

# THE RURAL PLANNING PRACTICE



## Planning Assessment of Affordable Housing Delivery in the High Weald National Landscape

### Report on the Recommendations to Increase Affordable Housing Delivery in the High Weald National Landscape

**ON BEHALF OF** The High Weald National Landscape

**PREPARED BY** The Rural Planning Practice

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# Preface

The High Weald National Landscape Partnership has commissioned The Rural Planning Practice to explore affordable housing delivery within the High Weald National Landscape (HWNL), to support the objectives of the High Weald AONB Management Plan. The report considers national planning policy, delivery mechanisms and challenges for affordable housing delivery in the HWNL, both generally and to meet the specific needs of land-based workers for rural housing needs.

The High Weald Management Plan sets out a twenty year strategy supported by five-year ambitions, actions and investment priorities to achieve the legal purpose of 'conserving and enhancing the natural beauty' of the High Weald National Landscape.

The Management Plan highlights the role that affordable housing can play in supporting thriving rural communities and the land-based sector in particular. **Objective LB3** seeks to improve agricultural and forestry infrastructure including the provision of appropriate affordable housing and workspaces for land-based workers.

This report is prepared to support Objective LBE 3, along with the following ambitions and actions of the Management Plan that seek to address this issue:

**Settlement Ambition:** *New housing development will be small-scale and in keeping with the character of the area. Its location and design will be based on meeting local needs (including affordability and housing mix) through high quality and landscape-led place-making and design principles that reflect intrinsic High Weald character ..(p27)*

**Action (i):** *Public bodies should ... seek to deliver a mix of housing sizes and types that respond to local needs, including the specific requirements of land-based workers and affordable housing (p27)*

**Land-based Economy & Rural Living Ambition:** *Innovative mechanisms to deliver affordable housing for local people, including land-based workers, will need to be explored, such as developing local criteria for key workers, exploring local thresholds for First Homes, and supporting local community land trust ambitions (whilst still having regard to the other Management Plan objective, particularly those relating to Settlement). (p51)*

**Action (d).** *Public bodies should ... plan for appropriate development to ensure continuing vitality of local communities and viability of community services, including seeking to deliver a mix of housing sizes that responds to local needs and key worker housing, including for land-based workers.*

**Action (e):** *Public bodies should ... engage positively with mechanisms capable of delivering affordable housing and housing tailored to the specific needs of land-based workers for rural housing needs (p51)*

The suggested recommendations in this report are based on the findings of the following:

- An assessment of planning practice and affordable housing delivery,
- An assessment of planning policies concerning affordable housing across the eleven local authorities in the HWNL that are involved in housing delivery,
- Background research into rural affordable housing delivery, including research with those local planning authorities, and
- An assessment of wider considerations to the delivery of affordable housing, including funding streams.

This report makes draft recommendations that the HWNL Partnership and the Local Planning Authorities within the HWNL could pursue, including for the lobbying of relevant government departments around funding streams, the exploration of potential local plan policies, and for further research to support the objectives of the Management Plan.

This report forms part of the HWNL Partnership's on-going research into the subject of affordable housing in the HWNL.



# Introduction

This report considers the delivery of affordable housing (as defined in Annex 2 of the National Planning Policy Framework (NPPF)) in the High Weald National Landscape (HWNL), what new policies could be included in Local Plans, and whether there are any other mechanisms to improve the situation especially for workers in the land based sector. Some background research has been done in conjunction with eleven Local Planning Authorities (LPAs) about the delivery of affordable homes and this is returned to later. Policies of these authorities relating to affordable housing are also considered.

The report identifies areas requiring further research or consultation:

- Identifying the need and what sort of housing is required where; leasehold or freehold, or shared equity? Housing Need information across the High Weald National Landscape (NL) would enable better decision making.
- What is an affordable home? With First Homes, what level of discount should be applied?
- Who are workers in the land based sector?
- Does affordable housing located on large urban development sites provide successfully for people working in rural areas?
- Landowners in rural areas are a potential source of help and even if the sites are small, they could perform a useful function however the need for a Registered Provider and the unviability of small sites for them seriously inhibits development of these sites. Can these issues be overcome?
- The Rural Housing Enabler is a key player, acting as a conduit between the developer, the LPA, and the landowner. Engagement with local communities is essential. How can we ensure that all areas have a Rural Housing Enabler to work with?
- Section 106 money is not being spent in some areas and it would be worth exploring how this money could help to provide more housing.
- In some cases financial contributions to an overarching fund and clear Local Plan policy identifying the amount and type of affordable housing would lead to better outcomes where there is the greatest need. It avoids the issues over viability.
- Are there other opportunities to provide housing, including self build?
- Could better use of modular construction bring down prohibitive build costs?
- Would removal of the requirement for Biodiversity Net Gain for affordable housing enable more developments to be viable?
- Explore different types of accommodation - for example single people, couples and families all have different needs.

