

Affordable Rural Housing: A practical guide for parish councils

From the Rural Housing Alliance

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*Building a future for
your rural community*

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The absence of sufficient affordable homes in our rural communities is not a new problem - in fact it is a problem that has got worse in recent years. High property values, increased aspirations to live in the countryside and limited development of new homes have all had an impact, resulting in many local households now being unable to afford to remain within the rural community where they have grown up and have support networks.

Small scale affordable rural housing developments help to rebalance communities, keeping families together whilst providing a boost for local services. Parish and town councils are a driving force for change and a key partner in delivering affordable homes for local people. Please take time to read this practical guide and think about what can be achieved in your own community.

HRH The Princess Royal
Patron English Rural Housing Association



Foreword

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 which, 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. This practical guide offers some useful advice and guidance to inform decisions that can ultimately secure a small development of affordable homes for local people in your own community.

This guide, revised and republished due to popular demand, is produced by the Rural Housing

Alliance and Rural Services Network partnership. 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.

As Chairman of the Rural Housing Alliance I hope you find this guide a useful resource as you pursue your own affordable rural housing project.

Peter Moore
Chair, Rural Housing Alliance
Chief Executive, Cornwall Rural Housing Association



The basics

Why be involved?

The most successful affordable rural housing developments are initiated and supported by active and committed parish and town councils. As you are often the first to hear the concerns of local people, you can offer an insight into the housing needs of the local community and take the first steps to tackle the housing problem.

Whilst this publication will refer to parish councils throughout, we recognise this includes town councils who often represent rural communities.

This guide will give you an overview of each stage of the development process as well as answering initial questions showing you how to get involved and what roles and responsibilities the other partners will take.

You might also want to seek advice from other parish councils who have already developed affordable housing. You might wish to visit completed schemes to see what can be achieved as well as hear about the challenges and how they

can be overcome. Crucially, community consultation is at the heart of any affordable housing project and this is where you, the parish council, can act as the catalyst for action and future success.

What is affordable housing?

There is no blanket definition but the aim of affordable housing is to provide homes for people on modest incomes, who can't afford to buy or rent a home on the open market. The term includes rented and affordable home ownership.

New affordable homes help sustain communities by offering local families, couples and single people the chance to stay living in the place where they have strong connections.

What do you mean by local?

'Local' generally means a person who is:

- Currently resident in the parish
- Was previously resident in the parish

- Is permanently employed in the parish
- Is connected by close family still living in the parish.

You can read more about how the homes would be allocated on page 21.

How long will it all take?

It will always depend on the individual scheme and how long each part of the process takes. As a general rule of thumb, it can take over two years from the first discussions of a project to residents moving into their new homes. A good deal of patience and determination are required but the benefits of new affordable homes will support your village community for years to come.

JARGON BUSTER »

Affordable home ownership – people who cannot afford to buy on the open market purchase a share in a home, usually paying an affordable rent on the remainder and live in it as their own.



The partners

Who does what?

Partnership working and what it means

Providing affordable housing in rural locations often starts with the parish council but requires involvement of local, regional and national partners, each of whom has an established role and responsibility in the development process. Successful partnership working means being clear about how each partner will contribute to the project and acknowledging their unique or specialist role.

Here are some brief introductions to the key partners with a description of their primary role:

Parish council

You will provide specialist local knowledge and ensure community consultation is at the heart of the process, helping to facilitate communication and deal with local concerns. Not only do parish councils initiate projects, they help measure local housing needs, identify sites, comment on the design and layout and can offer valuable support as a statutory

consultee on any planning application.

Rural housing enabler (RHE) or enabling officer

A rural housing enabler will work independently with local communities, parish councils, local authorities and housing associations, where funding is available for their post. A big part of their role is to liaise with the partners in the process, helping to assess housing needs and potentially suitable sites for development. This role is generally supported by a development officer from a housing association or may be carried out in full by the association or local authority where there isn't an RHE in place.

In this publication, the use of the term enabler refers to either an RHE or an officer from a housing association or local authority with a similar role.

Local authority

Some areas are served by two local authorities – a district or borough Council plus a county council, whilst

others just have one – a unitary authority.

District / borough councils and unitary authorities have an enabling role for housing and are responsible for making sure that housing needs in their rural areas are met. Many of them will have policies that recognise the need for, and support initiatives to provide, affordable rural housing. The local authority is also usually the planning authority.

The housing department will ensure a project fits in with the overall housing strategy for the area and support the project by, for example, providing data on the local demand for housing. It will also help make sure that the homes are allocated to the people most in need and who meet the local criteria.

The department will also advise and influence the Homes and Communities Agency (see page 8) on its local funding priorities, and the authority itself has the power to release funding, if available, to support specific projects.

The planning department will give guidance on planning proposals before an application is made as well as process the application once it has been formally submitted. The planning department advises on the selection of a potential site, working with the enabler, housing association and parish council to consider which ones are most acceptable in planning terms.

Once the application is made, the planning department will then make a recommendation to a planning committee, made up of local councillors. This committee makes the decision about whether to grant or refuse planning permission.

County council or unitary authority

In areas with both a district/borough council and a county council, the latter is primarily involved in new housing through the highways department, where it will make sure that any road access to a development meets all health and safety requirements.

In recent years, county councils have been able to make funding contributions to new rural developments and the parish council often has a role in encouraging the release of land for a project. Some local authorities will contribute the New Homes Bonus that they will receive to help fund homes, on the basis that if the homes are not funded they would not be built and the local authority would not receive this payment.

A unitary authority will carry out all the roles of both the district/borough and county councils.



Landowner

A crucial contributor to any project, the landowner could be a local individual or family, a farmer, the parish, district or county council, a utility company or large estate. To date, land for rural housing has come from a wide variety of sources.

Housing association

Most housing associations are not-for-profit organisations, including charities, friendly societies, and community benefit societies, dedicated to providing affordable homes to people in need. If a housing association is in receipt of public subsidy, which the vast majority are, then legislation requires them to be registered with a Government body, currently the Homes and Communities Agency (HCA), so that service standards and the use of public money for housing can be monitored.

You may also hear the term “Registered Provider” which is another name for a housing association and all other organisations with an affordable housing remit. For example, companies set up by local authorities to help manage housing.

