

Protect Rural England: Build an Affordable Home

Where we are now

Unless we act now, in a generation rural communities will become places where only the very rich are able to live – to the detriment of the health, vitality and economy of the countryside. With average rural incomes at £17,400 and average rural house prices standing at £172,500 local people currently would need to borrow 9.9 times their salary to afford their own home.¹ This is both unaffordable and unsustainable.

The inevitable consequences are being felt. Between 1999 and 2003 the proportion of homeless households in rural areas increased by 24% – in remote areas the increase was even higher at 30%.² In some rural districts of the East Midlands the number of homeless people on waiting lists rose fourfold during the same period and in 2001/2 31% of those living in temporary accommodation in the region were in rural communities.³

House prices have risen dramatically in rural areas, while affordable housing programmes have been decreasing. In the South West Regional Planning Guidance set a minimum target of 6,000 new affordable homes in 2004. Only 3,391 were delivered while private builders produced 14,672 new homes – 3% above their target.⁴

What the countryside needs

There is an urgent need to increase the provision of affordable housing in rural settlements. Significant numbers of people who play an important role in rural communities are unable to afford to live in villages and market towns. Sustainable rural communities require a range of housing in order to thrive, prosper and adapt to change. There is a serious shortfall in the affordable housing sector. The Affordable Rural Housing Commission believes that a minimum of 11,000 new affordable homes are needed each year in rural communities.

In an unprecedented move, unexpected allies the National Housing Federation (NHF) and the Campaign to Protect Rural England (CPRE) are joining forces to call on the Government to set out in detail how it proposes to address the findings of the Affordable Rural Housing Commission. The Commission's report was published in May and there is growing concern that the Government is failing to act on the solutions proposed. We are also concerned that the housing needs of rural areas could be overlooked in the review of social housing to be carried out for the Government by Professor John Hills, and in the possible merger of the Housing Corporation and English Partnerships. Together, we believe that action is required on several fronts to address the critical problems outlined above before rural communities reach a point of no return.

Seven steps to increase the supply of affordable rural housing

- 1 More public investment** – there should be an increase in the resources devoted to meeting rural housing needs with rural communities receiving a proportionate share. Urban renaissance should not be at the expense of sustainable rural communities. Rural Housing Enablers – who act as facilitators in bringing sites forward for affordable homes in villages and market towns – must receive stable and increased levels of funding to expand their coverage.
- 2 More effective planning** – the Government acknowledges that not all rural planning authorities are making best use of their existing planning powers: 2,400 additional affordable homes could be provided each year in rural settlements if performance matched that of the best authorities.⁵ National planning policy should be strengthened to deliver more affordable rural homes where they are needed. Rural planning authorities should ensure that ambitious but achievable affordable housing quotas apply to all sites, however small;

that full use is made of powers to allocate sites solely for affordable housing in their planning documents; and that effective use is made of windfall sites in appropriate locations.

3 Securing mixed communities – We believe that mixed neighbourhoods with a range of housing types and demographic groups are more economically and socially resilient. Rural neighbourhoods should meet the needs of all residents – with a variety of homes including flats and family houses, with care and support available, and a range of flourishing businesses. Opportunities should be encouraged to create new live/work homes so that villages are ‘alive’ during the day. Government should establish its own vision for sustainable rural communities to guide the development of policy.

4 Better use of existing buildings – affordable housing supply could be increased rapidly through a targeted programme to reduce empty property in rural areas. Local authorities should be encouraged to form sub-regional partnerships, and VAT on both refurbishment and new build should be harmonised at 5%. Government should encourage local partnerships to tackle empty homes through additional funding.

5 Achieving high design and environmental standards – currently private developers are not required to meet the same scheme development standards as housing associations. All rural housing should be sensitively sited and in keeping with local landscapes, and built to high standards of design so that it enriches local character, uses sustainable construction methods and achieves greater energy efficiency. This helps reduce the cost to occupiers – recent schemes show just how low fuel bills can be.

6 Restricting the Right to Buy – loss of affordable homes through the Right to Buy significantly outstrips new affordable housing provision. Over 67,000 homes were sold through right to buy in England in 2004 – more than three times the number of new affordable homes built.⁶ There should be greater restrictions on Right to Buy in areas of acute rural housing pressure. Equity shares should be considered as an alternative to Right to Buy to encourage home ownership. We believe the Shared Equity Task Force, recently established by Government, should consider innovative forms of rural affordable home ownership as an explicit part of its remit.

7 More social rented homes – there is a critical need in rural areas for affordable rented accommodation: the Affordable Rural Housing Commission believes there is a need for an extra 7,600 social rented homes a year in rural areas, as well as an increase in low cost home ownership. The Government should ensure that the need for an increase in rented accommodation is not sidelined in the drive for an overall increase in affordable rural housing.

What next?

We welcome initial indications that the Government intends to address many of these issues as part of the current Spending Review. Yet concerns remain that rural housing needs will lose out in this process. The NHF and CPRE call on Ministers to:

- publish a clear timetable outlining how they propose to respond to the findings of the Affordable Rural Housing Commission and this joint charter.
- ensure that the review of social housing to be undertaken by Professor John Hills incorporates rural affordable housing as an explicit part of its brief.
- ensure that any merger between English Partnerships and the Housing Corporation safeguards a specific rural housing remit as a key strategic aim reflected in future funding priorities.

1 *Affordable Rural Housing Commission, final report May 2006*

2 *Shelter 'Priced out – the rising cost of rural homes', 2004*

3 *National Housing Federation, Inside the East Midlands, 2005*

4 *National Housing Federation, South West Housing Crisis: the evidence, 2005*

5 *Department for Communities and Local Government, press release 17th May 2006*

6 *National Housing Federation, England's Housing Crisis : the facts, 2005*