

Summer 2010

Policy into Practice

Affordable Housing Appendices



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Appendix A

Affordable Housing in Practice

Case Study 1 – Hitchin, North Hertfordshire District Council

The Town

Hitchin is a market town in the district of North Hertfordshire (one of four prosperous towns surrounded by a number of rural communities). The town's history is based on the wool trade and has always had strong communication links with London, from stage coach to railway to road. North Hertfordshire is part of the London Commuter Belt Sub-Region, being one of 15 councils, with many of its residents commuting daily into the city. Hitchin's population is 33,360, 5% of which are from ethnic minority groups.

Housing Provision

The demand for housing in the district is high and outstrips supply; as a result house prices continue to rise at a greater rate than incomes. The demand will further increase, as it is estimated that the number of people residing in North Hertfordshire will rise by 14,300 between 2006 and 2021 (40% will be over 65 years of age and only 11% below the age of 30). The commuter effect has helped make Hitchin an expensive place to live.

In 2003 the Council transferred its housing stock to North Hertfordshire Homes (NHH). As a result NHH has become the largest local stock holding Registered Social Landlord (RSL); there are 21 other RSL's operating in the district. The area has a relatively high level of social rented stock (21%), above the national average and provides 380 re-lets a year.

A number of brown field sites have been developed near to and within Hitchin town centre in recent years. Affordable housing is a key priority for North Hertfordshire District Council and since the adoption of the East of England Plan in May 2008, the affordable housing requirement on private sites increased to 35% on a threshold of 15 units or more in line with Planning Policy Statement 3 (PPS3). Under new policies this figure will increase as the number of house units increases (e.g. sites with a capacity of 25 or more it is 40%). Generally on private sites the builder/developer builds out the whole site and transfers the affordable homes to the RSL once completed.

Best Practice Example



Hitchin has had a number of developments within the town. Lavender Fields, on the site once occupied by Ransoms Pharmaceuticals was built by Bellway plc and consists of 132 properties, 43 of which are affordable. Bellway Housing Trust (part of Bellway plc) manages the site, which also offers shared ownership schemes of up to 50%.

Another development, Brookers Yard has been affected by the recession with the delivery of affordable homes being delayed. The District Council worked with Jephson Homes Housing Association, local developer Stephen Howard Homes and the Homes and Communities Agency (HCA) to develop and complete two major affordable housing developments (one being Brookers Yard). The projects were a £2.6 million boost for affordable housing in the town despite the economic difficulties being experienced. The HCA and local authority jointly capital funded the affordable housing units through Jephson Homes on both projects, with the HCA providing £500,000 for Brookers/Coopers Yard and £340,000 for Grove Road (the second development).

In the Jephson Homes sales information it states, “all applicants must be registered with the local HomeBuy agent (Lea Valley Homes) and meet the eligibility requirements for the New Build HomeBuy Scheme. Applicants who free up council or housing association property, first time buyers unable to buy a home without assistance and Key Workers for key worker specific housing qualify provided maximum household income is £60,000. Minimum gross annual household income for shared ownership products is generally in the region of £15,000”. They also offer the chance to buy 25% of the property and pay 75% rent.

Unfortunately due to the recession completion of the project has slowed, but it is expected.

Barriers

- House prices too high, due to popularity of the town.
- RSL struggle to compete with private developers to purchase brown field sites within the development boundaries of market towns. This is partly due to the high building standards set to achieve funding criteria laid down by the HCA i.e. larger property sizes, greater thermal efficiencies of the building structures. However, in the current economic down turn development sites are more available to the RSL's.
- The ageing population (grey pound) of Hitchin combined with high house prices, is affecting the economy and 'make up' of the town, as people, who cannot afford to work and live locally in owner-occupied houses move outside the area (Bedfordshire and surrounding areas) and travel in to work.
- Hitchin has a large farming hinterland, these communities are also not sustainable as house prices are too high for people living locally to purchase on the open market.
- Concerns raised by business community, over the concentration on affordable housing and housing developments, perhaps equal effort and research needed into building small business units, to maintain town's economy.
- The economic recession has affected many housing schemes (such as Brooker's Yard).

Opportunity

- Partnership with private developer, RSL and Local Authority to provide a mixed tenure scheme and attract £840,000 HCA funding,
- Active development within market town using existing brown field site will help maintain the historic town centre, and help it to remain a place where people live and work.
- Recognised local government need for development to include affordable housing.
- There is an opportunity for small local developments to generate work in the local economy by providing 2 to 3 bedroom homes, with instant ready market. This will help the sustainability of the town and the same policy could be adopted in the smaller surrounding villages.
- North Hertfordshire District Council has successfully undertaken rural housing needs surveys in partnership with the Community Development Agency (CDA) for Hertfordshire, to ascertain rural housing need and inform scheme development.

References

North Herts Housing Strategy, 2008-2013

http://www.north-herts.gov.uk/housing_strategy_2008-2013.pdf

With thanks to Alan Fleck for use of the photograph of Brookers Yard.

Case Study 2 – Penrith, Eden District Council

The Town

Penrith is a large market town in the Eden Valley with a population of 14,882. It acts as a regional centre for the eastern Lake District, lying just outside the National Park. Its position on the strategic route to and from Scotland has resulted, since Roman times, in its development as a military centre and was once the capital of Cumberland.

It is still largely an agricultural area, though attracts a large number of tourists (mainly day visitors) in the summer months. The town is still an important shopping centre, with a good mix of traditional shops and sophisticated arcades. The average wage is low (below the national average wage) due to seasonal and service industry employment. To buy a house in the local market is beyond the financial reach of many and there has been a resulting outward migration of people.

Housing Provision

Penrith housing stock levels were reduced due to 'Right to Buy' legislation. Many were bought by Eden Housing Association, one of the major social housing land lords in the area. The population of Eden is due to rise 12%, currently 50,900, in the next 25 years. The population will also age, currently 69% are over 30, the largest group of which are in the age range 45 to 59. Currently house prices in the area are 7x household incomes, many working in the low paid service industries. The council initially had plans that all housing schemes must include 50% of affordable homes, this figure however may drop to 30%, as awaiting an Inspector's report on their Core Strategy by the end of March 2010. There is a high demand for retirement homes, second homes and holiday lets, reducing available housing stock further. The council has responded with a number of different housing schemes.

Best Practice Examples

1. **York Street in Penrith** is a development of 30 houses completed in 2007. It is an innovative approach by EHA of combining 'market sale' with 13 privately funded shared ownership units, 4 Regional Housing Board innovation fund shared equity and 4 Housing Corporation funded (21 in all). 9 houses were sold on the open market to help fund the affordable homes.



EHA received some Government subsidy, but their development team wanted to create a mixture of shared ownership, shared equity and rental accommodation. The model has attracted interest from other housing associations and developers. The

Housing Corporation has now been replaced by the Homes and Communities Agency, and the Regional Housing Board no longer exists.

2. Impact Housing Association began from a group of residents in 1975, who campaigned against their homes being knocked down (a village called Cleator Moor). They are one of the largest social landlords in Cumbria and have been involved in many projects. One such project being the Eden Foyer, a development for young people who do not have the home, support and springboard into independent living, learning and work that they need. Foyers provide that support, with dedicated, experienced support workers on site and offer a wide range of services for young people and the wider community.

There are 15 safe, comfortable and secure self-contained flats for single, young people. Young people who live at the Foyer must also be willing to engage in training, education or employment. Eden District Council nominates 50% of applicants. This is the first such scheme in Cumbria and is due to be extended to Kendal. Impact Housing is planning to build a family centre adjacent to the Penrith Foyer.

Barriers

- High house prices in and around the National Parks exclude local people from living in these communities threatening social and economic sustainability. Growth in low wage, insecure service sector jobs impacts on the housing options. Cumbria's household incomes are below national and regional averages.
- There is uncertainty over the future of key areas of the Cumbrian economy (nuclear, defence manufacturing and agriculture). This makes decision making for investment in housing difficult. It is also a remote area with declining levels of value added economic activity, this leads to less money being available to invest in housing by individuals.
- In September 2007 the University of Cumbria was established, this may add to pressure at the less costly end of the housing market.
- Limited economic and housing opportunities for young people undermine balanced communities.
- There are 7,374 second homes in Cumbria, the majority – 4,136 – concentrated in and around the Lake District National Park. Most of the others can be found in the Eden Valley and the Solway Coast Area of Outstanding National Beauty.
- Housing developments in the past have been focussed at the top end of the market, 4 to 5 bed-roomed and selling for £300,000 plus and out of the financial reach of many local people.
- Sparsity/ isolation of deeper rural communities
- Cost of land
- Reliance on car ownership
- Outward migration of young people – often due to lack of affordable housing options.

