



The countryside charity Hampshire

VERSION 1 as at Sept 2021

Position Statement

The Affordability of Housing in Rural Areas

CPRE Issue

CPRE Hampshire has a vision of a beautiful and thriving countryside. This means rural communities which are stronger and more diverse, and where more people live and work in the countryside. Yet this will only be achieved if people, particularly those on low incomes, are able to find a decent, affordable home close to their place of work or close to where they have family connections.

Unfortunately, housing in many rural areas of Hampshire has become increasingly unaffordable for people on low and average incomes, and the failure to create homes that people can afford is fuelling some of the main issues facing rural communities. The closure of rural services (such as post offices, pubs and public transport) and the ageing population structure, due to falling numbers of young people, is linked strongly to the inability of people to be able to afford a home.

Affordability of housing

The issue of 'Affordable Housing' has become complicated by the fact that the NPPF has chosen to define 'affordable housing' quite narrowly (see appendix). As can be seen from the definition it is restricted to *"those whose needs are **not** met by the market"*. However, the glossary also contains a definition of Rural Exception Sites which does include reference to market housing - *"A proportion of market homes may be allowed on the site at the local planning authority's discretion"*.

CPRE H believe that the discussion on the affordability of housing in the rural areas should include all aspects of affordability from social housing to the need to consider the provision of market housing - at a price that reflects the financial constraints of local people.

CPRE H believe that the best way to ensure that we have a 'living and thriving' countryside is to have thriving communities. Rural communities thrive best when they have a robust foundation of people who work in the local area and can afford to live there.

The policies relating to the affordability of housing in the countryside therefore encompass all the following issues:

- Affordability
- Employment



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- Local connection

Overall considerations

CPRE believe that the provision of housing in the rural areas that is affordable for those who want to live and work in the countryside is a priority. As a result, we should be encouraging LPAs to develop policies that are flexible enough to meet the complex needs of the rural communities, and to avoid policies that put unnecessary constraints on those who wish to meet a clearly identified need in the rural area. For example,

- Low cost housing should be sought on all rural sites (i.e. market housing at a price that reflects the financial constraints of local people)
- ‘affordable housing’ in a small development should not be allowed to be replaced by a financial contribution
- in order to facilitate the provision of rural ‘affordable housing’ schemes LPAs should take a sensitive and responsive approach to the design of such schemes. For example, the insistence on pavements, plus wide visibility splays and street lighting are likely to be out of character with the rest of the village and unnecessary for small developments.

1. CPRE H Policy Guidelines

1.1 Using the NPPF definition of ‘affordable housing’

The NPPF defines ‘affordable housing’ under 4 headings – Affordable Housing for rent; Starter homes; Discounted market sales housing; Other affordable routes to home ownership. The NPPF definitions are given in the appendix.

CPRE H generally supports initiatives in all these areas. Our comments are shown below;

i) Social rented housing is the preferred form of rented affordable tenure, as they are the most affordable to those in greatest need

ii)) Affordable housing for rent should be provided at a rent level based on income rather than market rents. Currently, rents set at 80% of the standard market rate are classified as ‘affordable’, which is still out of reach for many families and those on low incomes. CPRE is urging the government to change this definition and set affordable rents at 35% of net income for the lowest income groups unless 80% of market rate is cheaper.

iii) Due to the high cost of local housing in Hampshire, shared ownership housing should offer buyers a maximum initial share of 25% of the open market value of the dwelling. CPRE H would not be against offering the buyers the opportunity to increase their equity share towards outright ownership but would wish the policy to be defined



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in such a way that the 'affordable' nature of the arrangement is secured in perpetuity so that the original purpose of increasing the affordability of housing in rural areas is not lost.

iv) Any policy on discounted market sales housing should set a level of discount which reflects the financial constraints of a lower income household on a lower quartile salary. The discount should be applicable in perpetuity.

1.2 Rural Exception Sites

In principle, CPREH is supportive of Rural Exception Sites. Our vision of a 'living and thriving' countryside depends on ensuring that everyone who wishes to live in the countryside can afford to do so.

