

Guidance on delivering rural affordable housing

Part 1 - Roles and processes

This guidance note has been produced to explain the roles of all the partners involved in establishing whether there is a need for affordable housing in rural settlements and, if a need is identified, for the successful delivery of affordable housing. The key partners in this process are: the relevant Parish Council (PC), North Somerset Council (NSC), NSC Ward councillors and a Registered Housing Provider (RP), e.g. housing association.

North Somerset Council strongly believes that the best way to deliver affordable housing in rural areas is by working in partnership with key stakeholders, and in particular with local communities and their parish councils. The council will not promote or encourage new housing development where there is not a clear local unmet need. The homes provided must meet NSC's definition of affordable housing to meet specific local needs as set out in the Affordable Housing Supplementary Planning Document (AHSPD).

This guidance note sets out the stages and the roles of key partners involved in establishing housing need and if need is identified, enabling the delivery of affordable homes on rural exception sites and should be read in conjunction with North Somerset Replacement Local Plan (NSRLP) Policy H/5 (see Appendix A).

This guidance note takes account of recent government announcements about its proposed localism agenda but may be subject to review and update once the Localism Bill is enacted in the autumn of 2011 and will be reviewed as a result of changes to the local development framework and the proposed revision of the AH SPD.

The National Housing Federation's Rural Housing Alliance booklet 'Affordable Rural Housing: A Practical Guide for Parish Councils' also provides useful background information.

Stage 1: Getting started

NSC has a key role in assessing and meeting local housing needs, including the enabling of new affordable housing where appropriate. The Council's housing team is therefore keen to respond to approaches from Parish Councils and advise on affordable housing issues. It will also be happy to suggest a discussion about the issues where it feels this may be helpful.

Roles in this stage:

Parish council

- Represent the views of local people with concerns about unmet needs
- Review information about potential needs (for instance arising from the Parish Plan process and neighbourhood plans)

- If appropriate, consider taking the opportunity to discuss affordable housing with NSC at a parish council meeting
- Agree the process for community engagement

North Somerset Council

- Provide strategic advice on affordable housing and numbers of local people on the waiting list for social housing
- Promote a partnership working approach
- Provide planning advice where needed
- Invite the parish council to consider an investigation of local housing need where appropriate

Ward councillors

- Represent the views of local people at local and district level
- Consider how rural housing policies can help locally and adopt appropriate policies where needed
- Maintain an overview of the process

Registered housing provider

- Share information about potential development opportunities with NSC
- Input into NSC housing strategies and policies
- Where appropriate, work jointly with NSC and the parish council to consider investigation of local housing need
- Refer any direct enquiries from parish councils to the council

Stage 2: Housing needs assessment

A local housing needs survey will need to be conducted to determine the level of affordable housing need in the parish. We will also include evidence from other sources such as the Strategic Housing Market Assessment (SHMA) and the council's housing register.

Parish council

- Be involved in planning the investigation of local housing need in partnership with NSC
- Share responsibility with the council for publicising and promoting the housing needs survey
- Distribute the housing needs survey form to all households in the survey area
- Comment on the findings of the housing needs survey
- Confirm support in principle for work to identify a scheme to meet identified affordable housing needs

Local authority

- Carry out the housing needs survey, analyse and produce the report using the council's standard survey and report template, or;
- Commission an independent housing needs survey based on the council's standard survey and report template (due to be piloted during 2011)
- Charge survey and report costs to an RP partner appointed should provision be required, and a suitable site is identified

- Encourage householders to complete a HomeChoice register application form at time of survey if they feel they are in housing need
- Analyse the HomeChoice register and provide details of this analysis in any Housing Needs Survey Report produced
- Discuss the Report (including analysis of the HomeChoice Register) with the Parish Council, Planning Officers and Housing Provider (if known) to establish the overall number, tenure and size of housing provision to meet any affordable housing need identified
- Brief planning officers on evidence of housing need by providing a written summary of survey results including analysis of HomeChoice register in relation to the survey.

NB North Somerset Council will ensure that individual responses to any survey are kept confidential.

If an affordable housing need is identified, the Report will give an indication of the number, type and tenure of affordable homes that are needed by people with a local connection to the parish (as defined in the NSRLP Para 8.51 – see Appendix A). This will include analysis of the respondents to any survey against the housing need criteria for NSC’s HomeChoice register, as well as further analysis of those already on the HomeChoice register who seek housing in the survey area. The analysis will consider information on the incomes and savings of applicants in relation to their needs and local housing costs.

If a need for affordable housing is identified, the Parish Council will take responsibility for exploring options to meet that need in partnership with North Somerset Council. If no need is required, no scheme will be investigated.

