

Winchester Local Plan Part Two

Housing in Alresford¹

Report of the Housing Needs Group

Background

This paper explores the implications for Alresford of the housing policies in the Winchester Local Plan Part 1 recently adopted by Winchester City Council. Appendix One looks at affordable housing and mechanisms to ensure it remains affordable in the long term: Appendix Two sets out the key Local Plan Policies. A separate paper looks at various issues relevant to discussions on proposals for housing development in Alresford. This paper does not deal with specific site proposals: that is the next step once various principles outlined in this report have been established.

Introduction

1. The Winchester Local Plan Part One sets a housing requirement for Alresford of 500 additional dwellings in the period April 2011 until March 2031. Of these some 79 have already been built or have planning permission². The task is therefore to identify what sites should be identified to accommodate the residual requirement of 421 dwellings and what guidance, if any, should be given about the types of new dwellings to be provided.
2. These additional dwellings will be provided in one of three ways: social rented housing for those households unable to afford any more than social rents; intermediate affordable housing for those households able to afford more than social rents, but unable to afford to buy owner-occupied housing or to rent privately at the market rent threshold; and market housing for those households able to afford to buy owner-occupied housing or able to afford to rent privately at rents at or above the market rent threshold.
3. Local Plan Part One also establishes a requirement that at least forty per cent of all new dwellings (roughly 170) should be affordable, either social rented or intermediate affordable.
4. It is a matter of fact that Alresford is within a high cost housing area. Accordingly, not only are house prices and rents high but also any notion that an increase in supply of the scale envisaged for the town will depress housing costs and make them more affordable is unfounded and unrealistic.
5. Other than the impact of the ageing population (see paragraph 7 below) none of the social data examined³ indicated the need to provide any special types of housing for particular groups in particular locations, although there are still questions about the need to provide for travellers in accordance with

¹ For the purpose of this report the data is based on the Parish of New Alresford and has been rounded.

² New Alresford Data Sets, Winchester City Council, January 2013

³ New Alresford Data Sets, Winchester City Council January 2013

Government Guidance issued in March 2012. A countywide study on this matter is currently underway that will result in district-wide figures sometime in the late Spring. In the meantime it is suggested by the City Council that sites for up to five pitches should be provide.

Demography and housing

6. Alresford, as with Hampshire and England and Wales as a whole, is facing profound changes to its demography that will have a variety of social and economic impacts⁴.
7. The consequence of low birth rates, smaller families and improved life expectancy is a population that is ageing⁵. This shift in the age structure of the population is leading to higher proportions of older people relative to young people. The situation will be exacerbated over the next 20 to 30 years as those born during the post-war and 1960's baby boom move into and through the retirement age groups.
8. The result of changing social norms around marriage, increased frequency of people living alone and the changing age structure of the population is a shift in household size and composition. Overall, it is projected that household size will fall to just over 2 people per household. This changing household composition has implications for housing provision. Although the numbers of one-person households is projected to rise, more striking is the change in age structure of these households. Fewer older women will live alone as a result of improved mortality amongst older males. Conversely, the increase in family breakdown has meant that the largest growing group of one person households are those in their 30's, 40's and 50's. The housing needs of such people are markedly different from those in their later years as well as those starting out. This group are at the peak of their earning potential, which has implications for the type of future housing provision: not all small households will seek small dwellings.
9. In 2011⁶ there were approximately 2360 dwellings in the Parish. Of these three quarters were privately owned (1820). The remainder were rented with slightly more housing association and council tenants (310) than private (230). Affordable housing comprises some 14 per cent of the housing stock (marginally lower than the urban areas of the district but higher than the rural average). Of the total housing stock some 37 per cent were one or two bedroom (a higher percentage than Winchester District overall), the three and four bedroom stock at 36 per cent and 22 per cent respectively was not too dissimilar to the District average but the stock of five bedroom plus was slightly lower. Unless all the additional dwellings are focussed on one particular type of new dwelling it is unlikely that these percentages will change dramatically.