Housing associations are not only able to bid for public funds to help pay for new affordable homes but are committed to managing the homes to a high standard and providing a high quality service to all its residents, particularly through community investment (see page 32). Regulatory requirements are in place to ensure that all associations perform to a set of national standards including customer service and empowerment, financial viability and value for money.

Some housing associations specialise in rural housing development and have experience of providing new affordable homes in consultation with local communities.

Homes and Communities Agency (HCA)

This is a Government body which provides public funding to housing associations and also regulates the service standards within the housing sector, including the quality of services delivered to residents. The HCA also regulates rent levels, monitors the financial viability of housing associations and ensures value for money.

Rural housing is a strategic priority for the HCA. The money available for new housing is allocated to the HCA from the Government as part of its Affordable Housing Programmes. Over recent years the level of investment has fallen and a greater emphasis has been placed on housing associations to maximise alternative uses of funding, such as private loans, internal subsidies from reserves or exploring options such as cross subsidy, where homes for market sale are also included in the development and surpluses used to help fund the affordable ones. The result of this funding squeeze is an increased emphasis on project viability; with housing associations wanting to be sure that a development represents good value for money.

Other parties and consultees

There are a number of statutory consultees for any planning application and the housing association will work with relevant bodies to identify any issues or challenges early on in the development process. For example, the Environment Agency is charged with helping to protect the environment, manage water resources and protect communities from flooding risks, so the housing association will liaise directly with them.

Construction partners such as the architect and builder will also be involved, usually appointed by the housing association based on experience.

You will be informed when these discussions and decisions are taking place. A private developer may also be involved should a “quota site” be progressed. There is more about this on page 13.



YOUR FIRST STEP »

You will need to contact your local authority housing department to find out who your enabler is and how to contact them.

You can also request a list of housing associations working in your area. Sometimes this information can be found on the local authority website. The parish council may wish to consider the rural credentials of these housing associations before deciding who to contact.

JARGON BUSTER »

New Homes Bonus – The New Homes Bonus is paid to local authorities each year for six years. It 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. There is also an extra payment for providing affordable homes.





The process

Where do we start?

Find out about local housing needs

Any affordable rural housing development should be tailored to its community and environment. It should reflect the needs and aspirations of the people living in your community. The whole process is evidence based and evidence led.

Before any potential site is considered, it is essential to determine how many people are in need of affordable housing, what type of housing will help them and what they are able to afford. This information, used throughout the development process, will show that new homes are being provided in the place where they are needed most.

How do you find out about housing need?

Some of the information about local housing needs can be gathered via a survey. This would be done by the enabler and they

are likely to ask for your help in advertising or distributing the survey to local households and providing local information for the report, to ensure it has a local context.

In some cases, the local authority may have already conducted local surveys as part of its district wide assessment of current and future needs and an additional local survey may not be needed.

Who decides whether to go on with a project?

The enabler will analyse the data and make a recommendation on whether there is enough evidence of local housing need to proceed. You will then be involved in identifying suitable pieces of land where any new homes might be built.

Local people will have the opportunity to register their name and address from the start of a project if they are interested in hearing more about applying for an affordable home.



This list, managed by the enabler, will be kept up to date and new households can be added at any time. It ensures that the project will reflect the up to date needs of the community.

Local people interested in applying for the homes must also register with the local authority if they haven't already done so. The importance of this is explained on page 21.

More often than not, as a project progresses, interest will grow and a greater need will be revealed than was uncovered by the initial research.

JARGON BUSTER »

Enabler – offers key liaison between the project partners, working closely with you at a local level. It could be a rural housing enabler or an officer from the housing association or local authority.

Housing needs survey – a local evidence gathering process to establish how many people are in need of affordable housing and whether a project should progress to the next stage.

HOW YOU CAN BE INVOLVED »

- **Ensure you all have a broad understanding of the issues – you will have a local leadership role.**
- **Make affordable housing an agenda point at the next council meeting, to discuss the survey or invite the enabler to do a Q&A session.**
- **Your role could include advertising, distributing and/or providing information for the survey.**
- **If a project progresses, you will be local spokespeople helping to keep consultation with the wider community open, through events as well as dealing with ongoing questions, comments or concerns.**

Delivery Methods

Rural Exception Sites

“There is absolutely no land here even if we wanted to build affordable housing.”

Just one comment often heard at the start of a housing project that is far from true! There is almost always land for small developments in and around rural villages and towns. These pieces of land are not likely to have been allocated for development by the local authority but this doesn't mean it's a dead end.

Pieces of land known as rural exception sites have been successfully developed in conservation areas, National Parks and in those considered an Area of Outstanding Natural Beauty (AONB), on greenfield sites and land in the Green Belt as well as land owned by large estates like the National Trust, the Church of England and the Crown Estate.

More often than not, a local farmer or family agree to make some land available for development, because

they care about their local community and want to help to address the need for affordable homes for local people. These sites can only be considered under a well established planning policy called the rural exception site policy.

What is the rural exception site policy?

It is an exception to normal planning policy. Planning permission is only granted on sites where it has been demonstrated that housing is needed and the homes provided will be affordable and reserved for local people as a priority in perpetuity i.e. now and in the future. Small numbers of market sale homes may also be allowed at the local authority's discretion.

Land value on restricted sites like this does not compare to commercial sites where open market homes can be built. The value is lower and acquiring land at a more affordable rate helps housing associations deliver an affordable scheme to local people.

You will be able to find reference to the exception site policy in your local authority's local plan under “local needs policies”. If your local authority doesn't have a rural exceptions policy in its local plan, ask them why and lobby for them to introduce it. Most rural local authorities do have this policy in place. The National Planning Policy Framework (NPPF) also makes reference to exception sites and is used by local authorities in determining planning applications. This also introduced Neighbourhood Plans, showing local priorities.



How are the planning conditions enforced?

They are enforced through a legal agreement under Section 106 (S106) of the Town and Country Planning Act 1990. A S106 agreement is signed by the housing association and the local authority and ensures that the homes are kept affordable for local people in the community. It also defines what the specific local connection criteria are. This type of S106 is not to be confused with another delivery method mentioned later, where it is used to refer to a method of securing planning gain on open market developments.