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- Parallel in-migration of older people/ retirees – has served to push property prices further beyond the reach of local people.

Opportunities

- Secure housing for young local people, to remain in the area, ensuring sustainability of the town & a balanced community.
- EDC continues to work closely with local Housing Associations and supports funding bids by the Associations to the Homes and Communities Agency. This attracts external capital funding and develops quality affordable housing schemes in sustainable locations across Eden District.
- Planning policy to help developers provide affordable housing, advice given on current housing need and additional costs (contamination and flooding). Encouraged to provide at least 30% affordable housing in a development (provisional at present). The District Council has a dedicated Affordable Housing Officer to work with developers.
- The recession has helped unveil the gap in the market for 1 to 2 bedroom properties selling between c.£120,000 to £150,000. Developers are beginning to build such properties in smaller developments and guarantee a return on investment.
- Best Practice example as Eden District Council fund Cumbria Rural Housing Trust, a charity specifically researching housing needs in the rural areas of Cumbria and campaigning for affordable housing.

References

<http://www.eden.gov.uk/your-council/>

<http://www.impacthousing.org.uk/>

Eden District Council, Affordable Housing Policy, 2004

With thanks to Impact Housing for use of the York Street photograph.

Case Study 3 – Wells next the sea, North Norfolk District Council

The Town

Wells-next-the-Sea is in the rural district of North Norfolk, on the North Norfolk Coast, a designated area of outstanding natural beauty. Its population is c. 2,500 with 68,000 tourists visiting the town every year. It is picturesque and in a stunning location with the main industry being tourism, but there is also a traditional fishing industry. Due to the popularity of the area, house prices are beyond the reach of many; there are a high proportion of second homes (3467 – highest in East Anglia) and it is a magnet for retirement complexes. The granary and loading gantry used to load & unload boats in the photograph below, were built in 1903, they are now luxury flats with Quayside view. The town suffers from the migration of young people out of the town, unable to afford to live locally and leaving an increasingly unbalanced local community.

Housing Provision

There are 46,000 households in East Anglia and 56,205 dwellings. North Norfolk has the highest number of second homes at 3467. In 2007, the average earnings were £21,000 and the average house price, £187,000. As a result, there are severe house affordability problems for those who are dependent on local earnings, many working locally in the social care and fishing industries or are 'floaters', moving between seasonal jobs. In addition many home owners have been in the same dwelling for over half a century and since real prices and rents have risen, equity holding is now a major factor in creating a high price and high demand for housing. 41% of households contain older persons (above the national average).

In the Rural East Anglia Partnership plans (REAP is the three local authorities of North Norfolk, Kings Lynn and West Norfolk, and Breckland) there is a target of 1760 new builds a year and this is in line with current housing provision. Two of the authorities have provision for affordable housing (30-40%), while two do not (North Norfolk and Breckland). REAP also estimates that there is a housing need for affordable homes of 2,682 per annum. North Norfolk not only has a high number of second homes, but needs affordable housing. This situation is not more apparent than in Wells, where high house prices and a large number of second homes are affecting the sustainability of the community and economy.



Best Practice Example

Providing affordable homes is key for Wells's future. Many people cannot afford to remain in the town, so move to nearby larger towns such as Fakenham or out of the area altogether. Wells Area Partnership (WAP) is an independent community led organisation (members being parish councils, community groups, businesses and statutory organisations) working to improve the quality of life and the delivery of services in the Wells area to create a sustainable community (social economic and environmental needs). It is important that the town's population remains balanced (all ages and incomes), good facilities are provided and that local businesses remain profitable in and out of the season.

In May 2006, WAP in partnership with the Town Council commissioned a survey looking into housing need.

The survey found a strong need for affordable housing for a number of reasons;

- 52 households had experienced a family member who has moved out of Wells in the past five years due to high house prices (e.g. the average terraced house in Wells costs £253,750, compared with £147,033 elsewhere in North Norfolk).
- More than 50% of households in Wells have a joint income less than £20,000 pa.
- 111 Wells area households immediately need new housing.
- 20% of houses in Wells are second homes and the figure is rising every year.
- Due to the increasing popularity of the town for retirement and second homes, house prices have risen at such an alarming rate that many locals are unable to afford to buy property in the town and are being forced to live elsewhere.

Homes for Wells was formed as a direct result of the survey. They approach second home owners and are approached by land lords. They now, also, have enough money through donations to buy their own first property. They manage the properties and rent them to local families and young people who match their criteria of living within Wells for 5 years and have family in Wells.

Barriers

- Many home owners have been in the same dwelling for over half a century and since real prices and rents have risen, equity holding is now a major factor in creating a high price and high demand for housing.
- High house prices are due to the popularity of the area. Low wages and seasonal work mean buying a home is out of the reach of local residents. As a result, many people have left the area, this has affected the community demographics and created a seasonal economy.
- There is no policy on affordable housing, with many properties being second homes and left vacant for part of the year.

Opportunity

- Within the many constraints there is an argument for more market housing that goes beyond meeting demand, because it brings a substantial number of affordable housing units with it.

- A community, working with the District Council, had identified their needs and using local resources (rented properties) to help solve the problem of affordable housing.
- Visitors are attracted to the area, because it still is a working fishing town and has good all year facilities which serve the needs of locals and those that retire and visit the area. People in these tourism based businesses support the need for a balanced community; 'Homes for Wells' website has a number of sponsored links to self catering and leisure businesses.

References

<http://wellstc.norfolkparishes.gov.uk/links/>

<http://www.wellsnorfolk.com/gallery/6.html> (photograph taken from this site)

Rural East Anglia Partnership Strategic Housing Market Assessment, Oct 07

Case Study 4 - Whitehill Bordon, East Hampshire

The Town

Whitehill Bordon has a population of 15,000 and is the second largest town in East Hampshire. The town is surrounded by rich ecological and archaeological assets (Bronze and Roman Age finds), 9 sites of specific scientific interest, a nature reserve and natural heath land. The town had a 'hop growing' history but now its economic characteristic is light industry (rubber and plastic mouldings, an automotive repairer) and high tech industries.

Since 1863 when the War Office purchased 1,600 acres for training land, the town has had military association. It was considered an Overspill town for London and saw large scale development in the 1970s and 1980s (this is when the two districts of Whitehill and Bordon were physically linked). A commercial free for all led to poor provision in services, e.g. the nearest railway station is six miles away, public transport links are limited, large traffic volumes, limited leisure and retail facilities and no unified town centre. All of these facts have helped, over a number of years to contribute to a weak sense of community and a feeling of isolation.

Current Housing Provision

Housing need in Hampshire has risen, since it was last measured in 2004, as affordability has worsened across the county and region. Needs are not being currently met by the private rental market as the number of people on the housing register has increased. Between 97/98 and 2006/7, 950 social rented homes were provided, however 500 were lost through demolition and Right to Buy. In 2006/7 social lettings were 300, whilst the number on the social housing waiting list for East Hampshire was 2,760.

The population of the county of Hampshire is forecast to grow and age by over 50,000 people to 1,763,000 by 2015. A rise in dwellings of almost 49,000 to 789,000 is forecasted by 2015. Currently, an average of 5,286 houses per year (2002 to 2007) is being built. It is estimated that 2 to 6 times this figure is needed. In East Hampshire the population will grow by 9.1% to 119,240. House prices are also high, in 2007 they were 11 times the average range. As cost of housing has increased over the years, so has the need for affordable housing.

Best Practice Example



The town successfully applied to be one of four new carbon neutral eco-towns. Between 4,000 and 5,000 new homes will be built on the ex army training site and other areas (the army is due to move out in 2014). To qualify to become an eco-town a development must have 5,000 homes, at least 30 per cent of which should be affordable for those on low incomes (in Whitehill Bordon, the figure will be 35%), and contain low-carbon services, buildings, transport and energy projects. Eco Towns are part of the government's commitment to build 3 million new homes by 2020.

Whitehill Bordon had worked together as a town to regenerate the area and prepare for the eco town development, e.g. Whitehill Bordon Business Breakthrough Initiative', Market Town Health check, Town Action Plan (to build community feel), website (www.whitehillbordon.com), events space in the town, etc.