⁴ Demographic Future of Hampshire, Hampshire County Council

⁵ Trend confirmed by data provided by the NHS

⁶ Office for National Statistics, Census 2011

Size of Dwellings in Alresford compared with Winchester District overall

House Size	New Alresford	Winchester District
1 bed	8.7%	10.4%
2 bed	28.3%	22.9%
3 bed	36%	34.3%
4 bed	22%	22.9%
5 bed	5%	9.2%
+		

10. The amount of development in Alresford since the original Township Plan was produced in the late 1960s and the type of dwellings provided has, inevitably, had an impact on the population of the town that has risen from some 2200 in 1971 to 5450 in 2011. It is not possible to deduce with any certainty what impact the types of dwellings built has had on the population structure that now shows a higher proportion of very elderly and a smaller percentage of younger family groups than Winchester District overall. These outcomes are probably the consequence of income and lifestyle choices.⁷

Population Structure of Alresford compared with Winchester District overall

Age Group	New Alresford	Winchester District
0-4	5.1%	5.4%
5-15	11.7%	13.0%
16-44	30.6%	35.9%
45-64	29.4%	26.8%
65-74	10.9%	9.1%
75+	12.2%	9.7%

11. With a small total population all these percentages must be treated with caution as a slight numerical change can result in a high percentage change. Nevertheless, the figures appear to reflect both the national trend of an ageing population and the impact of high house prices on the mobility of younger age groups. Making choices about the size and type of the additional dwellings provides an opportunity to mitigate, but not overcome, these impacts.

Housing Need and Demand

12. Although demographic factors alone do not drive the demand for specific types of dwellings, income and life stage being the most important determinants⁸, it is useful to use the profile of the existing and future

⁷ DTZ Strategic Housing Market Assessment 2012

⁸ DTZ Strategic Housing Market Assessment 2012

population as a guide to considering the mix of future residential development. Achieving any desired targets will then be influenced not only by the turn-over within the existing (and expanding) stock of dwellings as individual choices are made, but also by the types, sizes and locations of sites allocated for development and the overall viability of specific schemes given other demands that might be placed on the development, especially the Community Infrastructure Levy.⁹

13. The rate of change in the numbers of elderly people is a very significant challenge not only in terms of housing provision but also the provision of care and support. The numbers aged 75+ in the town could double over the next fifteen to twenty years. Whereas the current emphasis is on care in the community with little impact on planning policy, there is also an emerging trend for combined sheltered housing and nursing facilities on the same site with mounting evidence that this type of provision offers better health outcomes.¹⁰
14. Although there is currently a range of sheltered accommodation for the elderly there is no nursing provision and it may be that such a combined scheme would be beneficial for the Town. To be effective a site would need to be found close or easily accessible to the town centre so that residents were able to get to the shops and other services.
15. In terms of other forms of accommodation the housing market assessments undertaken by DTZ for Winchester City Council¹¹ suggests that around half the need for housing over the next twenty years will be for small dwellings (one and two bedroom) and half for larger dwellings (three bedrooms plus). Within this overall demand the need for affordable housing needs to be picked out and here the reports imply that turnover within the existing stock should accommodate emerging needs (albeit perhaps without the opportunity for local choice) but the backlog would still need to be addressed. Looking at this 'backlog' the entitlements derived from the housing waiting list data for the Town¹² indicate that the present demand is for smaller, rather than larger accommodation. Irrespective of tenure the issues to be addressed when considering the provision of smaller dwellings (i.e. one and two bedroom properties) is, if these preferences are reflected in planning policy, first how flexible such smaller dwellings are in meeting changing lifestyle choices (for example working from home) and second what implications are there for the households that outgrow the size of the accommodation: will the turnover within the stock of larger dwellings provide adequate and affordable local choice?

⁹ The Community Infrastructure Levy is a new levy that local authorities can choose to charge on new developments in their area. The charges are set by the local council, based on the size and type of the new development. The money raised from the community infrastructure levy can be used to support development by funding infrastructure that the council, local community and neighbourhoods want, like new or safer road schemes, park improvements or a new health centre.

¹⁰ (Kneale, D., *Establishing the Extra in Extra Care: perspectives from three Extra-Care housing providers*. (International Longevity Centre-UK, 2011).

