



# Land at Upper Rissington

**Affordable Housing Statement**

**August 2008**



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# **Proposed Development at Upper Rissington: Affordable Housing Statement**

**The Housing Vision Consultancy**



[www.housingvision.co.uk](http://www.housingvision.co.uk)

**August 2008  
Draft 2**

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# Proposed Development at Upper Rissington: Affordable Housing Statement

**Client Contact:**

Pete Sulley  
Senior Planner  
Barton Willmore  
Greyfriars House  
Greyfriars Road  
Cardiff  
CF10 3AL

02920 660910 (phone)  
02920 660911 (fax)

[Pete.Sulley@bartonwillmore.co.uk](mailto:Pete.Sulley@bartonwillmore.co.uk)

[www.bartonwillmore.co.uk](http://www.bartonwillmore.co.uk)

**Project Director:**

Dr Richard Turkington  
Director  
The Housing Vision Consultancy  
59 Stocks Lane  
Newland  
Malvern  
Worcs.  
WR13 5AZ

01886 833118 (phone)  
01886 830102 (phone/fax)  
07714 106386 (mobile)

[richardturkington@housingvision.co.uk](mailto:richardturkington@housingvision.co.uk)

[www.housingvision.co.uk](http://www.housingvision.co.uk)

**Authors:**

Dr Richard Turkington, Sheila Camp and Frank Mason

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# Acronyms and Abbreviations

CLG	Communities and Local Government
DC	District Council
ha	Hectare
HMA	Housing Market Assessment
RPG	Regional Planning Guidance
RSS	Regional Spatial Strategy

## **1.0 INTRODUCTION**

- 1.1 This Statement concerns the proposed residential development of up to 368 new homes on the site of a former military base in Upper Rissington, which is located in Cotswold District Council near to Bourton-on-the-Water. This Statement has been prepared to advise on how the proposed development can contribute to meeting Cotswold District Council's affordable housing requirements, especially in relation to the Upper Rissington area. It is underpinned by a comprehensive and cross-tenure Housing Market Assessment provided separately as the 'Upper Rissington Housing Market Assessment', August 2008.
- 1.2 The Statement comprises four sections:
1. A summary of relevant national, regional, sub-regional and local policies research and relating to the provision of affordable housing in the Cotswold District Council area, and of specific relevance to the proposed development at Upper Rissington;
  2. A summary of the evidence identifying the requirement for affordable housing at Upper Rissington, and established in the 'Upper Rissington Housing Market Assessment';
  3. A summary of how the proposed development can meet the Cotswold District Council's affordable housing requirement;
  4. Conclusions in relation to Planning Policy and the proposed development.

## **2.0 AFFORDABLE HOUSING: THE POLICY AND RESEARCH CONTEXT**

### **National Policy on Housing**

- 2.1 Planning Policy Statement 3 (PPS 3) Housing establishes the national policy framework for delivering the government's housing objectives. PPS 3 emphasises the priorities of providing:
- a variety of housing - by tenure, type and price - to create genuinely mixed and inclusive communities, and in rural areas, to contribute to the creation and maintenance of sustainable rural communities;
  - Housing Market Assessments to inform the variety of housing to be provided, and identifying the relative proportions of market and affordable housing;
  - affordable housing, including the relative requirement for social rented and intermediate housing, enabling local people to make the step from social rented housing to home ownership. This requirement should be expressed in the form of targets informing the amount, size and types of affordable housing to be provided to meet the needs of both current and future residents. Area-based policy should also identify the circumstances in which affordable housing is required as on-site provision or, where justified, as off-site provision or a financial contribution in lieu of on-site provision.
- 2.2 The Government's 'Sustainable Communities Plan' (2003 and 2005) sets the context for national housing policy with its emphasis on:
- Delivering sustainable communities;
  - Increasing the output of housing; and
  - Tackling affordability.

Each of these themes is covered below.