So, can the houses be built near the village centre?

Yes, although it is unlikely that rural exception sites will be found in or around the village centre. Any small sites for development here, especially brownfield sites, are likely to have been earmarked for open market development by the local authority. This makes the land too expensive given its development potential and is not likely to be a financially viable choice for a new affordable rural scheme. Rural exception sites tend to be found on the edge of the village where the

homes would feel like a natural extension of the community.

How do you go about finding a suitable site?

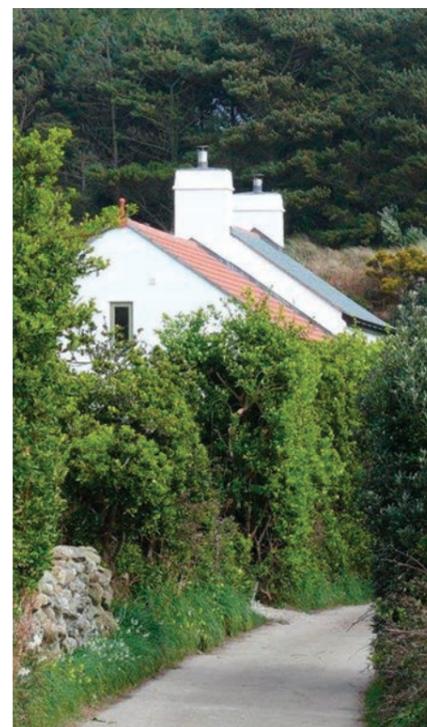
It is useful to include a question in any housing needs survey asking local people to suggest places they think new housing should go. Whether you have this information or not, it is normal practice to 'walk' the village with the enabler, local authority planners and/or housing association to start to identify possible development sites and discuss any immediate problems or benefits. As the parish council, you can often provide local information about who owns the different pieces of land and the way they might like to be approached about the proposal.

The next step would be for the enabler and/or housing association to talk to the planning department about the potential sites and get some informal advice on the sites that are most suitable in planning terms.

Who talks to the landowner?

This will always depend on which site is preferred and who the landowner is. If it is a local

landowner, well known to the parish council, it may be appropriate for you to have a more informal conversation before the enabler organises a meeting. If it is another landowner or large estate, the experience of the enabler and/or housing association may make them better placed to put forward the proposal. The formal discussions will happen between the association and the landowner with whom the contract is signed.



Cross Subsidy

What is cross-subsidy and how does it work?

Increasingly, affordable housing providers are looking for innovative ways to fund homes and one of the favoured routes to emerge from national planning reform is cross-subsidy. In essence this means developing both market and affordable homes at the same time, using development surpluses generated from the market homes to subsidise affordable ones to ensure that prices can be maintained to an affordable level.

What are the benefits of this model?

If a cross-subsidy model can be developed there is the opportunity to also provide some market homes that can also meet local demand from households within the community who would not be considered for affordable housing. For example, elderly households who want to sell their home and downsize or young families who cannot find a smaller starter home for sale in the village.

There are also some risks associated with this type of development, which is reliant on market values and development costs being at sufficient levels. There is also a greater risk attached to developing market homes and not all affordable housing providers will be willing or able to use this model. Others will prefer to work with a third party like a private developer to handle the market element.

S.106/Quota Sites

Your local authority will have carried out an exercise to identify pieces of land suitable for future

development, i.e. open market development.

If open market houses are to be built in your area, it is likely that some affordable homes will be required as part of the development, known as a "quota site". Local authorities have guidelines in place to dictate that schemes of a certain size need to include a proportion of affordable housing. The number of homes that triggers this "quota" varies from area to area, so you should check what the local policy is with your local authority.

Can quota sites give local people priority?

In some cases a legal agreement can be drawn up to make sure that the affordable housing on the site is reserved for local people first. This will depend on negotiations between the developer and the local authority and what can be agreed. If the parish council wants to ensure that the affordable homes on this site are reserved for

local people it is important that you work with the local authority, perhaps involving your local ward member to help influence and lobby for such an agreement.

Community Land Trusts

What is a Community Land Trust?

A growing number of communities are forming Community Land Trusts (CLT), which are non-profit, community-based organisations run by volunteers that develop housing, community facilities or other assets that meet the needs of the community. These are owned and controlled by the community and are made available at permanently affordable levels.

There are a number of benefits to setting up and running a CLT. Usually, the stimulus is a desire to create affordable homes that are available to local people who



cannot afford open market housing. However, often local people might take on another challenge facing their community, such as setting up a community shop, or purchasing the local pub when it is about to close.

CLTs usually retain an equity share in each property, providing housing that is permanently affordable, benefitting future generations of residents. CLTs are also providing opportunities for self-builders, mutual homes ownership and co-housing schemes.

What influence does the local community have?

CLTs are locally driven, controlled and democratically accountable. They have a membership that is open to all who live or work in the defined community, including occupiers of the properties that the CLT owns. The members elect a voluntary board to run the CLT on their behalf on a day to day basis. Usually, the board comprises a balanced mix of local residents.

Can they access funding?

A number of successful CLT schemes have been developed across the country, with many more now on site.

To help start projects CLTs can access funding from the HCA, local authorities and some charitable organisations. To build out schemes some CLTs get grant directly from the HCA or through a partner housing association.

Some of the most successful CLTs have benefited from partnering with a not-for-profit housing association to develop and manage their homes, which helps manage this particularly risky and complex process. The legal arrangements between the parties can be varied according to local circumstances,

but the CLT will always remain the lead partner.

Where can I find out more?

More information and support is available from The National CLT Network, which provides guidance,

best practice, toolkits, training and learning opportunities at regional and national events. There are also a number of regional umbrella groups who can provide regional support and advice. They also hold a list of housing associations interested in working with CLTs.



JARGON BUSTER »

Rural exception site – a piece of land that will only receive planning permission for affordable local needs housing. It is an “exception” to the development sites detailed in the local plan.

Quota site – an open market development where a proportion of affordable housing must be provided if the total number of homes exceeds a set number. These homes could be subject to local connection criteria.

Greenfield site – land that has not been developed before.

