

Affordable Housing – routes to delivery

Meeting on 10th August 2017

Present: Amy Fearn, Housing & Asset Development Officer at Rother DC
Tom Warder, Housing and Community Engagement Team Leader at Action in Rural Sussex (AiRS)
Sheena Carmichael, Ticehurst Neighbourhood Plan Core Group
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Need for Affordable Housing in Ticehurst Parish

Amy provided the following current figures from the Rother Housing Register. These are cases with an immediate local connection to the Parish of Ticehurst by either current residency, or family or local employment in the area.

Allocation Band;	1 bed	2 bed	3 bed	4 bed	TOTAL
Band A	4	2	0	0	6
Band B	4	2	2	0	8
Band C	1	2	4	1	8
Band D	4	5	1	1	11
TOTAL cased on Housing Register for TICEHURST* only	13	11	7	2	33

Amy also confirmed the problem of affordability in Rother District (not Ticehurst specifically), as in most of the South-East:

- 30% of people earn less than £15k
- 25% of people earn between £15k and £25k.
- 45% who rent privately in Rother receive housing benefit to help with their housing costs, reflecting affordability pressures in this sector across the district

Median house prices in Ticehurst parish over last 5 years:

- Terraced house: £250k
- Semi-detached: £300k.

There has been no detailed housing needs survey in Ticehurst since 2007 (there was one in 2010 which did not quantify the need). The 2007 survey found:

“There are 43 households in housing need who have a local connection and who cannot afford to either purchase or rent on the open market.”

Since then, 42 affordable dwellings have been built (20 flats in Newington Court – sheltered housing; 5 in Lower St Mary’s; 9 flats in Woodroffe Court and 8 shared equity in Woodroffe Lodge), all in Ticehurst village. However, there is still unsatisfied demand as shown by the Rother Housing register figures.

It is also worth noting that the housing register only holds data for those eligible for affordable rented tenure and does not include those households who aspire to home ownership, and who are eligible for intermediate low-cost home ownership/rented options, such as shared ownership, shared equity and discounted market rent. Undoubtedly there are many more young people wanting some form of affordable housing who do not qualify to register with Rother.

Options for small developments of Affordable Housing

There seem to be three options which would enable us to provide more affordable housing, particularly in smaller developments – bearing in mind our Neighbourhood Plan has Policy H1, which states that developments should be 10 or fewer dwellings.

Rother's Core Strategy of 2014 had a policy (LHN2) which said:

“The Council will expect the following percentages of affordable housing:

In the Rural Areas:

- (a) 40% on-site affordable housing on schemes of 5 dwellings or more; or
- (b) A financial contribution, on a sliding scale up to the equivalent of providing 40% affordable housing, in lieu of on-site provision on all residential schemes of less than 5 dwellings.”

This has now been superseded by Government policy, which says:

“for developments of 10 homes or fewer, local councils would not be able to impose affordable housing contributions through section 106 agreements”.

However, in Areas of Outstanding Natural Beauty (AONBs), Local Authorities can seek financial contributions towards affordable housing of sites of 6-10 dwellings. On sites of 11 or more, on-site provision can be sought.

There are, however, three possible ways to build small developments, with a majority of the houses being affordable and where allocations can be prioritised to those with a local connection to Ticehurst .

1. Rural Exception Site (Rother planning policy LHN3)
2. Sites for wholly or substantially Affordable Housing (Rother planning policy LHN4)
3. Community-led housing

1. Rural Exception Site

Rother Planning Policy LHN3 is as follows:

“In exceptional circumstances, planning permission may be granted for small site residential development outside development boundaries in order to meet a local need for affordable housing in rural areas. Such development will be permitted where the following requirements are met:-

- (i) It helps to meet a proven local housing need for affordable housing in the village/parish, as demonstrated in an up-to-date assessment of local housing need;
- (ii) It is of a size, tenure, mix and cost appropriate to the assessed local housing need;

- (iii) It is well related to an existing settlement and its services, including access to public transport;
- (iv) The development is supported or initiated by the Parish Council;
- (v) The local planning authority is satisfied that the identified local housing need cannot be met within the settlement development boundary; and
- (vi) The development does not significantly harm the character of the rural area, settlement or the landscape, and meets other normal local planning and highway authority criteria, in line with other Council policies.

In all cases, planning permission will be subject to a legal agreement to ensure that the accommodation remains available to meet local housing needs in perpetuity, and that people with the greatest local connection are given highest priority in both initial and future occupancy.”

There are some key requirements to using this route:

- (a) The land owner must want to do something for the community by being prepared to sell the land (to the Housing Association who act as developer) for not a lot above the cost of agricultural land – Amy suggested approximately £10k per plot.
- (b) The site must be one that would not normally gain planning consent (therefore not in SHLAA and not allocated in the Neighbourhood Plan). If it is allocated in the plan, it may increase its value and stop it becoming an exception site.
- (c) The need for it must be led by the Parish Council – and it enables the Parish Council to agree conditions for the residents (i.e. priority must be given to people who live or work in the parish).
- (d) The dwellings must include both rental and part-buy, but with ownership capped at 80% for part-buy.

In 2009, Hastoe Housing Association proposed an Exception Site development for 14 houses on Pashley Road (opposite Upper Platts). It was refused as it did not meet requirements (iii), (iv) and (vi) above.

Exceptions sites have been built at Hurst Green (10 dwellings), Burwash (10 dwellings), Brede (13 dwellings) and Staple Cross (8 dwellings). These are mainly one- and two-bed homes, with a few 3-bed houses.