CPREH also recognise that Rural Exception Sites are inevitably located in an area which is not allocated for housing development and to which countryside policies apply. Countryside policies provide for general restraint in order to protect landscape character, views, dark night skies, and to protect the countryside for its own sake. Protection of all of these attributes of the countryside is fundamental to the aims and objectives of CPRE Hampshire. Another factor that CPRE Hampshire needs to take account of is that proposals for Rural Exception Sites can give rise to mixed views within the local community.

CPREH believe that, on balance, the benefits outweigh the disadvantages.

Our overall policy guideline is therefore to support Rural Exception Sites, where :

- there is a clearly identified need for houses that are affordable for genuinely local people
- the houses are genuinely affordable (i.e. at a price that reflects the financial constraints of those local people)
- the policy requires an appropriate mechanism to ensure that the properties remain 'affordable' in perpetuity.
- the development of the site is acceptable in the context of landscape character and views, and has a design that is integrated into the landscape and built environment
- the scheme is of a scale appropriate to the community,
- the site is adjacent to existing development,
- the proposal is for a scheme of a high standard of design (such as described by the HARAH Rural Design Guide
- the community is broadly in favour of the site being allocated for affordable housing; or there has been a robust process, with effective community involvement, of considering alternative sites and none have been found acceptable for justified reasons

In practice, CPREH recognise that this issue is often more complex. It is clear that there is a risk that by defining the policy criteria for Rural Exception Sites too tightly, we reduce the likelihood of any



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sites coming forward and therefore, paradoxically, undermine our objective. Market housing is frequently required to make the site viable. If the project is not considered viable, the risk is that no affordable housing will be built at all.

Indeed, the NPPF makes explicit that LPAs can consider allowing some market housing on Rural Exception sites: *"A proportion of market homes may be allowed on the site at the local planning authority's discretion, for example where essential to enable the delivery of affordable units without grant funding."*

If some market housing is required, one of the key issues is the quantum. If the quantum is too high there is a risk that landowners will increase the asking price for a rural exception site if they think there will be lucrative market housing on it; this could increase the cost of providing the homes making them less affordable. If the quantum is too low it may discourage landowners from bringing forward land which otherwise would not be available, thus reducing the opportunity for lower cost homes to be built. In trying to cut through this dilemma, it is suggested that any policy statements should be based on local need. Our policy guideline for Rural Exception Sites with some market housing is that CPREH would generally support such proposals, subject to the guidelines shown above, plus the following:

- there is clearly defined need for the market housing to ensure that the project is viable
- the market housing is integrated within the total layout of the project
- there is a maximum limit set for the number of market houses.

1.3 Community-Led Housing

CPRE H strongly encourages the involvement of local communities in developing and controlling affordable housing schemes to meet their needs.

Community –led schemes are becoming increasingly popular in Hampshire and elsewhere as they give local people the opportunity to be flexible and select the right approach for their community. Communities can choose between a range of different models such as Community Land Trusts, self-build, co-housing or other collaborative or co-operative approaches. Further information and advice is available on the National Community Land Trust Network – www.communitylandtrusts.org.uk

Some may decide to enter into partnerships with other organisations who can offer experience and/or capital, such as a Registered Provider (RP).

CPRE H also encourages local planning authorities to include policies in their local plans that would enable community-led schemes for affordable housing to come forward in their areas.

Further information and technical advice can be obtained from the New Hampshire Housing Hub. They can be contacted at www.hampshirehomeshub.co.uk



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1.4 Landowner schemes

Where the site relates to an endorsed Whole Estate Plan (WEP) and the landowner is looking to retain the housing themselves to deliver as affordable.

Policy guideline: the affordable housing must be provided in perpetuity and the tenures on which they are provided should be secured by a legal Agreement.

2. Employment

Any policy which sets out to maintain a 'living and thriving' countryside needs to have the provision of local employment as a fundamental building block. Without jobs in rural areas, people will move away from the countryside and work in the cities.

Policy should also encourage people from outside the area to come to work in the countryside. Very few policies at the moment do this.

2.1 Support for the rural economy

CPRE H have a presumption in favour of policies that support the rural economy. (See paper on the rural economy). Where appropriate, CPRE H will support policies that strengthen the viability of rural enterprises.