A Town Improvement Manager was appointed to help the town prepare for the Whitehill Bordon eco-town; with the army moving out, the development and building work and subsequent increase in population, the town will see many major changes. Gerry Thorne - "Building a strong community spirit in a town which has historically had a large transient population due to military links is a slow, ongoing process".

The different regeneration projects have provided building blocks for the major expansion and investment. In Feb 2010, the District Council was awarded £10.69 million to put towards a number of projects to begin the development of the Eco Town. Projects include a feasibility study, WiFi and high speed broadband available in the town, allotments, eco station, show home demonstrating the latest low carbon technology and building design (low cost, environmentally friendly), key buildings will be re-fitted, an innovative solution to the transport system and 6 demonstration projects (1 being a development combining living and working space). More money will follow next year.

Barriers

- Developers not providing percentage of affordable houses with some districts planning permission granted without affordable housing or instead offering financial contribution.
- Few affordable homes have been provided across Hampshire as a whole, due to Right to Buy, conversion and demolitions having all affected supply. Any new supply may be required to make up the deficit in council housing and housing association provision.
- People in the town did not feel there was a sense of community as the previous developments did not build an identifiable town centre with facilities the community could share.
- Cost of housing has increased over recent years, with people not being able to move within the market.

Opportunities

- Increase supply by lobbying for more funding and new approaches for delivering affordable housing. Eco Town status, on ex military brown field site on the fringes of Whitehill Bordon, will provide much needed affordable housing and help solidify the regeneration process.
- Other associated schemes have been developed. Whitehill Bordon has been awarded a grant of up to £500,000 to retrofit existing privately owned homes (energy efficient). East Hampshire District Council applied to the Department of Energy and Climate Change at the end of last year to become one of the communities in the Low Carbon Communities Challenge.
- The town is working in partnership to build a sense of community with different regeneration projects, all in preparation for the Eco Town development. There have also been a number of community consultation exercises.
- The process will create a heart for the town and a town centre. Development in the 1970s and 1980s was poorly planned.
- Housing development will have a variety of houses, ensuring people can stay in the area their whole lives, with houses that meet their needs. Affordable houses are built with a higher specification (wide corridors, low door handles), allowing residents to remain in homes as they become older.
- Even if the MoD do not move out, the whole process has left the area as a designated strategic development area, ensuring the housing and infrastructure will still go ahead.

References

Whitehill Bordon – Eco Town, The Facts, Shelter

http://england.shelter.org.uk/_data/assets/pdf_file/0013/132610/Borden.pdf

www.whitehillandbordon.net

<http://www.easthants.gov.uk/>

East Hampshire Housing Strategy – 2007 to 2011

East Hampshire Community Strategy – 2008 to 2026

A Demographic Profile of Hampshire – 2008 to 2015 (Hampshire County Council)

<http://www.easthampshire.org/>

With thanks to East Hampshire District Council for use of the photographs.

Case Study 5 – Coalville Housing Estate, Longton, Stoke on Trent

The Town and Coalville estate

Longton was an industrial market town, being one of six which formed the city of Stoke on Trent in 1925. Weston Coyney is on the west side of Longton and consists mainly of large housing estates and a country park. Weston Coyney Hall was occupied by the Coyney family from 1666 to 1920, in 1944 the Hall was demolished and the land built over. There is still a regular market in the Longton Market Hall.

The whole area was once very industrial (coal mining, quarrying and textiles), most of which have closed down. The Coalville Estate is in Weston Coyney and was originally made up of 406 pre-fabricated houses, built by the National Coal Board (NCB) in 1954 within a year (prefabricated homes), to provide homes for the mining community. The estate reached its peak in 1970s but by the 1980s many people were leaving the area to find work in other mines and factories. The area went into decline, especially as the houses were only intended to last 15 years. In the early 1980s, 150 properties were refurbished and sold by auction, to existing tenants and private landlords.

Stoke-on-Trent City Council has been involved in the regeneration of Coalville since 1999 and has acted as one of the major funders throughout. Their aim is to transform the housing stock in Coalville through a mixture of acquisition, refurbishment, demolition and new build.



Housing provision

Stoke on Trent has a population of just over 145,000, with a residential base of 111,000 houses. In the 1970s people moved out of the inner core to large suburban estates, simultaneously, the city suffered from a decline of traditional industries with high unemployment figures and people leaving in search of work (between 1998 and 2003, unemployment rose by 13,000). There is a need for 15,280 dwellings per annum from 2007-2011 and 14,650, from 2012-2021. Stoke on Trent City Council's Development Framework has recognised the need for affordable housing, aiming to secure 25% affordable housing on any new residential development.

The city is now at the centre of one of the largest regeneration programmes in England, with up to £2 billion of public and private sector investment in economic, physical and social

projects expected in the medium term. The local population is growing and the distribution of household size is changing, and the need to improve large parts of the housing stock and its environment is clear.

Coalville is one such area in need and in the 1990s the residents campaigned to improve the quality and look of their homes. A decade later the land at Coalville was compulsorily purchased for house building in 2008 and creating a new estate re-named Weston Heights.

Best Practice Case Study

RENEW North Staffordshire is a partnership of three local authorities - Stoke on Trent City Council, Newcastle under Lyme Borough Council and Staffordshire Moorlands District Council. The programme is one of 9 'housing market renewal pathfinders' in England to receive government funding (2002 to 2008 - £1.2 bn, 2008 to 2011- £1 bn.) to rebuild housing markets and communities in parts of the North and the Midlands where demand for housing is relatively weak and where there has been a significant decline in population, dereliction, poor services and poor social conditions as a result.

The aim of the regeneration programme at Coalville is to provide 300 quality homes with a wide mix of housing types for sale, rent or shared ownership. 30% of the houses will be affordable, the remaining will be for sale. The £55 million RENEW funding is over 5 years (begun in Spring 2008) and includes better road layouts, recreation land and retail facilities. The area has been renamed as The Weston Heights Development. It is a collaborative project involving partner organisations forming the Coalville Partnership Board (RENEW, the Stoke City Council, Compendium (two Housing Associations – Lovell and Riverside) and the Coalville Residents' Association).

Recent years have shown signs that investment and regeneration programmes have begun to reverse decline and to break the downward cycle.

Barriers

- People living in areas affected by low demand, with low employment levels and deteriorating properties.
- Limited housing choice with homes valued at prices significantly below local averages – difficult to move (even when the home is not fit for purpose). People have found themselves trapped in homes they cannot afford to maintain or improve (unpopular area and in poor condition).
- Low wages make it difficult for people to remain in the area, there is a need for good quality affordable housing.

Opportunities

- Area recognising need to change - Coalville Residents Association.

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- Attracted Renew funding ensuring comprehensive development of the Coalville estate, recognising the potential impact of unsightly and poor quality housing has on an area.
- The project has gathered momentum with Renew North Staffordshire considering an initiative to allow owner-occupiers living on the Coalville estate, to improve their homes to bring them into line with the properties being refurbished by Renew.
- Well developed approach to place making – improving housing supply and neighbourhood quality.

References

<http://myweb.tiscali.co.uk/robertburden/Housing/coalville.htm>

<http://www.renewnorthstaffs.gov.uk/select-an-area/coalville/>

<http://www.coalville-vision.co.uk/coalville/coalville/default.asp?id=9> (photograph taken from this site)

http://www.stoke.gov.uk/ccm/cms-service/stream/asset/?asset_id=1753438

Looking Forward, Strategic Review for Housing in Stoke on Trent, 2009-2011, Stoke City Council.

Appendix B

Here you will find additional detail on the issues covered in the main paper, as follows:

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Section 1 - National Policy Context

The founding principle of much government policy is the promotion of sustainable development, with sustainable communities being an integral part of that concept. Government policy has centred on a new 'Place Shaping Agenda' of which housing, market and affordable, is an integral part.

The new Government

Relevant Government Departments

Department for Communities and Local Government (CLG)

The Department for Communities and Local Government (CLG) was created in May 2006. It is the successor department to the Office of the Deputy Prime Minister (ODPM). It has overall responsibility within Government for housing. It has a powerful remit to promote building more and better homes, reducing homelessness, improving local public services, regenerating areas to create more jobs, working to produce a sustainable environment and tackling anti-social behaviour and extremism. The Department sets UK policy on local government, housing, urban regeneration, planning and fire and rescue. It has responsibility for all race equality and community cohesion related issues across Great Britain and for building regulations, fire safety and housing issues in England and Wales.

