

Affordable Rural Housing

Overview and Terms of Service provided by Cambridgeshire ACRE



Reaching out to local communities

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1. An Introduction to Affordable Rural Housing

There is a shortage of affordable housing in rural areas, which impacts on the opportunities and choices for local people. Without a range of suitable properties within a village it is difficult to encourage sustainable communities and maintain a vibrant, living countryside as people may have to move away to find housing they can afford.

Developing affordable housing is therefore one of the crucial issues that influences the economic and social strength of rural communities, and is a major contributor to long-term community sustainability.

Provision of Affordable Housing

Registered Social Landlords (Housing Associations) are now the main providers of affordable housing, rather than Local Authorities. The role of the Local Authorities is now more strategic; they are responsible for ensuring planning applications conform to planning policy and for allocating households to vacant affordable housing.

Exception Sites

In small rural communities, affordable housing can be developed on 'exception sites' that are located outside of the current development boundary of a village. The only type of housing development that should be allowed on an 'exceptions site' is affordable housing for local need. A section 106 Agreement, incorporating a Local Lettings Agreement, is attached to the planning application on an 'exceptions site' development to ensure that the homes will remain affordable and for local people in perpetuity. Any planning application for an 'exceptions site' development must usually be supported by a local Housing Needs Survey.

Cambridgeshire ACRE's Affordable Rural Housing Service

Cambridgeshire ACRE runs an independent Affordable Rural Housing service, supported by a partnership of Local Authorities and Registered Social Landlords, to help develop affordable rural homes under the Rural Exception Sites Policy of the Local Authorities in the county.

There are two main types of affordable housing the Rural Housing Enabler is involved in delivering:

- Social rented accommodation - whereby a household rents a property from a Registered Social Landlord. The rents are set in accordance to Government guidelines so they are affordable.
- New build home buy - whereby a household purchases a share in a home from a Registered Social Landlord using a mortgage and pays rent to the Registered Social Landlord on the portion of the unsold equity. The initial share purchased is usually 50% of the total value of the home, but it can be higher or lower. This is to ensure the home will always remain within the affordable housing sector and not be lost to the open market. These properties are also sold on condition that people with a connection to the parish get the first refusal. If someone from outside the parish is competing with you for a house and you come from inside the area, then you will get preference. This is a condition of the planning permission, which tries to ensure that new affordable rural housing goes to support the local community.

2. What does Cambridgeshire ACRE's Affordable Rural Housing service offer?

In the complex and sensitive world of developing affordable housing in villages, Rural Housing Enablers play a unique and vital role. This is particularly true in Cambridgeshire where rising house prices and a shortage of development sites leads to enormous pressure being placed on small communities. Sustainable villages need balanced communities but current housing pressures makes it very difficult for many, especially young people, to live and work in villages where they have strong ties.

Cambridgeshire ACRE's Rural Housing Enabler (funded by our Local Authority and Residential Social Landlord partners) maintains an independence that allows them to develop and maintain essential networks between the many stakeholders involved in the process of developing affordable rural homes. Communities, local authorities, landowners, Registered Social Landlords and many others all play a part in the process. Rural Housing Enablers act as an 'honest broker' in these challenging circumstances.

They provide impetus to the '9-step' process of developing affordable rural homes (see section 3) and are a vital resource to help address and resolve the inevitable challenges that arise.

The impact of the Rural Housing Enabler's work can be much greater than simply the development of affordable new homes in our villages. Their knowledge and understanding of grass-roots issues allows them to make important contributions to the development of policy and strategy at a local and regional level, and their wider work with Cambridgeshire ACRE colleagues helps address the sustainability of all rural services: social care and health, education, childcare, jobs and economic development. Sustainable communities support sustainable services: village shops, post offices, garages, schools and health centres have the opportunity to thrive and to contribute to healthy and vibrant villages.

The Rural Housing Enabler's responsibilities include:

- Raising awareness of issues surrounding affordable housing with local communities,
- Working with local communities and parish councils to assess local housing needs,
- Working with landowners and parish councils to identify potential sites for development,
- Liaising with relevant organisations including Local Housing and Planning Authorities and Registered Social Landlords in order to ensure development is targeted to the areas of greatest need,
- Increasing awareness of problems surrounding rural housing and influencing future policy.

