

Local Needs Housing Briefing:

Focus, strategy & delivery

Introduction

This briefing paper is intended to provide an information baseline for community level participation in the delivery of local needs housing. It gives an entry point for core housing policy assessment, planning, delivery and evaluation.

Bridport Local Area Partnership Plan of Action

Priority will be given to actions and activities that directly facilitate public and individual engagement and participation in the delivery of appropriate and affordable local housing with accompanying essential public service and community infrastructure.

It is our role to enhance and strengthen public and individual confidence and ability to engage and participate in community planning, neighbourhood plans, and community land trusts. We believe the key to achieving these aims is to provide basic (and expert) information and analyses of the current housing stock, specific local population structure and housing needs. The local housing 'needs' which must be addressed directly by new build units are:

- health and wellbeing (with reduction of future demand on institutional health and social care services);
- young people and young families;
- dedicated and supported, older people's housing that frees up existing (under-occupied) stock;
- local economy and enterprise (a "living, working countryside");
- enhanced community spirit, cohesion, independence and resilience;
- specific rural and market town requirements;
- built environment that enhances and preserves key AONB (Area of Outstanding Natural Beauty) and World Heritage Site characteristics and status.

1. Focus

Make explicit the links between, and cost-benefits of, a comprehensive rural housing policy for health & wellbeing, individual and collective financial solvency and security, sustainable rural economic development, communities and demographic equilibrium and stability. Adequate accessible housing for all, is the cornerstone of rational and affordable public infrastructure and services across the spectrum, for both current and future generations.

2. Strategy

Utilise and consolidate BLAP's hard-built social capital and community capacity to facilitate bottom-up, coherent and cost-effective housing planning and delivery policy that meets the specific needs of local communities and businesses.

3. Delivery

Facilitate and assist the engagement and mobilisation of all key stakeholders in locally generated and locally supported delivery of affordable and specialist supported housing units.

We believe that we are at a critical juncture in the revitalisation of rural communities, and that the key to this future, will be the recognition and reversal of, decades of infrastructural erosion and decline.

Following BLAP representatives participation in meeting organised by Sherborne Area Partnership's Housing Forum in March 2015 with Oliver Letwin MP to discuss the affordable housing crisis, there was considerable concern within BLAP over his assertions that:

- he was not in favour of social rented housing;
- he was in favour of meeting the targets of the West Dorset Local Plan by 'forcing' through large scale housing developments against the wishes of local communities;
- rural local needs housing would be met entirely by neighbourhood plans and community land trusts.

We feel that it is our duty as a Local Area Partnership to democratically lobby, influence and, where necessary challenge, for the adequate delivery of rural housing, as the key to an affordable, not to say bright and progressive, rural future for all. Consideration is also given to the current housing deficit and crisis as the key driver of growing individual and societal poverty and inequality.

To this end, there follows a resume of core reports and policy documents on rural housing, produced by some of this country's most eminent and expert housing and rural specialists and authorities.

One significant document which has not been directly used for this briefing is The Taylor Review of Rural Economy and Affordable Housing – Living Working Countryside (2008), written by former MP and now member of the House of Lords, Matthew Taylor. He went on to become a founding member and Chair of The Rural Coalition, and anyone who is familiar with his report, will see it's legacy writ large across much of the documentary evidence and consideration that follows, especially the HC602 Rural Communities Report.

The housing chapter of House of Commons report HC602 Rural Communities, is included here in its entirety, such is its quasi-judicial authority and detailing of the challenges the current housing crisis poses, and highlighting of the fiscal impacts (costs) of continued housing policy failure.

The evidence presented here, makes a substantive and (perhaps) unarguable case for a return to a fully integrated approach and practice of planning and development. The growing serious concerns over Section 106 removal of required affordable housing in schemes of ten units or less, and the Right to Buy extension to social rented providers and their tenants, also figure prominently, in terms of assessing their impacts for rural and specialist/supported affordable housing.

(Sources for data and evidence are cited in the original documents).

UK Housing Review – 2015 Briefing Paper

Chartered Institute of Housing July 2015

Housing demand and supply

New housing supply continues to fall behind new household growth in England, despite a recent small improvement in output. Raising new build output is perhaps the biggest housing challenge facing the new Westminster government. While it is heavily constrained by its own economic policy in how far it can invest directly from public funds, it remains committed to a range of financial measures to stimulate the market – the risk being that they will have much more effect on demand and prices than on supply.

Homeownership, affordability and mortgage access

It is clear from the prominence of its policies on starter homes and extending the right to buy that promoting higher levels of homeownership is a high priority for the new government. However, the *Briefing* argues that it will be extremely difficult to reverse the trends away from ownership and towards renting, despite the incentives put in place and the frustrated wishes of many potential owners. At the present time affordability (outside London) is not the significant problem that it has been in the past: the bigger constraints are the size of the deposits required and access to mortgage finance along with competition for available properties. The last is a consequence of there being fewer homes on the market with more households sitting tight, added to the advantages enjoyed by buy to let investors compared with first-time buyers.

Affordable housing

Delivery of affordable housing in England has improved in the months up to the ending of the coalition's Affordable Homes Programme. In Scotland, Wales and Northern Ireland there has also been significant delivery of affordable housing, with Scotland in particular investing and delivering proportionately many more homes than England. Nor have the other administrations resorted to policy changes on rents (the adoption of 'Affordable Rents' in England) as a way of substituting for lower levels of capital grant. Indeed the new rent regime in Wales is aiming to iron out anomalous rents so there is a clearer, more transparent, social rented market.

Loss of social rented housing is taking place in England not only through the changed emphasis of investment programmes and the conversion of properties to Affordable Rents, but also because of the right to buy – now planned to be extended to housing associations (with likely effects considered in this *Briefing*). Right to buy is proportionately much less significant elsewhere across the UK. In Scotland it will soon come to an end and – subject to legislation – also in Wales.

Welfare reform, taxes and inequality

Welfare reform is such a key issue in housing policy that the *Briefing* this year devotes two articles to it. The first looks at the evidence to date of the effects of the various housing-related reforms implemented by the coalition, concluding that the so far relatively modest changes have nevertheless had a significant impact on tenants and on landlords. The second article looks at how welfare reform might be shaped over the new parliament and the prospects for even more profound consequences for both low-

income households and the housing sector in general.

Both pieces form part of the background for an overview of housing's impact on broader inequality in society, a theme examined in some detail in the *UK Housing Review 2015* and to which the next edition will undoubtedly return.

Early next year the *UK Housing Review 2016* will aim to provide a more considered assessment of the initial stages of the government's housing and welfare policy changes, their likely consequences and what remains to be done, along with the regular, comprehensive range of statistics and its analysis of them.

Right to buy divides Britain

The right to buy (RTB) policy introduced by the Thatcher government in 1980 has without doubt been one of the most significant housing policy innovations of the last half century. With more than 2.5 million sales raising capital receipts of over £50 billion it has had a massive impact in restructuring both national and local housing markets. At the end of 1979, the social housing sector comprised just over 30 per cent of the total housing stock in England; now it comprises just 17 per cent, very largely because of RTB.

Since its inception the policy has been controversial, with polarised views across the political divide. With housing responsibilities now firmly devolved to Scotland, Wales and Northern Ireland, and with governments of different persuasions in each of the four countries of the UK, it has now become a policy that divides the nation.

Average RTB discounts progressively fell under the last two Labour governments, as a result of substantially reduced caps on maximum discounts introduced in England, Wales and Northern Ireland. However the Scottish version of the RTB did not make provision for maximum discounts. Instead Scotland introduced the 'modernised' RTB, with discounts from 20 per cent to 35 per cent based on length of residence, and a maximum discount of £16,000. An independent economic assessment of RTB discounts found that such lower discounts from open market values represented reasonable value for the state – given that they involved sales to secure sitting tenants with sub-market rents.¹ However, the modernised RTB only applied to new tenants, and pre-2002 tenants in Scotland continued to have access to the old RTB with its much higher discounts.

From April 2012 the last government increased the maximum discount caps in England to their highest-ever levels – now £103,900 in London and £77,900 elsewhere. As can be seen, since then average discounts in England have climbed back to nearly 50 per cent of open market values. In theory the government made a commitment to ensure there would be 'one-for-one' replacement for all the properties sold under these new arrangements. However, to date, starts on replacements have only been made for some one in ten of the properties sold,³ and while this may improve a little over time it is clear that the limited and complex financial arrangements for the use of the sales receipts are in practice incapable of supporting anything like a full replacement programme.

Following the election, policy on RTB is set to diverge even further between England, Scotland and Wales. The Scottish Government now proposes to abolish both the traditional and modernised versions of the RTB, while the Welsh Government plans first

to halve the current maximum discount to £8,000, and then to legislate to abolish RTB totally.

In contrast the Westminster government plans to extend the RTB to all housing association tenants in England. There are, however, potential barriers in the way. Back in 1980 opposition in the House of Lords was a key factor in the RTB not being applied to charitable housing associations. At that time associations were also classified as public sector bodies, whereas now they are defined as private sector corporations, with close to £60 billion in private finance on their books. There is a danger that by trying to use legislative powers to impose the RTB on associations, this could trigger their reclassification as public sector bodies, with their borrowing redefined as an unwelcome addition to public sector debt.

There are also issues about financing this policy, with sales of high-value council dwellings to be earmarked to compensate associations for the costs of discounts and replacement units, and also pay for the debt on and replacement of the council houses sold. The loss of social rented homes will compound the impact of welfare policies in further restricting the scope for low-income households to live in inner London and other high value areas. More fundamentally, given the severe cuts in public spending, it is difficult to see why this use of public sector assets to fund excessive discounts should be such a priority.

Rural Housing – Countryside in Crisis

National Housing Federation June 2014

Getting rural housing back on the map

We have a rural housing crisis. High house prices, low wages, seasonal rental and jobs markets, high levels of second home ownership, and an ageing population are all piling pressure on to rural communities and local services.

Some years on from Lord Taylor's influential Living, Working Countryside report, families and young people are still being priced out of our villages and market towns. Housing associations are addressing the challenges faced by rural areas, not only through the supply of new and affordable homes, but also through the range of other specialist services they provide. But concerns about the ageing rural population, continued high levels of second home ownership, rising energy prices, welfare reform, and the loss of homes through Right to Buy, are all hampering their progress in bringing about changes that are needed to address this crisis.

This publication focuses on four key issues which are making our rural areas increasingly unaffordable for many: housing affordability, prevalence of second homes, fuel poverty and an ageing population.

The role of housing associations

Housing associations are building good quality small scale developments up and down the country in partnership with local communities. Where these homes have been built, the impact on the community is powerful –it thrives. Shops and schools remain

open, the bus service continues and village life is enhanced. Among the most important routes of providing affordable housing is the use of s106 agreements. It is imperative that this mechanism is retained for sites under ten properties.

As our rural population continues to age, housing is needed not only for the older population but for those who will be providing their care. At the moment we have older people forced to live in unsuitable housing that would provide appropriate homes for those young people who wish to stay in the area.

Older households are also particularly affected by fuel poverty. The property types are often difficult and costly to retrofit but housing associations are rising to the challenge both with the existing older properties and the new build. This is helping to reduce the fuel poverty.

With support from government, local authorities and local communities, housing associations can and will do more to ensure the healthy future of our rural communities.

Working with local authorities to identify sites, maximising developer contributions and encouraging the release of suitable development sites at a sensible price, we can make the step change in delivery that is so desperately needed in our rural communities. Housing associations are up for this challenge but need commitment from government to help our rural communities.

