



Rural Area Working Party 15 April 2010

Affordable Housing in the Rural Areas

1. Summary and Reasons for Recommendation

- 1.1 The purpose of this report is to advise the Rural Area Working Party on the delivery of affordable housing in rural communities within the Borough. The report highlights the national and local context and outlines the progress of the delivery of affordable homes in the rural areas.
- 1.2 The report also provides examples of affordable housing being delivered in the Borough
- 1.3 Louise Wilby, the Rural Housing Enabler from Suffolk ACRE, and Kevin Marshall, the Borough Council's Senior Housing Development Officer will be in attendance at the meeting to give a presentation and to answers Members' questions.

2. Recommendation

- 2.1 The Working Party is asked to note this report and the progress being made.

3. Corporate Objectives

- 3.1 The recommendation meets the following, as contained within the Corporate Plan:-

- (a) Corporate Priority : *'...Improving the safety and well being of the community' and 'securing a sustainable and attractive environment...';*
- (b) Cabinet Commitments : *'managing the future development of the borough' and 'rural services'; and*
- (c) Vision 2025 : *St Edmundsbury will be a place which: 'has an affordable range of housing to meet the needs and demographic profile of the community'*

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4. Definition of affordable housing

4.1 Affordable housing includes both social rented and intermediate housing (shared ownership), provided to specified eligible households whose needs are not met by the market. Also, with reference to *Planning Policy Guidance Note 3: Housing*, affordable housing should 'meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices; and include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision'.

5. National and Regional Context

5.1 Nationally, the major piece of work has been *'Living Working Countryside'*, the independent review by Matthew Taylor MP commissioned in 2007. The full report can be found at:

<http://www.communities.gov.uk/publications/planningandbuilding/livingworkingcountryside>

5.2 The report finds that the high cost of homes coupled with the low wages of rural workers are creating unsustainable pressures that threaten the future of rural communities. In summary the review recommends:-

- (i) new planning policies to shift growth of market towns from endless bland housing estates and create instead new neighbourhood extensions with shops and community facilities, workplaces and open spaces;
- (ii) a new 'community led affordable housing' initiative for smaller rural communities; and
- (iii) flexible new planning rules to encourage village businesses.

5.3 Subsequently the Government responded to the recommendations in the Report and produced an implementation plan, much of which is around the planning process. Many of the recommendations are included in *Planning Policy Statement 4: Planning for Sustainable Economic Growth*, which sets out the Government's comprehensive policy framework for planning for sustainable economic development in both urban and rural areas. The key policy influences in respect of rural areas are:-

- (i) delivery of more sustainable patterns of development, reduction of the need to travel, especially by car, and a response to climate change; and
- (ii) raising the quality of life and the environment in rural areas by promoting thriving, inclusive and locally distinctive rural communities whilst continuing to protect the open countryside for the benefit of all

5.4 In total there were forty eight recommendations from the Report. In the main these are incorporated in Planning Policy Statement 4. The Government's full response can be found at:

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/1475599.pdf>

5.5 East of England Plan

The East of England Plan acknowledges there is an acute shortage of affordable housing in many rural areas. The Plan states that responding to this challenge is a priority if significant sectors of the community are not to be excluded by high house prices. It goes on to stress that effective use should be made of rural exceptions policies to deliver affordable housing.

5.6 The Commission for Rural Communities published its Rural Advocates Report in February 2010. This report identified the lack of affordable housing, to buy or to rent, as a major factor forcing young people out of rural areas or discouraging their return. Younger households, typically those on lower incomes, have been particularly hard hit by a shortage of available social housing. The Report recommends that to deliver more affordable housing, all local authorities should ensure that their Strategic Housing Land Availability Assessments are appropriately rural-proofed to identify land for housing within rural areas where a need has been identified; and planners should take a flexible and creative approach. The report can be located at:
<http://www.ruralcommunities.gov.uk/files/CRC118-rural-advocate-report110910.pdf>

5.7 Save Our Villages Campaign

In November 2009 the Rural Area Working Party considered report A311 which reported on the National Housing Federation 'Save Our Villages' national campaign. This had the aim of ensuring every village is covered by an action plan for affordable homes. It is predicted that the number of over 65s living in Rural England will be 3.23m by 2020, a rise from 2008 of 907,900 (39%). Young people and families on modest incomes could therefore increasingly find themselves priced out of villages and market towns by people relocating to the countryside, prompting fears that many rural areas will struggle to attract the moderate income workers. The Working Party agreed to recommend to Cabinet that the Council signed up to the campaign, whilst acknowledging the resource implications of the commitment.

