates that demand is potentially higher than that shown by the register alone.

7.10 It is worth highlighting that a survey¹⁹ undertaken by YouGov on behalf of the National Custom and Self-Build Association (“NaCSBA”) in October 2020 found that awareness of the Right to Build legislation is low, with 83% of people unaware that the local authority self-build registers exist. As a result, the number of individuals on a local authority’s self-build register may underestimate demand.

Broader Demand Evidence

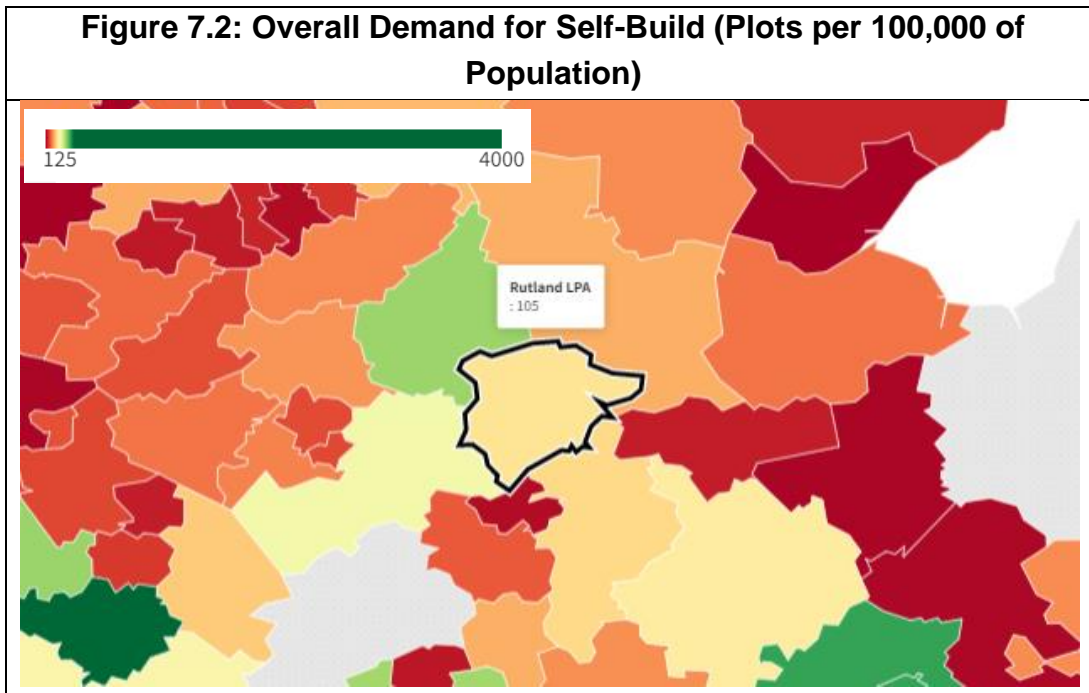
7.11 In order to supplement the data from the Council’s own register, we have looked to secondary sources as recommended by the PPG, which for this report is data from NaCSBA - the national association for the custom and self-build housing sector.

7.12 First, it is worth highlighting that the October 2020 survey undertaken by YouGov on behalf of NaCSBA found that 1 in 3 people (32%) are interested in building their own home at some point in the future, including 12% who said they were very interested. Notably, almost half (48%) of those aged between 18 and 24 were interested in building their own home, compared to just 18% of those aged 55 and over. This is notable as, traditionally, self-build has been seen as the reserve of older members of society aged 55 and over, with equity in their property.

7.13 Second, we can draw on NaCSBA data to better understand the level of demand for serviced plots in Rutland in relative terms. The association has published analysis with supporting maps and commentary titled “Mapping the Right to Build” in 2020. This includes an output on the demand for serviced plots as a proportion of total population relative to all other local authorities across England.

7.14 One of the key maps within the report highlights the areas of strongest demand and this is shown in the figure below. This shows a need for 105 units per 100,000 head of population in Rutland.

¹⁹ A survey of 2,017 adults with fieldwork undertaken online between 9th – 11th October 2020. The figures are weighted and are representative of all GB adults aged 18+



- 7.15 Other sources of demand include building plot search websites such as plotbrowser.com. This shows that at the end of April there were only 2 available sites in the County. One was a demolish and rebuild with permission and the agent suggested that interest was poor.
- 7.16 However, on the other site, which was just a plot, the agent suggested that interest was strong. They had made 20 viewings and a total of 5 offers. This was a similar level of demand had it been a house in the same area. The agent described the would be buyers as a complete mix and those who eventually bought the plot were a younger local family.
- 7.17 We can therefore conclude that there is strong demand for plots in the County and that it would, at least in part be meeting a local need.

Policy Response

7.18 The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector. The PPG²⁰ is clear that authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward and can focus on playing a key role in facilitating relationships to bring land forward. There are a number of measures which can be used to do this, including but not limited to:

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

7.19 Icenl would note that an increasing number of local planning authorities have adopted specific self-build and custom housebuilding policies in respective Local Plans to encourage delivery, promote and boost housing supply. There are also a number of appeal decisions in the context of decision-taking which have found that paragraph 11(d) of the Framework is engaged in the absence of specific policy on self-build housing when this is the focus of a planning application.

