

AFFORDABLE HOUSING AND RURAL EXCEPTION SITES: FREQUENTLY ASKED QUESTIONS

Cambridgeshire ACRE facilitates the Cambridgeshire Rural Affordable Housing Partnership. The partnership includes five Local Authorities and ten Housing Associations. **The sole focus of the partnership is to deliver affordable homes for local people in rural communities.** This Frequently Asked Questions (FAQ) sheet addresses the most common questions we encounter when working with local communities.

What is affordable housing?

Affordable housing is housing made available on a subsidised basis to households whose needs can't be met by the market. This can include both rented and shared ownership properties.

What is a rural exception site?

Rural exception site policy allows local planning authorities to grant planning permission for affordable housing on land that would not normally be used for housing because, for example, it is subject to policies of restraint. Hence, an exception is made to normal planning policy to address proven local housing need. However, other planning issues such as site suitability, scale, design etc must still be addressed.

Why might we need affordable housing in our village?

House prices have outgrown incomes in recent years. People on low incomes – often undertaking key roles in their community such as teaching assistants, farm workers or shop and pub staff - cannot afford to set up home in their village. This means that young people in particular are moving away with negative impacts on both themselves and their community. Social and family networks are breaking down whilst local services such as schools, public transport, shops and pubs become less viable. Many rural communities are losing their vibrancy.

Is it really affordable?

The government has introduced a new 'affordable rent', set at up to 80% of the local market rent (inclusive of all service charges). Some rented properties may still be available on a 'social rent' basis. This usually equates to 50%-60% of market rents in Cambridgeshire. Housing benefit may be available to those unable to afford either an 'affordable' or 'social' rent. Shared ownership offers the opportunity to part purchase a property whilst paying a subsidised rent on the outstanding share. There is no subsidy on the purchased element but extra shares of the property can be purchased when this can be afforded.

Will the houses always remain 'affordable houses'?

Affordable housing developed on rural exception sites will remain so in perpetuity. The Right to Buy and Right to Acquire provisions are specifically excluded on rural exception sites. Even on shared ownership properties the share that can be purchased is capped at 80%. This ensures that the affordable housing is secured for future generations.

What do you mean by ‘local’ and how do you ensure properties are always let to local people?

‘Local’ is defined as the parish in which the rural exception site is located. To be deemed to have a local connection any prospective household must live or work in the parish, or have family living in the parish. The exact criteria, such as length of residence, are determined by the Local Authority.

The lettings system for affordable housing changes for rural exception sites. When people join the Housing Register their level of need is assessed and they are allocated to a Band on a scale of A to D with A being the highest level of need. Priority is then given to the household on the highest band. However, with a rural exception site households with a local connection are the highest priority and sit above even those on Band A. Therefore, even a household on Band D with a local connection would take priority over a household on Band A with no local connection to the parish.

If there is no suitable applicant with a local connection a cascade policy operates whereby applicants are considered from neighbouring parishes. Only if there is no suitable applicant from a neighbouring parish would applicants from elsewhere in the local authority be considered. Regardless of this outcome each time the property becomes available the lettings priority reverts back to people with a local connection to the parish.

Why can’t we have a local lettings policy on other affordable housing?

Local Authorities can apply a local lettings policy to other affordable housing developments in special circumstances. However, local authorities have a statutory duty to support people in housing need and their approach generally prioritises those considered to be in the greatest need.

Where can you build rural exception sites?

Rural exception sites normally abut a village boundary. Local authority planning policies will normally specify the settlements that are considered appropriate for rural exception sites. However, only parishes classified as ‘Designated Protected Areas’ automatically have conditions attached to the s106 agreement to control long term tenure and lettings policies. Designated Protected Areas are set out in a Statutory Instrument and approximate to settlements with a population below 3,000 people.

Who builds and owns Affordable Housing?

Most affordable housing is built and managed by Housing Associations. Housing Associations are independent, not-for-profit social businesses set up to provide affordable homes for people in housing need. They vary in size from less than 10 houses to more than 50,000; they manage both rented and shared ownership houses; and, they often provide a range of related and supporting services such as training, child care and community centres.

How big are rural exception sites?