Department for Environment, Food and Rural Affairs (Defra)

The Department for Environment, Food and Rural Affairs (Defra) is the government department responsible for national policy and advice on environmental, agricultural and rural issues. Defra's rural programme focuses on the outcomes of the Government's social and economic policies in relation to rural people and places. Its aim is to ensure that the evidenced needs of rural people and communities are addressed effectively through mainstream public policy and delivery. This is about working constructively within a national policy framework and recognising that all communities are different. This is increasingly designed to give local areas the flexibility to respond to local circumstances and needs.

Homes and Communities Agency (HCA)

The Government's principal agency for delivering affordable homes is the Homes and Communities Agency (HCA) formed in 2008. The HCA is a non-departmental public body and their sponsor government department is CLG. The HCA brings together English Partnership's land and property expertise, the Housing Corporation's track record of delivering affordable homes and the Academy for Sustainable Communities' knowledge of creating and renewing high quality places. It has a strong emphasis on being a national agency that works locally with a regional presence, aligned to the nine Government Office regions and acting as a bridge between national targets and local ambitions. Its statutory objectives are to:

- Improve the supply and quality of housing in England;
- Secure the regeneration or development of land or infrastructure in England
- Support in other ways the creation, regeneration or development of communities in England or their continued well-being; and
- Contribute to the achievement of sustainable development and good design in England, with a view to meeting the needs of people in England.

The HCA addresses four key themes of activity:

- **Growth** – Enabling the delivery of large scale development in strategic locations, helping local areas achieve their growth targets and unlocking stalled schemes

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- **Affordability** – Providing the funding for housing associations, private developers and local authorities to build affordable homes for rent and sale
- **Renewal** – Working with local authorities and regional agencies to identify renewal requirements, from rejuvenating falling estates to cleaning up swathes of brownfield land and stimulating renewed economic activity
- **Sustainability** – Improving quality of life through innovation, enhanced surroundings and a higher standard of physical and social environment.

The single conversation is the business process through which the HCA agrees and secures delivery at the local level with sub regional partners, in support of their national objectives. It is about connecting local ambition with national targets and refers to the full range of activities within an area; housing, infrastructure, regeneration and community activities.

Tenant Services Authority (TSA)

The Tenant Services Authority (TSA) was formed at the same time as the HCA and is the regulatory body for Registered Social Landlords (Housing Associations) working with landlords and tenants to improve services for existing and prospective tenants. Its statutory objectives are to:

- Improve standards of service delivery for tenants
- Support decent homes and neighbourhoods
- Promote effective tenant involvement and empowerment
- Ensure providers are well run and deliver value for money
- Promote and protect public and private investment
- Encourage and support a supply of well-managed social housing

The National Housing and Planning Advice Unit (NHPAU)

The National Housing and Planning Advice Unit (NHPAU) was established in response to Kate Barker's Review of Housing Supply in 2004 to undertake research and to provide advice to Government and regions on the impact of planned housing provision on affordability. Its aim is to make market housing more affordable and to address the trend in the rise in the number of people prevented from getting onto the property ladder.

Housing and planning legislation

In a nutshell, Government's affordable housing policy is to ensure the provision of high quality housing for people who are unable to access or afford market housing.

It starts with Government's Statutory Guidance, "Creating Strong, Safe and Prosperous Communities". This policy underpins Government's whole approach to place-shaping and delivering housing at a local level and informs national housing and planning policy. Published in July 2008, this guidance gives effect to Government's commitment to 'improving the equality of life in places and helping local authorities to provide better services' and create a 'new settlement' between central government, local government and citizens.
(www.communities.gov.uk/publications/localgovernment/strongsafeprosperous)

Housing Policy

The landmark Housing Green Paper, 'Homes for the future: more affordable, more sustainable', was published in July 2007 and it remains the key contextual policy document. It set out the Government's strategic approach to all housing, not just affordable housing. The paper sets out a plan for three million new homes by 2020 which include:

- more homes - backed by more ambitious building targets, increased investment, and new ways of identifying and using land for development
- more social housing - ensuring that a decent home at an affordable price is for the many, not the few
- building homes more quickly - by unblocking the planning system and releasing land for development
- more affordable homes - by increasing the options for low cost home ownership and more long term and affordable mortgage products and
- greener homes - with high environmental standards and flagship developments leading the way

'Local authorities have a critical role to play in achieving a major increase in new homes and their strategic housing role is at the heart of achieving our ambitions for housing supply. We want to see local authorities step up to play a stronger role in addressing the housing needs of all their residents, as part of their strategic housing role.'

(Housing Green Paper 2007: Homes for the future: more affordable, more sustainable www.communities.gov.uk/housing/strategiesandreviews/housinggreenpaper).

The Government also issued a range of sister documents alongside 'Homes for the future' in order to make early progress on delivering particular commitments and provide more detail about many of the proposals in the green paper. The most relevant to market towns are eco towns and growth areas:

Eco towns

The Government is looking to encourage and support local authorities and the private sector to bring forward five eco-towns. They will be small new towns of at least 5-20,000 homes. They are intended to exploit the potential to create a complete new settlement to achieve zero carbon development and more sustainable living using the best new design and architecture.

Growth areas

The Government's vision for towns and cities is of prosperous and cohesive communities offering a safe, healthy and sustainable environment for all. A vital ingredient for sustainable communities is an adequate supply of good quality housing offering a choice of types and tenures, including affordable housing for key workers and those in lower income groups. To date fifty locations have been announced as Growth Points, eligible for Government funding for infrastructure projects and essential studies to support sustainable growth. By supporting these areas as Growth Points, the Government is entering into a long-term partnership, subject to the statutory regional and local planning process.

Code for sustainable communities

The purpose of a Sustainable Community Strategy is to set the overall strategic direction and long-term vision for the economic, social and environmental well-being of a local area – typically 10-20 years – in a way that contributes to sustainable development in the UK. It tells the 'story of the place' – the distinctive vision and ambition of the area, backed by clear evidence and analysis.

Planning Policy

Planning Policy Statement 3: Housing (PPS3) underpins the delivery of the Government's strategic housing policy objectives and its goal to ensure that everyone has the opportunity to live in a decent home, which they can afford in a community where they want to live.

Published in November 2006, this remains the definitive planning policy document for all housing provision, including affordable housing.

The Government also published a sister document to PPS3 in November 2006, 'Delivering Affordable Housing'. The aim of this document is to support local authorities and others in delivering more high quality affordable housing within mixed sustainable communities.

PPS3 confirmed the government's commitment to "improving the affordability and supply of housing in all communities, including rural areas" and aims to "deliver high quality housing that contributes to the creation and maintenance of sustainable rural communities in market towns and villages."

Specifically, PPS 3 requires that 'planning at local and regional level adopts a positive and pro-active approach which is informed by evidence, with clear targets for the delivery of rural affordable housing.' Requirements are placed on regional and local planning authorities to support this more positive approach with three specific measures to secure range, diversity and accessibility of housing in rural areas:

- Clear targets for the delivery of rural affordable housing, informed by evidence (LDF)
- Allocating and releasing sites solely for affordable housing, where viable and practical (Strategic Housing Land Availability Assessment)

Enhancing and maintaining the sustainability of villages as well as market towns and local service centres, recognising that "the relationship between settlements so as to ensure that growth is distributed in a way that supports informal social support networks, assists people to live near their work and benefit from key services".

Section 2 - Regional Policy Context

There are three elements of regional level strategy that are particularly important as a context for affordable housing provision; Regional Spatial Strategy, Regional Economic Strategy and Regional Housing Strategy (see Diagram 1). However, change is happening and from 2010 these strategies will be integrated into a single Integrated Regional Strategy.

Regional Housing Boards from 2003 had responsibility to produce Regional Housing Strategies which identified key priorities in each region. From 2006 responsibility passed to the Regional Assemblies to build on their work as Regional Planning Bodies. From 2010 a new framework is in place for the production of a new single Integrated Regional Strategy whereby Regional Assemblies will cease to operate and their responsibilities assumed by the Regional Development Agency and Government Office.

Regional Spatial Strategy (RSS)

The current RSS in your region was most likely prepared by the Regional Assembly. The RSS sets out how much development there is going to be in a region as a whole over a 15-20 year period. It sets the amount of new housing that is going to be built in each sub region and local authority area. In turn it then sets the framework within each Local Planning Authority's Local Development Framework for delivering affordable and market housing.

