

summer 2010

Policy

Position Statement

Action for Market Towns Policy Position Statement on Affordable Housing

AMT's Position

Action for Market Towns understands the need for additional housing, and the evidence for placing a proportion of this within existing market towns. We want to ensure that policy related to affordable housing is developed in a way that benefits and compliments existing towns and is approached in a sustainable way that enhances community cohesion and the role that market towns play in the wider economy.

We want to ensure that the town partnerships we support understand the challenges and opportunities related to the affordable housing agenda, and are able to engage in planning for new homes from the outset.



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What is Affordable Housing?

Not everyone is able to find a suitable home that they can afford on the open market, whether to buy or to rent, so the Government has a policy to provide subsidy for rents (housing benefit) as well as providing subsidised housing, called 'affordable housing'. Affordable housing is only available for households whose means (incomes and savings) are not sufficient to buy or rent a home on the open market, and of course eligible key workers.

Annex B of '[Planning Policy Statement 3: Housing](#)', Communities and Local Government (CLG), November 2006 states that "affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the open market. Affordable housing should:

- meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices; and
- include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision."

Social rented housing is rented housing owned and managed by local authorities and registered social landlords (known as Housing Associations).

Intermediate affordable housing is housing at prices above those of social rents, but below market house price or rents. There are a range of schemes available to help people buy their home and they include shared equity products and low cost home ownership products.

The Rationale for Affordable Housing

As the population continues to grow, there is a nationwide need for more housing. Market towns have been identified as a significant place to inject new development (Taylor Review of the Rural Economy and Affordable Housing, 2008). It has been determined that a proportion of this housing development must be affordable to those on lower incomes and requiring support. Within many market towns, higher than average house prices and lower than average wages have resulted in households on lower and median incomes being unable to remain in market towns and the surrounding rural hinterlands. Often people who were born and have family roots in a town simply cannot afford to remain to take up work or support relatives. This situation can create challenges for individual families, the local economy and the wider sustainability of the community.

For more information on Affordable Housing please see AMT's Policy into Practice Paper on Affordable Housing.

The Policy Context

The last Government set a target of 3 million new homes by 2010. Although this top-down approach has now been scrapped, the scale of development required cannot be underestimated. The new coalition Government suggests that home ownership is falling, rented accommodation is not sufficiently supported and not enough affordable homes have been built. A new era of social housing is required that promotes opportunity, social mobility and pride in neighbourhoods, as opposed to

welfare dependency. There is a push to put power into the hands of local people, protect the environment and work with communities to build more family homes.

The drive for Big Society underpins this desire to empower individuals and communities at the grassroots level. In addition the commitment to abolish the regional planning tier promises a push to a more bottom-up approach. In a housing context its principles aim to:

- extend mobility and ownership in social housing – through shared ownership and a new right to move scheme.
- encourage home building and local growth – through greater rewards for the lower government tiers in terms of house-building and promoting associated local economic growth; creating new Local Housing Trusts to allow local communities to build local homes for local people, while protecting the character of their neighbourhoods and villages; and encouraging more family homes and greener spaces.
- encourage democratic accountability in planning – abolishing regional government and returning power to local communities; and abolishing the Infrastructure Planning Commission and restoring discretion to the Secretary of State.

Key Challenges

A large proportion of new house-build is set to take place in existing small town. This poses a number of challenges to those towns which must be addressed if affordable housing is to be developed in a sustainable manner that compliments the existing community and enhances economic viability while being both environmentally aware in terms of both the build, and the setting.

Sustainable, more locally tailored approach to planning – In the past, broad housing allocation has been undertaken from a regional perspective, and new development in existing towns has lacked local input resulting in housing estates, ringing the existing towns. This has left residents feeling dissatisfied and often opposed to new build, while the new residents are left remote from jobs, shops, services and leisure facilities. The Local Development Framework (LDF) process has failed to encourage local authorities to embrace a longer term, more creative, ‘place shaping’ role, and is seen as overly complicated and bureaucratic. Consequently development has generally been developer-led in a piecemeal approach where the supply of homes is assessed on a year-on, year-off basis, and land is allocated in bits as opposed to being part of a holistic town plan.