Recommendations for policies and possible actions are set out in the final section of this document.



## ***Chapter 1: Background***





## 1. Background

- 1.1. It is widely recognised and documented that the countryside has an acute affordable housing crisis. Reporting specifically on rural housing need in Kent, the Kent Housing Group set out:

*The lack of affordable housing in rural areas coupled with the fact that in Kent the average rural house price remains substantially higher than the average house price in the urban area, means many households simply cannot afford to find suitable accommodation. The gap between rural property prices and local wages continues to widen. Figures taken from surveys undertaken during the period April 2011 – March 2016 across 67 communities have identified that there is a need for 988 homes, an average of 15 affordable homes in each rural community. (Kent Housing Group, 2017)*

- 1.2. The High Weald Management Plan highlights that there is significant housing growth in the HWNL:

*The scale of housebuilding in the High Weald AONB is currently at an unprecedented level; the High Weald is experiencing the highest level of housing growth of any AONB in England. (p19)*

- 1.3. The High Weald Partnership has commissioned this report to understand whether anything can be done via the planning system to increase affordable housing in the High Weald, both generally in terms of overall number and specifically for rural and land-based workers.
- 1.4. The National Housing Federation (2024) reported that the building of affordable homes in rural areas is extremely challenging but brings with it significant benefits and that just 10 new affordable homes in a rural area benefits the wider economy, generating an extra £1.4 million and supporting an average of 26 jobs.
- 1.5. An introduction to affordable housing and how it is secured by the planning system is included at Appendix I. In summary, affordable housing is delivered quite often as part of a larger housing development where a planning permission will secure the number and type of affordable homes to be delivered, based on the LPA's Housing Need Assessment. If they cannot be accommodated on the site, a payment for off-site delivery is made, secured by a legal agreement. Developers can reduce the provision of affordable housing or financial contributions in lieu, by claiming the provision adversely affects the viability of the development.
- 1.6. Other means of delivery are Rural Exception Sites which are outside the development boundaries of settlements. The development will be for affordable housing but national policy does allow a small amount of market housing where this is required for viability. The number of houses relates to the size and needs of the community and generally tend to be relatively small scale. If a Registered Provider is needed, they are often not willing to manage small sites.
- 1.7. While those in great need of housing cannot be always be choosers, there is an issue where affordable housing is to be provided. To live on a large developments in a town could be unsuitable for a rural worker who may need to store tools, or a work vehicle, or keep dogs. This is rarely considered but is relevant in some instances.
- 1.8. Community Land Trusts (CLTs) are another vehicle, comprising non-profit community organisations





that own and develop land for the benefit of the community, including for affordable housing. CLTs hold the assets in trust to ensure affordable homes remain affordable to the benefit of the local community.

- 1.9. There are many examples where CLTs have successfully delivered affordable housing supported by the community but legal complexity and inflexibility of the planning system can be an impediment. The Community Land Trust Network has most recently requested greater support in national planning policy as part of the consultation on the NPPF, to assist them in their delivery of affordable homes (Community Land Trust Network, 2024).

### The Survey of Eleven Local Authorities

- 1.10. The High Weald Local Authority survey of eleven authorities asked representatives within the HWNL how affordable housing is currently delivered in their districts. The results include the key barriers to delivery and are considered in full in chapters 3 and 4 of this report. In summary:

- 100% of authorities said that affordable housing (freehold or to rent) is frequently secured as a proportion of total housing delivered on development sites and that this is delivered by a registered social landlord (RSL).
- 11% of authorities set out that affordable housing is frequently delivered on 100% affordable housing sites by RSLs, while 56% said this happens sometimes and 33% said this rarely / never happens.
- 44% of authorities said that sometimes a contribution is provided by developers in lieu of providing on-site affordable housing, while 56% of respondents said this rarely/never happens in their districts.
- 44% of authorities said that affordable housing is sometimes delivered by way of rural exceptions sites, while 56% said this rarely/never happens in their districts.
- Lastly, 89% of authorities said that affordable housing is rarely/never delivered by way of community land trusts while only 11% said it is sometimes delivered in this way.