Regional Housing Strategy (RHS)

The current RHS in your region was most likely prepared by the Regional Assembly and Regional Housing Board. The RHS identifies key priorities for each region and sub region and is therefore the basis upon which decisions on housing capital investment for affordable housing can be made. Although the content will vary, each RHS should aim to:

- Set out a picture of the current housing situation across the region
- Be based on robust up-to-date evidence; cover all tenures - not just affordable housing
- Set out a vision for the region
- Set out priorities for action
- Cover the medium to long-term
- Identify sub-regions based on housing markets
- Show clear links to the Regional Spatial and Economic Strategies.

The RHS is a non-statutory document, it belongs to the region and requires neither approval nor sign-off by Ministers.

Regional Economic Strategy (RES)

Produced by the Regional Development Agency, the RES identifies clear priorities for seeking to improve regional economic performance, and to identify strategies for achieving them. The aim is to ensure that regional opportunities are fully exploited, and that those responsible for economic decision-making are working effectively together, with common goals and accepted priorities for regional development.

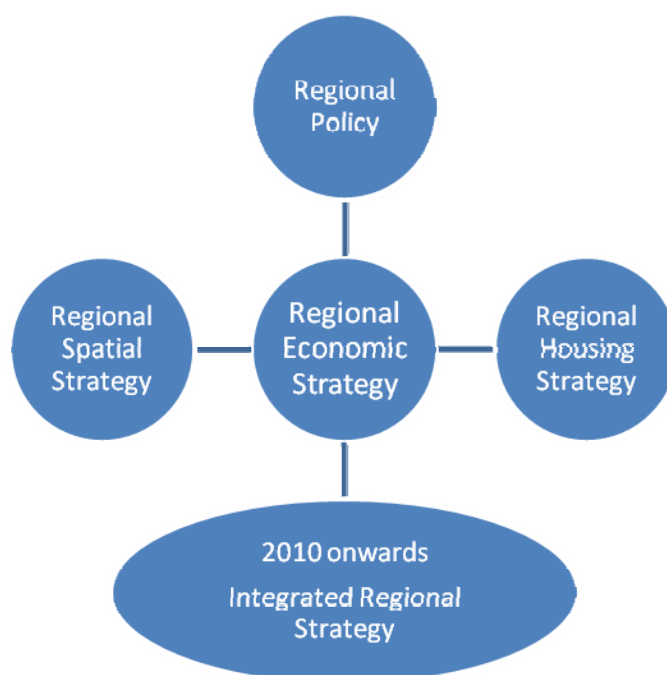
Integrated Regional Framework

From 2010 a new framework is in place for the production of a new single Integrated Regional Strategy whereby Regional Assemblies will cease to operate. Their responsibilities will be assumed by the Regional Development Agency (RDA) and Government Office. The RDA will be responsible for production of the new single Integrated Regional Strategy. The Integrated Regional Strategy will replace the existing Regional Spatial Strategy, Regional Economic Strategy and Regional Housing Strategy. It will outline proposed priorities for long-term development in the region by bringing together economic, environmental and social priorities.

What are Regional Development Agencies?

The eight Regional Development Agencies (RDAs) were established under the Regional Development Agencies Act 1998, and were formally launched in eight English regions on 1 April 1999. The ninth, in London, was established in July 2000 following the establishment of the Greater London Authority (GLA). Their primary role is as strategic drivers of regional economic development in their region; however from 2010 their role has been enhanced to cover environmental and social priorities. The agenda for each RDA includes regeneration, taking forward regional competitiveness, taking the lead on inward investment and, working with regional partners.

Regional policy structure



Each region is split into sub regions which will either already have in place or be in the process of developing their own sub-regional housing strategy, which makes the link between the regional housing strategy and local housing delivery plans. The development of sub-regional level strategy is being strongly encouraged by Government and the HCA as part of their Single Conversation business approach to form the basis of housing resource allocation within a region.

Government within the regions

Within each region, Government Office's are responsible for ensuring that Government policies are communicated, acted upon and monitored in that region. They work in partnership with organisations across the region to deliver Government policies in the most effective and appropriate way for the region's communities.

Put simply, their aims are threefold, to improve the region's economy, improve the quality of life of all those who live, work or visit here and to protect and improve the natural and built environment.

Section 3 – Place-shaping mechanisms at the local level

Local authorities' strategic role in the new 'place shaping agenda'

As part of their strategic leadership and place shaping activities, local authorities are expected to address the housing needs of all residents across all housing tenures, through strategic housing activity known as the 'strategic housing role'. Through their strategic housing role and by aligning housing plans with the Local Development Framework, local authorities can bring considerable influence to bear on the delivery of affordable housing in their area.

'Creating Strong, Safe and Prosperous Communities 2008', reaffirms that housing is at the heart of place shaping and encourages local authorities to take full and proper account of housing as part of the strategic vision for the area.

The guidance requires local authorities with their sub-regional partners to prepare housing strategies which are expected to form part of the Sustainable Community Strategies. Local authorities can choose to prepare individual housing strategies however, the emphasis is on cross-boundary and sub-regional working between local authorities, registered social landlords and Homes and Communities Agency, in considering how to address the needs of all local people across all tenures.

Housing strategies are expected to reflect the wider vision of the local authority. They are expected to be well evidenced and clear, confirming how they will deliver the targets set in the Local Area Agreements and Local Development Framework.

- They will identify key issues within your area and set out how the local authority will work to meet the targets to tackle these issues that formed their Local Area Agreements:
- Shortage of Affordable Housing
- Shortage of market housing
- Balancing housing markets
- Creating Decent Homes and Environments
- Housing the homeless
- Regeneration
- Homes with support or additional facilities
- Support continued economic growth and regeneration
- To access the Housing Strategies prepared by your local authority, try your local authority website. Direct Gov enables you to search by postcode the Local Authorities and Registered Social Landlords in your area (www.direct.gov.uk)
- For a practical guide on how local authorities make the case for affordable housing try the Improvement and Development Agency (IDea) good practice paper produced for Communities and Local Government 'New Housing Provision and the Strategic Housing Role' October 2008 (www.idea.gov.uk/idk/aio/8842600)

Research necessary to inform the strategic housing evidence base

Strategic Housing Market Assessments

- In preparation of their evidence base local authorities are required to have in place Strategic Housing Market Assessments (SHMAs). The preparation of an SHMA is a shared process between local authorities' strategic housing and planning functions, and a wider stakeholder group (RSLs and the HCA). The SHMA provides essential evidence, which underpins housing proposals in both the Core Strategy of the Local Development Framework and the Sustainable Community Strategy.
- One of the major changes introduced by the SHMA guidance is that local authorities need to take into account actual housing market areas rather than limiting the assessments to the administrative boundaries of the local authority. It encourages cross-boundary and sub-regional working which also reflects the 'single conversation' business approach the HCA have adopted in allocating resources for affordable housing.
- They are encouraged to work with neighbouring local authorities, in similar housing market areas or where there are shared Local Area Agreements or Multiple Area

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Agreements. This is not always easy and straight forward, as often housing market areas and LA boundaries do not overlap.

- The SHMA guidance also underlines the importance of understanding the housing market as a whole, and how current market trends are likely to affect future housing requirements. This needs to involve a wide range of partners across the private, social and public sectors, which will help to achieve this cross-sectoral understanding. Specifically for rural areas the guidance advises that it is important to distinguish between urban and rural, and that care should be taken to use data appropriate to rural areas with the inclusion of specific questions to explore the nature of the housing market in rural areas.
- Evidence collected by SHMAs includes:
 - estimates of current dwellings in terms of size, type, condition and tenure
 - analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market
 - estimate of total future number of households, broken down by age and type where possible
 - estimate of current number of households in housing need
 - estimate of future households that will require affordable housing
 - estimate of future households requiring market housing
 - estimate of the size / nature of affordable housing required
 - estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups.

