

**Report of Head of Built Environment**

**DELIVERING AFFORDABLE RURAL HOUSING ON EXCEPTION SITES – NORTHAMPTONSHIRE PARTNERSHIP WORKING PROTOCOL - DRAFT**

**1 Purpose of Report**

- 1.1 Delivering housing in the rural areas of the borough is one of the priorities of the Council's Housing Strategy 2009-2012. Addressing rural housing needs delivers the Council's priorities of:
- (a) Improving life chances for young people;
  - (b) Delivering efficient and responsive services and;
  - (c) Enhancing the environment by providing affordable homes for local people.
- 1.2 Members are requested to approve the Northamptonshire Partnership Working Protocol for bringing forward affordable housing in rural areas.

**2 Executive Summary**

- 2.1 The Council has a strategic and statutory responsibility to meet the housing needs of all communities and to enable the provision of affordable housing. As such it must establish and meet the needs of the rural areas and there has been a great deal of progress in this respect. However further work needs to be undertaken to ensure that all the villages have an up to date survey which will enable appropriate affordable housing schemes, tailored to identified local needs, to be brought forward.
- 2.2 Midlands Rural Housing (MRH) have developed a protocol for working with Parish Councils to complete Housing Needs Surveys and to bring forward affordable housing schemes. Members are asked to approve this document.

**3 Appendices**

- 3.1 Appendix 1 is the document which sets out a protocol for joint working with Parish Councils for approval by the Committee.

**4 Proposed Action:**

- 4.1 **The Committee is invited to RESOLVE to approve the document ‘ Delivering Affordable Rural Housing on Exception Sites – Northamptonshire Partnership Working Protocol ’**

## **5 Background**

- 5.1 The Housing Strategy Team has been working in conjunction with Northants Rural Housing Association to assess the housing needs in the villages of the borough and to bring forward small developments to meet the needs identified.
- 5.2 As part of this process, Midlands Rural Housing has developed a protocol for partnership working in Northamptonshire to deliver affordable rural housing on exception sites in the villages. It is hoped this protocol will be adopted across the county.
- 5.3 The first draft of the protocol was brought to Community Committee on 12<sup>th</sup> October 2009. Members had some concerns that Parish Councils may feel that schemes would be progressed even if they did not wish this to happen and that this would be contrary to the partnership working which was intended.
- 5.4 The protocol has since undergone a complete revision, incorporating the views of Members of this and other local authorities. It has been shortened and undergone considerable rewording in order to address concerns and incorporate suggestions.
- 5.5 The revised draft was considered by a meeting of the Chairman and Deputy of the Community Committee and other councillors and was felt to now be acceptable to both the Council and Parish Councillors.

## **6 Discussion**

- 6.1 Despite progress made in recent years there remains a great deal of work still to be done in the villages. In addition to finding sites and delivering schemes for the villages which have identified and, as yet, unmet needs, several villages have not had a Housing Needs Survey (HNS) or have a HNS which is too out of date to be useful. It is considered that HNSs are valid for up to 5 years and an application for an exception site would only be considered if the HNS was less than 5 years old. As this is often the only way that village housing needs can be met due to high land prices and scarcity it is essential that each village has an up to date survey.
- 6.2. The Housing Strategy Team and NRHA have therefore been moving forward to ensure that all villages have a valid HNS and have developed a 5 year rolling programme.
- 6.3. However the success of the HNS programme will depend on the Parish Council. This Protocol will help to strengthen the partnership with the Parishes even further and will also assist the Council to fulfil its strategic and statutory responsibility to meet the housing needs of all communities and to enable the provision of affordable housing.

## **7 Legal Powers**

- 7.1 S.8 of the Housing Act 1985 requires the Local Housing Authority to review housing needs.

7.2 S87 of the Local Government Act 2003 requires a Local Housing Authority to have a strategy in respect of such matters relating to housing and formulate and review this strategy.

## 8 Financial and Value For Money Implications

Adopting the approach in the protocol would be contained within existing resources.

## 9 Risk Analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
The housing needs of the villages would not be met if the HNS work was not undertaken.	Housing needs and homelessness would increase in the rural areas. Local people would have to move to the town and the villages would become unsustainable.	There is a high likelihood of this happening in villages which have little or no affordable housing.	Adopt the approach in the Partnership Protocol to undertake the programme of needs surveys and seek to deliver affordable housing schemes for local people in the villages.

