

Workshop 4 - Affordable housing

House prices may have fallen, but mortgages are hard to come by, so what is the current position with regard to affordable housing in our towns and rural areas. There has been the Affordable Housing Commission report, the Matthew Taylor report, now this workshop will look at the current challenges for affordable housing.

Cameron Watt, Policy Leader at the National Housing Federation (NHF), led the workshop. The NHF is the umbrella body for the 1200 Housing Associations in England and is a leading organisation in rural housing policy – it is the lead for the rural housing Advisory Group of the Homes and Communities Agency (HCA). Cameron explained that while local councils are being encouraged to undertake build in affordable housing, the primary provider is still the Housing Associations. He stated that roughly 1.5 million people live in rural England and that the NHF's Housing Association members own/ manage over 50% of the available affordable housing in – that is over 440 rural housing associations having approximately 730,000 properties.

The focus for the NHF campaign for rural housing is in settlements of under 3000 population size, mainly because Government funding is being pushed to this category. Many market towns fall outside this parameter and as a result their delivery needs have been somewhat overlooked. This is against the backdrop of the report by Matthew Taylor, which suggested that a large proportion of the affordable housing required to satisfy the rise in population, would be situated in existing market towns.

The current Government set a target to deliver 10,300 affordable homes between 2008-2011 (that is roughly 5150 per year) across all rural settlements. This is less than half the number of homes that the Affordable Rural Housing Commission (ARHC) had predicted would be needed. (To note the ARHC was a body launched by Defra and what was the Office of the Deputy Prime Minister in July 2005 to identify ways to improve access to affordable housing for people in rural areas. The Commission reported in May 2006 and was wound up shortly thereafter). As a result of the recession, however, the Government reduced the original target of 10,300 to 8,500 (floor target) by April 2011. The Conservatives have already announced that if they were to come into power, even these targets would be need to be abolished given huge and rising budget pressures.

The need for affordable housing in rural areas is clear – house prices in these areas are often many times the average wage, but rural salaries tend to remain lower than the national average. Those wishing to set up a house in their home town are often completely priced out of the market. One measure of the need for affordable housing is the rural waiting list – currently standing at 700,000 people waiting for homes (or 315,000 households). Those placed on the waiting lists for such housing are dealt with in order of a number of elements including urgency and need.

A discussion about the challenges facing affordable housing provision ensued, and the key points were:

- Affordable homes within a small town need not be built en masse – a few homes in a community can make a big difference.
- Lack of communication between the different layers of local government can create difficulties in locating affordable housing.
- Affordable housing should not necessarily be placed together in one area – rather it should be mixed among other housing types.

- The process of community led planning can be an effective route to getting affordable housing into towns.
- Land ownership issues often make it difficult to access land for new build.
- Smaller locations can be overlooked in spatial planning (which is undertaken at the regional level).
- Some towns actively seek to stop affordable housing being built in their localities for fear that it will negatively change their community. Greater powers to parishes might accentuate this.
- Shared ownership of housing was viewed as an opportunity, but recently this has incurred problems in terms of banks not offering mortgages for such schemes.

Rural affordable housing is not in the top 10 key issues for Government but is still high profile and Matthew Taylor is the new Chair of the National Housing Association. It was thought that further work needs to be done to influence the Conservative's housing manifesto, especially given their dominance in rural areas. A more systematic approach to improving the allocation of sites needs to be achieved and councils. Finally councils themselves could receive council tax incentives in return for accepting more homes being built in their areas.

For more information visit: <http://www.housing.org.uk/default.aspx?tabid=429>