- 1.11. This suggests affordable houses to rent or shared equity houses in the High Weald are most frequently being delivered as part of more major developments.
- 1.12. Off-site contributions and rural exception sites are far less common and the delivery of affordable housing by community land trusts is also unusual.
- 1.13. One LPA set out that rural exception site policy is rarely used to deliver affordable housing due to the Council's ongoing poor housing land supply position. It is understood from this that edge of settlement sites that would be acceptable for the delivery of rural exception sites for affordable housing are instead being delivered as market housing developments.
- 1.14. The results of the High Weald LPA survey can be found at Appendix II.





## ***Chapter 2: Some Practical Considerations***





## 2. Some Practical Considerations

- 2.1. The High Weald crosses local authority boundaries and covers a vast area. This makes it very difficult (and costly) to obtain local housing needs information for the whole area. Data is available through the planning system, particularly where a Neighbourhood Plan has been prepared or where a rural exception site has come forward. A Housing Needs Survey is often carried out in these circumstances.
- 2.2. Some areas within the High Weald may be subject to additional constraints over and above the National Landscape designation. Avoiding areas such as the setting of listed buildings and historic parks and gardens, flood risk, nutrient neutrality, ancient woodland and water resource zones (to name but a few) is sensible.
- 2.3. Sustainable locations can be narrowly defined in local plans which can have a knock-on effect for the provision of affordable housing. While the National Planning Policy Framework (NPPF) accepts transport solutions may vary between urban and rural areas, sustainability is not solely a bus stop. Good broadband and electric vehicles may alter thinking longer term. Family accommodation needs to be in locations where children can travel to school or college or take advantage of apprenticeship opportunities.
- 2.4. Employment opportunities are also important and while there is a considerable focus on housing, jobs (some unskilled) are also vital which may mean a wider approach than housing is required. Generally, households need two incomes.
- 2.5. Design of new housing is very important. Use of modular construction, to reduce the cost of building and the construction period, can deliver units that look acceptable and are a quicker fix. More flexibility from LPAs for this type of construction could be helpful. Affordable, sustainable construction with good design stretches budgets but we live at a time of great innovation.
- 2.6. This document considers the amount of money generated by s106 Agreements. Whilst infrastructure is clearly important (very much the pur of the Community Infrastructure Levy) the s106 fund could be used to provide affordable homes with a number simply identified as part of the Local Plan process meaning the developer pays a contribution but is no longer able to argue the viability point. The High Weald Partnership might then be able to identify and influence the location of what are effectively exception sites.
- 2.7. For younger, single and possibly older people some more innovative ideas might work. In more urban areas there is scope to develop a community proposal where bedrooms, bathrooms and a living area/ kitchenette are provided individually, while the kitchen is more of a communal area. It may also, as a by the way, help to address loneliness for old and young alike.
- 2.8. At the time of writing there is considerable uncertainty as to how the new Government plans to address the overall housing shortage. Whether its plan to reduce public involvement remains to be seen. It is likely to view the urban areas as a priority.
- 2.9. It has been suggested that the Government is considering removing the 'Right to Buy', This seems sensible. The Right to Buy has removed some well built, quality family housing that cannot easily be replaced because land values are now so much higher. It has also removed the opportunity to redevelop more generous plots with higher density housing, accommodating more people searching for somewhere to live.





- 2.10. Provision of affordable housing ultimately depends on the plot value and landowners have been known to give sites, or even to build and manage affordable accommodation. Some landowners house their workers in estate houses and may make provision for housing for retired and less physically able ex-employees. Generosity in this respect has been damaged by taxing benefits in kind, and by greater rents that can be achieved by holiday or private letting.
- 2.11. It is the landowner who is in a powerful position to help. There needs to be an ongoing conversation (not compulsory purchase) with landowners and organisations such as the CLA or NFU, and charities who are looking to provide housing, to work collaboratively to deliver outcomes that will provide a better standard of living for many living on small incomes and all the problems that come with that. More joined up thinking would be a bonus.
- 2.12. There are wider constraints to the delivery of affordable housing which are faced including by housing associations, landowners and developers such as funding regimes or the lack thereof. These are discussed in detail in chapter 4 of this report which makes recommendations for consultation with such groups to gain a greater understanding of the constraints faced and potential opportunities for the lobbying of relevant government departments around funding streams.