## 10 Implications for Resources

10.1 None

## 11 Implications for Stronger and Safer Communities

Meeting housing needs and the prevention of homelessness have a direct impact on the health of those in need. The provision of affordable housing in the rural areas will enable local people to stay in their communities. It will also help to maintain the sustainability of the villages and their services.

## 12 Implications for Equalities

12.1 The needs of people in the rural areas can be difficult to establish as they are often less obvious than in the urban areas and need a more detailed approach to establish exactly what they are due to the small numbers involved in individual villages. The Housing Need Survey is a vital part of this work as it is delivered to every household in the village.

12.2 An initial screening has been carried out on the Housing Strategy Statement 2009-2012 which prioritises meeting housing needs in the rural areas of the borough. An impact assessment is not required.

**13 Author and Contact Officer**

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**14 Consultees**

Vicki Jessop, Housing Strategy Manager and the Housing Strategy Team

Joanne Richardson, Northants Rural Housing Association

Richard Mugglestone, Midlands Rural Housing

**15 Background Papers**

Progress on Affordable Housing in the Villages report to Community Committee  
12<sup>th</sup> October 2009

## **DELIVERING AFFORDABLE RURAL HOUSING ON EXCEPTION SITES**

### **NORTHAMPTONSHIRE PARTNERSHIP WORKING PROTOCOL**

The Local Authorities of Northamptonshire have a statutory duty to investigate housing needs and examine ways of meeting these needs. In rural areas it is recommended by the Audit Commission and the National Housing Federation that Housing Needs Surveys are carried out in all villages as part of a rolling programme over a 3-5 year period according to resources. This survey work may be undertaken in house or by using a rural housing specialist. The Local Authority then has a responsibility to engage partners to help meet the identified need.

In rural areas this is most commonly achieved through providing affordable housing on an exception site. This is not the only way of delivering affordable rural housing; larger open market schemes can provide an element of affordable housing and land in public ownership can also be used for affordable housing development, but usually exception site schemes are the only viable way to deliver homes and ensure local occupancy.

#### **The Purpose of this Guidance**

This document has been produced to explain the role of all partners required to deliver affordable rural housing on exception sites. The key partners in this process are the Parish Council (PC), Local Authority (District or Borough Council) (LA), District/Borough Councillors and Housing Association (HA).

The Local Authority believes that the best way to develop affordable housing in rural areas is in partnership with key stakeholders, especially local communities and Parish Councils.

This guidance explains the stages and key partners required to deliver affordable homes for local people. It also contains a flow chart which summarises the process.

The document sets out the roles of the key partners and focuses on investigating housing needs with a view to providing exception site developments in villages to satisfy the needs of those with a local connection. The homes provided can include social rented housing, new build HomeBuy (formerly 'shared ownership' - properties that are part rent/part owned), intermediate housing and other home ownership options.

It should be noted that not all Housing Needs Surveys will lead to a scheme of affordable homes being delivered. It is necessary to gather housing needs information so that the Local Authority has a sound evidence base on which to base strategy and policy.

## **1 - Strategic Direction**

The LA has a strategic housing responsibility and a duty to meet local housing needs, including affordable housing needs. The partnership approach through which the housing is enabled is guided by the LA.

### **LOCAL AUTHORITY \* (\* = lead partner for this stage)**

- Strategic direction
- Promote partnership working approach
- Approach PC to propose investigation of local housing need

### **PARISH COUNCIL**

- Provide LA with a platform to discuss affordable housing at a PC meeting

### **DISTRICT/BOROUGH COUNCILLOR**

- Advocate affordable housing
- Adopt fit for purpose rural housing policies

### **HOUSING ASSOCIATION**

- Share potential development opportunities with LA
- Input into Housing Strategies
- Where appropriate, approach PC to propose investigation of local housing need

## **2 - Assessing the Need for Affordable Housing**

A local Housing Needs Survey (HNS) should be conducted to determine the level of affordable housing need that exists in the Parish. A HNS is required to ensure that the criteria in the exception site policy regarding evidence of local affordable housing needs can be met.

### **LOCAL AUTHORITY \***

- Provide PC with LA perspective on affordable housing
- Conduct the HNS alone or in partnership with HA

### **PARISH COUNCIL**

- Be involved in discussions regarding the investigation of local housing need
- Where possible, be involved with publicising, distributing and promoting the HNS
- Comment on content and findings of HNS questionnaire and analysis report
- Minute decision on support for a scheme to meet identified affordable housing needs
- Recognise the LA's strategic housing responsibility and work in partnership with them to investigate the housing needs of the Parish.