We need a long-term plan from government to end the housing crisis in rural areas within a generation. There are four areas in particular that would help redress the key challenges facing our rural communities.

Clear local policies for rural housing

The National Planning Policy Framework (NPPF) delivered a step-change towards a simpler and more positive planning system that supported housing and the creation of prosperous rural communities. In order to realise the ambition of the NPPF it is important that rural councils plan fully to meet local housing need through their local plans.

These should set out clear policies and allocations for affordable housing, prioritising housing to areas that help existing communities thrive and prosper and making the most of the development potential of sites. This should include using rural exceptions sites to deliver affordable housing where appropriate.

Ensuring the best contributions from developers

Developer contributions are an important means of securing affordable housing delivery in rural areas. As most development takes place on small sites, it is important that small schemes are not automatically exempted from providing contributions.

Many rural authorities are already effectively operating affordable housing policies for small sites, often securing financial contributions rather than onsite provision on the smallest of sites.

Maximising the use of public and private land

The way land is released for development is also important. Public bodies who own land in rural areas should explore disposal models that support affordable housing delivery, such as Build Now Pay Later.

Private land owners should also be incentivised to bring land forward at an affordable price, rather than holding back in the hope of a higher return. This could include rural authorities buying undeveloped land at its existing use cost and then allocating for affordable housing provision.

Rural councils and councillors must say Yes to Homes

The Yes to Homes campaign is calling for more of the right homes, in the right place, at the right price in local communities. Councillors and councils are perfectly placed to help people who do support new homes to have their voice heard and to balance the local debate about housing in rural communities.

Note to councillors: to register your support for the Yes To Homes campaign, and get a copy of We Need Homes Here – a Guide for Councillors, visit:

www.yestohomes.co.uk/councillors

Home Truths 2013/14 – the housing market in the South West

National Housing Federation

The evidence:

- Across the South West, 21,500 new households are expected to form each year between 2013 and 2021;
- In 2012/13 13,460 new homes were completed in the region – 2,827 by housing associations;
- Private rents are expected to rise by 40% in the South West by 2020 – ahead of the national average (39%);
- The average house price in the region in 2012 was £225,001 – 55% higher than the average for 2002. Wages in the South West have risen by just 26% over the same period.
- Every new home built in the South West adds £77,000 to the regional economy;
- 1.8 jobs are created directly and in the wider regional economy for every new home built in the South West.

The Future for Affordable Housing in the Bridport Area (& the implications of government policy changes)

Report of BLAP/BADT Seminar Proceedings November 2011

How many houses are being built in Bridport?

- New housing units added to existing stock in Bridport 1994-2010: **1,272** (net)
- Average household size West Dorset 2007: **2.21**
- Assuming less than average household size, that is still enough housing for more than **2,500** people.

That is a **close to a 25%** increase in dwellings/population in **17** years. For England in this period only **10%** of extra houses have been added to the stock and around **7%** to the population.

Why this high level of building in Bridport compared to the rest of the country?

Social Change People are increasingly: living on their own; demanding more living space; retiring to rural England; having second homes.

Economic Change These changes are all made possible through increased wealth/income and increasing inequality of wealth/income.

Despite the large increase in housing stock prices have risen considerably and demand remains high because the town is attractive to relatively affluent older people moving in from other parts of the country. **Around 40%** of houses in the area are owned outright – with no mortgage.

Social housing uses a mix of needs analysis and demand to allocate housing resources. Given the security of tenure and high quality of most social housing now, and the gap between social and private rents, there will always be a high demand for this housing. *The waiting list is therefore not a simple measure of need.* Equally, as there is often no strong local criteria for social housing allocation people can move into the area (with or without jobs) and relatively soon be on the waiting list.

Why is affordability such a big issue in Bridport?

Average house prices in Dorset as a whole are among the highest in the UK, outside London: **£213,304 average property price in Dorset compared with £165,314 in England & Wales...**while earnings are among the **lowest £447 per week in 2009 (GB = £491).**

There are really two 'markets' – social and private – with too big a gap between them for young local working families to jump – hence the attraction of partial ownership – but this is not without problems and has had limited success.

What has been achieved?

Tribute should be paid to Magna; WDDC; Parish Councils and everyone else who has helped create an impressive number of new affordable houses. **199 units of affordable housing completed in Bridport between 2001 and 2012.**

This represents around one third of all completions and should be able to house at least **400** people, on top of those housed through the normal ‘churn’ of properties becoming vacant. Yet there is continually observed to be a shortage.

48 of these affordable units in 11 years came from planning policy requiring private developers to include affordable units (about **10%** of the total private development – short of the hoped for 35%) whereas the other **151 have come from public sector initiatives**. So the most effective delivery of affordable housing is therefore through fully affordable developments on council or housing association land.

Meanwhile...

Between 1979 and 2006 **2,162 Local and ex-Local Authority homes** in West Dorset were sold under ‘Right To Buy’ (Housing for at least **5,000** people).

3.6% of homes in West Dorset are empty and **4.6%** are second homes – that is more than **3,500 houses** altogether – enough for nearly **8,000** people. Many houses are ‘under-occupied’ (45.0% of households with more rooms than they ‘need’)

West Dorset

% by tenure	1971	1981	1991	2001	2008 (est)
Owner Occupiers	51.0	58.0	70.3	72.5	73.5
Renting Privately	26.6	18.6	8.5	9.0	12.5
Council/Housing Association	22.4	23.3	21.2	18.6	14.0
	100	100	100	100	100

A PLACE TO CALL HOME? An investigation into the availability and cost of rented accommodation in Dorset
Dorset Citizens Advice Social Policy Campaign Group

The Dorset Citizens Advice Social Policy Campaign Group became aware that the lack of suitable, reasonably priced housing was being raised regularly by clients. Bureaux have seen an increasing number of clients who cannot afford the rents in the private rented sector as the Local Housing Allowance (LHA) is often lower than the rents charged. The LHA is the maximum amount which will be paid as Housing Benefit by the local authority, any amount of rent above it having to be paid by the tenant. This is a problem for both working and non working households.

It was also recognised that advertisements for properties often state “No DSS” so benefits recipients cannot apply or could expect to be turned down if they did. Those who rent from a local authority or housing association usually pay lower rents but many are now being affected by the “under occupancy charge” commonly known as the “bedroom tax”. This is when Housing Benefit is reduced if the tenants are deemed to have more bedrooms than they need.

The aim was to look at how people can access housing within their means which meets their needs. We decided to investigate the availability and cost of privately rented

housing in the Dorset area in order to establish what problems clients are encountering when looking for suitable accommodation. We also looked at the impact of the “bedroom tax” on social housing tenants.

KEY FINDINGS

- actual rents in the private rented sector are significantly higher than the Local Housing Allowance.
- there are insufficient homes under Local Housing Allowance for those on low incomes.
- private rented accommodation is unavailable to many benefit recipients.
- Housing Benefit size restrictions are forcing people into arrears and potential homelessness.
- there is an inadequate supply of smaller accommodation in the social housing sector
- the “ bedroom tax” is causing arrears and forcing some social housing tenants back into the private rented sector.
- lack of affordable housing is allowing private landlords to raise rents without any controls.

KEY RECOMMENDATIONS

In order to avoid increasing homelessness we recommend: **Central government and local government should:**

- look at ways of controlling rent levels and rent increases or pay benefits to cover the rents.
- look at introducing Social letting Agencies.
- endorse Shelter’s Stable Rental Contract which would provide greater stability in the rental market.
- review the “bedroom tax” so that it is applied only when an offer has been made of a suitable smaller property.
- enable Housing Associations to build more affordable housing in areas of proven need.
- monitor the definition of “affordable” to ensure rents are genuinely affordable for those on low incomes.
- enable a large scale restitution of derelict homes in areas where they exist.
- accelerate the low cost house building programme.

Extending Right to Buy: Risks and Uncertainties

The Institute for Fiscal Studies, April 2015

Executive summary

- The flagship announcement in the Conservative Party manifesto last week was a major extension of Right to Buy (in England) to cover 1.3 million housing association (HA) tenants. The Conservatives also announced a second, distinct policy of requiring councils (or local authorities, LAs) to sell their most expensive properties as they become vacant, which they estimate would raise £4.5 billion per year.
- The two policies are related because part of the revenue raised from sales of expensive LA properties will be used to compensate HAs for having to sell their assets below market value – with the rest funding a commitment to replace properties sold and to create a £1 billion ‘Brownfield Regeneration Fund’.
- Extending Right to Buy to HA tenants would bring about equal treatment of HA and LA tenants, and additional sales would increase homeownership rates. It would also represent a significant giveaway to HA tenants – potentially billions of pounds over the next parliament – paid for by selling public assets (expensive LA properties). This would worsen the UK's underlying public finance position.
- Sales of expensive LA properties would reduce the availability of social housing in the most expensive areas, thereby creating clearer divisions between areas where richer and poorer households are located – though it might also facilitate an increase in social housing construction.
- There are considerable uncertainties surrounding the revenues that can be raised from sales of expensive properties, the costs of Right to Buy discounts and the cost of replacing sold properties. These reflect both genuine difficulties in predicting the effect of the policies and a lack of detail in the Conservative Party's announcement.
- Given this uncertainty, and the coalition's less-than-impressive record in delivering replacement social housing under the existing Right to Buy, there is a risk that these policies will lead to a further depletion of the social housing stock – something the proposal explicitly seeks to avoid.

Right to Buy proposals a disaster for rural communities

Rural Services Network July 2015

<http://www.rsonline.org.uk/rural-housing-spotlight/right-to-buy-proposals-a-disaster-for-rural-communities-july-2015>

As part of its Housing Bill the Government is proposing to extend the Right To Buy to Housing Association tenants and require that local authorities dispose of high value vacant council houses to fund extended discounts and build more affordable homes in the area. Many organisations and individuals are lobbying vigorously on this matter which will have a dramatic effect on the provision of rural affordable homes. Key issues include: the effect Right To Buy will have on landowners propensity to provide sites for affordable homes; significant undermining of extensive work with local communities

based on homes being made available for local people in perpetuity; the lack of any local authority homes in areas where all stock has been transferred meaning that the proposed source of funds to pay for replacement stock will not exist; the long history of a failure to replace homes lost under existing Right To Buy measures; and the undermining of rural exception site policy.

RSN, the Rural Housing Alliance and others are arguing that, at the very least, a rural exemption should be made to ensure that rural affordable homes can continue to be provided. Following on from last year's change to section 106 policy, which means that small market housing developments are no longer required to provide any affordable homes, if Right To Buy proposals are to proceed then it is absolutely critical that a rural exemption is put in place.

Further to the Rural Housing Policy Review which reported in February this year, a recent policy note on this matter has been produced by Jo Lavis of Rural Housing Solutions which incorporates the findings from a survey of a number of Housing Associations currently delivering in rural areas. Further information, including proposals for the nature of any rural exemption, will be published shortly.

EXEMPTION POLICY COULD BE 'DISASTROUS' FOR RURAL AFFORDABLE HOMES ACCORDING TO NEW REPORT

Royal Institute of British Architects (RIBA) July 2015

<http://www.architecture.com/RIBA/Contactus/NewsAndPress/Membernews/PracticeNews/2015/February/2015/26%20February%202015/Exemptionpolicydisastrousforruralaffordablehomes.aspx>

The exemption of small housing developments from Section 106 affordable housing contributions will have a disastrous effect on the delivery of affordable housing in rural areas, says a report by the Rural Housing Policy Review.