### **Delivering Sustainable Communities**

- 2.3 A more holistic approach is required that centres on, for example, community empowerment, employment and training, community cohesion, environmental sustainability, access to services and the broader quality of life issues.
- 2.4 This raises significant challenges for housing organisations:
- Nature and extent of direct involvement in, for instance, employment and training, as well as education. Some housing associations have



developed social enterprises and are even considering involvement and sponsorship of city academies. If housing associations are not directly involved, there is clearly a need for partnership working with other agencies.

- Ensuring the delivery of mixed tenure / housing type estates is seen as crucial by the Government on delivering sustainable communities. This will involve the pepper-potting of owner occupied houses, private rented accommodation, low cost home ownership and social rented dwellings in a locality.

### **Increasing Output**

- 2.5 The current Government target is that 240,000 units of housing should be built each year by the middle of the next decade. The National Housing and Planning Advice Unit has advised Ministers that the figure should be increased to tackle the affordable housing crisis. The emphasis, following on from the Barker Review (2004) is that significant increases in output are needed to lower the entry cost for owner occupation. It should be noted, however, that house completions could be as low as 100,000 units in 2008.

### **Tackling Affordability**

- 2.6 This has involved a focus on:
- Increasing significantly the supply of owner occupied properties so reducing the market entry price.
  - Increased targets and funding to deliver affordable housing through the national affordable housing programme administered by the Housing Corporation.
  - Growing focus on low cost home ownership/shared ownership products to help fill the gap between the cost of social renting and owner occupation.
  - Making more effective use of the planning system through S106 agreements.

### **Planning Policy**

- 2.7 Cotswold is subject to three sets of planning policies:
- the South West Regional Spatial Strategy (in draft 2006) which will supersede the various county structure plans (saved until the RSS is adopted). The Regional Assembly approved the Draft Regional Spatial Strategy on 10 March 2006 and submitted it to Government on 24 April.

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The Draft RSS was open for public consultation during Summer 2006 and responses were submitted to the independent Examination in Public (EiP) Panel. The EiP ran from 17 April to 6 July 2007, the independent Panel's report was published on 10 January 2008 and submitted to the Secretary of State. The Secretary of State published the proposed changes to the Draft RSS on 22 July 2008 which marked the start of a 12 week consultation which ends on 17 October 2008.

- the saved parts of the Gloucestershire Structure Plan Second Review until the adoption of the RSS.
- the Cotswold District Local Plan (adopted in 2006); this will remain in force until it is replaced by a Local Development Framework.

*The Regional Spatial Strategy Secretary of State's Proposed Changes and housing in the Cotswold DC area*

- 2.8 Cotswold DC is included in the Gloucester and Cheltenham Housing Market Area in the draft RSS. The Examination in Public Panel Report identifies an average net annual dwelling requirement in Cotswold of 345 (out of an annual average of 2,820 in the whole HMA) between 2006 and 2026. Thus, the draft RSS envisages a net total of 6,900 new dwellings in the district to 2026. These figures have been accepted in the Secretary of State's Proposed Changes

*The Gloucestershire Structure Plan*

- 2.9 The Structure Plan was prepared in accordance with Regional Planning Guidance and covers the period to 2011; however, it will be superseded by the Regional Spatial Strategy. On housing completions, the RPG identified a county-wide need for 50,000 homes from 1991-2011, with completions and approved development sites in 1998 giving a total of 28,000 dwellings towards the identified need.
- 2.10 The plan then identifies where the remaining dwellings would be provided to meet the additional numbers required by 2011. Cotswold's original share of the 50,000 was 8,300, of which its completions and committed sites at the end of 1998 were 3,574; it is therefore allocated a target to 2011 of 1,190 dwellings from 'windfall' sites, with a further 3,536 needed. However, as indicated below, the figure still remaining had substantially reduced by 2006.
- 2.11 Looking at where new dwellings should be provided, the Structure Plan indicates that, in Cotswold, development will mostly be provided within and adjacent to Cirencester; development in other settlements will only be provided where environmental and other constraints can be satisfactorily accommodated.