**DISTRICT/BOROUGH COUNCILLOR**

- Advocate affordable housing
- Advise and support the PC and community

**HOUSING ASSOCIATION \***

- Assist LA with approach to PC
- Offer experience and advice to PC and community
- Conduct the HNS where requested
- Discuss outputs of HNS with PC and community

The LA has a statutory duty to identify and meet housing need and, in certain circumstances, can proceed without the support of the PC. However, it is the intention of the LA and HA to have the support of the PC and community where ever possible.

The LA or the HA will ensure that the responses to the survey are kept confidential.

If a need were to be established the HNS analysis report will detail the number, type and tenure of affordable homes which the survey has indicated are needed by people with an immediate connection to the Parish. This will be considered together with other evidence of local housing need held by the LA in ultimately establishing the level and type of housing provision that is required.

If an affordable housing need is identified it is the LA's responsibility to, where appropriate, explore options to meet the need. If no need is identified then no scheme will be investigated.

### **3 - Scheme Progression**

The LA and HA aim to work with the PC on the development of the scheme in the stages that are set out below:-

**Selection of Development Partner** - a Housing Association (or Registered Social Landlord) is selected by LA to progress the scheme and deliver the homes.

**Finding a Suitable Site** - this is usually an exception site which provides the location for the homes for those with a local connection. Exception sites are usually identified by a village walkabout (with LA, HA, PC and District/Borough Councillor) and by land being brought forward by landowners following the HNS.

**Layout and Design** - HA will instruct an architect to plan the layout and design of the site.

**Parish Information Event** - an open event is held in the Parish to showcase the plans for the scheme. This is an ideal opportunity to share information, answer questions and listen to the views of the whole community.

**Funding the development** - affordable housing schemes are funded in part by the Homes & Communities Agency (HCA - who allocate the public funding element to enable development) and in part by the HA. Accessing HCA funding requires a bidding process which is led by the HA with support from the LA.

**Planning Application** - formal planning application for the scheme is made by the HA to the Local Planning Authority.

**Legal Agreement and Local Lettings Agreement** - exception site developments are subject to a legal agreement which ensures that the properties will always be for people in housing need with a strong local connection to the Parish.

**LOCAL AUTHORITY**

- Select a Registered Social Landlord (RSL - Housing Association) to develop, own and manage the affordable housing
- Help to identify and appraise potential sites from a strategic and planning perspective
- Work with PC through the consultation, planning and development process, especially if local opposition to the development arises
- Work with HA to support a bid to HCA for Social Housing Grant (SHG) which will partly fund the scheme's development
- Host local event to allow community to view and comment on the proposed development
- Ensure that the planning application is given appropriate consideration and that the planning committee are fully briefed as to its circumstance
- Agree local lettings policy and a legal agreement with HA to ensure properties remain affordable in perpetuity
- Nominate applicants from Housing Register to HA for the completed properties

**PARISH COUNCIL**

- Use local knowledge to play a key role in site identification and choice
- Bring all possible sites to the attention of LA, RSL and HA as soon as possible (considering sites at a later stage may prove difficult)
- Indicate general support for the development of site/s
- Consult with HA and planners to achieve acceptable, viable design
- Give full consideration to planning application based on material planning considerations
- Receive clear explanation of the legal agreement from LA and HA
- Input into local lettings agreement with regard to local connection criteria

**DISTRICT/BOROUGH COUNCILLOR**

- Advocate LA's commitment to affordable housing
- Use local knowledge to play a key role in site identification and choice
- Input into discussions with HA and planners to achieve acceptable, viable design
- Attend a local event to allow community to view and comment on the proposed development

**HOUSING ASSOCIATION \***

- Input rural development expertise to site identification process
- Negotiate site purchase with landowner
- Consult with planners to achieve an acceptable, viable design
- Agree local lettings policy and a legal agreement with LA to ensure that the properties remain affordable in perpetuity
- Receive nominations for completed properties from LA Housing Register and allocate tenancies according to LA allocation policy/Choice Based Lettings scheme and in line with local lettings policy in the S106 Agreement
- Attend local information event offering experiences of affordable rural housing
- Listen to community comments arising from local information event and modify scheme if appropriate
- Work with LA and PC if local opposition arises
- Work with LA on bid to HCA for Social Housing Grant (SHG) which will partly fund the scheme's development
- Access remainder of funding to ensure that scheme is viable and deliverable

**4 - Long Term Responsibilities**

Once a scheme is completed there are responsibilities that partners must undertake to ensure that the scheme is a long term asset to the Parish.