¹¹ DTZ Strategic Housing Market Assessment

¹² Hampshire Home Choice Register 2012

16. Contemporary evidence (March 2013) about the demand for housing in Alresford can be provided by local Estate Agents and others who daily deal with those seeking to move into or within the town. Here the general consensus¹³ is that people are looking for two-bedroom rather than one-bedroom dwellings both for those wishing to downsize and remain in the town and those seeking a first affordable move. The demand for sheltered accommodation is also strong. Even in the current economic climate few dwellings of any type and size remain on the market for very long. Representations on the emerging local plan from various local groups and organisations repeat the demand for small, affordable accommodation, particularly for local workers and the elderly¹⁴.
17. Assuming some 40 additional dwellings for the elderly are provided as part of a comprehensive sheltered/nursing facility land for some 380 new dwellings would need to be found¹⁵. Looking at the evidence (an ageing population; the apparent lack of both smaller affordable homes and smaller affordable family homes; guidance from the Strategic Housing Market Assessments that, broadly speaking 20 per cent of new households will demand one bedroom accommodation, 30 per cent two bedroom and the remainder three bedroom plus dwellings; and policy in LP1 that up to three-quarters of affordable housing should be for rent), then the additional dwellings should be planned as follows:

Proposed sizes of new dwellings in Alresford April 2013

Number of Bedrooms	Market Housing	Affordable Housing			Overall Total
		Social	Rented	Intermediate Total	
1	40	20	10	30*	70
2	60	35	15	50*	110
3+ #	110	60	30	90	200
Sheltered	40				40
Total	250			170*	420
		* may also include sheltered housing			

Current assumptions are that only a small percentage will be four bedroom or more

Note: These figures are based on the April 2013 estimate of the residual requirement (i.e the 500 additional dwelling 2011-2031 proposed in LP1 minus completions and permissions 2011-2013). The figures are likely to change between April 2013 and the completion of technical work on LP2 later this year as new planning permissions are granted. These changes are unlikely to affect decisions on the sites selected to meet the outstanding requirement. Over the plan period the split between social rented and intermediate housing may need to be re-determined in the light of prevailing housing market conditions.

¹³ Conversations with Local Estate Agents, March 2013

¹⁴ Including Alresford Society, Alresford District Partnership, M25 Group and NATC.

¹⁵ Figure based on models of provision currently undertaken and HCC's Extra Care programme and subject to further examination

Where to locate new housing development

18. Within any built up area the dwelling stock changes as a result of redevelopment, sub-division and change of use. Winchester City Council is currently investigating the scope of this “windfall” provision. It is unlikely to be many. These “windfall sites” cannot be planned and should be treated on their merits as and when a proposal arises and should be discounted as a contributor to the overall additional housing requirement
19. Wherever it takes place new development will need to take account of its impact on the fabric of the town and the policies in LP1 aimed at maintaining and enhancing the environment.
20. Accommodation for the elderly has specific requirements (see paragraph 14 above) and can often be provided at a higher density than the equivalent sized open market or social housing because of lower car parking standards. Whether these lower standards will remain adequate as more car owners approach retirement remains to be seen, although reliance on the private car might be reduced if sites selected for development are centrally located and/or easily accessible to facilities and services.
21. Smaller, non age-specific accommodation can be provided in the form of both flats and small houses but, because of car parking, both require more land than housing specifically for the elderly. Flats are often a suitable use for the smaller infill and redevelopment sites. Small houses are often extended as a cost effective way of creating more space thus reducing the stock of smaller dwellings. At the other extreme the redevelopment of larger, older properties to provide smaller dwellings reduces the supply of larger homes which according to the statistics are less well represented in Alresford than elsewhere in the district. There have also been examples where several adjacent cottages have been converted into a single, large dwelling but such changes have environmental rather than numerical consequences. Larger houses can be provided as single plots or by infilling but again the numbers involved in a small town such as Alresford will be small. National Planning Policy Guidance does not allow any additional supply from this source to count towards the overall requirement.
22. Sites within the existing, defined built up area of the town are limited. Those identified in the Strategic Housing Land Availability Assessment (SHLAA)¹⁶ have still to be assessed to determine viability and overall capacity. Nevertheless no evidence has been uncovered to challenge the present assumption that fewer than 20-30 dwellings could be provided on these sites. Moreover, no potential new sites within the built-up area have come forward. It is therefore clear that, subject to one proviso (see paragraph 23 below), the delivery of a significant proportion of the overall housing requirement – be it for market or affordable homes, large or small - will require a large site or sites beyond the current settlement boundary. Using the SHLAA’s overall

¹⁶ Strategic Housing Land Availability Assessment WCC, 2011 and further call for sites 2013

density assumption of 40 dwellings per hectare on greenfield sites this means that upwards of 10 hectares of land will be required for housing alone.