Balanced housing markets

- Local authorities are expected to create balanced housing markets in their areas, but there is no single definition for a balanced market. It is easier to consider what outcomes a balanced housing market can achieve and these will vary across local authorities, depending on the local housing need and strategic priorities. They could include:
 - Providing housing to support the overall aims or vision of the Sustainable Community Strategy, for example to support economic growth and neighbourhood regeneration.
 - Balancing supply and demand of housing stock,
 - Identifying low demand housing market areas and trying to balance new build and improvement of existing housing stock within these areas
 - Providing stock of both market and affordable housing to address people housing aspirations and housing need,
 - Assisting all sections of communities, across urban and rural areas, to have access to good quality accommodation, including key worker living in areas of chronic housing shortage
 - Providing housing stock for specific groups (e.g. people with learning difficulties and vulnerable adults)
 - Providing sites for households with cultural requirements (e.g. Gypsy and Travellers)

Communicating the vision

The strategic housing role should ensure that the local authority's vision for the area is communicated effectively. This vision should be clearly reflected in the Sustainable Community Strategy and where applicable other related strategies or delivery documents. These should be developed with a wider strategic housing partnership and be readily accessible to the partnership and the wider community. The statutory guidance, 'Creating Strong, Safe, and Prosperous Communities'²⁴ published by Government in July 2008, reaffirms that, where possible, housing strategies and homelessness strategies, should be incorporated within Sustainable Community Strategies, whilst allowing local authorities discretion about how this should be achieved

Strategic Housing Land Availability Assessment (SHLAA)

Strategic Housing Land Availability Assessments are a key component of the evidence based approach to supporting the delivery of sufficient land for housing to meet the community's need for more homes. These assessments are required by national planning policy, set out in Planning Policy Statement 3: Housing (PPS3) the purpose to ensure that land availability is not a constraint on the delivery of more homes.

The primary roles of the Strategic Housing Land Availability are to identify sites with potential for housing, assess their housing potential and assess when they are likely to be developed.

The SHLAA aim is to identify as many sites with housing potential in and around as many settlements as possible, within a defined geographical area. This area should be a sub-regional housing market area, but may be a local planning authority area. As a minimum, it should aim to identify sufficient specific sites for at least the first 10 years of a plan, from the anticipated date of its adoption, and ideally for longer than the whole 15 year plan period. The SHLAA is an important evidence source to inform plan-making, but does not in itself determine whether a site should be allocated for housing development.

Section 4 – The Place-Shaping Framework

What are Local Strategic Partnerships?

Local Strategic Partnerships (LSPs) bring together local councils, other public sector agencies, the business sector, and the third sector – voluntary and community organisations. They are non-statutory partnerships, established over the past decade in each local authority area in England.

LSPs have a significant leadership role in their area. However, this does not mean the same in every area, as LSPs vary in how they see their role and go about their business. It is for the LSP, working with the local council, to decide how far this role should be developed.

The basic principles of the framework for local strategic partnerships are:

- 1) Local councils have broad 'community leadership' responsibilities for their area, extending to all public services – this wider role for local government has become common ground between the main political parties.
- 2) Ideas of 'leadership of place' and 'place shaping' have gained prominence; LSPs are expected to play an active part in joining up otherwise fragmented public services.
- 3) Local area agreements (LAAs) have created a more meaningful role for LSPs and a new framework for collaboration throughout the public sector and between central and local government.
- 4) Total Place thinking and inevitable reductions in public expenditure add a new urgency to the tasks facing LSPs.

Diagram 2: The place shaping agenda



What is in a Sustainable Community Strategy (SCS)?

The SCS sets out the overall strategic direction and long-term vision for the economic, social and environmental wellbeing of a local area – typically for 10 to 20 years. It is prepared by local partners – the Local Authority and Local Strategic Partnership. This document will set out the overall priorities for housing within your area, market and affordable. It will contain each local authority's housing strategy, and if prepared at a sub-regional level a sub-regional housing strategy representing all the local authorities in that sub-region.

The real value of the Sustainable Communities Strategy is as a vehicle for consulting with local people and key partners on the long-term priorities for an area and it will contain the following elements:

1. the long-term vision based firmly on local needs – this will be underpinned by a shared evidence base informed by community aspirations
2. key priorities for the local area, based upon this vision which may realistically be achieved in the medium term – these will inform the strategy's delivery agreement – the local area agreement (LAA)

It also provides a policy framework for several other planning processes

1. Providing the framework for the three-year outcomes and targets for the LAA.
2. strategies at a higher geographic level, such as sub-regional plans or multi-area agreements (MAAs)
3. setting the 'core strategy' for the local development framework (LDF) – the spatial and land use plan for the area

What are Local Area Agreements?

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Local Area Agreements set out the 'deal' between central government and a local area and as such, is the shorter-term delivery mechanism for the Sustainable Community Strategy (SCS). It is agreed between central government and a local area (the local authority and Local Strategic Partnership) and other key partners.

LAAs are a more devolved form of local governance moving decision making away from a 'Whitehall knows best' philosophy. Comprehensive Area Assessments (CAAs) are a new inspection framework for local government and as well as 'use of resources' assessment focussing on the council itself, there is also an 'area assessment' looking at how well the whole area is working together to achieve the priority outcomes that the LSP has identified in the LAA.

Central Government and the local area agree on up to 35 targets from a list of 198 national indicators which central government has identified. The LAAs simplify some central funding, help join up public services more effectively and allow greater flexibility for local solutions to local circumstances.

Within the LAA, Local Authorities will have committed to certain targets or indicators that will measure their performance. A number of these targets relate to housing provision, affordable and market. The ones most likely to be within your area's LAA are:

- NI 154: Net additional homes provided
- NI 155: Number of affordable homes delivered (gross)
- NI 156: Number of households in temporary accommodation
- NI 158: % non-decent council homes
- NI 159: Supply of ready to develop housing sites
- NI 160: Local Authority tenant's satisfaction with landlord services

What are Multi-Area Agreements?

In some areas you will hear that a multi area agreement is in place. Multi-area agreements (MAA) are designed to be cross-boundary local area agreement (LAA). They bring together local partners (local authorities and LSPs) in neighbouring authorities to agree in partnership priorities for the wider area. The major issues that MAAs can tackle include, housing market imbalances, transport and infrastructure projects and economic development.

Local Development Framework (LDF)

A Local Development Framework is a collection of planning documents prepared by your local planning authority to outline how they will manage development and land use in your area including delivering affordable housing, how much and where. All these documents should be available from your local planning authority. LDFs were introduced by, 'The Planning and Compulsory Purchase Act 2004' and are in effect a new 'two-tiered' plan system, where the regional spatial priorities have to reflect the local spatial priorities:

TIER 1: Regional Spatial Strategies

Setting out a broad spatial planning strategy for how a region should look in 15 to 20 years time and possibly longer.

TIER 2: Local Development Frameworks

The LDF is a folder of local development documents prepared by district councils, unitary authorities or national parks that outline the spatial planning strategy for your area. The Local Development Framework, together with the Regional Spatial Strategy, will determine how the planning system will shape your community and as regards affordable housing the numbers of properties to be built and where.

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In terms of planning requirements at a local level, as regards provision of affordable housing, the planning documents (some or all) included in an LDF are:

- A Core Strategy – containing a policy setting out the intent to deliver affordable housing through the planning system. This should comprise a percentage target of affordable housing in line with that set out in the Regional Spatial Strategy and a threshold for affordable housing on new developments related to local circumstances.
- Development Plan Documents (DPDs) – Local Development Documents (LDDs) setting out the key development goals of the LDF that have been agreed after public consultation and examination by an independent planning inspector
- Supplementary Planning Document – provides more detail on affordable housing requirements and the mechanisms your local authority has in place to deliver housing through the planning process.
- Proposals Map – highlighting particular housing market pressures faced by local authorities in delivering affordable housing.
- Area Action Plans – highlight areas where significant change or conservation is needed, e.g. regeneration, detailed affordable housing requirements including mix and tenure.
- Statement of Community Involvement (SCI) – this sets out how the public will be involved in the process of preparing and reviewing all LDDs and other development control decisions.

Section 5 – Routes to getting your voice heard

The duty to involve

The duty to involve was placed on Local Authorities by the Local Government and Public Involvement in Health Act 2007. It imposes a duty on all local authorities to involve local representatives when carrying out "any of its functions" by providing information, consulting or "involving in another way". It basically means local authorities must consult individuals, groups, businesses or organisations likely to be affected by their actions. The duty is wide-ranging and applies to the delivery of services, policy, and decision making.

The best place to start is your local authority website and they should have a section or document that sets out how they consult with residents.

Contact your local councillor

As well as being able to attend some council meetings and having access to meeting papers and notes, you can also contact your local councillor about relevant issues. A councillor is elected by the local community and is there to represent its views within the local authorities. You can contact local councillors via your local authority or attend a councillor advice surgery. Advice surgeries are available to everyone seeking information and advice, to make a complaint or enquire about local authority services.

