

**TO:** RURAL FORUM  
**DATE:** 13 OCTOBER 2009  
**SUBJECT:** RURAL AFFORDABLE HOUSING  
**BY:** HEAD OF DEVELOPMENT SERVICES  
**Classification:** Unrestricted

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**Summary:** This item is a briefing item on rural affordable housing with some suggestions for the way forward on its planning and delivery in Swale.

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**Implications:** Human Resources Implications: Pursuit and management of individual parish schemes can have significant demands on officer time.

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Finance Implications: None

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Legal Implications: Possible assistance with planning agreements for planning permissions.

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Crime & Disorder Implications (Section 17) : None

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Equalities & Diversity Implications: Access to decent and affordable homes for all.

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Sustainability Implications: May impact on locations where development would not normally be permitted in the countryside; but could contribute to overall sustainability of individual communities.

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Risk and Health and Safety Implications: None

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Corporate Plan Implications: Regenerating Swale: Housing priority RS15 - developing affordable housing to meet the needs of Swale communities.

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**Recommendation** **That members note the report and views are invited on progressing this aspect of housing provision**

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### Introduction

1. The government sponsored Taylor Review of the Rural Economy and Affordable Housing (September 2008) called for (amongst other things), a more pro-active provision of affordable housing in smaller villages and to take account of the specific requirements of villages when developing policies.
2. Current planning policy in respect of rural affordable housing is as follows:
  - **National Policy Context** – Planning Policy Statement 3 (2006) para 30 – Local Planning Authorities can consider allocating and releasing small sites solely for affordable housing in small rural communities that would not normally be used for housing because they are subject to policies restraining development. In these cases, the homes would be restricted to local people with clearly defined connections with that community.  
Local planning authorities can also consider seeking lower site size thresholds and different percentages of affordable houses on any market site which come forward in villages, subject to an informed assessment of viability and overall impact on housing delivery.

- **Regional (South East Plan) Policy Context-** Policy H2 (vi) talks of providing a sufficient quantity and mix of housing including affordable housing in rural areas to ensure long term sustainability of rural communities. Policy H3(v) – recommends working with communities in rural areas to secure small scale affordable housing sites within or well related to settlements, possibly on land which would not otherwise be released for development.
  - **Swale Borough Local Plan (2008) –** Policy RC3 – Applies exceptionally at sites where planning permission for residential development would not normally be granted. It is to meet **proven local needs only** and takes into account the settlement hierarchy (Policy SH1) and policy for the countryside (Policy E6). Policy H3 of the Local Plan allows for up to 30% of units to be sought as affordable housing on market sites of 15 or more dwellings
3. In practice, this means that a local planning authority can facilitate provision of a limited number of affordable houses in rural communities for local people who may otherwise be “priced out” and forced to move away from their communities. Current Local Plan policy provides for sites to be identified and brought forward through the development control process in villages where a local need has been identified through a local parish needs assessment. Currently, we do not have any site allocations for rural affordable housing through the Local Plan, or as yet the Local Development Framework.
  4. To date needs assessments have been carried out at Lower Halstow, Lynsted/Teynham, Newington, Newnham and Upchurch. Schemes permitted and built at Lower Halstow and Lynsted will provide some 19 affordable units by the end of November 2009.

### Identifying Needs

5. The Strategic Housing Market Assessment, (completed jointly with the East Kent districts in June 2009) indicated that substantial parts of the study area are primarily rural in nature, with the combination of benefits and disbenefits this brings. On the plus side are relatively high values of land and houses, an attractive physical environment that can be marketed to wealthier incomers, and increasingly developed transport networks that can link rural areas with commercial and retail areas. On the negative side lie the severe affordability problems that mean low-waged locally-employed residents struggle to access accommodation they can afford; the flight of younger residents (particularly in times of recession where employment is more likely to be found elsewhere); resulting in an increasingly unbalanced community, comprising older residents and wealthier residents. With this comes the disuse of village and small town facilities, the threat to school rolls, post offices and shops, the withering away of local transport routes, and the isolation of elderly residents. Housing policy has a role to play in supporting the rural community. The SHMA suggests new policy measures to encourage appropriate affordable housing, which would need to be followed through the LDF Core strategy and related documents.
6. Enabling younger and lower-paid residents or in-comers to live in rural communities is important, but the SHMA notes that villages and hamlets are only likely to have smaller sites available for development, and that therefore the standard fifteen unit threshold that triggers an affordable housing requirement may reduce the opportunities for affordable housing development in these areas. There is a strong and pressing case based on housing need for reducing the threshold in rural areas. However, the current fragility of the market for development has to be taken into account and care is needed not to render development ‘opportunities’ non viable’. Policy to reduce the site size threshold for seeking affordable housing on market