Ward councillors

- Monitor and support the survey process
- Advise and support the PC and community

Registered housing provider

- Contribute to discussions on the survey and register findings to agree level of need and type of housing required

Stage 3: Scheme development, planning application and implementation

All partners will need to work together to find a suitable site or sites for development using a sequential site search process. This is a relative assessment of potential sites in relation to planning policies and constraints. It is sequential because all things being equal the preferred sites should fit best in respect of aspects such as relationship to the built form of existing settlements, use of previously developed land, access to services and facilities, and environmental factors.

The sequential assessment will need to demonstrate the preferred location or locations in relation to these principles. It does not include deliverability. The extent of a sequential site search will be advised by planners to ensure consistency.

Sites identified within the existing settlement boundary must be investigated first ahead of any potential exception sites outside of the settlement boundary. The willingness of the landowner to provide a site on acceptable terms and development costs will be key factors in deciding feasibility.

If an appropriate site emerges detailed proposals will be worked out to confirm its feasibility taking account of the identified needs and the planning and financial constraints which apply.

NSC planning officers will have responsibility for processing the Housing Provider's planning application in accordance with policy and making recommendations to elected Councillors as appropriate. (No assumption that planning consent will be given). They will need to confirm evidence of local need from housing colleagues. This evidence may need to be updated depending on the time-scale involved.

All exception site developments are subject to a legal agreement linked to the planning permission to ensure that the properties will always be for people in housing need with a strong local connection to the Parish (see NSRLP Para 8.51 – see Appendix A).

Roles in this stage:

Parish council

- Agree and organise effective consultation opportunities to engage the community in progressing site selection
- Use local knowledge to help in site identification and assessment
- Bring potential sites to the attention of NSC and the housing provider as soon as possible
- Indicate views on the development potential and availability of the site(s) and agree an appropriate mix of homes in relation to overall need
- Take an active role in the early design stages of proposed development with the housing provider and planners to achieve an acceptable, viable design
- Give full consideration to the planning application based on material planning considerations
- Receive clear explanation of the legal agreement from NSC and the Housing Provider
- Assist the housing provider in arranging the local consultation to allow the community to view and comment on the proposed development

North Somerset Council:

- Take part in local consultation that will allow the community to view and comment on the potential sites
- Help to identify and appraise potential sites from a strategic and planning perspective and rank sites in order of preference for development
- Confirm a housing provider to develop, own and manage the site
- Work with the parish council through the consultation, planning and development process
- Work with the housing provider to support a bid to the HCA for Social Housing Grant if grant available

- Ensure that the planning application is given appropriate consideration and that the planning committee is fully briefed as to its circumstances
- Agree the legal agreement including local occupancy criteria with the Housing Provider to ensure properties remain affordable in perpetuity - all exception site developments are subject to a legal agreement to ensure that the properties will always be for people in housing need with a strong local connection to the Parish
- Administer the HomeChoice North Somerset system to enable allocations to the completed properties

Ward councillors

- Use local knowledge to help in site identification and choice
- Input into discussions with the housing provider and planners to achieve an acceptable, viable design
- Support local consultation to allow the community to view and comment on the proposed development
- Promote the selected scheme within NSC

Housing Provider

- Input rural development expertise in site identification process
- When agreed with parish council and NSC submit completed sequential site search for consideration by planning officers
- Negotiate the site purchase with the land owner established through the sequential site search. If higher priority sites are not forthcoming for development this must be evidenced
- Instruct an architect to plan the layout and design of the scheme
- Carry out all surveys and investigations relevant to the site
- Consult with the parish council, NSC and key local stakeholders to further develop an acceptable viable design
- Organise local consultation event with parish council, explain proposals and offer experiences of affordable rural housing listen to community comments arising from the consultation event and modify the scheme if appropriate and work with NSC and the parish council if local opposition arises
- Submit a formal planning application
- Agree local occupancy criteria/legal agreement with NSC to ensure that the properties remain affordable in perpetuity
- Work with NSC on the bid to the HCA Secure all funding approvals to ensure that the scheme is viable and deliverable
- Appoint contractor to build the homes and project manage build including dealing with any issues that may arise on site
- Receive shortlist of applicants who have made a bid for relevant completed properties from HomeChoice North Somerset and allocate tenancies according to NSC's allocations policy and in line with the local lettings criteria within the S106 agreement

Stage 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

Roles in this stage:

North Somerset Council:

- Monitoring/review of development process and outcomes
- Monitor management of affordable housing
- Continue to identify applicants from HomeChoice North Somerset in conjunction with the housing provider for any subsequent re-lets or re-sales of properties in line with the allocation policy and the S106 agreement.