The review group of rural housing experts under the chairmanship of Lord Best, President of the Local Government Association, is calling for a reversal of the exemption policy introduced in November and warning that there is a real risk that the supply of sites for affordable housing rapidly will rapidly dry up.

Site supply is being constrained by a combination of factors.

The exemption policy, which exempts developments of ten homes or fewer, does not apply to 'exception sites' that could expect to gain planning permission on the basis that housing will be restricted to affordable housing for local people.

But the report says that rising price expectations for land and the arrival of the new exemption policy means that land owners will no longer release land for exception sites, but will hold out for the possibility of higher land values.

The lack of up to date Local Plans and the requirement for councils to have five year housing land supply is compounding the problem, similarly encouraging land owners to hold on to sites in the hope they will be allocated for housing at full value.

'There is a real danger that a planning vacuum is opening up in rural areas,' says the report.

'Local Plans are looking to Neighbourhood Plans to determine the location and type of development in rural communities, but Neighbourhood Plan uptake is focussed in the affluent areas of the south of England. In consequence, either there will be no development in many rural areas or it will be of a size and nature that does not support the sustainability of the community. This in turn will increase community resistance to future schemes.'

Royal Institute of British Architects Posted on Thursday 26th February 2015

Building A Better Britain

Royal Institute of British Architects (RIBA) July 2014

The UK faces many of the same problems as developed countries across the world. The economy is sluggish, there's a shortage of new homes, our population is becoming older, we are less physically active causing strain on the NHS and many schools are in drastic need of repair. Similarly, the effects of climate change and extremes of weather are having a major impact on our everyday lives, to reduce our carbon emissions and save on peoples' energy bills, we need to retrofit our homes, offices, hospitals and shops at a rate of one property every minute if we are to meet our 2020 targets.

Addressing these challenges will undoubtedly be a priority for the next Government. But by focusing on architecture and the built environment—that is, buildings and the places in between them – we can help to resolve these pressing issues and foster greater growth, save money to the public purse and improve the places we live, work and play in, for the long-term.

In this report we provide a vision for the next Government which sets out where these challenges lie. This report is intended to provide policy makers with a greater understanding of the impact of how places are designed, planned and built and how they affect our day-to-day lives.

Shaping places

The next Government needs to set out a long-term vision for places which will identify major infrastructure, large housing developments, aspirations for improving quality of life and long-term sustainability.

By developing a National Spatial Strategy the next Government could combine strands of key evidence and long-term strategic decision making to align housing growth with other areas of Nationally Significant Infrastructure Projects and engage local leaders, preferably at a city region level.

Homes

We believe improving the quality of housing is as important as increasing supply. With

new homes in the UK, the smallest in Western Europe, the public are dissatisfied with the quality of new homes. To increase the quality and quantity of new homes the next Government needs to empower Local Authorities to start building again and encourage the support of the public for new development. We offer a number of recommendations from finance mechanisms to investment in new forms of housing models to deliver economically, socially and environmentally sustainable homes and communities.

Schools

Providing enough good school places is a basic responsibility for any Government. The impact of a child's physical and mental health across their school life is hugely significant. Exercise, a healthy diet and supporting social and emotional wellbeing are paramount to ensuring children can concentrate fully at school. Yet, despite this, how we are designing our schools is falling short of their potential. We need to get it right otherwise we will be paying for our scrimping for decades to come. Schools being built under the current Government programme are just too cheap. The likely result of these designs will be increased maintenance costs alongside poorer results for pupils and teachers.

We identify how a small increase in the amount of schools capital funding will yield results for future generations.

Health and older people

From childhood to old age, the built environment has an important role to play in supporting healthy lifestyles as a part of everyday living. We identify the role Central Government and Local Authorities should play to encourage healthy lifestyles through setting out healthy infrastructure action plans and good principles for new developments to encourage active travel.

We also look at the social, economic and political impact the growing 60+ demographic will have on how we design and build our towns and cities to accommodate people as they become older.

Energy

Rising energy bills, and concerns over fuel poverty, energy security and climate change have necessarily focused Government attention on the performance of our homes and buildings. Many of our homes, work places and public buildings leak energy which is both costly and damaging to the environment and presents a major challenge if we are to reduce our carbon emissions. We look at measures to insulate our homes and non-domestic buildings to meet this challenge.

Flooding

Flooding, higher temperatures and drought as well as increases in the cost of food and fuel prices are widely accepted as the impacts of climate change. We need to get better at dealing with flooding through adaptation and mitigation. From simple home design solutions to rethinking how we design our cities we present policy solutions to create a more resilient nation based on the impact flooding has had on parts of England.

An architecture policy should be developed alongside the National Spatial Strategy to

set out a long-term vision for great places, linked to our economic strategy, and explain how every level of Government can drive this agenda to deliver well designed communities for all.

The next Government should go beyond city deals to deliver autonomous city regions and ensure they have the financial mechanisms to access long-term sustainable funding.

FOR FUTURE LIVING - INNOVATIVE APPROACHES TO JOINING UP HOUSING AND HEALTH

Institute for Public Policy Research 2014

England is undergoing a slow but seismic shift in its population. As a country it is ageing – among all households, the biggest growth is occurring in those headed by someone who is older than 65. This reflects some positive trends – medical advances mean people can expect to live longer, fuller lives – but demographic change brings with it challenges as well. The number of single-person households is growing, especially in older age, meaning that less informal support and care is provided within the home. At the same time, the costs of providing adult social care for both older and vulnerable people are increasing, putting strain on local government finances and the NHS.

For too long, the policy realms of housing and health have been disconnected, with each tending to follow its own path, often impeding or counteracting the other's objectives. This is in spite of warnings from the World Health Organization that poor-quality, inappropriate housing can drive accidents in the home, cause hospital admissions, and – at worst – lead to shorter lives (see WHO 2014).

These disconnects come at a cost. It has been estimated that poor housing costs the NHS at least £1.3 billion a year due to hazards in the home and medical problems associated with fuel poverty and energy inefficiency (Nichol 2014).

The gap between these policy realms becomes more visible, and more important, as people age. Older people spend more time in their home than other age-groups (HAA 2013), are more at risk of poor health, and consume over three-fifths of all social care spending (NAO 2014). It is therefore essential to ensure that the place they live in supports them in maintaining good health.

Steps to bringing housing and health together must account for people's preferences. Most people want to live independent lives and to stay in their own home as they age. England's housing offer, however, is not equipped to support people to stay where they are, or to move on to more appropriate housing. Contrary to consumer demands, the new stock of open market, mainstream housing is small by international standards (Roberts-Hughes 2011). More than a fifth of houses still fail to meet the Decent Homes standard, first set in 2000 (DCLG 2014a). Of the four key measures of accessibility, which assess people's ability to move around and thus to stay in their own home, only 5 per cent of English houses have all four, and over a quarter of houses have none (ibid). Even adapting the current stock is not simple: for 43 per cent of the housing stock in England, adaptation to meet the key accessibility standards is either unfeasible or would require major works (ibid).

When people want to move on to accommodation that is potentially more appropriate for their needs, the options remain limited. The main political parties are now committing to major house building targets, so it is essential that they consider the type of housing they are building, and who these houses will be for. With older age-groups seeing the biggest increases in population projections, new units suitable for these groups is a core part of the answer. Despite an array of different bespoke units designed specifically for older people, the stock that could help people to live independently in old age is in short supply. Retirement homes, with or without care and support, provide only 5 per cent of housing for older people (Clifford et al 2011), despite evidence of much higher demand.

Housing provision needs to change to reflect the serious impact that inadequate housing stock has on the health of our older population and on the state of public finances.

Health and Wellbeing in Dorset: a strategic assessment (2012 refresh of the Joint Strategic Needs Assessment)

Housing needs in Dorset

The average household size in Dorset is 2.15 people, less than the England average, due, in part, to the large retirement population in Dorset. Over the last ten years, 16,123 new dwellings have been built in Dorset, of which 15% have been affordable housing. The average house price in 2009 was around £242,103, 10% more than the England average and over 9 times higher than the median Dorset wage, so affordable housing is an important issue in Dorset.

Future housing and support options will have to be able to respond to the higher than average increases in older people expected in Dorset over the next twenty years, including a doubling in the number of people over 85; changing housing aspirations of people with a learning disability, with a move to greater independent living and supported accommodation and increasing numbers moving into adulthood; and increasing numbers with physical and mental illness who have particular housing needs.

(Report produced by the Dorset Public Health team, with contributions from Adult (DCC) and Child (NHS) Safeguarding, DCC Adult and Community Services and the Dorset Drug & Alcohol Action team).

Wellbeing in four policy areas - Report by the All-Party Parliamentary Group on Wellbeing Economics (September 2014)

Foreword

It is now eight years since David Cameron first declared: 'it's time we focused not just on GDP, but on GWB – general wellbeing', and five years since the influential Commission on the Measurement of Progress, chaired by Joseph Stiglitz, argued that we need to 'shift emphasis from measuring economic production to measuring people's wellbeing'. As we near the end of the first parliament in which the UK has begun systematically measuring national wellbeing – becoming a global leader in the process

– now is a timely moment to take stock of this agenda and ask what needs to happen next.

Summary

The UK has become a global leader by measuring national well-being. Yet, despite important advances, wellbeing evidence is not yet being widely used to inform policy. Our inquiry set out to demonstrate that this can and should be done. We did this through the lens of four specific policy areas, with a focus on how policy could enhance wellbeing without increasing public spending.

A wellbeing approach to policy: what it means and why it matters

Wellbeing is an overarching policy objective which combines economic and non-economic objectives into a single framework: it is not just about health or improving people's resilience, nor is it an optional extra to be considered once economic policy objectives have been met. The time is right to move from national wellbeing measurement to a national wellbeing strategy, setting government policy in the context of the overarching aim of promoting wellbeing – to include tackling low wellbeing and wellbeing inequalities.

Using wellbeing data can improve the quality of evidence on which policy is based, helping policymakers to better predict the impact of policy on people's lives. Far from being an unaffordable luxury, it has the potential to improve the effectiveness of public spending, and in some cases save public money. Realising this potential requires changes to policy-making processes at both national and local level, including breaking down silos between policy areas and reforming the process for allocating budgets. At local level, Health and Wellbeing Boards (HWBs) have a key role to play, but they cannot be held solely responsible for joining up a fragmented system.

We therefore recommend that:

1. All political parties should set out their approach to wellbeing in their manifestos: how they understand its role as a policy objective, how they propose to use the evidence in policy development, and how they believe government and Parliament should monitor progress.
2. The government should publish a Wellbeing Strategy setting out the ultimate wellbeing objectives of policy and how it plans to deliver them. The strategy should make clear how the government is addressing wellbeing inequalities and helping those with particularly low wellbeing.
3. New policy should be routinely assessed for its impacts on wellbeing. Government should prioritise the development of new policy analysis tools to enable this.
4. Wellbeing analysts should be embedded in all departments, and departmental business plans should be expected to address their contribution to wellbeing.