sites in rural areas would need to be pursued through the Core Strategy and would need additional detailed needs and viability assessment.

7. The Housing Needs Survey (2005), is somewhat out of date but provides some broad indication of parishes where housing need was particularly acute and is therefore a starting point for further investigation. In addition the Swale Housing Register should also help to identify parishes where there is need; and where initiating a detailed parish needs survey is justifiable. Liaison with Parish Councils is also important in this respect at member and officer level.
8. The **Swale Housing Strategy** Indications of need should translate into an overall target of rural exceptions housing provision for the Borough, which can be reflected in both the Housing Strategy and the Core Strategy. The Housing Strategy can set out a prioritised rolling programme of Parish Needs surveys - seeking to undertake 3 per annum.
9. **The Kent Rural Housing Enabling Project** (an offshoot of Action with Communities in Rural Kent) works with district planning and housing officers, housing associations; service providers and parish councils to facilitate needs surveys to a uniform standard. They also support and facilitate the process of site search and negotiating planning approval to achieve rural exceptions schemes. Effectively they act as a “neutral party” to assist negotiations and have a wealth of experience and good practice to draw on. Until recently Swale housing officers attended the steering group meetings. The capacity for further involvement in Swale schemes in accordance with a programme could be explored following the appointment of the new head of Housing Services.

#### Other Policy Initiatives

10. The Core Strategy will include targets for affordable housing and will probably need to include a rural element. It is expected that the current Local Plan ‘enabling policy’ for rural exceptions affordable housing will be carried forward in the Local Development Framework Core Strategy. Permissions for such rural exceptions housing is only for housing which will be managed as affordable in perpetuity. Market and affordable housing is not normally mixed together on ‘exceptions’ sites. Exceptions sites are usually quite small, ranging from as little as four to perhaps 25 units.
11. Additional policy change could also be explored to achieve more affordable housing at any market sites which do come forward at villages. This could be achieved by having a reduced site size threshold on sites at rural settlement: eg Maidstone and Ashford seek a proportion of affordable units on market sites of 3 / 5 dwellings at the villages. Currently Swale seeks 30% affordable housing on market sites capable of taking 15 or more dwellings across the whole Borough, and clearly there are relatively few sites of such a size in the villages. Subject to a viability assessment and impact on overall deliverability of housing, it may be possible to vary the threshold and the percentage affordable housing sought in rural areas. It would have to be demonstrated however, that the policy was not likely to make market housing sites ‘non viable’ and therefore slow overall delivery of housing.
12. The East Kent SHMA which forms part of the evidence base for the Core Strategy takes a cautious approach to policy change acknowledging the lack of larger market housing sites in rural areas. This is in spite of the fact that land values are relatively high, as are house prices. One option they have therefore considered is

recommending reducing the threshold of fifteen units that triggers an affordable housing target on a site, to enable affordable homes to be developed on smaller sites. While there are other policy tools available (e.g. exception sites policy) reducing the threshold should in theory enable greater delivery. However, this also has to be viewed in the context of the current economic climate, and the fragility of the private sector. In the absence of an economic viability study, we will not make a cross-the board recommendation on rural thresholds. However, if subsequent studies indicate that viability can be ensured at lower thresholds in some areas (especially rural ones) we would expect such revised thresholds to be accepted.