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- 2.12 On development in villages, it says residential development should be well integrated with the existing form and framework of settlements without adverse impact on the setting of the settlement or intrusion into the surrounding countryside. Provision should be confined to those settlements that have access to or can provide a range of employment opportunities to meet local needs; have access or potential access to community facilities and services; and are well served by public transport services.
- 2.13 However, the Plan recognises that not all rural settlements “perform the same functions” and leaves it to District Councils to define the role and function of settlements.

*The Cotswold District Council Local Plan, 2001-2011*

- 2.14 The Cotswold District Local Plan 2001–2011 was adopted in April 2006. Work is currently under way on evidence gathering for the Core Strategy for Cotswold’s Local Development Framework, which will supersede the Local Plan.
- 2.15 On housing, the Local Plan indicates that, with demand for housing high, there is a need to balance conserving the existing natural and built environment against the provision of sustainable development, particularly affordable housing, to meet local needs and maintain the social and economic fabric. This constitutes a key challenge for the planning system.
- 2.16 Under Policy 19: Development Outside Development Boundaries, new build open market housing is permitted outside the Development Boundaries of Cirencester and the Principal Settlements where it
- “would help to meet the social and economic needs of those living in rural areas”.*
- 2.17 Dwellings specifically tied to occupational uses, and affordable housing that meets locally identified needs would be acceptable, in principle, in rural areas.
- 2.18 Under Policy 21: Affordable Housing, and of direct relevance to the proposed development at Upper Rissington, planning permission may be given for “up to 50%” affordable housing to meet local needs in any town or village except Cirencester, Tetbury, Moreton-in-Marsh and Bourton-on-the-Water, and subject to the completion of a local needs assessment, such as the Housing Market Assessment provided in support of this Application.

The guidance notes in support of the Local Plan Policy also states that the proportion of affordable housing needs to be commensurate with identified need.

*Supplementary Planning Document on Affordable Housing*

- 2.19 Cotswold adopted a Supplementary Planning Document on Affordable Housing in February 2007. Broadly, it reiterates Local Plan Policies that “**up to**” 50% affordable housing will be sought on sites of ten or more dwellings / 0.3 ha or above in Cirencester, Tetbury, Moreton-in-Marsh and Bourton-on-the-Water; and on any sites elsewhere. There is also provision for “exception sites” in rural areas where a demonstrable need exists which cannot be met elsewhere. Housing needs are assessed by a district-wide survey, supplemented in some parishes by a more detailed parish housing needs survey undertaken by the Rural Housing Enabler. No such survey has been carried out in the parish of Upper Rissington.

### **Relevant Research**

#### *Gloucestershire Housing Needs Survey, 2003*

- 2.20 Cotswold took part in a Gloucestershire-wide Housing Needs Survey in 2003, which was partially updated in 2006. The update showed that Cotswold’s net existing backlog of housing need was 654 households, to which must be added a further 573 households newly in housing need from either household formation or falling into need. Set against the supply of affordable homes, this gives a net shortfall of 337 homes.
- 2.21 Cotswold had the highest “lower quartile” house prices of any Gloucestershire district - £180,000 at September 2006 prices and, at 93.6%, the highest percentage of households unable to purchase a property.

#### *The Gloucestershire and District Housing Market Assessment*

- 2.22 In 2006, at the request of the county and its districts, the county council’s Research Team undertook a Housing Market Assessment for Gloucestershire. The interim report, based largely on secondary sources, was published in November 2006.
- 2.23 It brings together existing data on socio-economic trends, the current housing stock, access to housing by different population groups, affordability, etc. It also seeks to examine the implications of population trends for the future housing market. Cotswold, together with Tewkesbury, is predicted to have the highest population growth. The HMA updates the Structure Plan, indicating that Cotswold has already built around 75% of their future dwellings target to 2011, leaving only 1,628 dwellings still to be provided.
- 2.24 The final part of the HMA is to assess current and future housing need and affordability. Some of this is work in progress; however, of all the Gloucestershire Districts, Cotswold has the highest percentage of households (almost 90%) unable to afford to purchase entry level property. This suggests

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a high demand for affordable housing, but the demand: supply figures were not available at the time of completion of this Statement.