Green Belt – land governed by a policy used in planning to retain areas of undeveloped, wild or agricultural land surrounding or neighbouring urban areas. This policy does not apply to all agricultural or undeveloped land.

Brownfield site – a piece of land that has been developed before, e.g. paved parking area or site of a demolished building.

Conservation Area – an area that is awarded protected status because of its special “architectural or historic” interest which may refer to buildings or public and private spaces.

Area of Outstanding Natural Beauty (AONB) – a designated and protected area of countryside that is considered to have significant landscape value.

Cross-subsidy - Where homes are built both for private sale and for a housing association, the private homes generating a surplus to help pay for the affordable homes.

How many and what type will be built?

The evidence of local housing need will help to decide how many homes to build. The aim is to make sure that the number of homes provided is sustainable, i.e. by not building too few and by not building too many. It is important that there will be recurring demand for the homes.

The type of homes will reflect the households who are in need of affordable housing. On most rural developments, there is a need for both homes for rent and for affordable home ownership. The need for two and three bedroom homes is particularly prevalent but bungalows, flats and larger homes have all been provided in small rural communities when the need is evident.

How affordable will the rent be and for how long?

Housing association rents are regulated and will always be affordable and below open market value. If occupants are unable to pay the rent in full, they may be entitled to housing benefits to help them.

All rented homes will be made available up to a maximum 80% of market rent, and take account of Local Housing Allowance levels – the limit at which Housing Benefit is payable in the private sector.

What happens if a housing association goes bust?

Housing associations are stable, highly regulated organisations and, to date, no registered housing association has been allowed to fail. In the unlikely event that an



association did fail, the regulator would use its powers to transfer the homes to another association. The rents would continue to be controlled at an affordable rate and the S106 agreement in place will ensure they remain as a priority for local people.

association did fail, the regulator would use its powers to transfer the homes to another association. The rents would continue to be controlled at an affordable rate and the S106 agreement in place will ensure they remain as a priority for local people.

How do you prevent tenants exercising the right to buy on exception sites?

There is no longer the right to buy on new houses built by housing associations. There is a modified form of the right to buy called ‘right to acquire’ but this does not apply to homes built in ‘protected’ rural areas. These are typically settlements with populations below 3,000, although some larger settlements are included.

What is affordable home ownership?

There are a number of affordable home ownership opportunities but for new developments, Help to Buy Shared Ownership is the official

name for a part-buy, part-rent option - also known as shared ownership. Shared ownership is an opportunity for those on modest incomes to get on the property ladder and is generally taken up by younger households who may be social tenants, first time buyers or key workers.

The majority of shared ownership homes are sold under a long lease. The purchaser will buy a share of the equity in the property and the housing association retains the remaining share. Most housing associations charge an affordable rent on the unsold share. The occupier has rights and responsibilities as if they own the property fully and is responsible for all repairs and maintenance.

On first sale, the share offered for purchase can be between 25% and 75% of the open market value and will depend on the individual project. The shared owner can then buy further portions of the equity in their home as and when they can afford to do so – this is called staircasing. In protected rural areas, occupiers can only purchase additional shares up to 80% so the home remains available for future shared ownership purchasers.

Housing associations have staff to help applicants through the buying process. They can put applicants in touch with independent financial advisors for advice and help with obtaining a mortgage. Some associations can offer a panel of solicitors who are familiar with shared ownership leases and sales.

When a future resident wishes to move, they will sell the same percentage share that they own. The value of their share can go up or down and is subject to the same market conditions as an open market property. The housing association will usually guide the sales process, instructing an

independent surveyor to carry out the valuation (paid for by the seller) and then market the property locally to identify a new local buyer.

You might also wish to get involved in this local marketing by mentioning the home for sale in the village newsletter or displaying posters in prominent areas like the notice board, village shop, community hall or pub. The important thing to remember is that the housing association jointly owns the home and will need to approve the new buyer and make sure that they meet the local occupancy requirements detailed in the S106 agreement and the lease.

Who values the home and on what basis?

The property is valued as if it is on the open market without any restrictions and is done so, each time, by an independent qualified surveyor, not an estate agent.

Can the owners buy 100% of the equity?

Most rural shared ownership properties are sold using a lease that restricts ownership to a maximum of 80%. However, there are sometimes reasons why a different lease is used that gives the option for purchasers to staircase to 100% and when the property is resold, it is "bought-back" by the housing association and offered to local people as a shared ownership home. In this way, the property will always be affordable and never sold on the open market.

What if a local person doesn't come forward?

There will be a framework within the S106 agreement to allow the association to "cascade" the advertisement and allocation of the property to particular areas, normally adjacent parishes. This will have been agreed between the



HOW YOU CAN BE INVOLVED »

- **Ensure that you can explain these details about tenure to local residents who need to feel confident about the affordability and availability of the homes in the long term.**

parish council, local authority and housing association. This is to make sure the opportunity is taken up by a household in the surrounding area who is in housing need in the immediate parish cannot be found. When the property is resold, priority would be for those applicants from the immediate parish.

JARGON BUSTER »

Protected areas – defined settlements, protected by statute, that are not affected by "right to buy" or "right to acquire" legislation.

Cascade – the timeframe and process by which a property can be advertised and allocated outside of the parish boundary to surrounding communities.

Leasehold – an ownership interest in a building for a given length of time. Housing associations usually offer leases in excess of 99 years.

Freehold – is outright ownership of the land and the building on that land.

Staircasing – the process of buying further shares of equity in a property.

Help to Buy Shared Ownership – the official name for affordable home ownership, also known as shared ownership.

Lease – document which details the leasehold arrangements and enforces the local occupancy criteria as set down in the S106 agreement.

Design: why affordable doesn't mean cheap

Who chooses the architect?

Once a site has been identified and the landowner has agreed to make the land available, the housing association will commission an architect to design the development. Often, it will be an architect with whom they have worked before and who appreciates the sensitivities around rural development. The housing association can normally provide examples of their work and you should be able to visit a completed scheme.

The architect will also be required to take into account any planning obligations laid down by the local authority and any instructions or recommendations set down in a local/village design brief.

Will the 'affordable' factor compromise the quality?

No. Generally speaking, new affordable housing is produced to a higher standard than private sector open market housing. For example, rooms are likely to be bigger as well as the space around the property and provision is always made for private parking.