Policy guideline: The following are examples of policies that CPRE will generally support

Farm Diversification: Development proposals relating to farm diversification should be permitted where:

- a. A diversification plan is submitted, which demonstrates that the proposed development(s) will provide long-term benefit to the agricultural operation;
- b. diversification activities remain subsidiary to the original agricultural operation, in terms of physical scale and income stream; and

New agriculture development : Development proposals for new buildings or structures for the purposes of agriculture will be permitted where:

2.2 Agricultural forestry and estate workers

Farms and estates employ people who are seen as integral to the long term viability of the farm/ estate and the sustainability of the wider community to which it relates.



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Policy guideline: CPRE H would generally support policies which are designed to provide low cost housing for agricultural, forestry and estate workers

2.3 'Tied' Dwellings

CPRE H recognises the importance of providing 'tied' dwellings for occupation by essential rural workers.

Policy guideline :CPRE H generally seeks to protect existing such dwellings, and allows for new such dwellings in appropriate circumstances.

With respect to tenure, an occupational tie provides a form of 'key worker housing'. It is recognised though that there is no requirement for such a dwelling to provide a low-rent or intermediate tenure, and it may not be available to all those who qualify as having a local connection.

2.4 Whole Estate Plan

Where new dwellings are proposed as part of a Whole Estate Plan, these should meet the priority housing needs of the local area, hence should be affordable homes, or accommodate full-time, rural workers.

Policy guideline: CPRE H would generally support such policies where they enhance the viability of the rural economy

2.5 Other key workers

In addition to the agricultural, forestry and estate workers there are many other jobs in the countryside that are required to support a living and thriving community

Policy guideline: CPRE H would generally support policies that provide low cost housing for key workers who are integral to enhancing the viability and vitality of the rural community.

2.6 Other rural enterprises

In addition to the traditional rural businesses, the advance of modern communications technology means that many non- traditional businesses can locate to the countryside.

Policy guideline: CPRE H would generally support such policies where they enhance the viability of the rural infrastructure e.g. shops, pubs etc.

3 Local people

There are many people who live in the rural communities who may not derive their livelihood from the immediate countryside. Indeed, their families may have been integral parts of the community



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for generations. There are instances, however, where the price of local housing is forcing some of these local people to move away from their community.

Policy guideline: CPRE H would generally support policies that encourage members of the local community to continue to live there by providing housing that reflects their needs and level of income

3.1 Definition of Local

CPRE H members are generally supportive of building low cost homes for those who have a clearly identifiable connection to the local village. However, for registered providers of 'affordable housing', restricting the definition of 'local' to the local village is too great a constraint. CPREH therefore recommends a cascade approach.

Policy guideline: The following cascade should be followed when prioritising the allocation of homes to local people in need of low cost or affordable housing:

Priority 1: Local connection to the settlement where development is proposed;

Priority 2: Local connection to the parish where development is proposed,

Priority 3: Local connection to the contiguous neighbouring parish to the parish within which development is proposed,

Priority 4: Local connection to another rural parish within the District

3.2 Homes for the elderly

The pressure on people in the rural areas is particularly acute amongst the elderly. They may be in need of care by others or just simply looking to downsize. CPRE H believes that it is important to support the infrastructure that will enable them to stay in their local community (if that's what they wish)

Policy guideline: CPRE H would generally support policies which provide dwellings that are designed specifically to meet the needs of the elderly. CPRE H would also generally support policies to provide 'care homes' for local people.

4 Design and landscape

Irrespective of the size of the building or the nature of the tenure, CPRE H will always be supportive of policies that encourage good design that is sympathetically integrated into the landscape and built environment.

Policy guideline : As an example, CPRE H would support the need for high thermal efficiency in affordable housing. Low heating costs are a large part of making housing affordable for low income households.



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Annex 1: Glossary

Affordable housing: 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); and which complies with one or more of the following definitions:

- a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) **Other affordable routes to home ownership** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other



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low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision or refunded to Government or the relevant authority specified in the funding agreement.

Rural exception sites: Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. A proportion of market homes may be allowed on the site at the local planning authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.