### **3.0 SUMMARY OF EVIDENCE OF THE REQUIREMENT FOR AFFORDABLE HOUSING**

#### **The Housing Catchment Area**

- 3.1 The Housing Market Assessment identifies a typically self-contained housing catchment area based on Bourton-on-the Water and extending to the wider Cotswold District Council area (50% of home 'movers') and to West Oxfordshire, Cheltenham and North Wiltshire (50% of home 'movers'). This implies that most demand for new housing at Upper Rissington is likely to be generated from within the Cotswold area and the surrounding catchment triangle, an assessment confirmed by interviews with local property agents.

#### **Demographic Trends: the Requirement for Affordable Housing**

- 3.2 The total number of households in the Cotswold District is projected to increase by 9,000 between 2006 and 2026, a trend which implies a strong locally generated growth in the need and demand for housing including affordable housing, to which new housing at Upper Rissington might contribute.
- 3.3 The Cotswold District is under pressure from in-migration from elsewhere in England and Wales, and has gained over 2,300 people over the four years to 2005-06.
- 3.4 There are population gains in all age groups except 16 to 24 which might be explained by the shortage of affordable housing.
- 3.5 Over the next 20 years, it is projected that the Cotswold area will face a restructuring of its population consisting of:
- an overall decline in the youngest household forming age groups which is likely to be translated into a slight increase in need and demand as household growth counters population decline.
  - very large increases in the pension age and older populations resulting in similar growth in the need and demand for more manageable homes for older people on low incomes, some of whom might be provided for at Upper Rissington for the Cotswold area.
  - whilst projections of growth in households by type are not available at District level, but revised 2004-based projections for England provided by CLG in March 2007 for the period 2001-2021 identify a near 10% fall in married couple households; an 80% increase in co-habiting couple households; a 25% growth in lone parent households and a near 50% increase in single person households.

- 3.6 The proposed development at Upper Rissington provides the following opportunities in relation to these projected changes:
- the provision of suitable affordable housing to help counter the projected fall in the economically active population;
  - the provision of one and two bed homes to meet the increasing requirement from smaller households, including from those of pensionable age.

### **Housing Supply: the Requirement for Affordable Housing**

#### *The supply of housing*

- 3.7 The overall housing stock in the Cotswold District and Upper Rissington areas is highly skewed; there are the very low proportions of smaller, lower value and more affordable one and two bed homes, especially flats and there are very high proportions of larger, high value homes, especially detached houses and the low rate of social renting. The low supply of affordable and smaller homes could be addressed by the proposed development at Upper Rissington.
- 3.8 There is a only a limited supply of private rented homes in the local catchment area, with private sector rents more than double those in the social rented sector.
- 3.9 The supply of new homes for sale in the Upper Rissington area is concentrated on high value three and four bed houses with very few two bed and no one bed apartments available. In addition to a continuing demand for family housing, there is clearly an opportunity to re-balance local supply through the provision of an element of smaller and more affordable homes at Upper Rissington; a requirement confirmed by local property agents.

#### *The problem of affordability*

- 3.10 There are extreme problems in the affordability of housing for home ownership in the Cotswold area, and the limits for local households may well have been reached in terms of the cost of family housing. Development at Upper Rissington provides a major opportunity to provide low cost options to improve access to home ownership, ranging from New Build HomeBuy to shared equity one, two and three bed products.

#### *The supply of social rented housing*

- 3.11 Fosseway Housing record only 17 social rented properties at the Rissingtons (Little, Lower and Upper) consisting of:

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- four x two bed and one x three bed houses in Upper Rissington;
- two x two bed and three x three bed houses in Little Rissington, and
- two x one bed bungalows; three x two bed bungalows; one x two bed house and one x three bed house in Great Rissington.

