

AFFORDABLE HOUSING AND RURAL EXCEPTION SITES: FREQUENTLY ASKED QUESTIONS

Cambridgeshire ACRE facilitates the Cambridgeshire Rural Affordable Housing Partnership. **The sole focus of the partnership is to deliver affordable homes for local people in rural communities.** This FAQ sheet addresses the most common questions we encounter when working with local communities.

1. What is affordable housing?

The National Planning Policy Framework (NPPF) defines affordable housing as ‘housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)’. It must also meet one of a number of more specific definitions related to a range of tenures including rented and low cost home ownership.¹

2. What is a rural exception site?

Rural exception site policy allows local planning authorities to grant planning permission for affordable housing on land that would not normally be used for housing because, for example, it is subject to policies of restraint. Hence, an exception is made to normal planning policy to address proven local housing need. However, other planning issues such as site suitability, scale, design etc must still be addressed.

3. What is the difference between a rural exception site and an entry level exception site?

The NPPF introduced the concept of an entry level exception site. These sites should be on the edge of settlements and focus on affordable housing, similar to a rural exception site. However, a key difference is that they are designed to support need across the District rather than being prioritised for people from the parish (or town) where they are located. They are likely to be more suitable for larger settlements.

4. Why might we need affordable housing in our village?

House prices have outgrown incomes in recent years, especially in rural communities. This means that young people in particular are moving away which can be detrimental to both themselves and their community. Social and family networks are breaking down whilst local services such as schools, public transport, shops and pubs become less viable. Many rural communities are losing their vibrancy.

5. Why is there so little affordable housing in rural communities?

Affordable housing accounts for 19% of homes in urban England but only 12% of homes in rural England.² The situation is getting worse. Rural communities are particularly vulnerable to losses from Right To Buy (they are seldom replaced in the same village) whilst changes to national planning policy have removed the obligation to provide any affordable housing in schemes of 10 or less dwellings – the majority of schemes in rural communities.

¹ <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

² ‘Affordable housing: A fair deal for rural communities’, Report of the Rural Housing Policy Review, February 2015

6. Is affordable housing really affordable?

Affordable housing offers a range of options. 'Social rent' typically works out at about 50-60% of market rent in Cambridgeshire. More recently, 'affordable rent' has been introduced which is a maximum of 80% of local market rents. However, Housing Associations will often cap these rents at lower levels (such as the Housing Benefit cap) and offer other benefits in comparison with the private rented sector. Shared ownership offers the chance to buy a home in stages whilst paying a subsidised rent on the outstanding share. All affordable housing types offer some form of subsidy.

7. Will the houses always remain 'affordable houses'?

Housing Association properties developed on rural exception sites will remain so in perpetuity (see Q9). The Right to Acquire provisions are specifically excluded in Designated Protected Areas (parishes with a population of less than 3,000). A list of DPAs is set out in a Statutory Instrument.³ On shared ownership properties the share that can be purchased is capped at 80% (or the Housing Association must undertake to buy back the property when a tenant who has stair-cased to 100% wants to sell). These measures ensure that the affordable housing is secured for future generations. The government is piloting a voluntary Right To Buy for Housing Association properties. However, as the guidance currently stands, Housing Associations will have the option of excluding their rural stock due to the lack of affordable homes in rural communities.

8. What do you mean by 'local' and how do you ensure properties are always let to local people?

'Local' is defined as the parish in which the rural exception site is located. Prospective households can qualify as local through residence, employment or family. The exact criteria, such as length of residence, are determined by the Local Authority. The lettings system for affordable housing changes for rural exception sites. When people join the Housing Register their level of need is assessed and they are allocated to a Band on a scale of A to D with A being the highest level of need. Priority is then given to the household on the highest band. However, with a rural exception site households with a local connection are the highest priority. Therefore, even a household on Band D with a local connection would take priority over a household on Band A with no local connection to the parish. If there is no suitable applicant with a local connection a cascade policy operates whereby applicants are considered from neighbouring parishes. Only if there is no suitable applicant from a neighbouring parish would applicants from elsewhere in the local authority be considered. Regardless of this outcome each time the property becomes available the lettings priority reverts back to people with a local connection to the parish.

9. Why can't we have a local lettings policy on other affordable housing?

Local Authorities can apply a local lettings policy to other affordable housing developments in special circumstances. However, local authorities have a statutory duty to support people in housing need and their approach generally prioritises those considered to be in the greatest need.

10. Where can you build rural exception sites?

Rural exception sites normally abut a village boundary. They are an exception to planning policy and do not set a precedent for other amendments to village boundaries. Planners prefer sites to abut the village boundary to ensure they don't create an in-fill opportunity between the site and the boundary. Rural

³ <https://www.gov.uk/government/publications/designated-protected-areas> and http://www.legislation.gov.uk/ukxi/2009/2098/pdfs/ukxi_20092098_en.pdf

exception sites can be located in the Green Belt. However, a sequential test may be required to demonstrate that the site chosen is the most suitable site available and other planning policies will also remain in force. However, only parishes classified as DPAs automatically have conditions attached to the s106 agreement to control long term tenure and lettings policies.