Many housing associations have their own high design and build standards but all associations must comply with a range of standards to ensure that the new homes are eligible for public funding.

New homes will meet a set of minimum environmental criteria and often, other best practice domestic standards:

1. Typically housing associations minimise the environmental impact that new homes have by

incorporating renewable energy sources, ecological features and reducing water usage.

2. Housing associations are guided by best practice and aim to provide properties that are designed to make life as easy as possible for as long as possible. The homes are designed to be adaptable for everyone, from young families to older people and individuals with a temporary or permanent physical impairment.

Can the Parish Council influence the design?

Yes. Your local knowledge is a useful resource. The parish council will be consulted on the design and are welcome to make suggestions on the site layout, external materials, landscaping and other design features.

It is important to note that stringent cost limits are applied to housing schemes which use public funds. Associations must use their experience to make judgements on what is financially possible within the project requirements.

You can read more about the funding process on page 19.

Does that mean design comes second to cost?

No. A careful balance is sought. The houses must be pleasant to look at and to live in. The success of any project is linked to how it fits in with the existing local architecture. You will see from some of the case studies used in this guide that design is crucial and should allow for the development to become a natural extension of the village.

JARGON BUSTER »

Affordable Housing Capital Funding Guide – contains the rules and procedures with which housing associations must comply in order to receive public funds for new social housing

Code for Sustainable Homes – the single national standard to guide the industry in the design and construction of sustainable homes.

Lifetime Homes – this standard is a set of 16 design criteria that provide a model for building accessible and adaptable homes.

HOW YOU CAN BE INVOLVED »

- **You can provide feedback on the design and ensure local design features have been considered.**
- **Help organise a consultation day so the community can see and comment on the plans.**



Community consultation: involving local people

Community consultation is at the heart of developing new affordable rural homes. Local support is hugely beneficial and keeping your community informed of progress is the best way to do this.

You will have already been involved in promoting the need for affordable housing at the start of any project and explaining why and how local housing needs have been identified. Once the proposed development has been designed and plans are available, it is time to hold a consultation event and invite comments and feedback from the community.

Consultation events are normally attended by the enabler; the housing association; representatives from the parish council; the local authority and even the architect.

Why is this meeting important?

This meeting can go a long way to allay fears and misconceptions about affordable housing. Local people will want to hear who the houses are for and how they will remain available for local people as well as be reassured that they will not fall onto the open market. The meeting will also show that this project is intended to benefit the community and that their views are welcome.

Often local concerns can be accommodated within the proposals, so long as the housing association is aware of them. Local people can become champions of the project too.



What can we do about objectors who continue to oppose the scheme?

Keep the channels of communication open and be consistent in the message you deliver, which means it is important to understand how a project will develop?? right from the beginning. This leaves less room for miscommunication and means you are entering into the process with all the information and can turn to fellow councillors for support.

HOW YOU CAN BE INVOLVED »

- **Help to organise a meeting and publicise it locally.**
- **Ensure that people unable to make the consultation meetings are invited to give feedback through the council.**

If some members of the community can't be persuaded of the benefits to the community, try and understand that they don't want new homes on land, which according to the current plans, probably wasn't intended for development.

The partners in the project will be able to give you continued support and help you answer questions that you don't feel able to answer in full.

JARGON BUSTER »

Consultation – meeting and discussing the project with local people on a regular basis as well as ensuring that there is an information flow between the project partner and the community.

Funding: who pays for what?

How is a scheme funded?

In most cases, some public money is needed to subsidise affordable housing schemes and housing associations make applications to the Homes and Communities Agency for grant funding. These applications are considered in the context of the area in which the homes are being provided, so that a balanced view is taken on value for money.

There are limits on the funds available and the total scheme costs of any project put forward must not be too high. This is why acquiring land through the exception site policy for a lower than market price is essential to make sure a development is viable.

Grant funding covers only a small part of the overall cost (currently in the region of 10-20%) so housing associations invest in new schemes by using their own reserves or securing private loans. Depending on the needs of individual developments, the local authority could also make a contribution.

Grant funding is not always available. However, the National Planning Policy Framework (NPPF) allows associations to include a small number of open market sale homes on an exception site. The profits from these sales replace the grant element and are put back into the scheme to subsidise the affordable homes.

Will it cost the parish council anything?

No, your time and input is a valuable investment in the project. Sometimes parish councils have contributed by making land available for development.

Planning application to planning permission

Preparing for the planning application is one of the most time consuming elements of the process. There are numerous, and often lengthy, consultations between all partners to make sure the evidence, design, cost and location of the development deliver the right homes in the right place.



Is it difficult to get planning permission on exception sites?

It should not be considered easy, but provided that there is a local policy and the proposed site can meet all of the necessary and strict criteria, then 'exceptional' planning permission may be granted. Briefly:

- There must be a proven need for affordable housing for local people
- The proposed homes must meet this identified need
- There must be a mechanism to keep the homes at below open market prices and permanently available to local people

- The housing association must be prepared to enter into a Section 106 agreement
- The site and designs comply with all other planning policies
- The site is well related to the village or close to the village boundary.

The rural exceptions policy is a widely accepted method of delivering homes in rural areas and has been successful in helping thousands of new homes to be built across England.

Who submits the planning application?

The architect, on behalf of the housing association.

How long does the decision process take?

Typically between 8 and 13 weeks depending on the size of the application. With rural exception sites, the decision is normally made by the planning committee given the "exceptional" nature of planning consent. In some cases, the decision could be delegated to a planning officer by the committee.

The planning committee meeting is a public one where people can speak in favour of or in objection to the scheme. As the parish council, you will always be consulted on planning applications but you can also make a significant contribution by speaking at the meeting and demonstrating additional support for the scheme.

How else can the parish council promote planning applications?

In the interests of consultation and transparency, it is appropriate to let the community know that a planning application has been

submitted, for example, in the parish newsletter. This gives local people the opportunity to write to the planning department with comments, in favour of or in objection to the scheme.

What if the answer is no?

An appeal can be made. This is not normally needed so long as all the preparation has been done and all the planning criteria have been understood and met.

