



Campaign to Protect
Rural England

**NATIONAL
HOUSING
FEDERATION**

SAVE RURAL ENGLAND – BUILD AFFORDABLE HOMES

Where we are now

Without urgent action, within a generation, England's rural areas will be lived in almost exclusively by the rich and elderly. Young families and others who are needed to support the continuing provision of rural schools, shops and other local services are being priced out of the market. As the Taylor Review¹ has highlighted, people who work in the countryside increasingly cannot afford to live there, while people who can afford to live there increasingly do not work there.

In 2007, with average rural incomes at £17,600 and average rural house prices at £231,000, rural workers would need to borrow 13 times their salary² to buy a property on the open market. The housing market downturn has had little effect on affordability in rural England,³ but it has been accompanied by a rise in repossessions and has left many households unable to access a mortgage. Waiting lists for social housing are growing, having increased in rural areas by around 40% since 2003.⁴ In some areas⁵ the number of households on waiting lists outnumbers the entire local stock of social homes. The proportion of homeless rural households in the national homelessness figures has more than doubled over the past five years from 16% to 37% of the total.⁶

Housing associations provide most new affordable housing in rural areas, and they are working hard to sustain recent improvements in the delivery of affordable homes. But with so much affordable housing dependent on planning gain agreements with private builders, this could become harder unless a more flexible approach is taken in the light of market conditions.

The Government's target of 10,300 affordable new homes over the next three years in rural communities of less than 3000 people is welcome. But there remains a significant shortfall. There is some way to go to meet the Affordable Rural Housing Commission's call for 11,000 affordable homes to be built each year in rural settlements of under 10,000 people. Unsurprisingly, the most vulnerable families in rural areas suffer most from the shortfall in provision.

What the countryside needs

Rural communities need a range of different kinds of housing to thrive, prosper and adapt to change. There is a pressing need to increase the number of affordable homes in rural settlements to rectify the current serious shortfall.

Unexpected allies, the National Housing Federation and the Campaign to Protect Rural England, first joined forces in 2006 to call on the Government to address the findings of the Affordable Rural Housing Commission. Following the publication of the Taylor Review in July 2008 and the imminent establishment of the Homes and Communities Agency (HCA), the organisations have again come together to urge the Government to redouble its efforts to secure enough permanently affordable homes where they are really needed in rural communities.

We call on the Government not to allow the recommendations of the Taylor Review, designed to create a 'living, working countryside', to gather dust on ministerial shelves. Prompt action is needed on several fronts to address the critical problems outlined above and to avoid rural communities reaching a point of no return.

Eight steps to increase the supply of affordable rural housing

one More public investment – The next Comprehensive Spending Review should commit a fair share of the housing programme budgets to delivering new affordable homes vital for our countryside to thrive. Urban renaissance should not be at the expense of sustainable rural communities. Local Strategic Partnerships should consider funding rural housing enablers to help bring forward sites for affordable homes where there is an identified need.

two Effective planning – Planning Policy Statement 3 has great potential to ensure that sufficient, high quality affordable homes are provided in rural areas. However, its implementation is patchy – 2,400 more affordable homes could be provided in rural settlements each year if performance everywhere matched that of the best authorities.⁷ All rural planning authorities should: set ambitious but achievable affordable housing targets for all suitable sites, however small; make full use of powers to allocate sites solely for affordable housing in their planning documents; and secure effective use of windfall sites in appropriate locations.

three Securing mixed neighbourhoods – Mixed communities with a range of housing types and demographic groups are more economically and socially resilient. Rural neighbourhoods should meet the needs of all residents across different income groups, with a variety of homes including flats and family houses. A discerning approach to economic development, drawing on some of the Taylor Review's recommendations to stimulate rural economies and facilitate home working would support flourishing businesses and keep villages 'alive' during the day.

four Better use of existing buildings – Affordable housing supply could be increased rapidly through a targeted programme to reduce empty property in rural areas. When new build homes are zero-rated, charging full VAT on refurbishments to property in most instances is a barrier to restoring empty homes and should be addressed. Local authorities should make full and effective use of Empty Dwelling Management Orders to bring empty homes back in to use.

five Achieving high design and environmental standards – All rural housing should be sensitively sited, in keeping with local landscapes, and built to high standards of design so that it enriches local character, uses sustainable construction methods and is energy efficient. Private developers should be required to meet the same high environmental standards as housing associations – through economies of scale, green technology costs would fall and everyone would benefit.

six Restricting the Right to Buy – Loss of homes through the Right to Buy is a major obstacle to ensuring adequate provision of affordable housing. Over 22,000 homes were sold through the Right to Buy in England in 2006-7, a third less than the number of new affordable homes built.⁸ Right to Buy should be restricted in areas of acute rural housing pressure. Equity shares and part-buy/part-rent schemes should be considered as an alternative to Right to Buy to encourage home ownership.

seven More social rented homes – The Government has allocated a 10% increase in the number of affordable rural homes that should be built during 2008-11. However, the 30% increase in the overall programme means rural housing is now getting a smaller share. In seeking to meet the Government's ambitious housebuilding targets, it is essential that the Homes and Communities Agency also meets the need for rural homes for social rent. A complete review of local and regional housing needs would help ensure the next spending review delivers the affordable homes rural areas require.

eight Community-centred approach – Where communities lie at the heart of plans they are more likely to be sensitive to local needs and circumstances. As well as securing the active participation of communities in preparing Local Development Frameworks, support should be given for community-led initiatives such as Community Land Trusts, Parish Plans and Village Design Statements. They are potentially powerful tools enabling communities to meet their aspirations, including for affordable homes, in a sustainable, responsible way.

What next?

The National Housing Federation and CPRE welcome the Government's increased investment in rural affordable housing. But more needs to be done. To help ensure rural communities benefit from the delivery of the new affordable homes they need, we call on ministers to:

- **Publish a comprehensive response to the Taylor Review and a timetable for acting on its recommendations.**
- **Work closely with the new Homes and Communities Agency to meet the target it will inherit to deliver 10,300 homes for rural communities.**
- **Ensure the next Comprehensive Spending Review includes challenging targets on delivering rural homes in all settlements of below 10,000 people.**

¹ Living, Working Countryside: The Taylor Review of Rural Economy and Affordable Housing, CLG, 2008, page 27.

² Annual Survey of Hours and Earnings (ASHE), 2007; Land Registry 2007.

³ Far greater falls in prices would still not solve the problem. For example, in

South Buckinghamshire the average family house now costs £525,000, 24 times the local wage. If prices were to fall by 35%, a home would still cost 16 times average local earnings.

⁴ Waiting lists in rural districts rose 37% between 2003 and 2007 (227,694 and 311,989 respectively).

⁵ For example, waiting lists in Restormel, Cornwall, and North Devon are 5,119 and 4,340 respectively.

⁶ Quarterly Homelessness Returns, CLG.

⁷ CLG, press release, 17th May 2006.

⁸ National Housing Federation analysis of CLG housing statistics and Housing Corporation data 2006/7.