5. Spending reviews and departmental budget allocations should take account of departments' contribution to wellbeing, including their contribution to outcomes falling outside their own departmental objectives.
6. The Cabinet Office should work with government departments to map the pathways that connect each department's work with wellbeing outcomes. These pathways should identify the other departments involved and should be used to guide cross-departmental work and, if necessary, reorganisation.
7. HWBs should scrutinise and assess the wellbeing impacts of council policy in areas beyond health and social care, such as housing, planning, and environmental policy. Government and Public Health England (PHE) should provide tools and guidance to enable this.
8. Local authorities should use wellbeing as an integrating framework to join up public services – for example by using wellbeing in outcomes-based commissioning, or establishing multi-agency teams working together towards shared wellbeing outcomes.

Building high wellbeing places: planning and transport policy

Improving wellbeing was at the heart of the original mission of planning. But the planning system has lost its way, becoming reactive and process driven, losing sight of the outcomes it was created to serve. A wellbeing approach could help the planning system to rediscover a sense of purpose and ambition.

The places we live affect our wellbeing in a multitude of ways – some recognised by the planning system (e.g. availability of decent, affordable homes and good jobs), others less well recognised (e.g. the ways in which the built environment and transport systems promote or inhibit social inclusion, physical activity, and access to green space). These issues cannot be addressed in isolation, but require an integrated approach focused on building high wellbeing places.

We therefore recommend that:

1. The National Planning Policy Framework (NPPF) should be revised to make clear that promoting wellbeing is the over-arching objective of the planning system, not just a peripheral concern, and that the 'presumption in favour of sustainable development' is subject to local authorities' right and responsibility to set high wellbeing standards.
2. Planning practice guidance should set out how wellbeing can guide Local Plans and specific planning decisions, including by:
 - ensuring that town centres are sociable and inclusive spaces which are accessible for all sections of the community.
 - planning for an ageing population.
 - making it easier to access jobs and services by cycling and walking.
 - prioritising the provision of green space in ways that maximize wellbeing.

3. Local authorities should be empowered and encouraged to take a proactive, 'place-shaping' approach to planning. Spatial planning should be re-integrated with other local authority functions, including transport and housing.
4. At national level, transport and planning policy should be integrated into a single department with the shared aim of promoting accessibility rather than just mobility.

WHAT WILL THE HOUSING MARKET LOOK LIKE IN 2040?

Joseph Rowntree Foundation (Heriot-Watt University and the University of Sheffield) November 2014

With home ownership and social renting in decline and the growth of private renting, the housing system is changing. This research examines the relationship between poverty and housing by studying the circumstances of 5,000 people over an 18-year period. It also projects how this relationship will change by 2040.

Key points

- More than a third of people experienced poverty during the 18-year study period. For most it was temporary. However, 10 per cent of people experienced 'chronic poverty' – two or more spells of poverty lasting for three consecutive years.
- Settled owners experienced above average levels of temporary poverty, whereas settled social renters experienced rates of chronic poverty 3.5–5 times the average.
- However, 85 per cent of people in chronic poverty did not experience unsatisfactory housing. Moreover, housing deprivation is not only an inner-city phenomenon – as deprivation generally is – but reflects a complex pattern of housing standards, prices and quality.
- Private renting is projected to grow to house a fifth of the population in England by 2040, with social renting declining to house one in ten.
- Private rents are forecast to rise by around 90 per cent in real terms between 2008 and 2040 – more than twice as fast as incomes. This would push up to 50 per cent of private renters into poverty by 2040.
- Setting social rents closer to market rents could put an extra 1.3 million people in poverty by 2040. This is likely to be an underestimate as even this would require £20 billion extra housing benefit.
- Looking to 2040, poverty levels in England can be contained to one in four of the population only if:
 1. housing supply nearly doubles to 200,000 units a year by 2040;

2. social rents are indexed to inflation plus 1 per cent rather than moving closer to market rents;
3. Housing Benefit continues to support rents at 2008 levels;
4. the proportion of social rented housing does not decline.

The full report by Mark Stephens et al, is published by the Available as a free PDF at www.jrf.org.uk

Affordable Housing - A Fair Deal For Rural Communities

Rural Housing Policy Review 2015

Because more sites are needed:

1. Since the vast majority of rural schemes are on small sites, **Government's policy to remove from local authorities the power to require affordable homes on sites of less than 10 homes must be reversed.** Local Planning Authorities should require all sites, whatever their size, to make an affordable housing contribution. The level of this contribution – in cash or kind – will be determined by what works in the housing market of that area.
2. **Government should provide incentives to encourage land owners to develop rural affordable housing** to meet local needs or to release sites for these homes, e.g. through tax incentives or nomination rights, which would also stimulate the local economy.
3. Since local communities cannot properly influence what kind of development takes place without a Local Plan, **Government should require all local authorities to complete their Local Plan preparation within two years.**

Because new homes must be affordable to local people:

4. **Government should exclude rural areas from the “spare room subsidy withdrawal” (“bedroom tax”)** because there are so few opportunities for rural tenants in houses to move to 1 or 2 bedroom flats in villages; these households should not be forced to move away from their long- standing social and support networks to urban areas elsewhere.
5. Where there are already problems from the low levels of affordable housing and limited opportunities to build any more, **Government should give rural local authorities the power to suspend the Right to Buy.**
6. To provide a driver for action and delivery by housing associations of all sizes, **a new national minimum target for delivery of rural housing through the Homes and Communities Agency should be established of 13% of the HCA's national investment (in proportion to the population in settlements of less than 3,000 population).**
7. To address problems of accessing development finance, **Government should find**

ways of supporting the development funding of small and medium- sized builders and housing associations that undertake smaller developments: e.g. recalibrating its loan guarantee scheme to cover schemes of less than 25 homes.

Because affordable homes need to be there for future households:

8. To ensure rents are affordable in 'low wage, high house price' rural communities, **Government should not require housing associations to charge “affordable rents” at 80% of market rents as a condition for receiving HCA funding.** Instead, as in Greater London, rents should be charged at a level agreed between the local authority and the housing provider as being affordable in relation to local incomes.

9. Where an area is experiencing high levels of second home ownership, **Government should endorse the approach taken by the Exmoor National Park Authority, and in other places, by requiring a proportion of new open market homes granted planning permission – up to a 100% in exceptional cases – on condition that they can only be used as principal residences.**

10. The Council of Mortgage Lenders should now produce a standardised mortgage form for rural affordable home ownership, to ensure buyers can easily get a mortgage but the homes will be retained as affordable in perpetuity and cannot be sold on the open market by the lender if the mortgagee defaults.

Because leadership is needed from national to community level:

11. **The Department for Environment, Food and Rural Affairs, as the champion for rural areas, should ensure “rural proofing” is continuously and consistently applied to national policies,** with specialist, rural technical expertise available to all Government departments.

12. Because Neighbourhood Plans are a vital means for rural communities to deliver affordable homes, yet require resources and expertise, **Government should increase and extend its support (beyond April 2015) for more communities to produce Neighbourhood Plans. And the Homes and Communities Agency should offer match funding to housing associations for the employment of Rural Housing Enablers** who can play the key role in bringing together parish councils, land owners, local authorities and housing associations to achieve affordable rural homes.

THE RURAL CHALLENGE 2015

The Rural Coalition

PROVIDING AFFORDABLE HOUSING FOR LOCAL PEOPLE

Sustainable rural communities need a supply of housing that is suited to the needs and means of younger people, and those on limited incomes. There is also a need to look at how the housing needs of older people who are likely to comprise a growing proportion of the rural population can best be met.

High market prices and rents, and reduced provision of affordable housing, limit choice. The result is an exodus of people who are needed to sustain local businesses, schools,

shops and services. In certain areas, a predominance of second homes is reducing the vitality and sustainability of existing communities. There remains a major housing crisis in rural England, holding back economic development as well as community wellbeing.

The Localism Act and the National Planning Policy Framework have radically changed the context for the provision of rural affordable housing.

For instance:

- Local authorities are encouraged to locate new housing where it can enhance or maintain the vitality of rural communities.
- Neighbourhood plans can help ensure communities play a stronger role in delivering new housing and protecting valued land.

These positive moves have not realised their full potential due to the complexity of the neighbourhood planning process and reduced public funding affecting the viability and delivery of housing to meet local needs. Most new housing is beyond the reach of many rural wage earners.

Given the pressing need for more affordable rural housing, there is great concern about proposals to remove the requirement for a proportion of affordable housing on sites of fewer than 10 homes. Two thirds of rural affordable housing was delivered through section 106 planning agreements in 2012/13. The proposed changes would have a dramatic effect on the delivery of affordable housing in rural areas which depend on such smaller sites for the bulk of new housing development.

Our priorities for action:

- Introduce new national targets, properly monitored, for affordable housing delivery in settlements of under 3000 people.
- Develop models for small-scale older people's housing in rural areas, including local plan policies, financing, tenure mix, and provision of care services and community support.
- More flexible public investment in affordable housing, allowing higher grant rates for smaller affordable housing schemes where viability is shown to be the cause of under-supply.
- Strengthen the role of neighbourhood plans within the planning system where advanced community-led proposals conflict with developer-led proposals that fail to meet local needs.
- Require 'change of use' permission for new second homes in rural and coastal areas where there is a shortage of local housing and a high density of second homes.
- Retain the ability to require a proportion of affordable homes on small developments (under 10 homes) to meet local needs in rural communities.

The Rural Services Manifesto 2015

Rural Services Network

The Rural Services Network calls upon the incoming government to:

- Reinststate a rural target in the HCA's Affordable Homes Programme, to ensure that investment is available to meet needs within rural communities.
- Recognise the additional cost of building social housing in smaller rural settlements, when the HCA assesses value for money of schemes and awards grants.
- Reverse the recent policy decision to exempt small development sites from planning agreements which require developers to include some affordable housing. In rural areas, at least, this policy needs to be overturned.
- As proposed by the EFRA Select Committee and Rural Housing Alliance, exclude social housing tenants in rural settlements with under 3,000 population from the spare room subsidy (or bedroom tax). This would align with the exemption from the Right to Acquire policy, which also applies to these settlements.
- Give local authorities the flexibility to suspend the Right to Buy where they can demonstrate it doesn't suit local circumstances. Similarly, give local authorities the ability to stipulate that Right to Buy properties can only be sold on to someone with a local connection.
- Confirm through central Government guidance that, especially in rural areas, local authority Allocation Schemes should seek to strike a balance between the needs of prospective housing tenants and their having a local connection.
- Introduce an additional grant for registered providers, such as housing associations, to help them invest in energy efficiency measures in their housing stock, which could considerably benefit their tenants.

A Charter for Rural Enterprise

<https://blogs.ncl.ac.uk/nisr/2015/03/06/a-charter-for-rural-enterprise/>

What is the problem?

We should be doing more with our rural enterprises. Rural areas contribute at least £211 billion a year directly to the nation's economy but have great potential to achieve even more. Cuts in public spending and the need to rebalance the economy means that our expectations of what enterprise can achieve in employment, wealth creation and service provision have increased.

We must, therefore, expect to see growth across the whole country rather than only in certain cities or sectors. The distinctive characteristics, business and employment

structure and past performance of rural economies mean that they are well placed to meet this challenge.

Through a new **Charter for Rural Enterprise**, we propose that an effective and transparent rural proofing of growth plans and policies be pushed forward across all business sectors and localities in order to tailor measures to rural conditions and assess their applicability to rural economies.

Investment in affordable housing, public transport and local services is essential for employee recruitment and new business development. In addition to providing meaningful support for building new housing or providing public transport in rural areas, financial help should be provided to small employers with hard-to-fill vacancies due to their area's lack of affordable housing and poor public transport.