Building works

The time it takes to build a development will vary but on average for a rural scheme it will take around 12 months. There can be delays due to unforeseen works and of course, the weather.

Will the contractor be mindful of residents?

Yes. It is in everyone's best interests to establish a good working relationship with the community during the construction period.

Housing associations usually require their contractor to be signed up to the Considerate Constructors Scheme. This means that these companies make assurances to be clean, safe, responsible and establish full and regular communication with site neighbours. In some cases, the firm will run a health and safety campaign with the local school(s).

You are encouraged to speak to the housing association with any concerns that local residents might have about the building works. They will also be able to let you know about any road works or local disruptions that local residents would need advance notice of.



HOW YOU CAN BE INVOLVED »

- **Reporting anything of concern to the housing association.**
- **Helping to advertise that the application process for the homes is open when the homes are nearing completion – if local people do not apply, they cannot be allocated the houses!**

JARGON BUSTER »

Considerate Constructor Scheme – initiative that encourages constructors to be considerate and good neighbours as well as clean, respectful, safe, environmentally conscious, responsible and accountable.

Allocating the homes: who decides?

The allocation process is one of the most important stages of the process. The likelihood is that not all those who need a new home will get one. You will be shown, or can ask for, the housing association's allocation criteria and procedures.

The allocations process may vary slightly depending on the housing association and local authority partners so it's worth asking how the process works early on to make sure you fully understand what is involved.

Candidates will need to qualify under the local connection criteria set down in the S106 agreement. See page 6 for what is local? Then they will be assessed against the association's allocation policy and procedure.

Ultimately the responsibility for deciding who should live in the houses lies with the housing association, but the local authority also plays a pivotal role by providing nominations for the homes through the Choice Based Lettings (CBL) system. Due to recent legislation changes, most local authorities have now reviewed who qualifies to access their housing lists and how they allow people to apply for homes. This has had a bigger impact in rural areas than most, as there are less smaller units available and households who typically apply for local needs homes are not always considered to have the highest housing need. It is important to be clear on the approach that your own local authority takes from the outset so that each party can set clear expectations about who qualifies and how they can apply.

How is the decision made?

The allocation is made using a points based system which will look at the housing needs of the local people who apply. For shared ownership properties, they will also need to have sufficient finances in order to meet the commitment of owning their own home and be able to secure a mortgage for their share of the property.



How do the applicants apply?

Rented properties will be advertised by the local authority on their CBL system and applicants need to be registered on the local authority housing list. This system provides regular information to registered applicants on the available lettings in the area. It invites potential applicants to apply or "bid" for properties for which they qualify.

Those interested in shared ownership register with the local Help to Buy Agent, usually a housing association, who advertise all the affordable home ownership opportunities available within a particular area. They may also be able to register directly with the developing association.

Information about the application process will be conveyed at an early stage in the project but needs to be repeated throughout.

Consultation in action:

HOW YOU CAN BE INVOLVED »

- **You might be asked to verify the names and addresses of applicants and confirm whether they have a local connection.**
- **Make sure that people know how to apply and register their name with the local authority.**

It's essential to make sure local people register so that they can apply for a property. After all, local people will have priority! If they have problems accessing housing waiting lists, find out why and if they are happy for you to, offer to talk to the local authority on their behalf.

The housing association will work with you to make sure that local people, including those who have already replied to the original survey, understand how to apply for the homes. Some parish councils have used their village website or monthly newsletter as a way of keeping everyone updated about progress and ensuring that everyone understands the application process.

Who checks the local connection?

Some housing associations will involve you in helping to check the local connection claims made by applicants, but it is important that the actual allocation decisions are made by a body outside of the village. In this way, the decisions are

impartial, the confidentiality of applicant details is maintained and position of the parish council isn't compromised.

The housing association will always ask for written evidence to support an applicant's claim. If they claim to work in the village, they will need a supporting letter from their employer or if they live in the village, examples of utility and council tax bills.

JARGON BUSTER »

Allocation – the process by which applicants are prioritised for housing.

Choice Based Lettings – a system where available properties to rent are advertised to all registered applicants who are invited to apply or "bid" for suitable homes.

Help to Buy Agent – an organisation, usually a housing association, who keeps a register of those people looking for shared ownership homes and advertises opportunities within a specific area.



What now? Managing the homes into the future

The housing association manages all future vacancies at the scheme as well as addressing issues raised by individual residents or the community as a whole. If the Community Land Trust method is used, the trust may well have an ongoing involvement in this as well.

What happens when there is a re-let or re-sale?

The resident will inform the housing association of their intention to move. The association may contact you to let you know about the vacancy and ask for your help in publicising the opportunity locally through posters or the village newsletter or similar. If you hear of a vacancy first, you don't have to wait, get in touch and find out how you can help get the word out to local people.

Local people need to make sure they are registered with the local authority. Available rental properties will be advertised via the Choice Based Lettings system and low cost ownership homes usually via the Help to Buy Agent for the area.

The authority or Help to Buy Agent will pass a list of the nominated households to the association. The association will then allocate the homes against strength of local connection (using the criteria in the S106 planning agreement) and their housing need (as detailed in the association's policy and procedure). Additionally, in the case of shared ownership properties, the applicant's financial situation will be taken into consideration. The process will be the same as the first time the homes were allocated.

It helps greatly if local people know how to express an interest in affordable housing. If they need rented or shared ownership housing, always encourage people to register on the local authority housing list. If they would like a shared ownership home, be ready to give them details of the local Help to Buy Agent. You could run an annual feature in your newsletter or magazine.

What safeguards are there for the Section 106 agreement?

If you believe that the terms of the Section 106 have not been adhered to, the first thing to do is get in contact with the housing association and request more information. It can be that that misunderstanding or a lack of communication can cause innocent mistakes. There are confidential reasons why one applicant's housing need will be prioritised over another and these cannot be revealed, but the housing association is responsible for ensuring that the local connection of applicants is checked and that they meet the requirements of the S106 agreement.

If you do not receive a satisfactory first response, you can use the housing associations complaints procedure to request that the matter is looked into again. As a last resort, you can get in touch with the planning authority and register your concern.

However, disagreements can usually be avoided. It's in your best interest to understand how the allocation process works before starting a project. The housing association should make the allocations policy available early on and explain the process.