Local Strategic Partnerships

Local strategic partnerships (LSPs) are ideally placed to act as a local focus for community consultation, engagement and involvement. They can play a valuable part in coordinating

consultation exercises across different agencies, saving costs, avoiding duplication and 'consultation fatigue'.

Good quality consultation and community engagement on Sustainable Community strategies (SCSs) and local area agreements (LAAs) involves many different agencies and ideally should be pursued on a partnership basis.

Consultation requirements for a Sustainable Community Strategy

Local strategic partnerships (LSPs) and councils are largely free to choose how they go about preparing the sustainable community strategy (SCS) for their area, provided that they meet some statutory requirements on consultation.

In consulting with their local communities local authorities are expected to ensure they engage with a range of interests, including business interests, residents, workers, parish and town councils and voluntary organisations. The ways local authorities engage with their communities include targeted focus groups on specific themes, questionnaire surveys, and locally based events in different local authority areas.

Consultation requirements vary between first-tier councils (counties and unitaries) and district councils.

'Responsible local authorities' (counties and unitaries) are required, when preparing or modifying their SCS "to consult and seek the participation of each partner authority and such other persons – organisations and people – as they consider appropriate".

District councils are simply under a duty to consult and seek the participation of such organisations and people as they consider appropriate.

The idea is that the responsible authority leading on the local area agreement (LAA) will ensure that all partner authorities will be sufficiently involved helping to prepare the SCS. This helps ensure that the strategy reflects a shared view on the longer-term priorities for the area. It also eases the process of agreeing three-year targets within the LAA, assuming these will normally be drawn from the SCS.

Statement of Community Involvement in Local Development Frameworks

The government now strongly encourages joint consultation and engagement on sustainable community strategies alongside local development frameworks. This can involve developing a shared evidence base for both, and aligning timescales and local consultation arrangements for review and updating. The Statement of Community Involvement (SCI) sets out how the public will be involved in the process of preparing and reviewing the Local Development Framework.

Section 6 - Government inquiries significant to affordable housing in market towns

Over the past five years there have been three government inquiries particularly significant to the affordable housing agenda in market towns:

- Barker Review of Housing Supply 2004
- Affordable Rural Housing Commission 2006
- Taylor Review of the Rural Economy and Affordable Housing 2007

Barker Review of Housing Supply

Kate Barker was asked by Government in 2003 to conduct a review of issues underlying the lack of supply and responsiveness of housing in England, considering:

- The role of competition, capacity, technology and finance of the house-building industry; and
- The interaction of these factors with the planning system and the Government's sustainable development objectives.

The report was published in 2004 and made 36 wide-ranging recommendations calling on central and local government, industry and planners to address the problems in Britain's housing supply. These recommendations have strongly influenced government policy and you will note reference made to this inquiry in the majority of guidance around planning and affordable housing supply.

The recommendations included:

- Government should set out a goal for improved market affordability.
- Additional investment building-up to between £1.2 and £1.6 billion per annum will be required to deliver additional social housing to meet projected future needs.
- Introduction of a Planning-gain Supplement to capture some of the development gains that landowners benefit from, to ensure that local communities share in the value of development.
- Establishment of a Regional Planning Executive to provide public advice to the Regional Planning Body on the scale and distribution of housing required to meet the market affordability target.
- Introduction of flexibility at the local level through the allocation of additional land in Local Development Frameworks, with the release of this additional land triggered by market signals.
- Establishment of a Community Infrastructure Fund to help to unlock some of the barriers to development.
- Local authorities should be allowed to “keep” the council tax receipts from new housing developments for a period of time to provide incentives for growth and to meet transitional costs associated with development.

Affordable Rural Housing Commission

The Affordable Rural Housing Commission was set up in July 2005 by DEFRA and CLG to inquire into the scale, nature and implications of the shortage of affordable housing for rural communities in England and make recommendations to help address unmet need.

The main findings from the Commission were:

- There is an acute shortage of affordable housing in many rural areas in England which is a matter of urgent priority.
- The need for flexible solutions to housing issues should be based on local research.
- The Commission's message is that Planning Authorities should ask far more of developers and that government should spend more on rural affordable housing

- The countryside is not solely about the landscape but the communities within it. This means that the needs of people, particularly a need as basic as housing, should be taken into account alongside those of the environment and the economy.
- Without more affordable housing, those on lower incomes will increasingly be excluded from living in many parts of the countryside, offering the next generation little choice but to move away to find homes. Families separated by distance will be less able to support each other by providing childcare or doing shopping for elderly relatives, and local services will become increasingly difficult to maintain.
- Having worked hard to make urban areas more attractive and sustainable, we will look back and find we have created rural areas which are less sustainable and increasingly socially polarised.

Taylor Review of the Rural Economy and Affordable Housing

In September 2007, the Prime Minister asked Matthew Taylor (MP for Truro and St Austell) to conduct an independent review to investigate how the planning system and land use could better support the sustainability of rural communities in England.

Matthew Taylor said: *“The English countryside is a wonderful place to live and work - if you can afford a home, if you can find a reasonably paid job. But for too many people country life is challenging and urgent action is vital to stop villages dying and our market towns being wrecked by unsympathetic development”.*

The main findings recommended a fundamental shake up of planning and affordable housing policy is vital to breathe new life and prosperity into rural communities. The high cost of homes coupled with the low wages of rural workers, are creating unsustainable pressures that threaten the future of rural communities.

With the flight from cities to the countryside (the rural population has grown by 800,000 people in the last decade, twice the rate of urban areas) driving up house prices, young families are being priced out of the communities in which they work. Average wages for people working in rural communities are now £4,655 lower than the national average, while first time buyer homes (the cheapest 25%) cost £16,000 more. A mortgage now costs a higher proportion of average income in the South West than in London.

The report outlines the potential implications for many market towns of significant growth over the next decade.

“...new planning policies to shift growth of market towns from endless bland housing estates to create instead new neighbourhood extensions with shops and community facilities, workplaces and open spaces”

His report outlines a series of recommendations under the themes of:

Living Working Countryside:

- Planning policy (Planning Policy Statements and Planning Policy Guidance) should be reviewed as a whole to simplify and end conflicting messages over sustainable development to ensure economic, social and environmental factors are properly balanced;
- ‘Tick box planning’ based on a narrow range of sustainability criteria should be transformed into processes encouraging a long-term vision of what rural communities can and should be, to end the ‘sustainability trap’ in which villages deemed ‘unsustainable’ continue to decline.

On market towns:

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- Planning policy should discourage unsustainable estate developments ‘doughnutting’ market towns. The Government should introduce new planning policy and an exemplar programme to encourage master planning the long term growth of market towns to create ‘new neighbourhoods’ and ‘community extensions’ which are attractive places to live, work and play, including local shops, workplaces, community facilities and open spaces;
- Encouragement for new development on brownfield (previously developed) land to protect the countryside is supported – but the review calls on the Government to examine unintended consequences such as ‘urban cramming’, inappropriate loss of gardens and other urban green space, and to encourage development to include more publicly accessible green space serving old and new communities as market towns grow.

On affordable housing for villages:

- A new ‘community led affordable housing’ initiative, encouraging rural communities to develop small groups of affordable housing for local people to rent or buy where they meet criteria of local support, good design, and are affordable in perpetuity to meet local housing needs;
- New encouragement for landowners to offer land for this affordable housing at affordable prices, including options for nominating a family member or employee for some of the property if that helps bring forward more affordable homes needed for the community;
- The review also examines the issue of second homes and concludes that they raise issues for a relatively small number of smaller communities where lack of full time residents puts schools and other services at risk. It suggests the Government should trial planning rules designed to control further conversion of full time homes to second homes/holiday letting in one or more of the national parks.

To boost rural economies and employment:

- That new planning policy better recognises that all forms of business can be appropriate in the countryside, and proposes an end to planning rules and practices that encourage small rural businesses to move out of the countryside into urban centres as soon as they start to grow;
- New policy should support a more flexible approach to work-based extensions to homes to encourage home-based working and in particular start up businesses in the countryside to grow and take on their first employees;
- An exemplar programme to bring forward new rural business hubs and live/work clusters to support and encourage small rural businesses;
- Housing Associations should end bans on people setting up a home-based business in social and affordable homes.