Cambridgeshire ACRE's ethos is to reach out to local communities and to help rural people to help themselves, by providing support and advice and by making them aware of the help that is available from other bodies - both statutory and voluntary – in order to achieve the right solution for their parish.

3. The Affordable Rural Housing Development Process

The Affordable Rural Housing Development Process follows 9 clear steps. These are outlined briefly below but Cambridgeshire ACRE's Rural Housing Enabler works with all partners to any potential development every step of way to ensure all parties are kept informed and involved.

Step 1: Consider the idea carefully

The District Council identifies 'priority parishes' where it believes affordable rural housing might be needed. Cambridgeshire ACRE's Rural Housing Enabler contacts the Parish Council and offers to make a presentation on the subject to a parish council meeting so that they might consider whether to move ahead.

The idea of developing affordable housing in an area needs to be considered in the context of wider issues affecting the locality, for example, what other benefits would additional housing bring to the village.

Step 2: Local Authority appoints a Registered Social Landlord

Under Cambridgeshire ACRE's Affordable Rural Housing service, the Local Authority (District Council) has responsibility for assigning a Registered Social Landlord to a potential development. The most important thing is to ensure that the right type of housing is built to meet the need within the village taking into account factors such as household size, age, disposable income and special requirements. Identifying whether there is need costs money and the appointed Registered Social Landlord picks up this cost.

Step 3: Assess the need

Any planning application for 'exception site' development must be supported by evidence of need. Sometimes sufficient evidence of need already exists but, on occasion, a detailed survey is undertaken to ensure the Parish and District Councils

have accurate, up to date, information on local housing needs. These Housing Needs Surveys should ideally be performed independently. The value of a Housing Needs Survey is that the report will identify households in need of affordable housing locally that are not on the Housing Register, as well as those that are. As well as this, a Housing Needs Survey report identifies the following:

- The type of affordable housing required by local people (house, bungalow etc)
- The tenure of affordable housing required by local people (social rent, shared ownership etc)
- The size of affordable housing required by local people (2, 3 bedroom, etc)
- Whether there is local support from parishioners for a small affordable housing development for local people.

Step 4: Identify a potential site

Finding a site is a critical stage of the affordable housing process. In some cases the Parish Council is aware of land in the village that could be used as an Exception Site. Land may be offered as a result of canvassing a local landowner. Once a potential site has been identified the Parish Council and District Planning Departments need to be active in assessing its suitability for development.

Step 5: Secure funding

Funding for Registered Social Landlords is normally obtained from the Housing Corporation.

Step 6: Obtain planning permission

It is essential that all involved in the working up of the proposal understand the planning and legal details of the scheme and it is good practice to invite comments on the design of the scheme from the wider community, particularly by those who may

live in them. Close attention must be paid to the drawing up of the Section 106 Agreement.

Step 7: Assist with the allocation process

One of the major concerns of parishes is that the homes built are used to house local people. As the Parish Council is likely to be in a sensitive position it falls to the local authority to ensure the allocation process is fair. It is vital that information and advice is distributed to all those in housing need as quickly as possible and to explain that local connections will be the most important criteria, overriding all other factors.

The new Choice Based Lettings system recently introduced across the Cambridgeshire Sub-Region, means that properties are now advertised on a fortnightly basis, and applicants need to bid on the vacancies advertised. Properties built under affordable housing schemes are labelled in such a way as to make it clear that priority will be given to applicants with a local connection.

Step 8: Build the house

All those involved in the parish feel great pride as they watch the development take shape and their vision become a reality.

Step 9: Celebrate!

The time tenants move in to their new homes is time for all those who were involved in the long process to celebrate their achievements and to feel justifiably proud.

4. What next?

If the parish council thinks a small affordable rural housing development within their parish might be appropriate then their first move should be to contact Cambridgeshire ACRE's Rural Housing Enabler to discuss undertaking a Housing Needs Survey to identify whether there is local need.

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