These barriers to employment and growth of small firms are particularly evident in remote rural locations, and local economies with poor connectivity and limited pools of skilled labour, exacerbated by low stock of low cost housing. The Government should explore how tax reliefs or direct payments can be extended to measures taken by employers to help new employees' access accommodation or transport to the workplace.

Housing - ACRE Policy Position Paper 2014

Action with Communities in Rural England

An appropriate mix of housing is essential to a community's sustainability. Ensuring affordable housing is available means local people can stay living in their community.

Most people would agree that the provision of a good mix of market, private rented and affordable housing will help to deliver a balanced and inclusive community.

Enabling people to stay in their own community can reinvigorate local businesses and services, and help keep local schools open. However, barriers to sustainable development often exist, such as inappropriate use of planning constraints by local planning authorities, the reluctance of communities to understand the need to build a mix of housing and changes made by central Government to housing planning.

But affordability is the key issue for many people, especially with the cost of open-market homes increasing due to strong demand compounded by years of a short fall in house building. Add to this the lower wages for rural workers, and the gap of being able to afford even rented accommodation widens to the extent that local people are priced out of their community. A report from the Department for Communities and Local Government shows that people in rural areas, on the lower end of the wage scale, are faced with house prices over eight times their annual wage.

There are clear pressures on the land available in rural communities for development. In the current financial climate, small-scale developers need to maximise profits to stay solvent and will often look to build as much market housing as they can – sometimes at the expense of the need for affordable housing.

Other challenges include the growing need to build energy efficient housing in areas that don't have mains gas supplies and the need to provide supported housing for an increasingly ageing population.

ACRE (Action with Communities in Rural England) and its members have long promoted communities taking action for themselves and have provided support to groups looking to develop appropriate housing for their community.

We believe that affordable housing is an essential component of any rural community that seeks to be vibrant and inclusive. Local people need to explore a vision for their own future through the process of Community Planning which has been shown to change attitudes on accepting appropriate housing development.

We want to see Government policy that realises the ambitions of rural communities by providing the necessary support and funding through established support agencies such as ACRE; to enable the provision of appropriate housing development, clearly supporting the need for more affordable housing.

Affordable Rural Housing: A practical guide for parish councils

Rural Housing Alliance/Rural Services Network 2015

For many rural households, finding somewhere affordable to live within their local community remains a barrier, with homes costing over eight times the average salary in 90% of rural local authority areas. This is an affordability gap that, in many areas, is even more extreme given low paid rural employment.

Tackling this national problem requires strong community support and, at the centre of this, is the parish or town council. There is no simple solution and each community will need to consider the range of options that are available and which one of these best meets their needs.

The Rural Housing Alliance is a group of over 40 housing associations that develop or manage rural housing in England, and the Rural Services Network, the most comprehensive national network representing rural service providers, community representatives and national organisations.

Statistical Digest of Rural England

Department for Environment, Farming & Rural Affairs 2015

- There is a higher rate of house-builds started and completed in predominantly rural areas than in predominantly urban areas and compared with the national average.

- Between 2010/11 and 2011/12 the rate of house-builds being started and completed decreased in all area types with the biggest decrease observed in significant rural areas.
- There are proportionally fewer homeless people and people in temporary accommodation in rural areas than in urban areas.
- Housing is less affordable in predominantly rural areas than predominantly urban areas. In 2012, the average lower quartile house price was 7.9 times the average lower quartile earnings in predominantly rural areas. This compares with 7.1 in predominantly urban areas and 7.4 in England as a whole.
- Average Private Registered Provider rents per week are similar in rural areas to those in urban areas outside of London.

Housing our Ageing Population: Plan for Implementation (HAPPI)

All Party Parliamentary Group on Housing and Care for Older People 2012

Summary of recommendations

The APPG Inquiry's Plan for Implementation sets out key actions to boost the adoption of the HAPPI report. In summary, the Inquiry strongly urges:

- **The Cabinet Office** to establish an external task force to review cross-Whitehall policy co-ordination and take forward the HAPPI 2 Plan for Implementation.
- **Department for Communities and Local Government** to extend its growing interest in promoting older people's housing when it revisits its Housing Strategy for England and makes its representations for the Comprehensive Spending Review; and encourages all local Councils to incorporate adequate provision for older people into the mainstream of their Local Plans.
- **Department of Health** to tailor its new £300m Care and Support Housing Fund to encourage development of schemes designed to HAPPI principle; support all Health and Wellbeing Boards in recognising the preventative benefits of housing provision in making best use of funds at the local level; and undertake research into the linkage between housing and health and social care costs to help in the development of future design standards and housing policy.
- **Homes and Communities Agency and the Greater London Authority** to reflect HAPPI principles in design, land disposal and procurement initiatives and explore the use of an identifiable 'kite-mark' or similar 'earned recognition' with the Design Council CABE, linked to annual Design Awards, that highlights exciting and innovative developments which accord with HAPPI design standards.
- **Local Planning Authorities** to ensure their Local Plans give prominence explicitly to meeting the needs of their ageing population and, through the sensitive use of CIL and Section 106 Agreements, encourage private and social providers to bring forward HAPPI- style projects.

- **Housing Departments/Adult Care Services** give sufficient strategic priority to assessing the needs for, and investing in, older people's housing, both in recognition of the savings to social care budgets and in the release of under-occupied family homes; and maintain a register of all accessible and specialist retirement housing to help those looking for more suitable accommodation.

Rural Communities

HC 602 House of Commons Environment, Food and Rural Affairs Committee Sixth Report of Session 2013–14 – Chapter 5: Housing

Summary (on housing)

Lack of affordable housing can be a brake on economic development. On average people working in rural areas earn less than those working in urban areas but rural homes are more expensive than urban ones. Rural England desperately needs more affordable housing yet the Government's housing policies pay insufficient regard to the needs of rural communities. Failure to provide more of the right housing, at the right price and in the right place will exacerbate the existing problems of unaffordability and inequality in some parts of Rural England.

Chapter 5 Housing:

Affordability

117. In the previous chapter we noted that lack of affordable housing can be a brake on economic growth. Between 2001 and 2011 house prices rose by 94%; during the same period wages rose by just 29%, making buying a home increasingly beyond people's means. Ensuring the availability of affordable housing is an issue common to both rural and urban areas but the problem is exacerbated in rural areas, particularly the National Parks, which account for some of most unaffordable places to live in England. On average people working in rural areas earn less than those working in urban areas and rural homes are more expensive than urban ones.

118. The cost of living is also rising faster in rural areas than in their urban counterparts. The 2012 Countryside Living Index found that inflation over the previous year stood at 7.7% compared to the national CPI average of 4.3%. During that period the average rural dweller spent £2,000 a year more on essential goods such as vehicle and domestic fuel, food and home maintenance—£5,992 compared to the UK average of £3,986.

119. Workers in industries typical of rural areas such as tourism and agriculture are traditionally low paid. Gillian Elliott told us that, "in areas like Eden and South Lakeland, we are talking about it costing people seven times the average to get deposits down on properties. In our rural area, tourism is vital as the main employment and it is a low wage sector". Against this backdrop, migration from urban areas and an increasing shortage of homes are causing house prices to rise further—fewer homes are being built in England today than at any time since the 1920s—just over 100,000 a year compared to a projected requirement for 240,000. The problem is not confined just to the private sector, there is also a shortage of social housing. In 2011-12 the amount of social housing created in England fell for the first time since 2006-07. There are currently 1.8 million households on waiting lists for social housing. While the proportion of social housing has decreased in all areas, the sharpest decline has been in rural England.

120. Failure to address these problems will have grave consequences for rural communities. If young people are priced out of rural areas then the available pool of labour for the local economy and service sector will diminish. Alongside this, demand for services such as schools, shops and pubs will also decrease making their existence less viable. As Graham Biggs MBE,

Chief Executive, Rural Services Network, told us, “unless you have some affordable housing breathing new life back into the village, there is only one alternative to that and that is the village will slowly die. Having lost it, you will not get it back”. It is imperative that we build more homes in our rural areas. Failure to do so will undermine the future sustainability of our rural communities.

121. Councillor House told us that one solution could lie in the hands of the Treasury: “prudential borrowing is encouraged by the Treasury for all other aspects of local infrastructure, but not for housing”, and “local authorities having full use of prudential borrowing powers to invest in housing, rather than the cap imposed by the Treasury could, broadly speaking, wipe out the problem of housing supply over the course of a Parliament of two”. We urge the Government to consider whether local authorities should be allowed to invest in housing under normal borrowing guidelines. If the Government opposes this suggestion it must set out why.

Housing as a ministerial priority

122. Defra has recognised the social and economic importance of affordable housing for rural communities and made addressing them a ministerial priority. In the Rural Statement, Defra list a number of measures the Government is taking that, while not specifically targeted at rural areas, they consider will help address the problem of lack of supply of affordable housing. Measures include delivering affordable homes through the Affordable Homes Programme, simplifying the planning system under the National Planning Policy Framework, bringing empty properties into use, and introducing neighbourhood-led planning. In addition to these, in September 2012 the Government announced a series of additional measures aimed at stimulating house building in the UK—parts of which were later enacted through the Growth and Infrastructure Act. We discuss some of these measures and their potential impact on rural communities below.

Affordable Homes Programme

123. Under the Affordable Homes Programme, the Homes and Communities Agency (HCA) is allocating £1.8 billion to deliver up to 80,000 new homes for Affordable Rent and Affordable Ownership by 2015. From 2015 some £3.3 billion will be available for the construction of a further 165,000 houses. Successful bidders under the programme are required to re-let a proportion of their existing stock at an ‘affordable rent’, set at up to 80% of local market rent, and use the additional revenue from this higher rent to supplement the grant they have received from the HCA. The majority of new homes built under the programme will also be let at Affordable Rent.

124. The Affordable Homes Programme model requires the Government to pay less grant per home than under previous schemes—£20,000 compared with £60,000 under the previous National Affordable Housing Programme—while housing providers borrow more and can charge higher rents. The National Audit Office noted that:

The new scheme represents a reduction of 60 per cent in average annual spending on affordable homes over the four years of the Programme from 2011-12 to 2014-15, when compared to the three years up to March 2011. The Programme will increase providers’ financial exposure, with the sector facing challenges in securing bank financing for capital investment and over the cost of supporting both future and existing debt.

According to the NAO, under the AHP providers have to spend some £12 billion on new homes of which the government funding is £1.8 billion. The NAO estimate providers will have to borrow around £6 billion, the remaining £4 billion comes from ‘additional sources’. Additional sources may include converting existing properties from social rent to the higher affordable rent and property sales ‘principally through shared ownership’. While this latter step will mean more

people are able to get on the property ladder it will remove housing from the pool available for social rent.

125. There are 1.8 million households on waiting lists for social housing and over 53,000 of these are currently living in temporary accommodation such as B&Bs and hostels. The picture below shows how rural areas such as the southwest are among those with the highest numbers of households in temporary accommodation.

126. The Taylor Review in 2008 found that smaller rural communities (under 3,000 people) were where the “challenges of unaffordable homes, low wages and declining services are at their greatest”. There are over 16,000 such settlements in England with a combined population of close to six million people. The Government have recognised the challenges faced by small villages and hamlets and, as Defra state in their evidence to us, these settlements account for almost 10% of the Affordable Homes Programme outside London (8,000 homes). The largest provision of homes is going to Cornwall (548 homes) which has a high number of people living in temporary accommodation. Sue Chalkley, Chief Executive, Hastoe Housing Association, told us she was concerned that the Affordable Homes Programme might not deliver the 10% of homes to rural areas that it had committed to:

a number of non-specialist rural housing associations said that they were going to develop rural but are now finding it a bit more complicated than they thought and they are substituting those schemes with urban schemes [...] there is no particular imperative to deliver the proportion of rural that was originally in the programme, we may not even achieve the 9% that was there originally.