**LOCAL AUTHORITY**

- Nominate applicants from Housing Register to HA for any subsequent re-let of properties in line with the LA allocation policy and the S106 agreement

**PARISH COUNCIL**

- May be consulted by the HA on the issue of local connection confirmation; the PC will not be responsible for the management or letting of properties

**DISTRICT/BOROUGH COUNCILLOR**

- Communicate any housing management issues to the HA where known

**HOUSING ASSOCIATION \***

- Let properties to nominees from LA Housing Register who satisfy local lettings criteria set out in the S106 agreement.
- Manage and maintain properties in line with adopted policies to ensure the homes are an asset to the community
- Consider any comments from PC, Councillors or LA in relation to the management of properties

## EXCEPTION SITE DEVELOPMENT PARTNERSHIP WORKING PROTOCOL - PARTNERS' ROLES THROUGHOUT THE PROCESS

PROJECT STAGE	LOCAL AUTHORITY	PARISH COUNCIL	COUNCILLOR	HA
<b>STRATEGIC DIRECTION</b>	<ul style="list-style-type: none"> <li>▪ Strategic housing function</li> <li>▪ Initial approach to PC</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide platform for LA to discuss affordable housing at PC meeting</li> </ul>	<ul style="list-style-type: none"> <li>▪ Advocate affordable rural housing and policies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Input into housing strategies</li> <li>▪ Inform LA of opportunities</li> </ul>
<b>ASSESSMENT OF AFFORDABLE HOUSING NEED</b>	<ul style="list-style-type: none"> <li>▪ Provide PC with LA info on affordable housing</li> <li>▪ Conduct HNS (with partner if appropriate)</li> <li>▪ Utilise LA's local eligibility criteria to establish need</li> </ul>	<ul style="list-style-type: none"> <li>▪ Discuss HNS and assist with its publicity and delivery</li> <li>▪ Review HNS report and minute decision to support</li> <li>▪ Recognise LA's strategic housing responsibility</li> </ul>	<ul style="list-style-type: none"> <li>▪ Advocate affordable housing</li> <li>▪ Advise and support the PC and community</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assist LA in approach to PC</li> <li>▪ Offer experience and advice to PC and community</li> <li>▪ Conduct HNS if requested</li> <li>▪ Discuss HNS outputs with PC</li> </ul>
<b>SCHEME PROGRESSION AND DEVELOPMENT</b>	<ul style="list-style-type: none"> <li>▪ Select HA to deliver scheme</li> <li>▪ Identify and appraise sites</li> <li>▪ Work with PC</li> <li>▪ Support RSL funding bid</li> <li>▪ Appraise planning application</li> <li>▪ Produce local lettings agreement</li> <li>▪ Nominate applicants from LA housing register/CBL</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify and bring forward sites</li> <li>▪ Comment on sites</li> <li>▪ Consult partners over design</li> <li>▪ Support for planning application</li> <li>▪ Input into local lettings agreement</li> </ul>	<ul style="list-style-type: none"> <li>▪ Help identify and bring forward sites</li> <li>▪ Advocate LA's commitment to affordable housing</li> <li>▪ Advise and support the PC and community</li> <li>▪ Consult partners over design</li> </ul>	<ul style="list-style-type: none"> <li>▪ Negotiate site purchase</li> <li>▪ Consult partners over design</li> <li>▪ Access funding from HCA and developing HA</li> <li>▪ Input into local lettings agreement</li> <li>▪ Support PC and community</li> <li>▪ Nominate in line with policy</li> </ul>
<b>LONG TERM MANAGEMENT</b>	<ul style="list-style-type: none"> <li>▪ Nominate applicants from LA housing register /CBL</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consulted on issue of local connection confirmation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Communicate any housing management issues to LA/HA</li> </ul>	<ul style="list-style-type: none"> <li>▪ Let homes in line with local lettings agreement</li> </ul>

## **AFFORDABLE RURAL HOUSING - THE NORTHAMPTONSHIRE PICTURE**

It is widely acknowledged that affordable housing in rural areas is one of the greatest problems facing rural communities. The Regional Housing Strategy has identified that the scale of need for affordable rural housing is much greater than anticipated. There is also a significant shortfall in provision compared with the level of need emerging. Strategic Housing Market Assessments as well as local and sub regional reports and research have shown that affordable housing is of critical importance in the rural areas of Northamptonshire.