*The need for social rented housing*

3.12 Fosseway Housing operates a choice-based lettings system with applicants banded according to priority need (Bronze, Silver and Gold). On registering, they can express a preference for one or more location, including Little, Lower or Upper Rissington. There are 90 households in the Silver and Gold priority need bandings who have expressed a preference for housing at the Rissingtons, of whom 26 are single people, 10 are childless couples, 42 are single parents and 12 are other 'mixed households'. Annual turnover at the Rissingtons is very small and has consisted most recently of only two properties:

- one x three bed house in Upper Rissington for which 24 applicants made a bid, and
- one x two bed house for which 32 applicants bid.

3.13 In such a high demand and high value area, we would estimate that no more than 10% (or 10) households will meet their housing needs through accessing the very few tenancies which become available by renting privately, by accessing home ownership or moving away from the area.

3.14 Therefore, we would estimate that there is an outstanding local need for **80 social rented dwellings** which, in view of the profile of households in housing need, implies a requirement for in the region of 30 smaller homes for single people and couples, and for 50 two and three bed family homes for current and emerging households.

*The need for Intermediate Housing options*

3.15 An assessment has been undertaken which indicates that in the region of 85% of single income and 90% of joint income local households entering the housing market will require access to housing options other than full cost home ownership.

3.16 However, the provision of New Build HomeBuy would increase access to home ownership by 15% for single income and 10% for joint income households.



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- 3.17 Unfortunately, data profiling the demand for HomeBuy was not available at the time of completion of this Statement, but all local property agents interviewed thought there was a strong local market for such products. One agent provided a recent example of selling a shared ownership property in a slowing market in less than a week and another mentioned a recent new development attracting six bidders for each property.
- 3.18 Given the above we would estimate the provision of no more than a mid point of 13% of new homes for New Build HomeBuy. This equates to **48 shared equity properties.**

#### **4.0 THE AFFORDABLE HOUSING REQUIREMENT AT UPPER RISSINGTON**

4.1 The proposed development at Upper Rissington provides huge potential to meet the requirement for affordable housing in the local catchment area and beyond; to redress historic imbalances in the profile of supply and to increase choice for local people who have been progressively excluded from the housing market.

4.2 The first requirement at Upper Rissington is to provide housing for current and emerging households in housing need. We have consulted waiting list data provided by Fosseway Housing, and this has identified **the need for 80 social rented dwellings:**

- 30 smaller one and two bed properties for single people and couples; and
- 50 x two and three bed family properties.

Should all of the 368 dwellings be applied for at the detailed stage these 80 dwellings represent 22% of the proposed development.

4.3 The second requirement at Upper Rissington is to provide housing for households unable to access full cost home ownership. A review of rental and property values has established that there are acute problems of affordability to the extent that the vast majority of local households are excluded from home ownership, and that family homes may be unaffordable for local people. It has also been established that HomeBuy (shared ownership) has the potential to increase access to home ownership for an additional 15% of single income and 10% of joint income local households. Although property agents identified strong demand, HomeBuy data was not available at the time of completion of this Statement, and therefore to increase access, we would advise the provision of no more than a mid-point 13% of new homes for New Build HomeBuy.

4.4 Should all of the 368 dwellings be applied for at the detailed stage this equates to **48 shared equity properties.**

## **5.0 CONCLUSIONS**

- 5.1 Planning Policy states clearly that “up to 50%” Affordable Housing should be provided on a scheme of this nature and “based on need”.
- 5.2 On the basis of the comprehensive Housing Market Assessment provided, this Statement has identified an affordable housing requirement at Upper Rissington for the provision of 80 social rented units.
- 5.3 No more than 13% of new homes for New Build HomeBuy should be provided and should all of the 368 dwellings be applied for at the detailed stage, this equates to 48 Intermediate Housing (shared equity) dwellings.
- 5.4 Based on the above proviso these 128 affordable dwellings equate to 35% affordable housing provision, of which 62.5% are social rented and 37.5% Intermediate Housing.



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