23. The exercise so far has sought simply to investigate the housing numbers and the consequences of those number on the future form of development. It has not explored the potential for large-scale redevelopment of parts of the town. Any such scheme (such as the redevelopment of one or more of the industrial estates or school sites) should be explored if the future of such sites in their current use was in doubt. This exploration would, however, not simply be a housing matter as those current uses contribute to the nature and function of Alresford as a Market Town and there are clear policies in LP1 about the retention or relocation of these activities.

Conclusions

24. The Local Plan Part 1 establishes a clear housing requirement for the town. The residual requirement as at April 2013 (the overall requirement minus dwellings already built, under construction or with planning permission) is 421 additional dwellings.
25. None of the evidence examined points to the need to depart from the general requirements in LP1 about the proportion of affordable housing or the need for a mix of dwelling types within the overall additional housing provision. The nature of the provision of small dwellings (one and two-bedroom) should closely monitored.
26. Additional housing for the elderly should be easily accessible to the services provided in the town centre and the opportunity for a joint sheltered/nursing facility explored.
27. Where redevelopment opportunities arise within or adjacent to the town centre any scheme should achieve the highest possible density compatible with policies for conservation and enhancement. The possible contribution of such schemes towards the overall housing requirement has not been determined.
28. There is capacity within the existing built up area of the town to accommodate some new housing development, but this capacity is small and limited. Inevitably greenfield sites on the edge of the town will be required to fulfil the total new housing requirement.
29. The SHLAA indicates that the number of greenfield choices for development is in excess of the total requirement. There might also be other sites that come forwards as existing uses become redundant.
30. When judging the preferred location for future development and/or redevelopment not only must economic viability be considered, but also how the site could contribute towards the vision for the future of the town, particularly how the various activities such as homes, jobs, shops, services and open space can and should be linked and not just today, but in the longer term.

APPENDIX ONE: Securing Affordable Housing

1. When we talk about affordable housing, we mean housing that can either be bought or rented for less money than it would cost on the open market. Affordable housing is only available for households whose incomes are not sufficient to be able to buy or rent a home on the open market (these households are known as eligible households). It is, of course, important that affordable housing is provided at a price that eligible households can afford and this is determined with regard to local incomes and local house prices.
2. Affordable homes also have to remain affordable for future eligible households (in perpetuity). If an affordable house is sold on the open market, then the money from the sale has to be reinvested towards new affordable housing provision. It may be more prudent, in the long term, to restrict the re-sale of such housing to match the 'affordability profile' of the original provision.
3. Affordable housing consists of three types or tenures of housing; social rented, intermediate housing and affordable rent.

Social Rented Affordable Housing

4. Social rented housing is housing where the rent charge is controlled by the National Rent Regime to ensure that it is kept affordable to people on lower incomes. The Council's housing stock as well as much of the rented housing provided by housing associations is social rent housing.

Affordable Rent Affordable Housing

5. Affordable rent housing was introduced in 2011; it is rented housing where the rent is up to 80 per cent of the local private market rent. This is typically higher (and cannot be lower) than the social rents that social landlords charge. Affordable rent is re-based each time a tenancy is issued or renewed, so will fluctuate in line with local private market rents. The 80 per cent maximum must however be inclusive of all service charges and not exceed the Local Housing Allowance (LHA) cap for housing benefit, so households on lower incomes are still able to afford to live in these homes.
6. Affordable rent was introduced because higher rents will increase rental incomes and allow more investment by housing associations and other registered providers to deliver additional affordable housing in a time of constrained grant budgets.

Intermediate Affordable Housing

7. Intermediate affordable housing is housing at prices and rents in between those of social rented housing and market housing which meet the criteria for

affordable housing. This includes affordable housing such as shared ownership, shared equity, HomeBuy and other assisted schemes.

8. Intermediate Affordable Housing forms the main focus of the remainder of this appendix.

Intermediate Affordable Housing

9. In providing Intermediate Affordable Housing, there are three main elements that must be brought together: supply, management and disposal;

Supply

10. The critical questions are how to provide the supply of required homes and make them affordable? We can no longer ostracize such developments by providing smaller, poorly built, high density homes to meet affordability but, instead, need the homes to be fit for purpose and integrated into the general society being developed.