Scarce availability of suitable land, planning obstacles and local opposition often mean that the necessary homes to meet local housing needs are never built, contributing further to lower income earners and younger people being priced out of their home villages.

It is also likely that the already alarming waiting list figures vastly underestimate true housing need in rural communities. Local Housing Needs Surveys, when undertaken by the Local Authorities and their partners, tend to reveal that many more households are struggling to live in their village but have not officially registered their need. Sometimes this is because they simply do not believe the affordable homes needed in their community will ever be built.

### **Local Authority strategic housing role**

The Local Government White Paper, *'Strong and Prosperous Communities'* identified the need for Local Authorities to take a more strategic approach to housing as part of their place shaping role.

By ensuring that housing is of the highest quality, located in the right place with the necessary infrastructure and support, Local Authorities can create vibrant, mixed and sustainable communities.

The Housing Green Paper, *'Homes for the future: more affordable, more sustainable'* called on all Local Authorities to play a stronger role in addressing the housing needs of all residents.

It encouraged authorities to develop their strategic housing role by using the full range of housing and land use planning powers. They should be working with partners to meet needs of residents by ensuring the delivery of new and affordable housing whilst making the best use of existing stock.

The strategic housing role requires vision, leadership, planning and delivery to:

- assess and plan for current and future housing needs of the local population
- make the best use of existing housing stock
- plan and facilitate new supply
- plan and commission housing support services which link homes to support and other services that people need to live in them
- have working partnerships that secure effective housing and neighborhood management.

By contributing to place shaping, strategic housing activity can help to deliver improved services (including health, education, social services); a safe environment; accessible transport; a strong sense of community; and a decent home for all at a price people can afford.

## **GLOSSARY**

### **Affordable housing**

Affordable housing is defined according to Planning Policy Statement No. 3: Housing as either social rented housing or low cost home ownership.

### **Exception Site Policy**

The Exception Site Policy was introduced in 1989. It has been the most successful planning tool in increasing the supply of affordable housing in small villages. Exception sites are land outside the designated village boundary that cannot be used for housing but exceptional planning permission may be granted to meet local needs for affordable housing in perpetuity.

### **Housing Association**

Common term for the 2000 or so independent, not for-profit organisations registered with and regulated by the Homes & Communities Agency. Housing Associations are able to bid for funding from the Homes & Communities Agency. Housing Associations are also referred to as Registered Social Landlords or RSLs.

### **Housing register**

A register of people waiting for affordable housing which may include current tenants who wish to move to another affordable home within the same district.

### **Intermediate Housing**

Housing at prices and rents above those of social rent, but below market prices or rents, and which remain at an affordable price for future eligible households, or if these restrictions are lifted for the subsidy to be recycled for alternative affordable housing provision. These can include shared ownership products, such as New Build HomeBuy, Open Market HomeBuy and HomeBuy Direct.

### **New Build HomeBuy (formerly Shared Ownership)**

The buyer purchases a share of their home, with the remaining share being held by another party, for example a Housing Association. Often a rent is paid on the non-purchased share. Upon leaving the property any increase in property value is shared according to the proportion owned. Often an occupier can increase their share during the period of occupation. Restrictions exist in rural settlements with populations below 3,000 which limit the equity residents can buy to 80%.

### **Re-let**

Local Authority or RSL rented accommodation that becomes vacant due to the departure or death of a previous tenant; therefore the accommodation can be re-let to another tenant or new applicant on the Housing Register.

### **Section 106 Agreement**

Agreement under section 106 of the Town and Country Planning Act 1990 on development of land. Often used as a legally binding agreement between a local authority and developer to ensure a percentage of affordable social housing in a larger housing development, or to secure other planning gain. Always attached to an exception site planning consent to enforce the long-term local occupancy requirement.

### **Social Housing Grant**

Capital grant provided by the Homes & Communities Agency to part-fund Registered Social Landlords investment in social housing.