6. Local Context

6.1 Approximately 43% of the population of St Edmundsbury live in the 18 rural wards in the Borough. Access to jobs and services, including public transport, is a particular issue in these areas and especially in the smaller villages. The ability for local people to find housing in their own settlement is also a major concern. Nearly 25% of the rural population are over 65 years.

6.2 Many parishes in our rural areas lack essential services. For example 73% do not have a food shop or general store and 74% do not have a post office. However 58% have a public house and 64% have a village hall or community centre. There are approximately 1,800 affordable homes dispersed in the rural communities throughout the Borough, which is just over a fifth of the total affordable homes in the Borough (7,939).

7. Residential Development in Rural Areas

7.1 The Replacement Local Plan states that approximately 18% of the Borough's Structure Plan housing allocation will be built in rural areas.

7.2 Between 1996 and 2009, the proportion of housing completions (based on net figures) in rural areas was 24%.

7.3 Of the 541 affordable homes delivered in the Borough between 2005 and 2009, 108 homes have been built in the rural area, this equates to 24% of the total affordable housing delivered.

7.4 Developers are required to allocate land for affordable housing within sites which meet the triggers set out in the affordable housing policy, which is currently contained in the Replacement Local Plan. The current requirement is for 40% of the dwellings to be affordable. The affordable housing policy is being revised in the Local Development Framework. On smaller sites (5-9 dwellings) the target will be 20% and on the larger sites (10 or more dwellings) the target will be 30%. These targets are set based on the assumption of no grant towards the cost of delivering affordable housing. Where grant is

achieved it is anticipated that more homes than the target would be delivered. The requirement has been reduced based on the evidence of a viability study carried out on behalf of the Council. Whilst the target percentage has been reduced the intention is to stimulate more development by improving the overall viability of smaller sites and encouraging developers to progress sites.

- 7.5 An example of a rural residential scheme that will also deliver affordable housing but where viability has been an issue is the Chedburgh Former Fireworks factory site, a development of 52 homes of which 17 will be affordable (32%). The negotiations on this site have been protracted due to contamination issues which impact on the overall viability of the site and due to the current economic climate. The Cabinet agreed to commit funding from the Affordable Housing Capital Budget which helped to unlock the site and will deliver the affordable housing ahead of the market housing. This scheme will be on site shortly. As part of the agreement with the developer there is an overage agreement, which means that some of the grant put in by the council will be repaid when the market housing is sold.
- 7.6 It has been possible in some cases to increase the number of homes in villages by redeveloping older housing stock sites and rebuilding more new homes on the site.
- 7.7 Havebury Housing Partnership has successfully done this at Smithy Close Rougham, replacing 10 of the original homes with a total of 30 new homes. It is currently undertaking a similar scheme at Norse Avenue, Stanningfield.
- 7.8 The general needs housing developed in rural areas is available to all on the West Suffolk Housing Register wherever they live within St Edmundsbury. This is part of the Borough Council's responsibility to ensure that affordable housing is available to meet the general housing needs of its area. Where there is evidence of high levels of local need it is possible to put in place a local lettings policy for a portion of the homes to ensure they are allocated to households with a local connection first. This will be the case in the Chedburgh example given in paragraph 7.5 above.

8. Delivering Affordable Homes through rural exception sites

- 8.1 The local planning authority will permit rural affordable housing schemes adjoining but outside a Housing Settlement Boundary or built up area of a village where there is an identified and specific local housing need. This is known as a rural exception site, and it is a condition of such schemes that homes will remain affordable housing in perpetuity.
- 8.2 Rural exception schemes assist in addressing concern over the future of village life, where communities are threatened because, amongst other things, local families have been unable to compete for increasingly scarce and expensive housing.
- 8.3 Troston Road, Honington is an example of a rural exception scheme which was finished last year and provides 11 homes for local people.
- 8.4 These schemes are developed to meet local housing need and are developed in partnership with Parish Councils, the Borough Council, and a Housing Association. They are protected for the local housing needs of the parish by means of a legal agreement made under Section 106 of the Town and Country Planning Act 1990.
- 8.5 To develop affordable housing on an exception site it is essential that a local housing need has been established. Without this it is unlikely that planning permission can be granted.
- 8.6 If a need is found to exist then the scheme stands a good chance of success, subject to grant funding being available from the Homes and Communities Agency and planning permission being obtained for a suitable site.