Remember, new parish councillors are elected and staff at housing associations will change so it's important to keep a channel of communication open and keep records of important documents.

What else does the housing association do?

Housing associations not only allocate the homes in the correct way but are committed to making new developments 'sustainable communities' and often invest heavily in improving services and community development. This means that residents will have a housing officer to contact about any financial or domestic issues. Residents have peace of mind that their accommodation is secure and the rents will continue to be affordable. Housing associations have a range of policies and procedures that will help people should they experience, for example, financial difficulty or a disagreement with their neighbour.

Residents, whether they rent or purchase a share in a property, are encouraged to get involved, as much or as little as they like, to shape future services. They can get involved at any level of the organisation, from being a member of the board, setting up a residents' association for their area or giving feedback on service via surveys or focus groups.

Associations want to improve the communities and the homes they manage and want to work with residents to find out what their priorities are. Examples could include improving car parking arrangements or helping to secure play equipment for communal spaces.

The housing association is also responsible for ensuring that the development continues to provide



decent accommodation for those living in the homes. It will be responsible for the upkeep and maintenance of the rented units and also ensure that their homes are maintained to a high standard.

Some developments may have areas of communal planting and the housing association will put a contract in place to maintain this. Make sure you know who the development's dedicated housing officer is so that you can make them aware of any local issues.

HOW YOU CAN BE INVOLVED »

- **Ensure people are aware of the project and register their interest with the local authority or Help to Buy Agent.**
- **Help display posters and advertisements when vacancies occur.**
- **Be the local eyes and ears and report any issues you think the association should be aware of.**

The result

Case studies

Introducing community strategies

CASE STUDY »

Community Land Trust (CLT)



KEY DATA

Location:

Youlgrave, Derbyshire

No of Properties:

4 three-bedroom houses
2 two-bedroom houses and
2 two-bedroom bungalows

Overall Cost:

The total cost for the affordable homes was £1 million

Funding:

The development was funded by HCA Community-led funding, Derbyshire Dales District Council and the housing association

Housing Association:

Peak District Rural Housing Association

Local Partners:

Youlgrave Community Land Trust and Local Authority

Other Information:

Youlgrave is one of the most popular villages in the Peak District, attracting holiday-makers and commuters to Sheffield and Manchester, resulting in high property prices and little chance for local young people to make their homes in the village.

This situation was recognised by a group of local people, working with Peak District Rural Housing Association and Derbyshire Dales District Council, they formed a CLT. Planning permission was granted for a scheme in April 2011 but progress was scuppered by a 'Village Green' application lodged by an objector to the scheme. This was dismissed by an inquiry but eighteen months was lost. In the meantime a neighbour had claimed a small part of the site and this change necessitated a new planning application for the whole site.

Planning permission for the revised scheme was granted in July 2013. The cost of the scheme was now above that anticipated. PDRHA resolved to put more of their resources into the scheme and extra grant was forthcoming from Derbyshire Dales. Work finally started on site in March 2014 and the houses completed early in 2015.

CASE STUDY »

Rural Exception Site



KEY DATA

Location:
Gnosall, Staffordshire

No of Properties:
30 two to four bedroom homes

Overall Cost:
The total cost for the affordable homes was £3.3 million

Funding:
The development was funded by HCA grant and the Housing Association

Housing Association:
Stafford and Rural Housing Association

Local Partners:
The Parish Council, Stafford Borough Council and Thomas Vale Construction

Other Information:

For Kate Hodson and Dan Wright, the prospect of starting a family in the village where they grew up seemed like an impossible dream. “We looked at house prices and the mortgages available to us and quickly realised that we would have to move out of Gnosall,” said 28-year-old Kate. “We wanted a three bedroom property where we could start a family, but there was no way we could afford that in Gnosall. That meant moving away from our families. The closest property we could consider was around 30 minutes away. There were just not enough homes at the prices we could afford.”

Stafford & Rural Homes stepped in working with Housing Plus, Thomas Vale, Gnosall Parish Council and the local community. Clear local housing need was identified which enabled a rural exception site to be identified. Planning permission for 13 new shared ownership and 17 homes for affordable rent was obtained and the homes built. Dan and Kate were amongst the first families to move into one of the new shared ownership properties, and arrived in their dream three bedroom home just in time to welcome their new baby Ava.

CASE STUDY »

Cross Subsidy Site



KEY DATA

Location:
Harbury, Warwickshire

No of Properties:
17 local market homes and 10 affordable homes (6 two-bedroom houses, 2 three-bedroom houses and 2 two-bedroom bungalows)

Overall Cost:
The total cost for the affordable homes in Phase 1 was £1.2 million and for Phase 2 the cost to the Housing Association was £650,000

Funding:
Phase 1 was funded by HCA grant and the Housing Association. Phase 2 was wholly funded by the local market housing on the site.

Housing Association:
Warwickshire Rural Housing Association

Local Partners:
The Parish Council, the developer and the local authority

Other Information:

In 2011, Warwickshire Rural Housing Association, working with Stratford-on-Avon District Council, developed 13 homes for social rent in the village of Harbury. The scheme attracted significant public grant. Coupled with the construction of 9 local market homes for sale, this enabled site infrastructure to be put in place to accommodate potential further development. The homes – a mixture of two, three and four-bedroom houses and bungalows – are all built to level three of the Government’s Code for Sustainable Homes, with energy efficient air source heating and sustainable drainage systems. These homes were built under the Council’s “Local Choice” initiative, which allows members of the community to promote developments that meet the local housing needs they have identified. Following completion of the scheme in 2012 a further housing needs study was completed demonstrating clear need for additional affordable homes.

A second phase of the Harbury scheme started in 2013 with the construction of 17 homes for sale. These homes have provided cross subsidy funds to enable the construction of 10 affordable rent houses and bungalows. The low land value and high house values (achieved from the local market homes) combined with the significant infrastructure investment on the first development phase has resulted in a nil grant funded scheme on 100% Social rents.