Section 7 - The Credit Crunch

The current economic downturn is having a marked impact upon the affordable housing sector. In many urban and rural areas development work on schemes that were considered viable twelve months ago has stopped; and there is anecdotal evidence to suggest that developers are pulling out of schemes and off-loading land assets in an attempt to manage risk.

The economic downturn has had a dramatic effect upon both housing markets and the house building industry. It will be a particular challenge to meet Government, Regional Spatial Strategy and Local Area Agreement targets for new homes in the current economic climate. With rising repossessions, falling house prices and sales, a dramatic reduction in new build

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activity and the inaccessibility of mortgage finance, the full impact and extent of the downturn in housing terms remains to be seen.

Government interventions to support the housing market have included increasing the stamp duty threshold; loans to assist first-time-buyers; mortgage rescue schemes; bringing forward spending on affordable housing and increasing flexibility in bidding for resources.

The recession has impacted on the housing sector in a number of areas:

- Building new affordable homes
- Homelessness
- Support for third sector organisations providing services to homeless / vulnerable people

Building new affordable homes is dependent on the ability of housing associations to fund the cost of such activity. Social Housing Grant rates have fallen and the rest of the funding required comes through borrowing money from the private sector, through planning gain from private developments, or from housing associations' own reserves.

Over the last 20 years, the drive to increase value for money in affordable housing schemes has seen housing associations become increasingly skilled at negotiating viable and profitable developments with a mix of funding. Successful shared ownership models have generated cross-subsidy for social rented homes, and including private homes for sale enables surpluses to be reinvested in further mixed tenure developments.

However, the credit crunch has introduced new risks to the business of developing affordable housing in market towns:

- Reduced availability of mortgages to individuals has reduced demand for market price owner occupier homes;
- Reduced availability of more flexible mortgages to individuals has reduced the demand for shared ownership based homes, or 'stair-casing' up existing shared ownership homes, (Stair-casing" refers to the practice of selling further portions of a shared ownership home to the tenant/owner);
- Reduced demand, as a result of reduced mortgage availability, generally for private sector developments has led to large numbers of sites being 'mothballed' as house-builders limit their risks. This has a knock on effect to other developments as planning gain obligations for affordable housing / off site contributions are not fulfilled;
- Housing associations are subject to reduced credit availability (just like individuals) and this limits their ability to develop, either purely through lack of liquidity or the difficulty in balancing scheme business plans.
- As well as reduced lending, the terms on which banks will lend to housing associations have become more stringent, and some are seeking to renegotiate existing loans in line with these tougher policies.
- The Local Government Association (LGA) report almost nine out of ten councils are experiencing or anticipate an increase in demand for social housing because of the recession.
- A survey of council leaders conducted by the Local Government Association, which represents councils in England, shows that 57 per cent of authorities are seeing more people in need of social housing and 31 per cent expect to.
- A 'perfect storm' of a range of different factors is placing pressure on the country's council housing. There has been a significant rise in demand for council housing

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because of repossessions, a sharp fall in mortgage lending and house prices that remain out of reach for many people on an average salary. At the same time the supply of affordable housing has dried up.

The Commission for Rural Communities have recently undertaken a call for evidence on the impact of the credit crunch on rural areas. Submissions on affordable housing include;

Most respondents reported that the construction industry had been the hardest hit by the 'Credit Crunch'. The Country Land and Business Association commented that the residential market catering for social housing is having problems with tenants defaulting on their rents. Rural Housing Enablers and partners of Community Lincs are already observing a marked increase in the numbers of homes being repossessed, as have the number of people in arrears. This suggests that repossessions have yet to peak. Despite falling house prices, which are creating some challenges for existing homeowners, the lack of affordable housing is still a major concern reported by rural members of the Federation of Small Businesses (FSB) and many communities. In many rural areas it is still difficult to attract staff because the lack of affordable housing. This is made worse by difficulties faced by staff failing to obtain mortgages.

The Kent Rural Board commented on the lack of affordable houses being built, coupled with expensive mortgages and large deposits. At one end of the spectrum young people and low paid workers were still finding it difficult to buy property, whilst the other end is illustrated by an older homeowner who emailed that the drop in house prices has affected the sale of her house and her ability to provide as planned for her future and her family.

The Regional Development Agencies joint response found rural house prices were falling as steeply as in urban areas. Building sites in rural areas are starting to mothball and the lack of new building will increase the demand for affordable housing. The mismatch between demand and supply may be made worse by the potential evictions of private landlords and reduction in private rented housing. Rural Housing Enablers at Community Lincs foresee this resulting from some private landlords being unable to keep up payments on their loans and thus may evict their tenants and raise rents, making it difficult for other tenants to stay in the property, whilst other landlords seek to sell rented property in a difficult market.

Leicestershire Rural Partnership (LRP) reported that lending for Housing Association's developments had become difficult. 'Higher interest rates make schemes cost more and this may well make them financially unviable.'

LRP do believe affordable rural housing will continue through exception sites because they don't rely on developer contributions. It may increase efficiencies from builders as exception sites become more cost effective. The Housing Corporation may allocate more grants to increase rural housing so they can achieve their targets. Developers could also sell off 'unsellable' properties to the Housing Association which may also help to boost housing.

Gloucestershire First believes the high house prices in rural areas won't be reduced by the Government's housing measures such as holiday on stamp duty because most of the house prices in rural Gloucestershire are above the threshold.

Appendix C

Useful websites

The following websites provide further information on the issues discussed in the main paper.

Action for Market Towns

www.towns.org.uk

Relevant Government Departments

The official site of the Prime Minister's Office

www.number10.gov.uk

Communities and Local Government

www.communities.gov.uk

Department of Environment, Food and Rural Affairs

www.defra.gov.uk

Homes and Communities Agency

www.homesandcommunities.co.uk

Tenant Services Authority

www.tenantservicesauthority.org/

National Housing and Planning Advice Unit

www.communities.gov.uk/nhpau/

Housing and Planning Legislation

Creating Strong, Safe and Prosperous Communities: Statutory Guidance

www.communities.gov.uk/publications/localgovernment/strongsafeprosperous

Housing Green Paper 2007: Homes for the future: more affordable, more sustainable

www.communities.gov.uk/housing/strategiesandreviews/housinggreenpaper

Planning Policy Statement 3: Housing

www.communities.gov.uk/publications/planningandbuilding/pps3housing?view=Standard

Regional Policy Context

Regional Development Agencies

www.englishrdas.com

Government Offices in the regions

www.gov.gov.uk

What is affordable housing?

Direct Gov

There is a useful link on Direct Gov public services in one place that enables you to search by postcode Local Authorities and Registered Social Landlords in your area.

RSLs:

www.direct.gov.uk/en/HomesandCommunity/SocialHousingAndCareHomes/HousingAssociation

Local Authorities:

www.direct.gov.uk/en/DI1/Directories/Localcouncils/index.htm

You can also access RSLs on the Tenant Services Authority website

www.tenantservicesauthority.org/server/show/nav.14538

Planning Portal – the Government’s online service for planning

www.planningportal.gov.uk

National Indicators for Local Authorities and Local Authority partnerships: Handbook of Definitions

www.communities.gov.uk/publications/localgovernment/finalnationalindicators

Enabling affordable housing at a local level

IDeA – Improvement and Development Agency for local government

www.idea.gov.uk

Good practice paper produced for Communities and Local Government ‘New Housing Provision and the Strategic Housing Role’ October 2008

www.idea.gov.uk/idk/aio/8842600

Action for Market Towns (AMT) policy to practice paper on Community Led Planning

www.towns.org.uk/knowledge-hub/policy-into-practice/community-led-planning/

Community Land Trusts

www.communitylandtrust.org.uk

Challenges to developing affordable housing in market towns

Barker Review of Housing Supply 2004

www.communities.gov.uk/publications/housing/governmentresponse2

www.hm-treasury.gov.uk/press_barker_04.htm

The Affordable Rural Housing Commission 2006

<http://www.defra.gov.uk/rural/documents/living/housing/comm-report/affordable-housing.pdf>

Taylor Review of the Rural Economy and Affordable Housing 2007

www.communities.gov.uk/planningandbuildng/planning/planningpolicyimplementation/reformplanning/system/matthewtaylorreview/

The Credit Crunch

Local Government Association

www.lga.gov.uk

Commission for Rural Communities

www.ruralcommunities.gov.uk

The recession and credit crunch in England's rural economies

<http://www.ruralcommunities.gov.uk/files/Recession%20&%20CC%20report%20211008.pdf>



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