13. The Core Strategy could also include policy 'hooks' for preparation of Supplementary Planning Documents on rural exceptions housing; and possibly for allocation of suitable rural exceptions sites which would have to be via a suitable Development Plan Document. Preparation of these documents would have to await adoption of the Core Strategy, (currently programmed for adoption in mid 2012), as they would require a suitable 'parent policy' and a resource for their preparation, which is not currently identified. It is therefore an option for the medium to longer term.
14. A shorter term option could be consideration of production of an "protocol" or good practice guide - which explains the process of achieving a rural exceptions schemes and especially the roles of the various stakeholders (especially useful for parish councils). This could also set out planning issues around site selection and design etc; and any other objectives arising from the Housing Strategy. Such a document could be upgraded to Supplementary Planning Document status for inclusion in the LDF suite of documents (as for eg at Tunbridge Wells BC), when a suitable parent policy is in place and as resources permit.

#### Site Identification

15. This can be via a variety of sources. Parish Council contacts; Development control officer intelligence; Landowner and / or RSL initiatives; A protocol (see above) with site selection criteria could be helpful here in eliminating totally unsuitable ones. Alternatively, using the LDF Strategic Housing Land Availability Assessment (SHLAA) criteria for looking at and comparing suitability of alternatives may assist. The SHLAA itself is not specifically set up to seek out candidates for rural exceptions sites – sites which have been put forward for consideration as part of this process are for market housing. This does not automatically rule them out for exceptions housing where general market development would not be permitted. In cases of acute, proven need, compulsory purchase order measures would be a possible (but hopefully) last resort.

#### Possible Ways Forward

16. Broad evidence base on needs is available through the Strategic Housing market Assessment and the Housing Register.
17. The Housing Strategy, needed to identify targets and rolling programme of parish needs surveys for short, medium and longer term, is close to completion and would be a means of prioritising bids for Homes and Communities Agency funding. HCA are committed to resourcing these initiatives with grant aid as far as possible.
18. If affordable housing can be sought on market sites in rural areas, a standard form of S.106 agreement with developers should be worked up. This could seek to develop local lettings plans with RSLs which would help in safeguarding any new affordable homes on market sites in villages for local residents.
19. Local Development Framework Core Strategy will need to reflect any targets from housing strategy and take them forward in to an enabling policy. However, the Local

Development Framework programme does not identify any additional SPD work until after adoption of the Core Strategy. There is also uncertainty about how new proposals for Community Infrastructure Levy may affect S.106 arrangements and affordable housing from mid 2010.

20. Site selection process for individual schemes can be brought forward through existing Local Plan enabling policy, if a systematic rolling programme of schemes is to be undertaken via the Housing Strategy. The Council would need to consider how it would be able to resource such a programme, given that schemes can become controversial and very time consuming and will involve a lot of Parish Council; RSL; local community and general public; and landowner liaison work.
21. There could be assistance available through the Kent Rural Housing Enabler Project group, which offers a wealth of experience and practical support for schemes.

### Summary

22. Rural exceptions schemes can deliver some exceptional affordable housing schemes to meet the needs of local people in rural areas where new housebuilding is otherwise very limited. The Council and other parties would need to consider what resources could be made available to bring forward such an initiative, although it should be recognised that the scheme is likely to deliver perhaps 20 - 30 houses per annum (depending on the target chosen) out of our strategic requirement of 10,800 to 2026.
23. A carefully considered strategy for needs surveys and delivery of schemes, allied to the Housing Strategy and brought forward via existing Local Plan enabling policy would appear to be the best way of achieving some short term success in implementing schemes. Production of a 'protocol' or practice guidance note to help guide parishes through the process could be helpful in lieu of a more formal SPD document.
24. In the longer term, adjustment of affordable housing policy on market sites for smaller rural settlements could be pursued through LDF Core Strategy, supported in turn by a Supplementary Planning Document. If a smaller site allocations Development Plan Document is undertaken at some point in the future, then allocation of modest rural exceptions sites abutting villages could also be an option.

### Recommendation

25. That members note the report and views are invited on progressing this aspect of affordable housing provision.

### Reasons for the Recommendation

25. To inform Members about the concept of rural affordable housing and possible ways to pursue planning and delivering it.

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Date: 23 Sept 2009

Report approved by - SMT

List of background documents - None