The largest rural exception site in Cambridgeshire is 39 properties (Challis Green, Barrington). However, 10 to 15 properties are much more typical. Even smaller schemes - 2 to 6 properties - are likely in small parishes. The scale should always be commensurate with the scale of the village and local housing need.

Do rural exception sites open the floodgates for other development?

No! They are an exception to planning policy and do not set a precedent for other amendments to village boundaries. Planners prefer sites to abut the village boundary to ensure they don't create an in-fill opportunity between the site and the boundary.

Do rural exception sites just include affordable housing?

Traditionally rural exception sites could only contain affordable housing. However, the National Planning Policy Framework allows some private housing to cross-subsidise the affordable houses. Local authorities expect developers to demonstrate that these houses are needed to make a scheme viable rather than generate an uplift in land value for the owner. Private houses are always likely to be a small part of the overall scheme and should have similar characteristics to the affordable properties to ensure integration.

Why are private houses needed to make a scheme viable?

Affordable homes on a rural exception site typically cost more to build than market housing. However, by definition, they will generate a lower return to the Housing Association. In the past the funding gap was addressed by lower land values for exception sites and government grant. This grant is reducing, or in some cases disappearing altogether. A small number of private houses can plug the gap.

Why are affordable houses more expensive to build?

They are built to minimum space and design standards which exceed most market houses. However, these higher build costs can result in lower running costs for the tenant – an important consideration for affordable housing. Also, because exception sites are typically on the edge of settlements they can face higher infrastructure costs.

How do you identify a need for an exception site?

The purpose of a rural exception site is to address local housing need in order to sustain rural communities. Therefore, evidence of need is required to ensure that any resulting scheme is appropriate in terms of scale, tenure and other characteristics. Some of this information can be gleaned from the Housing Register. However, this does not identify latent need where people have not applied because they are unaware of the system or do not believe they have a realistic chance of getting an affordable home. Therefore, a Housing Needs Survey is often undertaken to achieve a more comprehensive picture of need. The survey also allows local residents to have their say on the value of an exception site to their community.

Housing Needs Surveys are considered to be valid for up to five years. It is accepted that many people's situation will change over this period. However, the survey provides a snapshot and this general picture, rather than individual circumstances, is unlikely to change significantly over this period of time.

How do I get a house on a rural exception site?

Applicants for rented homes must apply through Home-Link, the Choice Based Lettings scheme for the Cambridge sub region to access rented properties. For shared ownership properties applicants apply through

Orbit, the government appointed Help to Buy Agent for Cambridgeshire. Although the Housing Needs Survey can identify additional potential applicants they must still register through these systems to be considered. Once accepted, applicants will be eligible to apply for the type and size of housing they are assessed as needing.

Who is involved in developing rural exception sites?

Developing rural exception sites requires a partnership approach. As a minimum, the local community (usually represented by the Parish Council), Housing Association, Local Authority and Rural Housing Enabler must work together on an ongoing basis. However, other partners – landowners, architects, contractors, Homes & Communities Agency – will all play key roles at some stage in the process.

How long does it take to build a rural exception site?

It can take several years to develop a rural exception site. Finding an appropriate site is often the biggest stumbling block. With a suitable site lined up and a positive approach from all partners it is possible to be on site within 18 months of initial contact with the Parish Council.

Are rural exception sites a new idea?

The idea originally developed in the 1980s. There are over 50 rural exception sites in Cambridgeshire.

Are there any costs to my Parish Council?

No. All costs are met by the Cambridgeshire Rural Affordable Housing Partnership.

More questions?

If you have any more questions please contact Mark Deas, Rural Housing Enabler via mark.deas@cambsacre.gov.uk or 01353 865035. Alternatively you can find more information at www.cambsacre.org.uk/community-work-affordable-rural-housing.php.

The Rural Housing Enabler is employed on behalf of the partnership to facilitate the partnership, enable rural affordable housing schemes and provide independent advice and support to rural communities.

Current partners in the Cambridgeshire Rural Affordable Housing Partnership are:

East Cambridgeshire DC	Accent Nene	Hundred Houses Society
Fenland DC	BPHA	Luminus
Huntingdonshire DC	Cambridge Housing Society	Muir Group
Peterborough CC	Circle Housing	Papworth Trust
South Cambridgeshire DC	Cross Keys Homes	Sanctuary
	Hastoe Housing Association	