- 8.7 Of major importance to the success of a scheme is finding a suitable site for the development. Consideration must be given to:
- (i) planning constraints;
 - (ii) highway requirements;
 - (iii) accessibility;
 - (iv) size of the plot;
 - (v) cost of the land; and
 - (vi) the number of dwellings required to meet local need.
- 8.8 For the scheme to succeed land costs are all-important and therefore a willing vendor must be found who is not seeking full market value for the site.
- 8.9 Pivotal to the delivery of affordable homes in rural areas of the Borough is the Suffolk Rural Housing Enabler based at Suffolk ACRE in Ipswich, and who is responsible for the encouragement and development of rural housing within Suffolk. The Rural Housing Enabler is independent, and therefore free to act as broker and partner in developing rural housing schemes. This is achieved by providing advice and assistance to parish councils, and other local groups, on local housing issues. This includes practical assistance with carrying out local housing needs surveys, and advice on how to progress the development of local needs housing schemes
- 8.10 The Parish Council has an equally important part to play in the provision of affordable housing in the following ways:-
- (i) Evaluating whether local needs housing is required in the parish.
 - (ii) Choosing a Housing Association to develop a housing scheme.
 - (iii) Carrying out a Local Needs Survey within the parish usually in partnership with the Rural Housing Enabler.
 - (iv) Working with Borough Council and Housing Association officers to identify suitable sites.
 - (v) Influencing the design and appearance of the scheme.
 - (vi) Encouraging local people to register for housing with the Council.
- 8.11 At present housing needs surveys are carried out at the invitation of the parish council. To ensure that all villages' housing needs are assessed, consideration will need to be given to adopting a more systematic approach to providing surveys on a three yearly cycle in line with the Borough Council's commitment to the 'Save Our Villages' campaign. Appendix A provides an overview of activity over the last three years. In summary the information shows that of the Key Service Centres only Barrow has not had any new affordable housing during the last 3 years and at present has no homes planned in the pipeline. Of the Local Service Centres the information shows a need to prioritise Ingham. The main gaps are in the infill villages where there are still 24 villages that have not had their housing needs assessed. It is important to note of the infill villages, 25 currently have affordable housing provision managed by housing associations, (approximately 477 homes). The housing needs survey plays an important part in reviewing this provision as part of the commitment to existing tenants ensuring that it continues to meet local needs both in terms of types of accommodation and future need. Further consideration is required as to how this work can be resourced.
- 8.12 The Parish Council will choose a Housing Association to work in partnership with, to ensure the successful development of the scheme. They will:-
- (i) identify a site;
 - (ii) negotiate with land owners;

- (iii) liaise with the Borough Council on housing and planning issues;
- (iv) seek funding for the scheme;
- (v) manage the building programme for the scheme; and
- (vi) own and manage the completed dwellings

8.13 The Borough Council's affordable housing development pipeline currently includes 11 rural exception schemes, with the potential of delivering up to 136 homes.

8.14 Bardwell and Cavendish are examples from the Council's development pipeline of exception schemes where a need has been established. In each case the Parish Council has selected a housing association partner and the negotiations over a site have been successfully concluded. There is consultation currently with the Parish Council regarding the design of the scheme prior to a planning application being submitted. It is anticipated that work on site will begin in the next financial year.

9. Allocating the completed homes

9.1 Rural exception schemes are protected by a Section 106 Agreement, and allocation of the homes will therefore be restricted initially to people with a local connection with the parish, or the group of parishes that the scheme is designed to benefit. Vacancies will only be let to people from outside the parish, or group of parishes, if no eligible people from within the agreed area are available.

9.2 Once the housing scheme is nearing completion, the Borough Council will arrange for the rented homes to be advertised on the Home-Link scheme to enable eligible applicants to bid for the properties under the Choice Based Lettings Scheme. Following which, those bidding will be prioritised according to their housing need in line with the Council's lettings policy.

9.3 Shortlists are forwarded to the housing association for verification, viewings and allocation. The Housing Association will then check the nominations to ensure that they meet the local needs eligibility criteria. Once satisfied that the appropriate housing applicants have been put forward for the scheme, according to all the eligibility criteria, the Housing Association will let the properties.

9.4 Rural schemes which are not rural exception sites follow the same allocation process, without the need for a local connection to be eligible, unless a local letting policy has been agreed for all or some of the properties.

9.5 Housing associations lead on marketing shared ownership properties. Applicants for these properties are required to go through 'zone agents' that have been set up by the Government. Essentially the 'zone agent' will check that applicants meet the eligibility criteria and have access to independent mortgage advice.

10. More than housing

10.1 Whilst housing is a vital ingredient in creating a sustainable community it is recognised that a range of other facilities including a shop, pub, church, school, playing fields and village hall, have an equally important part to play.