Parish and ward councillors:

- Communicate any housing management issues to the housing provider

Parish council:

- May be asked by the housing provider to confirm local connection of those nominated for properties
- Will not be responsible for managing or letting properties

Housing provider:

- Let or sell properties to applicants from the HomeChoice North Somerset register, who satisfy the local occupancy criteria set out in the S106 agreement and who within this have the highest level of priority
- Manage and maintain the properties to ensure the homes are an asset to the community
- Consider any comments from the parish council, Councillors or NSC officers in relation to the management of the properties

Appendix A: Extract from North Somerset Replacement Local Plan (adopted March 2007)

Policy H/5 – Circumstances and criteria for releasing affordable housing sites in rural areas

As an exception to normal planning policies, permission may be granted for affordable housing on sites within or adjoining villages, where housing would not otherwise be permitted, provided that the following criteria are met:

- i. a local housing need exists, demonstrated by a housing needs study, or other satisfactory evidence such as a parish survey;
- ii. the proposal site should, wherever possible, be in or adjacent to an existing settlement within which adequate social facilities and essential services are available;
- iii. the proposal site should, wherever possible, be accessible by public transport;
- iv. proposals should be modest in scale;

v. proposals should be in keeping with the character of surrounding development and should not be intrusive in the landscape;

vi. It can be demonstrated that there is no suitable other site to meet the local need and that the proposals would not lead to inappropriate development and would be consistent with the function the green belt, area of outstanding natural beauty, or retaining the best and most versatile agricultural land;

vii. The affordable housing, including affordable home ownership initiatives, is provided in perpetuity.

8.47 Policy H/5 acknowledges that many villages and small settlements in North Somerset face difficulties in securing an adequate supply of land for affordable housing for local needs. The council considers that in accordance with the plan-led approach it has identified areas and sites for housing to provide a choice and range of housing throughout the whole of North Somerset, with the primary emphasis on bringing forward sites within the towns of Weston-super-Mare, Portishead, Nailsea and Clevedon in accordance with Policy GDP/1 (Chapter 4). However, the council also accepts that there will remain a lack of affordable housing to meet local needs, as demonstrated by the 2005 HNAM, which cannot otherwise be met by means of provision in the plan, as set out at Policy H/2. In this instance, PPS3 advises local authorities, exceptionally, to consider the release of small sites within or adjoining existing villages, which would not otherwise be allocated for housing.

8.48 The council considers that such circumstances are an exception to the normal policies providing for general housing need. The council would not normally consider the release of such sites, based on Policies GDP/1 (Chapter 4), RD/1 and RD/3 (Chapter 6) and H/1 (above), because they are contrary to the established policies of restraint in the plan relating to the management and use of land outside the settlement boundaries of the towns and villages in North Somerset. However, in the case of exception sites, the need for affordable housing, to be provided in perpetuity, has been judged to have a higher priority.

8.49 The Council considers that such sites should not normally be identified in Local Plans and will be additional to the provision for general housing demand, as set out at Policy H/2. This is essentially to avoid excessive pressures to release such sites in order to make up the numbers to meet strategic housing allocations and because without the detailed case for looking at the need and constraints, it would be impossible to say how many were justified. The council considers this is because a specific case for an exception must be made and related to a specific situation and it would be on a site where housing would not normally be permitted. Likewise, Policy H/5 does not alter the general presumption against inappropriate development in the green belt, as set out at Policy RD/3, and it is also not intended to be applied widely in such areas of restraint. However, exceptionally, very limited development of affordable housing within or adjoining existing villages or other small settlements may be acceptable and consistent with the function of the green belt.

8.50 In addition to the circumstances where sites may be released, as detailed at paras. 8.47 – 8.48 above, Policy H/5 also sets out the criteria against which proposals

will be considered. Before determining any planning applications under Policy H/5, the Council will require evidence of local housing need based on the council's definition of 'affordable housing' as set out under Policy H/4 at para. 8.32. The council will assess need based on the findings of the 2005 HNAM, and or detailed Local Parish Housing Needs Surveys, but in some cases evidence from the Housing Needs Register may suffice.