This concern is supported by the National Audit Office who, in their report into the AHP, noted that “some 51 per cent of schemes are indicative, because they have not been identified, are not sufficiently progressed, or do not yet have planning permission [...] schemes that are planned for late delivery are more likely to be provisional and are therefore inherently more uncertain.”

127. We welcome that under the Affordable Homes Programme for the period up to 2015 some 10% of approved bids are for homes in those rural settlements identified by the Taylor Review as most in need of affordable housing. However, we are concerned the scheme does not go far enough. **The problem of lack of affordable housing in some rural areas is so acute that we do not believe that the Affordable Homes Programme up to 2015, which aims to develop 8,000 homes among 16,000 rural communities, will be sufficient in scope to make a meaningful impact, particularly in those areas with the highest numbers of households in temporary accommodation such as the southwest of England. The Government has allocated a further £3.3 billion to the Affordable Homes Programme from 2015 onwards—we expect a larger proportion of this money to be spent in rural areas than has happened in the current spending round.**

128. Furthermore, we are concerned to learn that while 10% of approved bids under the Affordable Homes Programme are for affordable homes in smaller rural settlements there is no target or imperative to ensure that this proportion is actually delivered. **We expect the Rural Communities Policy Unit to monitor the progress of the Affordable Homes Programme and work with the Homes and Communities Agency to ensure a minimum of 10% of homes built under this Programme are in those rural settlements identified in the Taylor Review as most in need. We expect to hold Defra to account should the proportion fall below the 10% threshold.**

Affordable Rent Model

129. The introduction of the Affordable Rent model has the potential to raise funding to finance

new homes but for rural areas it also raises many concerns. Under the Affordable Rent model rents are tagged at up to 80% market rent, much higher than social rents which, set by government formula, are typically around 40% market rent (although higher in some areas). Graham Biggs considered that for “rural workers working in the rural economy that 80% will take [houses] outside of affordability in a lot of cases” or, as Sue Chalkley pointed out, move “them on to partial housing benefit”. Indeed, the impact assessment on affordable rent states that over 30 years housing benefit expenditure may increase by between £454 million and £603m as a result of the scheme. The increasing unaffordability of privately rented accommodation is already reflected in an increase of half a million people claiming housing benefit over the last three years. In rural areas where market rents are low there is also the risk that the difference in rent between the social and private rented sector is too narrow to generate sufficient funding to compensate for the reduced government grant.

130. The Affordable Rent policy which increases rents on the least well off in society in order to compensate for a marked reduction in funding from central government is one which gives us concern, particularly for rural areas where the cost of living is already high. Affordable rents, tagged at up to 80% of market rent, means homes will remain unaffordable to many rural workers. The RCPU has a crucial role in monitoring the outcome of the affordable rent model in rural areas and must seek amendment to the policy if it is found to be failing to assist those in rural housing need.

Right to Buy

131. In November 2011 the Government published for consultation Laying the foundations: A housing strategy for England which outlined a number of measures to be introduced by the Government to stimulate the housing market. One of the measures, which came into force in April 2012, was an increase in the ability for social tenants to buy their own homes. The reinvigorated Right to Buy scheme offers eligible tenants discounts of £75,000 off the value of their home. Under the scheme up to two million social tenants may be able to buy their own home and there is clearly enthusiasm among them to take advantage of the scheme—the number of homes sold between April 2012 and March 2013 under Right to Buy totalled 5,942, more than double the number sold in the previous year and the highest number of sales since 2007.¹⁸⁷ The Government is anticipating 100,000 homes will be sold by 2019.

132. Under the scheme homes sold under Right to Buy should be replaced on a one-for-one basis but there is scepticism that this is achievable. The Chartered Institute for Housing raised concerns during the consultation period that under the fixed discount policy the government’s claim that it can provide one new affordable rent home for each council house sold “will be difficult to maintain”. The LGA supported this view arguing that the centralised cap of £75,000 failed to take into account local housing demand and the cost of building new homes: “the level of discount may not leave enough funds to build a replacement home, some areas in need of more affordable homes may actually be left with fewer”. In addition, one-for-one does not mean like-for-like—a three bedroom house need only be replaced by a one-bedroom flat for the conditions of the scheme to be satisfied and new houses may also be subject to the affordable rent model.

133. In its response to the 2011 consultation the English National Parks Authorities Association (now known as National Parks England) raised concerns that an increased take up in Right to Buy would significantly hinder the ability of National Park Authorities to meet the affordable housing needs of local communities:

even if the Right to Buy did not remove local occupancy restrictions, it risks removing an important element of housing stock that cannot be replaced without further new housing development is necessarily restricted in areas of high landscape value such as National Parks;

the Lake District National Park have confirmed that in total 1,000 existing affordable homes within the National Park which could be lost from the affordable housing stock if the proposed Right to Buy reforms take place.

In its response to the consultation the Government replied that it “is not minded to add National Parks to the list of exemptions of Right to Buy, which would require changes to primary legislation. However, we welcome additional evidence of any impacts that the changes to Right to Buy have on affordable housing levels in National Parks”.

134. We support giving more people the opportunity to own their own home. The Government’s Right to Buy scheme has the potential to make owning a home a reality for thousands of people. However, like our colleagues on the Communities and Local Government Committee, we are concerned that it may come at a cost to the amount of affordable housing available in some rural areas where supply is already limited. The Government’s scheme is for houses to be replaced on a one-for-one basis at a national level. This means rural areas such as National Parks, where land for new housing is in short supply or expensive, may find that they benefit little from the Government’s promise of one-for-one replacement. We have already commented on the problem of affordable housing in National Parks, though the impact of Right to Buy is by no means limited to them, further reductions in affordable housing stock are not acceptable. The RCPU must monitor the impact of Right to Buy on rural areas, particularly National Parks, and if necessary put the case for them to be exempt from this scheme.

Welfare Reform Act 2012: under-occupancy

135. From 1 April 2013, working-age social tenants in receipt of housing benefit experienced a reduction in their benefit entitlement if they lived in housing that is deemed to be too large for their needs. Enacted under the Welfare Reform Act 2012, this policy has become better known as the ‘bedroom tax’ or ‘spare room subsidy’. Under this policy affected tenants faced a reduction in their eligible rent for housing benefit purposes of 14% for one spare bedroom and 25% where there were two or more spare bedrooms. Under the terms of the policy children under ten were expected to share a bedroom regardless of gender and children of 15 or under of the same gender expected to share a bedroom.

136. Social housing tenants have traditionally enjoyed security of tenure over a long period regardless of any changes in their accommodation needs. In a bid to redistribute housing stock more fairly the Government’s Welfare Reform Act 2012 challenges tenants who ‘under-occupy’ to pay more or move. This is a problem for rural areas which tend to have a small social housing stock, comprised of more larger homes. As rural areas typically have few available social homes nearby, tenants could be asked to move greater distances away from friends, family and schools. As Councillor House, told us:

typically, a physically large rural district with a small population and a small stock has not got the flexibility to deliver. For example, there is an issue where a resident is in a three-bedroom property yet may fill a vital role in the local economy. Their loss of housing benefit, because of under-occupancy, is going to force them to move. Where they can be moved to, in reality, is an unanswered question for many of these people. I am sure you have all got casework of examples yourselves in your communities, be they rural or urban, but they are by definition more acute in rural areas, where that flexibility is much lower.

Sue Chalkley also pointed out that the under-occupancy policy may prevent councils from looking to the future:

We have a policy of, where we have a young family, allowing them a spare bedroom so that they can grow into their home, because there will be nowhere else for them to live—

those eight, perhaps, homes in that village are the only affordable homes. We will not, potentially, be able to do that in future.

Under the policy a family with two children, a girl and a boy both aged 8, will be housed in a two-bedroom house. Once one of the children reaches 10, the family would be moved to a three-bedroom house. The lack of available housing in rural areas could mean the family leaving the area and the children moving schools. RICS argue that under-occupation penalties should not apply where affected tenants are unlikely to secure another home in the 'travel to work' area. We would add 'travel to school' area to their argument. RICS note that the Right to Acquire (the ability for housing association tenants to acquire their homes) does not apply to settlements of less than 3,000 people and argue this same exclusion should apply to the rules on under-occupation.

137. We agree with the Rural Services Network that the impact of the under-occupancy policy on rural areas needs careful monitoring. Rural areas may be disproportionately affected because the nature of the housing stock means spare rooms might be more common. The under-occupancy policy also risks disadvantaging rural communities further because they lack the range and quantity of social housing required to provide the flexible response the policy demands. It is difficult to see how the under-occupancy policy, which might cause key workers to leave areas where they perform a vital role, and force children to move schools, is of benefit to rural communities. Settlements of fewer than 3,000 people, the same threshold as the Right to Acquire scheme, should be excluded from the under-occupancy policy.

Planning and development

138. There is a shortage of housing across England. Estimated demand is for 240,000 new homes every year. We are currently building less than half of that. The problem of lack of available housing in rural areas has been repeated in successive reports from the work of Elinor Goodman's Affordable Rural Housing Commission in 2006, Matthew Taylor's 2008 Living, Working Countryside and in the work of the Commission for Rural Communities, yet the situation remains acute. The Government has taken a number of steps to address the problem of lack of supply through simplifying planning rules first under the National Planning and Policy Framework and later under the Growth and Infrastructure Act.

139. In our Farming in the Uplands Report we recommended that Defra work with the Department for Communities and Local Government to ensure the new planning framework has a flexible and less restrictive approach to planning in rural areas. The National Planning Policy Framework (NPPF) was published in March 2012. The Government states that the NPPF "has simplified the overly complex planning processes and introduced a new, more flexible and positive approach to planning, making it more transparent for local rural communities to be involved in advancing developments that best suit their needs". The CPRE considered the initial draft of the NPPF to be fundamentally flawed, particularly the rural affordable housing element but "while the final policy is not perfect, improvements have been made, and the CPRE has no reason not to believe that the RCPU's influence contributed to this".

Rural Exception Sites

140. One way the NPPF supports rural housing is through the inclusion of a rural exceptions policy which allows for an element of market housing to be included on rural exception sites where this facilitates the development of affordable rural housing (known as cross-subsidy). An exception site is one that would not usually secure planning permission for housing, such as agricultural land next to but not within a local settlement area. Under the rural exception sites scheme a landowner will provide land at below market rate (commonly at enhanced agricultural value) on the basis that that land is being made available to build affordable homes for local people. We welcome the work undertaken by the RCPU to ensure that a sensitive approach to

cross-subsidy on rural exception sites was included in the final NPPF.

141. Sue Chalkley considered rural exception sites the “real key to unlocking and responding to rural communities because they feel safe with the exception site policy”:

It has been a very successful policy from the point of view of responding to individual rural communities and the families ... we have had two or three open market sales on a scheme where there has not been grant, so that we can cross- subsidise and make the scheme work. It has to be managed very sensitively, because if it goes a little bit too far then you do get the hope value and you do get landowners looking to raise more.