10.2 The delivery of affordable housing can not be undertaken in isolation and needs to be considered alongside the other key issues which make our rural communities vibrant and viable places to live and work.

10.3 Suffolk ACRE often works with Parish Councils not only to carry out a housing needs study but combine this process with carrying out a Parish/Community plan. This has been the case, for example, in Clare.

- 10.4 The Matthew Taylor Enquiry has for example inspired Havebury Housing Partnership to begin to develop a model called 'Village Hall to Village Hub'. This model focuses around working with the local community to not only deliver housing but to use their assets such as a village hall to provide other important amenities for village life such as a shop and employment opportunities, and could involve Community Land Trusts. Havebury will attend a future Working Party meeting to advise Members on this model.
- 10.5 There are examples outside of the borough where villagers have worked together to develop solutions by pooling resources to deliver housing and other assets. The development of such initiatives is often supported by the National Community Land Trust network.

11. Summary of the Borough Council's current activities

- 11.1 There is the potential from the Local Plan to deliver a further 250 homes in rural communities over the next three years from existing commitments. This would deliver between 75 and 100 affordable homes.
- 11.2 The Strategic Housing team and Suffolk ACRE are currently working actively with 11 villages to develop affordable housing schemes. From the housing needs surveys carried out there is a development pipeline of 160 homes, and these schemes will be delivered via rural exception sites. Of these schemes it is hoped that for three of the villages (22 homes) we will be in a position to be on site during 2010/2011, subject to planning permission being granted and funding being available.

12. Community impact *(including Section 17 of the Crime and Disorder Act 1998 and diversity issues)*

- 12.1 General
The provision of affordable housing to assist in meeting a local housing need in St Edmundsbury and contribute to the overall supply of housing to meet demand.
- 12.2 Diversity
The affordable housing will be advertised through the Home-Link Choice Based Lettings scheme which has undergone an Equalities Impact Assessment to ensure accessibility to all.
- 12.3 Sustainability
The provision of affordable housing will commit to trying to sustain all villages by addressing their housing needs, and help with the decline of some villages.

13. Consultation

- 13.1 Portfolio Holder for Haverhill and Housing.

14. Resource implications *(including asset management implications)*

- 14.1 There may be some future staffing and financial implications of carrying out housing needs assessments more systematically and also in future delivery of affordable housing. Further reports will be brought back to the Working Party in due course.

15. Risk Assessment *(potential hazards or opportunities affecting corporate, service or project objectives)*

Risk area	Inherent level of Risk (before controls)	Controls	Residual Risk (after controls)
Ensuring there is a supply of affordable housing in rural areas to meet the needs of the residents	High	Partnership working with Parish Councils, RSL's and developers to bring forward affordable housing schemes in the rural areas	Medium

16. Legal or policy implications

16.1 The Housing Strategy 2008-2011 Action Plan aspires to carry out housing needs surveys in rural areas and deliver affordable housing to meet the identified needs.

Ward(s) affected	All Rural Wards	Portfolio Holder	Housing
Background Papers		Subject Area	Housing

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Affordable Housing activity in Rural Area over last three years

	Housing needs survey completed in last 3 years	No of Homes			Rural exception site	Housing association
		Indicative	Development	Delivered last 3 years		
KEY SERVICE CENTRES						
Barrow						
Clare	√	12			√	
Ixworth				18		Havebury
Kedington	√	8			√	Orwell
Stanton		30				
Wickhambrook	√	10			√	Iceni/Suffolk Housing Society
LOCAL SERVICE CENTRES						
Bardwell	√	6			√	Hastoe
Barningham	May-10				√	
Cavendish	√	8			√	Havebury
Chedburgh		17				Havebury
Great Barton	√	15			√	Iceni/Suffolk Housing Society
Great and Little Thurlow						
Great and Little Whelnetham	√	5			√	Hastoe
Hopton						
Hundon	√	8			√	Iceni/Suffolk Housing Society
Ingham						
Risby				2		Flagship
Rougham				30		Havebury
INFILL VILLAGES						
Barnham						
Bradfield St George						
Chevington						
Coney Weston						
Cowlinge						
Fornham All Saints					√	
Fornham St Martin						
Great Bradley						
Hawkedon						
Hepworth						
Honington and Sapiston	√			11	√	Havebury
RAF Honington						
Horringer						
Lidgate						
Market Weston						
Ousden						
Pakenham						
Rede						

Stanningfield						
Stansfield						
Stoke-by-Clare						
Stradishall						
Thelnetham						
Troston						
Whepstead	√	4			√	
Withersfield						
COUNTRYSIDE						
Brockley					√	
Flempton and Hengrave	√	4			√	Hastoe

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