11. Who builds and owns Affordable Housing?

Most affordable housing is built and managed by Housing Associations. Housing Associations are independent, not-for-profit social businesses set up to provide affordable homes for people in housing need. They vary in size from less than 10 houses to more than 100,000; they manage both rented and shared ownership houses; and, they often provide a range of related and supporting services such as training, child care and community centres. Community-led housing initiatives such as Community Land Trusts are a small but growing feature of the affordable housing agenda. You can find out more at <http://clteast.org/>. Community Land Trusts often work in partnership with Housing Associations.

12. How big are rural exception sites?

The largest rural exception site in Cambridgeshire is 39 properties (Heslerton Way, Barrington). However, 10 to 15 properties is much more typical. Even smaller schemes - 2 to 6 properties - are likely in small parishes. The scale should always be commensurate with the scale of the village and local housing need.

13. Do rural exception sites just include affordable housing?

Traditionally rural exception sites could only contain affordable housing. However, the NPPF allows Local Authorities to be more flexible and allow some market housing where this would facilitate the delivery of affordable housing. Local Authorities in Cambridgeshire all have their own individual approach to this. Affordable housing will always comprise the majority of housing on a rural exception site.

14. Why are private houses needed to make a scheme viable?

Affordable homes on a rural exception site typically cost more to build than market housing. However, by definition, they will generate a lower return to the Housing Association. In the past the funding gap was addressed by lower land values for exception sites and government grant. However, grant levels have reduced in recent years and market housing can provide a cross-subsidy. Rural Exception sites can have relatively high development costs when compared to market housing developments as a result of higher space and design standards and higher infrastructure costs due to their edge of village location.

15. How do you identify a need for an exception site?

The purpose of a rural exception site is to address local housing need and to sustain rural communities. Therefore, evidence of need is required to ensure that any resulting scheme is appropriate in terms of scale, tenure and other characteristics. Some of this information can be gleaned from the Housing Register. However, this does not identify latent need where people have not applied because they are unaware of the system or do not believe they have a realistic chance of getting an affordable home. Therefore, a Housing Needs Survey (HNS) is often undertaken to achieve a more comprehensive picture of need. The survey also allows local residents to have their say on the value of an exception site to their community.

HNS's are considered to be valid for up to five years. It is accepted that many people's situation will change over this period. However, the survey provides a snapshot and this general picture, rather than individual

circumstances, is likely to remain robust over this period of time. Cambridgeshire ACRE complies with national best practice guidance on undertaking Housing Needs Surveys.⁴

16. How do I get a house on a rural exception site?

Applicants for rented homes must apply through Home-Link, the Choice Based Lettings scheme for the Cambridge sub region to access rented properties. For shared ownership properties applicants apply through bpha, the government appointed Help to Buy Agent for Cambridgeshire. Although the HNS can identify additional potential applicants they must still register through these systems to be considered. Once accepted, applicants will be eligible to apply for the type and size of housing they are assessed as needing.

17. Who is involved in developing rural exception sites?

Developing rural exception sites requires a partnership approach. As a minimum, the local community (usually represented by the Parish Council), Housing Association, Local Authority and Rural Housing Enabler must work together on an ongoing basis. However, other partners – landowners, architects, contractors, Homes England – will all play key roles at some stage in the process.

18. How long does it take to build a rural exception site?

It can take several years to develop a rural exception site. Finding an appropriate site is often the biggest stumbling block. With a suitable site lined up and a positive approach from all partners it is possible to be on site within 18 months of initial contact with the Parish Council.

19. Are rural exception sites a new idea?

The idea originally developed in the 1980s. There are about 100 rural exception sites in Cambridgeshire.

20. Are there any costs to my Parish Council?

No. All costs are met by the Cambridgeshire Rural Affordable Housing Partnership.

More questions?

If you have any more questions please contact Mark Deas, Rural Housing Enabler via mark.deas@camsacre.gov.uk or 01353 865035. Alternatively you can find more information at <https://cambsruralhousing.wordpress.com/>.

The Rural Housing Enabler is employed on behalf of the partnership to facilitate the partnership, enable rural affordable housing schemes and provide independent advice and support to rural communities.

Current partners in the Cambridgeshire Rural Affordable Housing Partnership are:

East Cambridgeshire DC	Accent Nene	Hastoe Housing Association
Fenland DC	BPHA	Longhurst Group
Huntingdonshire DC	Cambridge Housing Society	Luminus
South Cambridgeshire DC	Cross Keys Homes	

⁴ <https://cambsruralhousing.wordpress.com/2017/01/25/producing-robust-and-influential-rural-housing-needs-surveys/>