142. Proposals brought forward under the Growth and Infrastructure Bill would have permitted developers to renegotiate rural exception site agreements to allow a greater proportion of market housing than desired by the local community. By allowing a reduction in the number of affordable homes built on a site, this measure would have been severely detrimental to rural communities, particularly those with a limited supply of land and high house prices, such as National Parks. While we welcome the Government’s amendment to the Bill to exclude rural exception sites from this measure, the need for the amendment does suggest to us a failure of rural proofing of the original Bill. The Growth and Infrastructure Act also integrates town and village green registration mechanisms with the planning system. We welcome the measures aimed at preventing vexatious applications for a town and village green. Such applications can be demoralising for a community trying to provide affordable housing, are costly to process, and can disincentivise landowners from making land available for rural exception sites.

143. Rural exception sites are not going to provide all the affordable housing that rural areas require. John Slaughter, Director of External Affairs, Home Builders Federation, told us that the policy was never “going to deliver enough to meet the scale of need” but he questioned whether “it has delivered as much as it should do”. The Minister concurred, “I do not think we should kid ourselves that exception site housing is going to resolve the shortage of affordable housing. That will come through a renaissance of house-building, which is a cross-Government agenda”.

144. Rural exception sites are a key means of providing affordable homes in rural areas. They can unlock land for development, particularly for affordable housing for local people, and are popular within communities. It is therefore welcome that the Government exempted rural exception sites from the provisions of the Growth and Infrastructure Bill that would have jeopardised their future. That they were ever threatened does suggest to us a failure of the Bill to be effectively rural proofed.

145. The importance of rural exception sites to rural areas should be reflected in national housing policy. They are not going to solve the problem of lack of housing in rural areas on their own, but we wish to see the RCPU work with Department for Communities and Local Government and local councils to explore whether more homes might be made available under such schemes.

Neighbourhood Planning

146. The Localism Act 2011 introduced new powers that allow communities to shape new development in their local areas by preparing Neighbourhood Plans or Neighbourhood Development Orders. Under the powers, which came into effect in April 2012, communities are able to have a say where they want new homes, shops and offices to be built; have their say on what those new buildings should look like; decide which green spaces should be protected; or grant planning permission for the new buildings they want to see through a new Neighbourhood Development Order. While neighbourhood plans allow local people to get the type of development that is right for their community, the plans must still have regard to national policies and take into account the local council’s assessment of housing and other development

needs in the area. To prevent them becoming a ‘Nimby’s charter’ they will only be able to specify a greater or equal number of homes to those proposed in the local development plan for the area. The Government hopes that by getting communities involved in the early stage of the planning process and by giving them the opportunity to shape new development, that development is more likely to be approved.

147. Putting together a neighbourhood plan is not cheap. The DCLG estimates that the average cost of drawing up a neighbourhood plan is between £17,000 and £63,000. To support this process the Government is making available grants of up to £7,000 to communities to help them draw up their plans. Neighbourhood planning will usually be led by the local parish or town council. The local planning authority must also provide support—for example, it will organise the independent examination of the neighbourhood development plan to check the plan meets certain minimum conditions. In the vast majority of cases, it will also be the local planning authority which will pay for and run the neighbourhood planning referendum.

148. Neighbourhood planning has the potential to deliver development that communities want. As Graham Biggs told us:

many of you in your constituencies will have had the experience of pretty much everybody in a village supporting the concept of affordable housing and then being opposed to it when a site is identified. I think neighbourhood planning has the opportunity of having that negotiation with the community much, much earlier in the process and an understanding that will lead to better outcomes. Certainly we have done surveys of our members and there is a lot of hope out there for the new system.

It will be a big step forward if neighbourhood planning enables communities to have a say over the appearance and quality of development in their area. The Minister for Rural Affairs gave us an example of how, in the past, communities could put together a design plan “saying, ‘If we are going to have more houses, we want them to look like this. We want them to be in keeping with the character of the village and have these kinds of features.’ After a few challenges from a few developers, their status as supplementary planning guidance was removed.” A system that encourages a more constructive dialogue at local level and gives communities a say over the type, design and build quality of new housing, as opposed to one that forces on them the ‘ugly estates’ described by the housing minister, will increase the likelihood of communities approving development. This is an objective worth pursuing.

149. It is too soon to say whether neighbourhood planning is going to be successful in delivering more and better housing—only three plans have so far been approved by their communities—but what is clear is that ongoing support to communities is crucial if the mood of optimism amongst communities identified by the Rural Services Network is to be capitalised on. Many communities lack the capacity, expertise and finance to deliver neighbourhood plans and the range of other community-led initiatives the Government is promoting such as the Community Rights to Bid, to Build and to Challenge. It would be unfortunate if the Government’s devolution of responsibility to local communities led to the unintended consequence of increasing inequality within the countryside as those areas with the capacity and expertise transform their villages while others who lack the ability to act get left behind.

150. Defra told us that a rural support network already exists: “the Rural Community Action Network, the network of 38 rural community councils, and ACRE, which is its managing body, has a great deal of expertise on neighbourhood planning”. In their evidence to us ACRE were less positive and considered that support for delivery of neighbourhood planning appeared to be too locked into concerns about process and regulations and the relationship with the NPPF.

The potential positive outcomes for the health and economic well-being that communities could achieve through debating the best way of securing a sustainable future are being sidelined in favour of testing and refining the process of getting neighbourhood plans adopted. We believe there is a role of Defra in ensuring that the DCLG's agenda on neighbourhood planning is monitored in terms of quality of outcomes that contribute to RCPU's wider agenda, not just in the number of plans produced.

151. Neighbourhood planning may not always be the most appropriate tool for communities to use. ACRE suggests the wider local planning context should be the main factor in deciding whether a community should embark on a neighbourhood plan. They consider that tapping into consultation and development of the local plan might be a more effective approach for some communities, particularly where the community and the local planning authority are in agreement. Such an approach would avoid the cost of a neighbourhood plan and is less onerous. A neighbourhood plan may also be ineffective in limiting housing in areas where there is a history of under supply. In addition, ACRE contend that:

although DCLG acknowledges that the new Localism measures are simply additional tools in a large toolbox, it is investing heavily to provide financial incentives for both local authorities and communities to make Neighbourhood Planning the preferred option. We think this will lead to many negative experiences of the process which could have been avoided if impartial advice had been on offer to help communities make the right choice.

152. One such negative experience might be caused by a vote against the neighbourhood plan at a referendum. Where the local plan is allocating significant housing to an area, it may be unlikely for a community to vote in favour of it through a neighbourhood plan no matter how much consultation has been done. The negative vote could have a demoralising effect on the community and quarantine it from active participation in the future. Conversely, despite the Government's attempts to prevent Nimbyism, a community may agree a neighbourhood plan that rejects the proposed provision of affordable housing in their area. Planning magazine's 'What issues might arise in 2013?', identified an increase in tension between neighbourhood plans and local plans as one of the potential issues for the future:

Raising local residents expectations as to the power that neighbourhood planning would give them to control development in their area was always likely to result in conflict. Residents believe that neighbourhood plans should give them control over what gets built in their local area. Local planning authorities have a different agenda: promoting growth, delivering on housing targets and balancing the views of residents against law and policy. This tension is likely to the courts getting involved.

153. Neighbourhood planning has the potential to transform rural communities. It offers communities the chance to have a greater say in what development they want, what it should look like and where it should be built. Furthermore, communities are more likely to accept new housing if they consider it adds value to their area rather than detract from it.

Ongoing support for communities developing neighbourhood plans, particularly those that lack the capacity, expertise and finance to undertake this work, is crucial if the process is going to deliver the benefits communities have been led to expect. Through its rural networks Defra has a role to ensure that this vital support is available. Defra must also set out how it intends to monitor the neighbourhood planning process to ensure it does not have the unintended consequence of increasing inequality both within and between rural communities.

154. Despite its benefits, neighbourhood planning will not always be the most effective option for communities to choose to achieve the desired result. Where the community and the local

planning authority are in agreement, there are better approaches which avoid the cost of neighbourhood planning and are less onerous. Defra must ensure that communities receive unbiased advice and only choose the neighbourhood planning option where it is in their interest to do so.

Second homes

155. Second homes add to the shortage of available housing and have helped push prices up in many rural areas, putting homes out of reach for local people. They can present challenges to local authorities in terms of needing to provide the infrastructure to support those homes despite their owners often making little contribution to either the local economy or community and therefore not sustaining that infrastructure. Graham Biggs told us that while many second home owners “may eventually come to live there on a permanent basis and add an awful lot to the local community”, second homeownership “does add demonstrably to the housing crisis” in rural areas.

156. At the time of the 2011 census over 165,000 people declared they had second homes in another local authority that they used for tourism. The impact of second homes differs across the country. There is high demand for second homes in most National Parks where securing homes for local people employed in lower paid jobs is a problem, one that is particularly acute in the Lake District and Yorkshire Dales. However, in some rural areas that depend on tourism the buying power of people with second homes is vital to support local businesses. In general, there are relatively few second homes in England but it is where they are concentrated that they can cause a problem for the local community. Sue Chalkley suggested a link between second home ownership by district council and the volume of town and village green applications:

I find it ironic that often when we are developing schemes and we are responding to the parish council that has come to us and asked for help, it is very often the people who have second homes in the village who then start objecting ... I would suggest in a number of cases they are vexatious and they run in parallel. I do wonder whether their first priority is the value of their home or the ongoing viability of the community.

157. In their policy paper on affordable housing ENPAA point to the distinction between holiday lets and second homes:

There is an important distinction to be drawn between holiday homes and second homes. The former, if utilised well provide for local employment and increasing numbers of people enjoying the National Park. While the same can be true of second homes, more often they are left empty for long periods of the year..

This makes little contribution to local economies, adds to a shortage of available housing (particularly of smaller units on the market) and raises house prices. The experiences of second home ownership differ across the country with some seeing newcomers as innovators and bringing funds to rural communities, while elsewhere they contribute to ghost villages and bring little funds in. The level of occupancy; the spending behaviour and commitment of those who have second homes all seem important factors in a complex area.

Cornwall has the largest number of second homes for tourism purposes (10,169), followed by Gwynedd (7,784), North Norfolk (4,842) and South Lakeland (4,684). Until last year second homes were afforded a 10% discount on council tax. The Local Government Bill 2012-13 put forward measures to allow councils to charge the full amount of council tax on second homes. The Bill received Royal Assent on 31 October 2012 and many councils are now scrapping the discount.

158. Both Matthew Taylor's report and Elinor Goodman's before that suggested using planning use categories to address the problem of second homes in rural communities. Graham Biggs and Neil Sinden agreed that this option is worth exploring though, as Mr Sinden pointed out, using Use Class Orders "is not without its problems and it does need to be very carefully explored, but certainly it is something that is worth looking at". Mr Slaughter cautioned against making the use class system any more complex and considered there to be potentially other ways of dealing with the issue:

There are tools available through the NPPF and neighbourhood planning. There are other initiatives out there. There is the Community Right to Build; there is the growing interest in custom build. All these are models that could help meet the needs of areas such as your own.

One further tool might be granting local authorities powers to introduce a tax on second homes as ENPAA have suggested.

159. High concentrations of second homes can have a negative impact on rural communities. They add to the shortage of housing, push up prices and their owners often add little to the local economy and community. People should not be prevented from buying second homes but we believe there is merit in the RCPU exploring options that may make the process either less attractive for the second home owner or more beneficial for the rural community or both. To reflect local circumstances implementing such options must be at the discretion of the local authority.