We support the need for a strategic approach to town planning at the local level, where master planning offers an approach to develop a more sustainable, integrated and balanced approach to housing and the related infrastructure. Market towns need the freedom to develop according to their individual characteristics and the Eco Towns Policy Planning Statement offers advice that we believe could be turned into an effective code of practice for all towns, not just Eco Towns.

Good design – The quality of the built environment is important especially in many market towns where heritage is a key feature of distinctiveness. The delivery of affordable housing should be in-keeping with the traditional housing patterns of the town and also environmentally friendly, enhancing the sustainability of communities and meeting many of the concerns of the existing community about new development.

We want to encourage the creation of homes which are not only affordable, but also promote high quality attractive and environmentally sustainable design. We want to find means to ensure the

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creation of homes of different sizes, attracting a mix of population which is key in terms of integrating communities.

Effective community engagement – Involving local people in the statutory plans for affordable housing, such as ‘Enquiry by Design’ is key to ensuring their views are taken into account.

We believe that effective engagement with communities within market towns will become standard practice and seeks to involve all stakeholders. We would ask that town councils and market town residents become involved in the decision affecting their community and in shaping their areas when local authorities seek, or are required to involve local residents.

Overcoming assumed level of knowledge – Within the majority of guidance and advice in relation to affordable housing and the planning system, there is an assumed level of knowledge which is above the level that perhaps practitioners working on the ground have in this policy area. The push towards slimming down and simplifying the planning system is welcomed and encouraged.

With a government push towards greater community ownership and involvement, we would ask that all future guidance created does not discourage community members from wishing to find out more and clearly spells out how they can become involved, giving them the level of knowledge they need to participate.

Partnership working – Effective partnerships are needed between those with responsibility to enable housing (local authorities, Registered social landlords, the Homes and Communities Association, and private developers). In an era where Government funding is short, the realisation of the shared value across a strong vibrant new community allows better infrastructure and services to be funded at much less cost to the taxpayer. In addition, all sections of the local community should be included in order for partnership working to be effective.

We ask that for all projects to increase or regenerate housing supply, a stakeholder analysis and potentially a cost-benefit analysis is undertaken that incorporates all interested parties. This in turn should inform community participation practices as regards housing development and regeneration.

Exploring the future of small towns – The expected growth in housing supply will potentially focus on existing small towns. It is imperative that decisions taken now for increased development do take into account possible future drivers of change that could impact on the sustainability of market towns as a whole or a particular area that is to be developed.

In enabling market and affordable housing within small towns we ask that local authorities and their partner agencies consider future drivers of change that may impact on development both in the present day and in the future.

Developing innovative solutions to funding and development – The recession, coupled with the drive to reduce public spending, has put pressure on the ability of affordable housing to be built, with some schemes being left unfinished. There is a need to explore new ways for local partnerships to identify ways to secure affordable housing in their towns.

We support community led planning as a way of ensuring a true grassroots led approach to planning and development, and support the need to lever funding to projects that are developed in this fashion, be it via community owned assets, social enterprise or community land trusts.

What is Action for Market Towns doing?

Action for Market Towns provides a national, collective voice for small towns on a range of issues. The Big Lottery funded Towns Alive programme, supported by Communities and Local Government Empowerment Funding, aims to provide support to market town partnerships, in terms of capacity building through training, enabling the sharing of best practice, and raising awareness of strategic policy issues.

A Policy into Practice paper on Affordable Housing has been developed which explores the challenges posed to market towns by the national need for more housing, and in particular affordable housing. It details a number of case studies, illustrating the challenges faced by towns and town partnerships developing affordable housing, and how they have overcome these.

A Call for Evidence

To assist Action for Market Towns in its role of supporting small towns within the affordable housing agenda we would welcome your experiences of where market and affordable housing have been, or are in the process of being, developed particularly in relation to:

- Working with Housing Associations and private developers;
- Sources of funding in addition to the Homes and Communities agency grant and Housing Association finance that you have been able to access to develop affordable housing; and
- Arrangements for community participation in shaping the planned development.

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