#### *Rural Worker Dwellings*

- 2.13. To avoid confusion, it is important to make the distinction between affordable housing for rural workers and dwellings to support rural enterprises (defined by the planning system as 'rural worker dwellings'). This exception to policy is set out at paragraph 84 of the NPPF and expanded in the Planning Practice Guidance. It relates to providing houses where animal welfare or complex systems require help to be on hand most of the day and night. It normally applies to full time workers, not hobby businesses, and is generally very carefully assessed. The houses granted permission are usually subject to an occupancy condition (AOC or Equine).
- 2.14. Subsequent occupiers of tied dwellings need to meet the occupancy condition and do not include agricultural contractors, or others employed in rural businesses without a clear need to care for livestock or manage plant.
- 2.15. There are many others who are employed to support land-based businesses who may be on low wages. Some examples are forestry workers, tree surgeons, gardeners, site workers of NGOs such as Natural England, and the Environment Agency, game keepers, wardens of protected sites including the county wildlife trusts, footpath officers, workers in equine businesses; this list is not exhaustive.
- 2.16. It will be important as part of this work to define rural worker or land-based worker to ensure that the specific needs of this group of people are met.
- 2.17. Care would need to be taken in pursuing the recommendations of this report that place an emphasis on meeting the specific housing needs of land-based workers, to ensure this is not at the expense of affordable housing provision for other people in need of affordable housing.





## ***Chapter 3: Planning Assessment of the Opportunities and Constraints to Affordable Housing Delivery in the High Weald***

**A table summarising affordable housing policies across the 11 LPAs can be found at Appendix IV**



## The Planning Framework & Thresholds for Affordable Housing

- 3.1. Paragraph 65 of the NPPF sets out that affordable housing should be sought for:
  - major residential developments (developments of 10 or more units)
  - designated rural areas where local policies may set a threshold of 5 units or fewer
- 3.2. Designated rural areas include National Landscapes.
- 3.3. The NPPF places the highest status of protection on AONBs (National Landscapes) and states that great weight should be given to conserving and enhancing landscape and scenic beauty in AONBs, that the scale and extent of development within AONB should be limited, and that planning permission should be refused for major development in AONBs other than in exceptional circumstances, and where it can be demonstrated that the development is in the public interest. (Footnote 64 of the NPPF clarifies that for this purpose, it is for the decision maker to determine whether a proposal is 'major development'.)
- 3.4. The High Weald Management Plan promotes that small sites, consistent with AONB character, are the most appropriate way of developing the High Weald, which can pose a challenge to affordable housing delivery.
- 3.5. Of the 11 LPAs, 3 currently have planning policy requiring a lower threshold for affordable housing in the High Weald National Landscape. These are Mid Sussex District Council, Rother District Council and Sevenoaks District Council. A further two LPAs, Tunbridge Wells Borough Council and Wealden District Council set lower thresholds for affordable housing in their emerging Local Plans.
- 3.6. While it is not specific to the High Weald area, Tonbridge and Malling and Tandridge Borough Councils set lower thresholds for affordable housing for rural areas of developments of 5 units or more. It is considered that this would cover the High Weald.
- 3.7. It is considered that the absence of a lower development threshold for affordable housing across the other LPAs is likely resulting in lower levels of affordable housing in the High Weald.
- 3.8. Where a lower threshold is set, LPAs set this for developments of 6 units or more or on sites of 0.5 hectares or more. Both the number of units and the size of the site is important to prevent developers under developing sites to avoid affordable housing requirements.
- 3.9. Both Hastings and Horsham Councils set different thresholds for affordable housing depending on whether the site is brownfield (previously developed) or greenfield; both setting higher affordable housing requirements for greenfield sites. This likely reflects the viability testing of such policies, as brownfield sites are most likely to have higher development costs (land remediation for example) than greenfield sites. The policy also acts to steer development to brownfield sites and is also something that could be considered by the High Weald.
- 3.10. The Tunbridge Wells emerging planning policy is the most detailed and sets different thresholds based on brownfield and greenfield sites within the High Weald National Landscape.
- 3.11. Recommendation: Consider introducing a policy seeking a lower development threshold for on-site delivery of affordable housing in the High Weald National Landscape. Consideration could also be given to whether the policy would set different thresholds for greenfield and brownfield sites to steer development away from greenfield sites. Such policies would need to be based on local housing need and viability tested to be enforced. Given 3 of the LPAs have achieved this and 2 others are proposing this, it is considered this is possible.**