New Homes Bonus

160. The New Homes Bonus is a grant paid by central government to local councils for increasing the number of homes and their use. It is paid each year for six years and is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. The aim of the bonus is to incentivise local authorities to increase housing supply. We received evidence that the New Homes Bonus particularly disadvantages rural areas.

161. The New Homes Bonus is funded in large part by a deduction in Formula Grant. In their New Homes Bonus report, the National Audit Office described how local authorities that earn only low levels of Bonus will not make up their share of the sum deducted from the Formula Grant. Cumbria Council told us that because rural areas "have much less scope for housing development they are likely to receive back only a fraction of what they contribute. The cumulative effect is likely to further redirect significant funding away from rural areas." Urban areas already receive 50% more in local government funding than rural areas. We have made it clear that we wish the Government to reduce this gap but the New Homes Bonus has the potential to widen it further. The RCPU should monitor the impact of the New Homes Bonus on rural areas and seek urgent amendment if it is found to be putting rural areas at a disadvantage.

Help to Buy

162. It is becoming increasingly difficult for first-time buyers to enter the property market. A study by Shelter found that it now takes couples with children more than a decade to save enough money for a deposit on a home; for a single-person household it is even longer. Increased demand for housing coupled with a lack of construction has fuelled an increase in house prices over the last 20 years to the point where home ownership is out of reach for many people. The constraint on mortgage availability as a result of the banking crisis has exacerbated this situation. According to the Homebuilders Federation "Mortgage availability [...] is the biggest current constraint on supply. If people can't buy builders can't build." One might expect house prices to fall if people cannot buy but the general trend has shown this not to be the case. It is

interesting to note that despite a record low in the number of new homes being constructed and people not being able to buy, profits of the major housebuilders increased markedly in 2011-12.

163. We have already discussed what the Government is doing to try and increase supply. The Government is also intervening in the market on the demand side. Through its Help to Buy scheme the Government is aiming to help people wishing to purchase houses but cannot do so without extra support. Assuming uptake from lenders, the Help to Buy scheme will offer some help to those wishing to purchase a home. However, it may also cause house prices to rise further. Unaffordability of housing is an acute problem in rural areas and we question the merit of a scheme that has the potential to make the situation worse. The Government's focus must be on measures to increase supply.

Changing demographics

164. Selective migration is transforming our rural areas. While some sparsely populated rural areas still suffer from outward migration, particularly of young people, the general trend is one of migration from urban to rural areas. This is increasing competition for an already limited supply of housing. Typically the migration is characterised by young people (16-29) moving away from rural areas alongside older people moving in—over the next 20 years the median age in rural England is set to rise towards 50. This is demonstrated in figures provided by the National Housing Federation for rural Yorkshire and Humberside as part of its Yes to Homes campaign:

- the number of 30–44 year olds in rural Yorkshire and Humberside communities has dropped 10.3% in the last decade—more than double the 4% drop in urban areas;
- the number of people in their 20s has risen, but only around two thirds as fast as in urban areas;
- there are 2.5% fewer children under 10 in rural Yorkshire and Humberside, even though there are more children under 10 in England overall;
- the number of over 65s in rural Yorkshire and Humberside areas has risen more than three times faster than urban areas in the last ten years; and
- the number of over 85s has risen one third faster in rural areas over the past decade.

This pattern of demographic change is repeated across rural England and has the potential to alter the character of rural communities. An ageing community will ultimately see its school close and other services such as shops and pubs may follow. An ageing population also requires increased social care as well as other services to support the vulnerable. Where key workers cannot afford to live in the area the local council will find it difficult to provide these services.

165. Providing the right kind of housing is key to retaining and attracting young people to live in rural areas. Research commissioned by the Royal Institute of Chartered Surveyors examining the role different types of housing have on the difference in house prices between rural and urban areas concluded that “increasing the supply of smaller, starter homes in villages (as well as ‘entry level’ affordable homes in villages)” should make rural housing more affordable. But it is not just a lack of affordable homes for young people that can be a problem within rural communities. An ageing rural population brings with it its own particular housing needs. Sonia Mangan, told us that,

[if older people] want to go on living in their community that they have lived in maybe for the last 15, 20 years or even all of their lives, then certainly it is a challenge if they want

to downsize ... in terms of needs based accommodation for adults, if you are going to move away from residential care then you need some kind of supported accommodation ... there needs to be more, but it needs to be in the right places.

Councillor Begy concurred:

I think the big issue we are going to face is that we have not been building one-bedroom houses or one-bedroom flats. If you talk to a registered social landlord, they say it is almost the same cost for doing a two-bedroom rather than a one-bedroom. I think one of the big issues that we councils are going to face over the next two or three years is people are going to say, "I want to come down from three bedrooms to two bedrooms," and whether we have enough of those; and certainly we will not have enough one-bedroom.

166. Selective migration is also transforming the social composition of some rural areas fundamentally. Professor Mark Shucksmith told us how this is "leading to a socially exclusive countryside where those of middle or lower incomes are unable to afford to live". He considered there to be a growing inequality between people and places in rural areas. Some rural areas, particularly those most accessible from cities, have seen incomes rise, but against this background, as the CRC's State of the Countryside reports demonstrate, around 20% of English rural households are in or at the margins of poverty.

167. We desperately need more housing in rural England and it is crucial that any policy that aims to address this problem takes account of local need. Many rural areas lack smaller properties that can serve both as an entry-level option for young people wishing to enter the housing market and as a retirement option for older people wishing to downsize. The shortage of smaller homes in rural areas must be addressed if attempts at increasing the supply of housing are to be successful in sustaining our rural communities. Failure to provide more of the right housing, at the right price and in the right place will exacerbate the existing problems of unaffordability and inequality that persist in some parts of rural England.

The Self Build Portal – Gateway to self & custom build homes <http://www.selfbuildportal.org.uk/custombuild>

What is Custom Build?

Until recently the process of building your own home was almost universally referred to as 'self build' and this had become well-recognised by both consumers and the development sector. In 2011, the Government's Housing Strategy for England introduced the term 'custom build housing'. Since then there has been some debate about what the term 'custom build' means, and after a lot of discussion, the definition is now beginning to settle down.

On *The Self Build Portal* we define self build as projects where someone directly organises the design and construction of their new home. This covers quite a wide range of projects. The most obvious example is a traditional 'DIY self build' home, where the self builder selects the design they want and then does much of the actual construction work themselves. But self build also includes projects where the self builder arranges for an architect/contractor to build their home for them; and those

projects that are delivered by kit home companies (where the self builder still has to find the plot, arrange for the slab to be installed and then has to organise the kit home company to build the property for them). Many community-led projects are defined as self builds too – as the members of the community often do all the organising and often quite a bit of the construction work. Some people have summarised self build homes as those where people roll their sleeves up and get their hands dirty by organising or doing the physical work themselves.

Custom build homes tend to be those where you work with a specialist developer to help deliver your own home. This is usually less stressful as you'll have an 'expert' riding shotgun for you. A new breed of custom build developer has emerged over the last two years, and these organisations take on most of the gritty issues for you – everything from securing or providing a site in the first place, through to managing the construction work and even arranging the finance for you. This is more of a 'hands off' approach. It also de-risks the process for the person who is seeking to get a home built. Some people are concerned that by going to a custom build developer you'll get less of a say in the design and layout of the home you want. But this shouldn't be the case; a good custom build developer will be able to tailor it to perfectly match your requirements.

One or two custom build developers also provide a menu of custom build options – for example, they may offer to just sell you a serviced building plot (that you then take over and organise everything on); or they might offer to build your home to a watertight stage (so that you can then finish it off and fit it out to your requirements).

At present (mid 2013) there are about a dozen specialist custom build developers active in the UK. They range from large nationwide companies that are planning to help hundreds of people to get the custom build homes they want every year, through to smaller local firms delivering just a handful of properties each year. The pop-up map shown below identifies many of the current projects (the red 'houses' are the ones being progressed by Custom Build developers). If you look at the images around the map you will also see a selection of the homes or developments that some of them have in the pipeline.

The Self Build Portal identifies two main types of custom build project:

- [Developer built one-off home](#) - those that aim to help individuals get their custom built homes; and
- [Developer led group project](#) - those that focus on helping groups of people.

Developer led group project

Benefits

- It is simple and relatively risk free.
- You can have a say in the design – perhaps choosing a design from a selection in a book of plans.
- It is usually cheaper than buying a home off the shelf or from a conventional housebuilder.

- You can sometimes arrange with the developer for you to finish the work off – so the developer constructs a watertight shell and you then tackle the rest.
- This can result in savings of 10-20 per cent.

Challenges

Currently there are very few developers offering this option – so there are only a handful of projects or opportunities currently underway in the UK.

It tends to be more expensive as the developer will want to recover all his costs and make a fair profit.

WHAT YOU USUALLY HAVE TO DO TO JOIN A PROJECT LIKE THIS

Check online or in your local press to see if there are any schemes like this happening in your area.

If you want to try to get one underway call a meeting of like minded souls and then approach a few sympathetic local builders or developers to see if they'd be prepared to take you on and work with you to deliver your project

NEXT STEPS...

At present we are not aware of many developers currently with UK projects underway.

You might want to approach developers, contractors or housebuilders that work in your area to see if they are interested in providing any self build opportunities for a group of people on one of their existing or new sites. Visit the House Builders Federation website for a list of housebuilders in your area.

You can read more about some successful and innovative community self build projects in Europe here:

- ['Self-build: it's time to go Dutch'](#) [*The Guardian, 25 November 2011*]
- [Vauban, Freiburg](#) [*Wikipedia*]

Take a look at the [Community Build website](#). Use the 'Community build' platform to create your own group in your area. You can promote your new group and attract others to join you, share information and find land. This platform is newly created and will grow as people join it. You may find that there is already a group in your area.

If you are hoping to build as part of a group self build scheme you may be eligible for a loan under the Government's [Custom Build Investment Fund](#). To be eligible there has to be at least five homes being built together - more information is available in the [full prospectus](#). Note that a slightly different fund approach is being proposed from the Greater London Authority.

Groups of self builders may also be eligible for grant help towards professional fees via [Locality](#).

Some of the bigger lending institutions may also be worth approaching, though in the current economic climate; it's very difficult to get finance for group self build schemes.

There are many other [sources of useful information](#) – such as exhibitions and the various self build magazines.

Case studies:

Almere Holland <http://www.selfbuildportal.org.uk/homeruskwartier-district-almere>

Developer built one-off home

Benefits

It's generally quick, simple and easy to do as they take care of everything
You can sometimes arrange with the developer for you to finish off the work yourself - this can result in savings of 10-20%.

Challenges

There are currently only about a dozen self build developers offering this option around the UK

It tends to be a more expensive solution as the developer will want to recover all his costs and make a fair profit.

WHAT YOU USUALLY HAVE TO DO

- Find a developer with a site and some house designs that you like.
- Agree on any changes you may want to the design.

NEXT STEPS...

There is a growing number of developers offering one stop solutions, and may be listed in our [Suppliers Directory](#)

One of the best things you can do is read up on the whole process. The best book is *'The House Builders Bible'* – which is readily available on Amazon and in good book shops. *'Building Your Own Home'* is also a very good guide.

You could also go on one of [many courses aimed at self builders](#).

There are many other [sources of useful information](#) – such as exhibitions and the various self build magazines.

Briefing prepared by:

Dominic Knorpel (Dorset Partnership for Older People Programme) on behalf of Bridport Local Area Partnership

10th June 2015 (expanded & updated 16/07/15)