7.20 As a general principle, the Council should support the submission and delivery of self-build and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies.

7.21 As such Icenl would recommend the inclusion of a specific self and custom build housing policy within the Local Plan in order to satisfy the clear demand for plots within the County.

²⁰ Paragraph: 025 Reference ID: 57-025-20210508

- 7.22 The Council may also wish to consider allocating sites specifically for this use and the Council should consider any sites which do arise for this purpose.
- 7.23 Although Rutland does not have a Green Belt a recent appeal decision²¹ in Windsor and Maidenhead demonstrates the importance of delivering custom and self-build homes. This appeal allowed for the delivery of four custom and self-build homes in the Green Belt on the basis that “very considerable weight” was placed on the Borough was not meeting its custom and self-build need.
- 7.24 The Council may wish to consider an application to “Brownfield Land Release Fund” which includes specific funding to release brownfield sites for self and custom build housing. Not only is this important to provide additional homes but to ensure that the SME construction industry is supported.

Service Personnel

- 7.25 Rutland is home to two MOD facilities, Kendrew Barracks situated in Cottesmore and St George’s Barracks at Edith Weston. The most recent MOD statistics suggest that there are 1,580 service personnel stationed in Rutland, 90 of which are Civilian. This makes up 17.3% of the total MOD presence within the East Midlands region.
- 7.26 We have undertaken consultation with Rutland’s Armed Forces Officer in order to understand the current and future housing needs of Service Personnel and Veterans in the county.
- 7.27 Currently there are plans for the St Georges Barracks to close in 2026 with the current units based there, Veterinary Corps/Military Working Dogs and Medical Corps, moving to Kendrew. The closure would retain the existing housing which is outside the security perimeter with the intention that this will continue to serve those based at Kendrew.
- 7.28 There are also currently plans for a further regiment to relocate to Kendrew by 2028, this would bring the total number of units based there from 2 to 4 likely causing some capacity issues on site, particularly in family rental quarters.

²¹ Appeal A Ref: APP/T0355/W/22/3309281

- 7.29 As a result, it is expected that many in these regiments will seek housing in the local area, or outside Rutland, particularly those who are looking to buy. Although local prices may mean that the surrounding counties might be in greater demand. Those who will rent are more likely to stay on site, where housing costs are subsidised and therefore cheaper than market rental prices.
- 7.30 The MOD has no intention to build any new housing on site, if issues arise with capacity it is far more likely that they will rent properties in the private rental market and sub-let to soldiers as and when needed.
- 7.31 This could have implications on the affordability of local housing and would suggest that there is a need to consider a policy which addresses the specific need of service personnel. That said, Annex 2 of the NPPF identifies Military Personnel as Essential Key Workers. As such, accommodation specifically comes under the definition of affordable housing. Depending on their incomes this group will already be accounted for within the affordable housing need and will largely not be additional to it.
- 7.32 The Planning Practice Guidance for First Homes also allows local authorities to set out their own criteria for accessing such housing. One such criteria could be a key worker requirement which would include service personnel. The PPG also stipulates that “local connection criteria should be disapplied for all active members of the Armed Forces, divorced/separated spouses or civil partners of current members of the Armed Forces, spouses or civil partners of a deceased member of the armed forces (if their death was wholly or partly caused by their service) and veterans within 5 years of leaving the armed forces”.
- 7.33 The most acute and pressing issue is likely to be finding accommodation for those transitioning out of the forces as well as existing personnel that are seeking to buy in the County. First Homes could play a part in meeting this demand as it would provide a discounted route to home ownership.
- 7.34 In addition, the Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations ensure that service personnel (including bereaved spouses or civil partners) are allowed to establish a ‘local connection’ with the area in which they are serving or have served.

7.35 This means that ex-service personnel would not suffer disadvantage from any 'residence' criteria chosen by the Local Authority in their allocations policy.

Students

7.36 There are no Higher Education providers/facilities in the County and the 2011 Census only reported four all student households and the 2021 Census suggests there are only 12 people living in all student households in the County. There is therefore no justification for a specific policy relating to student housing in the County.

Other Groups: Key Messages

- The Rutland Self-Build and Custom Housebuilding Register equates to an average of 9 plots per annum (although this falls to 2 if the part 2 register is used) which will need to be permitted if current rates continue. By comparison, the council is permitting an average of 12 plots per annum. The inclusion of a specific self and custom build housing policy within the Local Plan is recommended in order to satisfy the clear demand for plots within the County.
- There are two MOD facilities within Rutland on which 1,580 personnel. St Georges Barracks is to close in 2026 with the current units moving to Kendrew. It is also expected that a further regiment will move to Kendrew by 2028 which may cause capacity issue on site, particularly in family rental quarters. First Homes could play a part in meeting the demand for service families wishing to settle in the area.