The lack of a 5-year buffer of housing supply in Rother (it is now down to 3.1 years) may weaken this policy.

2. Sites for wholly or substantially Affordable Housing

Rother Policy LHN4 is as follows:

“In order to meet identified local need for affordable housing, specific sites may be allocated within the rural areas for wholly or substantially affordable housing either within or adjacent to settlement boundaries. Affordable housing provided on these sites should remain available in perpetuity.”

This policy is specific to Rother and is based on the following reasoning:

- (i) To further encourage much needed affordable housing in rural areas, another appropriate and effective means of addressing rural local housing need is through allocating land specifically for affordable housing.
- (ii) Such allocations may also include a small amount of open market housing to incentivise development. It is considered that such an approach will encourage landowners to bring sites forward. Such sites may be allocated through the Development and Site Allocations Plan [or a Neighbourhood Plan].
- (iii) Allocating larger sites (of 15 or more dwellings) for wholly or substantially affordable housing, particularly social rented housing, would likely be contrary to the aim of mixed, balanced communities. In smaller settlements, it may be appropriate to allocate proportionally smaller sites so not to harm the character of the area.
- (iv) In general, schemes allocated wholly or substantially affordable homes can be expected to secure grant, since there is less value available to cross-subsidise the provision of affordable housing.”

This policy allows a degree of market housing to subsidise the affordable housing.

The key requirements to using this route are:

- (a) The site must be wholly or substantially (the majority) for affordable housing, thus the land owner must be prepared to provide land at below market value.
- (b) The site must be an allocated site in a Neighbourhood Plan (or the Rother District Plan).
- (c) There is a maximum suggested of 14 houses.
- (d) It could be a route to self-build (or the use of kits for the core structure).
- (e) As with Exception Sites, it has to be supported by local need.

So far, this policy has not been used in Rother.

3. Community-led Housing

Community led housing projects can take various different forms to include;

- Cohousing - Cohousing communities are created and run by their residents. Each household has a self-contained, private home but residents come together to manage their community and share activities. Cohousing is a way of combating the alienation and isolation many experience today, recreating the neighbourly support of the past.
- Community Land Trust - Community Land Trusts (CLTs) enable ordinary people to develop and manage homes as well as other assets important to that community, like community enterprises, food growing or workspaces. The CLT's main task is to make sure these homes are genuinely affordable, based on what people actually earn in their area, not just for now but for every future occupier.
- Cooperatives - Cooperative and mutual housing has a community membership comprising the residents and sometimes other local community members. They

democratically control the housing organisation which can result in benefits for members such as a better service and new skills.

- Self-build - All local authorities have a duty to maintain a register of individuals and groups interested in building their own homes, and to provide enough permissioned plots to meet that demand. Forming people into CLH groups can help to organise and develop their projects.
- Self-help - "Self-Help Housing" involves groups of local people bringing back into use empty properties. Groups often involve people who can't afford to buy or rent their own home, and who are unlikely to get a tenancy from a local authority or a housing association.

For Ticehurst, the most promising of these is a Community Land Trust. This is a non-profit, community-based organisation that provides land, homes and other assets to meet the long-term needs of its community. The key defining features are:

- (i) Community owned and controlled
- (ii) Open and democratic structure
- (iii) Permanently affordable homes or other assets
- (iv) Not for profit
- (v) Long-term stewardship

There are 175 CLTs in the UK, with 3 in East Sussex – Hastings (affordable workspace and homes), Lewes (self-finish scheme) and Icklesham (rural exception site).

CLTs give the community much greater control than Housing Associations, both in choosing tenants/purchasers of the housing and in setting rents (Housing Associations are now consistently setting affordable rents at 80% of market rents). CLTs are a long-term investment by the community.

The key requirements to using this route are:

- (a) Community wants to take control of affordable housing
- (b) Local Authority support
- (c) Steering group to manage the CLT
- (d) Landowner willing to sell at reasonable price
- (e) Ability to raise loans as needed by a project
- (f) The land is typically owned by the CLT

One advantage is that there are grants available to help get the CLT started and working on its first project (for example, a start-up grant to help with a feasibility study, a pre-development grant to help with business plan and initial architect plans). In our area, support is provided by the Sussex Community Land Trust project.

Rother District Council has commissioned Action In Rural Sussex to provide enabling services to promote community led housing and to help start up new projects across the district over the next 4 years, as part of the wider Sussex Community Housing Hub. This Hub can provide services which include project management support and help in applying for funding.

The funding used to service this arrangement with Action in Rural Sussex forms part of the wider Community Housing Fund initiative. This is a government-led initiative with funding allocated to local authorities based on the number of second homes in the area, since

these cause a strain on the local housing market for local first-time buyers trying to access the housing market. Rother District Council was allocated about £750,000 in total to support this programme. The remaining funds will be used to provide capital grant funding of community-led housing schemes across Rother, considered on a scheme by scheme basis. The key priority for each community-led housing project requiring funding will be demonstrating a viable business case to deliver an affordable housing scheme.

Conclusion

There are several viable routes available to provide a small site of affordable homes. They have several common requirements:

- (i) A land-owner who is prepared to sell land at considerably below market value in order to benefit the community.
- (ii) A site which is adjacent to the development boundary
- (iii) A small development (probably less than 15 dwellings)
- (iv) An identified need for affordable housing within the parish

The major problems are always likely to be firstly finding a suitable site, and then financing the development. Any route, but particularly the Community-led Housing one, will require a lot of time and effort from parishioners to achieve the affordable housing we need.