8.51 Where planning permission is granted for affordable housing on exception sites, the council will need to be satisfied that adequate arrangements are in place, ideally with an RSL, to reserve the housing in question for local needs, both initially and in perpetuity. Both planning conditions and planning obligations may be used for this purpose. The inclusion of clauses in planning obligations which would enable lenders of private finance to dispose of property on the open market are unacceptable in respect of housing schemes on exception sites. It is however, recognised that many lenders will not support RSL's in developing exception sites where the occupancy criteria are entirely restricted to the immediate and adjacent location. To this end an ultimate fall back for allocation to households in need in the rest of North Somerset has been introduced. This will also promote the mortgageability of low-cost or shared ownership sale units. Occupancy is therefore reserved in perpetuity for people in need of affordable housing in the following categories and order of priority:

- a) Residents of the village or same parish in shared, overcrowded or otherwise unsuitable accommodation.
- b) Residents of adjacent parishes in shared, overcrowded or otherwise unsuitable accommodation.
- c) People dependent on or giving support to a household in the village or adjacent parishes.
- d) Young, elderly, retired or disabled people who have lived or worked in the village or adjacent parishes.
- e) Households that include people who are employed or about to be employed in the village or adjacent parishes and need to live locally.
- f) Other residents of the village and adjacent parishes eligible in accordance with the published policies and procedures for allocating tenancies by the registered social landlord.
- g) In order to avoid long-term voids or re-sale periods, after a rented property has remained void for three months or an owner-occupied property been marketed for 12 months, occupancy will firstly be allowed for other residents of North Somerset and if necessary and appropriate occupancy criteria will subsequently be extended to people outside the district, eligible in accordance with the published policies and procedures for allocating tenancies by the council or by the registered social landlord.

8.52 The council's preferred approach would be to ensure that affordable housing in the rural areas is, where possible, located close to local facilities and/or well served by public transport. However, the Council would not necessarily preclude an exception

scheme coming forward to meet identified local housing need in settlements with limited service and public transport provision, if the requirement to meet housing need is assessed to be the greater priority. Nonetheless, the council would expect that the style and character of such housing should be in keeping with its surroundings, and particularly with local building styles. High standards of design, layout and landscaping appropriate to the village setting will be required, but in appropriate cases, car parking standards (see Policy T/6) may be relaxed.

Part 2 – Occupancy of rural affordable housing exception sites

The local connection requirement on rural exception and Green Belt sites (and in very special circumstances on other sites within the boundaries of Service and Infill villages), will be secured through S106 Agreement using the following cascade approach:

The Owner for and on behalf of itself and its heirs assigns and successors in title with the intention that the following provisions shall bind the Land and every part of it into whosoever hands it may come further covenants with the council that it will ensure that the AH units are occupied in perpetuity by people who:-

- Are approved by the council as needing rented AH and eligible for assistance through the council's HomeChoice Lettings and Assessment Policy, or;
- Are approved by the HomeBuy Agent for the South West (or their successor in function) as needing and eligible for intermediate housing; and
- Are unable to afford to buy or rent an appropriate property locally on the open market and;
- Who in the opinion of the council fall into one or other of the following categories (in order of priority stated):
 - i. Either the applicant or partner* has continuously lived in [parish] for a minimum of three years immediately preceding the date of bidding (or offer in the case of Shared Ownership housing);
 - ii. Either the applicant or partner* has previously lived in [parish] for 10 years continuously, not more than five years ago, immediately preceding the date of bidding (or offer in the case of Shared Ownership housing);
 - iii. Either the applicant or partner* has been continuously employed in [parish] for at least 12 months immediately preceding the date of bidding (or offer in the case of Shared Ownership housing), in work of a non-casual nature;
 - iv. Either the applicant or partner* has continuously lived in [parish] for between 12 months and three years immediately preceding the date of bidding (or offer in the case of Shared Ownership housing);

- v. Either the applicant or partner* has a close relative** that lives in [parish] and has done so for at least five years immediately preceding the date of bidding (or offer in the case of Shared Ownership housing);
- vi. Residents of the adjacent parishes of [list] in North Somerset who fit the above criteria in the priority order listed;
- vii. After a rented property has remained void for three months or a shared ownership property marketed as AH for 12 months, occupancy will be allowed for other residents of North Somerset eligible for AH on the basis of short term lets only, until a resident in sub paragraphs (i) to (vi) above becomes available.

* For the purposes of this document, “partner” means either member of a married couple or of an established unmarried couple

** For the purposes of this document, “close relative” means mother, father, adult son or daughter, brother, sister or grandparents

Where more than one applicant meets any of the criteria listed above (for AH to rent), priority will be decided using the normal HomeChoice criteria (i.e. highest band, highest level of need and earliest effective date).

The owner shall ensure that the AH units are retained in perpetuity as AH. The Social Rent units will be exempt from the right to acquire or any mechanisms that enable the tenant to buy the leasehold or freehold of the unit and, on rural exception sites Shared Ownership units will be restricted to a maximum equity sale of 80%.