Management

11. Almost all schemes of providing affordable housing cannot operate in the open market. For this reason, there needs to be a means of managing the scheme / affordability which is usually undertaken by a Housing Association or through a legal charge placed against the property.

Disposal

12. Ensuring that affordable housing remains affordable (in perpetuity) is a much more involved task than most realize. Historically, house price inflation has been significantly higher than wage inflation making, what was once an affordable property, no longer affordable even when the same discount is applied against the open market.

Options for Supply

Self Build

13. The vast majority of new homes in other countries are self-build. Seen by many as the solution to providing quality, sustainable housing in, otherwise unaffordable areas¹⁷. With the Government's assistance, the www.selfbuildportal.org.uk website was setup to communicate and encourage communities to consider the benefits of using self-build to help meet housing targets. Indeed, the Government has set up a £30million Custom Build Investment Fund to help communities get such schemes off the ground.
14. The 'Supported community self build group' section is especially relevant. Whilst the Custom Build Investment Fund was not specifically set up to

¹⁷ www.telegraph.co.uk/finance/budget/9946448/Home-truths-about-the-housing-market.html

address the affordable housing need, it does not exclude it. The www.landsociety.org however, was specifically set up to enable the provision of self-build affordable homes and land for smallholdings and allotments. Some councils are already implementing this approach¹⁸.

Plot Sourcing

15. Land can be sourced one of three ways;

- Using exception rules allows agricultural land outside the town building envelope to be purchased for affordable housing where open market housing would not get permission. This allows land to be purchased at above agricultural rates but below open market plot rate. To obtain planning permission, there has to be community support, the land has to be within the town envelope and next to existing buildings (i.e. not two fields away). There also has to be a legal agreement (Section 106) that sets out the allocation policy i.e. for local people in some housing need. There also has to be reasonable road access, access to services etc..

Note: Exception sites do not count towards the housing targets. Given the increase in quota for future developments to include 40% affordable housing it is unlikely that exception sites will be seen as favorable in the future.

- Plots can be ‘returned’ to the community from the developer’s site. These would have to be valued at open market prices but, as the land already has planning permission and the allocation is restricted within the ‘Affordability’ criteria, the open market value is not usually as high as true open-market plots. e.g. Spring Gardens purchased with permission for 32 plots at £3.2m = £100k per plot.
- Land can be purchased under the Custom Build Investment Fund scheme as a specific area for the self-build of affordable homes.

Self Build

16. True self-build by either the individual or group can be implemented with the help of organizations like www.landsociety.org who deliver a complete package, including training, for the development of sustainable, ecological housing in rural communities.

17. Alternatively, the self-builder can work in partnership with the site developer effectively giving their time to gain ‘credit’. Both methods rely on the time input of the eventual owner(s) as this builds up a credit that is returned as a proportion of the equity.

18. Finally, the traditional self-build approach requires most if not all supply, management, build and finishing to be subcontracted. However, this usually

¹⁸ www.guardian.co.uk/housing-network/2012/oct/10/self-build-housing-teignbridge-council

requires up-front financing so, to be affordable, would need to work under the Government's 'Custom Build Investment Fund'¹⁹

Developer Build

19. This is the usual approach to affordable housing. Whilst offering much less flexibility in the build methodology, quality control and finance structuring, it is the simplest scheme to implement.

Affordability Retention

20. The affordable housing eligibility criteria need to be determined and specified in the Local Plan. Income would be a consideration and the Government's HomeBuy²⁰ scheme considers a household income of £60,000 as the upper limit. Then there is the local connection - do you work locally? Have you lived locally for a number of years? do you have local family connections? etc.
21. Other schemes have also found it is necessary to consider the future development of a given affordable property and its effects on future affordability. If a home is built as 2 bed but extended to 3 bed, this is reducing the availability of 2 bed properties. Equally, how the 'affordability' of a given property is calculated needs to be considered. If the scheme is set up to ensure the property is offered at, say, 75 per cent open market value when new, in years to come, because wage inflation has not historically kept up with house prices, 75 per cent of future open market value may not be affordable. Should the 'affordability' be calculated as a multiple of average earnings going forward?