CASE STUDY »

Section 106 Site



KEY DATA

Location:
Low Hesket, Cumbria

No of Properties:
4 bungalows

Overall Cost:
The total cost for the affordable homes was £437,652

Funding:
The development was funded by the housing association and HCA

Housing Association:
Eden Housing Association

Local Partners:
McKnight Builders, the Parish Council, Eden District Council and Mitre Housing Association

Other Information:

Dot and Stan are tenants of one of four bungalows acquired at the end of 2013 by Eden Housing Association from a local contractor under a section 106 agreement.

The bungalows are situated in Low Hesket, a small village in the rural Eden district about 10 miles north of the nearest market town of Penrith. Moving into their new home allowed the couple to release a 3 bed family house that was becoming increasingly difficult to manage and stay within the local community.

Working in collaboration with the local authority, the contractor, landowner and the community enabled much needed affordable new bungalows to be built. Dot and Stan's ex family house is now occupied by a young family thus also helping to make better use of the existing housing in the area.

CASE STUDY »

Section 106 Site



KEY DATA

Location:
Manuden, Essex

No of Properties:
10 homes for market sale four homes for affordable rent (3 x 2 bed houses and 1 x 3 bed house)

Overall Cost:
The total cost for the affordable homes was £488,000

Funding:
The development was funded entirely by the housing association

Housing Association:
English Rural Housing Association

Local Partners:
The Parish Council, Rural Housing Enabler and Local Authority



Other Information:

The development was a community driven partnership incorporating a specialist rural housing association and private developer, with four affordable homes being secured as part of the planning process that have been made available to local people, this arrangement secured in perpetuity. The Parish Council spent a number of years trying to find the right site and ensuring that village concerns were taken into account before building started. In addition the village now own the freehold of the land on which the community centre, housing and playing fields sit ensuring a long-term sustainable future for that part of the village.

CASE STUDY »

Community Land Trust



KEY DATA

Location:
Hemyock, Devon

No of properties:
12

Overall cost:
The total cost for the affordable homes was £1.6million

Funding:
The development was funded by the HCA and Hastoe

Local partners:
The contractor, the Community Land Trust, the Parish Council and Local Authority

Housing association:
Hastoe

Other Information:

This development was built in partnership with Upper Culm CLT. Local developer, Andy Lehner of West of England Developments (WoED), offered the Hemyock site to the CLT for housing back in 2012. The Upper Culm CLT was a driving force behind this scheme, having identified a strong housing need and building its own database to record this.

This scheme offers a variety of properties, including nine for affordable rent and three for shared ownership, in order to cater for a range of different needs. The homes have been allocated to a mix of people, from single-parent families and other young families, to those preparing for retirement. The homes meet the Homes and Communities Agency Design and Quality Standards and are also eco-friendly, achieving the Code for Sustainable Homes level 4.

CASE STUDY »

Cross Subsidy Site



KEY DATA

Location:
Burnham Overy Staithe, Norfolk

No of properties:
Five affordable homes for rent and one open market sale

Overall cost:
The total cost for the affordable homes was £880,000

Funding:
The development was funded by the sale of the open market house, the local authority, the HCA and Hastoe

Housing association:
Hastoe

Local partners:
The contractor, the Parish Council and Local Authority

Other Information:

Burnham Overy Staithe is a development of six properties set within a stunning rural location, overlooking the picturesque harbour and saltings. Three of the affordable homes have two bedrooms and are built to Passivhaus standard. The remaining two houses are built to Code for Sustainable Homes level 5, one of which has two bedrooms and the other has three bedrooms. The open market house is built to Code for Sustainable Homes level 4 standard and has four bedrooms.

The Passivhaus homes not only perform to exceptional standards of low energy and comfort, they do so through an entirely passive approach that sits comfortably within this rural environment. These low carbon homes have very low running costs which is a huge benefit to residents in a world of ever-increasing energy prices. Using Passivhaus techniques reduces carbon emissions and fuel bills to around 10% of the average UK dwelling.

Introducing community strategies

The aim

Some housing associations develop community strategies, in conjunction with residents, to provide a clear set of priorities and a shared purpose in developing the community. The strategy will help to set local standards shaped by residents' needs and an action plan will be drawn up to make sure local priorities are addressed.

The strategy will also enable other organisations at a local level to develop their services in response to local priorities. All of the work is done in line with the regulatory framework on service standards developed by the HCA.

The purpose

A strong and cohesive community is one where residents take an active part, respect one another, and contribute to a safer, cleaner and greener environment. Community development aims to empower residents to take collective action on issues that matter to them, build confidence and improve skills to shape their own futures.

To do this, associations prioritise engagement with residents, listen to their concerns and ensure that services meet their needs. Getting ideas from residents will also help galvanise local projects and partnerships and housing associations can then work with other organisations to make this happen.

Local community strategies play an integral role in fulfilling the regulatory framework requirement for local priorities to become agreed local standards.

Associations are committed to involving residents in shaping local delivery and taking into account the needs of all.

Developing the strategy

Before an action plan is drawn up, the following information is looked at with a particular focus on the diversity of community needs and where resources should be targeted to maximise impact:

- Community profile
- Residents' profile
- Diversity information
- Services currently provided and performance; looking at the future quality of the homes as well as management
- Resident involvement
- Regulatory framework standards – including tenant involvement and empowerment, home, and neighbourhood and community.

In depth investigations will also be carried out in consultation with the following:

- Residents; through surveys, meetings, visits or focus groups
- Local organisations; the parish council and local authority, the police, charities and other housing associations
- The association will also identify published research that sets out priorities for the community (e.g. parish plans) and joint working initiatives. This helps the association identify opportunities for working in partnership to support the wider community.

The priorities identified from this local partnership work forms the basis of an action plan which clearly sets out the future for service provision and defines how regular performance reports will feedback actions and progress to the community.

Community strategies are an integral part of the management of any affordable housing and will support residents as well as local people, inside and outside of new homes, to ensure a sustainable future.

Special thanks to the project team from Hastoe Housing Association, English Rural Housing Association and Rural Services Network who produced this publication.

This publication has been funded by

			
			
			
			
			<p><i>With thanks also to the financial contribution made in memory of John Hearth CBE</i></p>
	<p><i>Produced in partnership between the Rural Housing Alliance and the Rural Services Network</i></p>		<p><i>Distributed with the support of the National Association of Local Councils</i></p>