Open Market / Affordable Housing Split

22. Local Plan Part One also establishes a requirement that at least forty per cent of all new dwellings (roughly 170) should be affordable, either social rented or intermediate affordable.

Social / Intermediate Housing Split

23. To try and determine the split between Social Housing and Intermediate Housing we can refer back to the DTZ Winchester Housing Market and Housing Need Assessment Update where, the percentage of total social housing for Hampshire Central Market Area is estimated at 16%. As the social count falls within the Affordable Housing stock which represents 40% of the total, social housing must be 40% of the Affordable housing suggesting a 40/60 split between social and intermediate housing. Whilst these are current levels, according to the DTZ report, they are not expected to change significantly in the future.

¹⁹ www.selfbuildportal.org.uk

²⁰ www.gov.uk/affordable-home-ownership-schemes/overview

24. Policy CP3 (Affordable Housing Provision on Market Led Housing Sites) in the adopted LP1 states that:

In order to help meet affordable housing needs, all development which increases the supply of housing will be expected to provide 40% of the gross number of dwellings as affordable housing, unless this would render the proposal economically unviable. Normally, 70% of the affordable homes should be for rent (with rent levels being determined having regard to local incomes), with the balance being Intermediate Affordable Housing.

Appendix Two: Policies from Local Plan 1

Policy MTRA 2 - Market Towns and Larger Villages

The Local Planning Authority supports the evolution of the larger settlements in the Market Towns and Rural Area to maintain and improve their role and function and to meet a range of local development needs through: -

In Bishops Waltham and New Alresford, provision for about 500 new homes in each settlement and provision for 250 new homes in each of the following settlements:- Colden Common, Denmead, Kings Worthy, Swanmore, Waltham Chase, and Wickham.

Economic and commercial growth will be supported to maintain and improve the shopping, service, tourism and employment roles of these settlements and where possible improve public transport provision. Development should be appropriate in scale and result in a more sustainable community by improving the balance between housing, employment and services. Existing facilities, services and employment provision should be retained or improved to serve the settlements and their catchment areas.

Housing, employment, retail and services should be accommodated through development and redevelopment opportunities within existing settlement boundaries in the first instance. Sites outside settlement boundaries will only be permitted where following an assessment of capacity within the built-up area they are shown to be needed, or to meet a community need or realise local community aspirations identified through a Neighbourhood Plan or other process which demonstrates clear community support. Uses which are essential to the role and function of the settlement, or to maintaining the balance between housing, employment and services, may be relocated if they can be reprovided in a location which is as at least as suitable and accessible and if proposals for the re-use of vacated land and premises are also acceptable. All new development should be appropriate in scale and design and conserve each settlement's identity, countryside setting, key historic characteristics and local features, particularly as identified in Village Design Statements, the District Landscape Assessment or other guidance. Development should protect areas designated for their local or national importance, such as Gaps and the South Downs National Park.

Policy CP2 - Housing Provision and Mix

New residential development should meet a range of community housing needs and deliver a wide choice of homes, with priority being given to the provision of new affordable housing.

Development should provide a range of dwelling types, tenures and sizes and, as appropriate to the site size, location and characteristics, this should include a mix of market homes for sale, affordable homes and homes attractive to the private rented sector, particularly on larger sites.

Specialist forms of accommodation such as extra care housing for older persons and homes for those with disabilities and support needs should be provided, where appropriate, taking into account local housing needs. A majority of homes should be

in the form of 2 and 3 bed houses, unless local circumstances indicate an alternative approach should be taken, including where there is an imbalance of housing types and sizes in particular parts of the District.

Policy CP3 Affordable Housing Provision on Market Led Housing Sites

In order to help meet affordable housing needs, all development which increases the supply of housing will be expected to provide 40% of the gross number of dwellings as affordable housing, unless this would render the proposal economically unviable. Normally, 70% of the affordable homes should be for rent (with rent levels being determined having regard to local incomes), with the balance being Intermediate Affordable Housing.

Affordable housing should be provided on-site, indiscernible from and well integrated with market housing, unless off-site provision would better meet priority housing needs and support the creation of inclusive and mixed communities. On sites of less than 5 dwellings a financial contribution in lieu of on-site provision will be accepted. Affordable housing should remain available for as long as a need exists.

In considering housing proposals the aim will be to balance housing needs, the economics of provision and local circumstances.