## Overall Level of Affordable Housing Sought

- 3.12. Paragraph 64 of the NPPF sets out that where there is an identified need for affordable housing, local planning policies should specify the type of affordable housing required and expect it to be delivered on-site unless an off-site financial contribution can be justified and the approach contributes to creating mixed and sustainable communities.
- 3.13. The overall level of affordable housing required by the LPA's with the lower thresholds for the High Weald National Landscapes ranges from off-site contributions of 10%-30% to on-site affordable housing delivery of 30%. This is a significant range but reflects both identified need and the results of viability testing of the policies.
- 3.14. Off-site contributions towards affordable housing may need to be pooled together to deliver affordable housing.
- 3.15. It is assumed that the High Weald would favour on-site delivery of affordable housing, given off-site contributions need to be pooled together and sites need to come available to use the s106 monies. As set out above, because small sites are often considered the most appropriate way of developing the HWNL, this is a challenge to affordable housing delivery.

**3.16. Recommendation: Introduce a policy requiring on-site delivery of affordable housing in the High Weald National Landscape and where developers cannot deliver an on-site affordable housing based on the viability position of a development, developers must demonstrate they have explored alternative ways to achieve this, including the use of s106 monies from contributions in lieu in the area.**

## Tenure Split and Mix Requirements for Affordable Housing

- 3.17. The LPAs' affordable housing policies in the High Weald set out the tenure split required. This differs greatly across LPAs. For example, Ashford Borough Council require 10% social/affordable rent and 30% affordable home ownership in rural areas while Hastings requires a 'greater proportion' of social/affordable rent than affordable home ownership products on sites. Rother (emerging) and Sevenoaks (adopted) policies, specifically require 25% First Homes in line with the NPPF (this about to change under the Labour Government changes to the NPPF). Tunbridge Wells seeks 60% social rent: 40% affordable home ownership products. Most policies require the mix (size and type of homes) to directly reflect the housing need set out in the Council's housing evidence base documents.
- 3.18. None of the policies set out a specific tenure or mix requirement for sites in the High Weald National Landscape. As confirmed in the LPA surveys, some Neighbourhood Plans set a specific mix and tenure requirement that is different to that of the local authority in order to specifically address local housing needs.

**3.19. Recommendation: Introduce a policy seeking a specific mix and tenure split based on local housing needs data that includes meeting the requirements of rural workers / land-based workers.**



## Discount Levels for Affordable Homes for Sale

3.20. The Government sets rent levels for social rented housing and therefore there is little opportunity to influence these. The Government also sets the discount levels for affordable homes for sale such as First Homes but does provide for these to be set locally (within a threshold) where it can be demonstrated there is a local need.

**3.21. Recommendation: Consider introducing a policy that sets the discount levels for affordable homes for sale within the High Weald, based on local housing needs data.**



## Eligibility Criteria and Length of Marketing of Properties

- 3.22. The allocation of affordable housing in rural areas will be dependent on each local authority policy and the type of site the homes are built on.
- 3.23. The local housing authority may put in place a local lettings plan for affordable homes on allocated sites, which could give preference to those in need of affordable housing with a connection to the parish.
- 3.24. Different types of affordable housing can be subject to different eligibility criteria. A full list of the different types of affordable housing and associated eligibility criteria can be found at Appendix II. Such eligibility criteria often include income levels, the need to be a first time buyer or the need to be employed in a specific job known as a 'Key Worker' (NHS, Police Force, Fire Service etc.).
- 3.25. Affordable housing delivered on rural exception sites must meet a locally identified need required by planning policy and therefore gives a preference to people with a connection to the parish. LPA policy on eligibility criteria for rural exception sites is strict and some LPAs within the High Weald specifically list the eligibility criteria for rural exception site developments in the policy. Horsham DC policy (both adopted and emerging) lists the following eligibility criteria:

*The needs identified comprise housing for at least one of the following: a) Existing residents of the parish who currently live in unsuitable accommodation as their sole main place of residence, including concealed households who are in need of separate accommodation in the area (but excluding existing owner occupiers); b) People whose work provides a locally important service in that parish (or immediately adjacent parish) which cannot be provided elsewhere and who need to live close to their work; c) People who are no longer a resident in the parish but can provide evidence of having long standing or family links with the local community; d) People with the offer of a job in the parish who cannot take up the offer because of a lack of affordable housing that suits their reasonable needs.*

- 3.26. It is considered possible that rural worker / land-based workers would be eligible for local needs housing under eligibility criteria for affordable housing on rural exception sites.
- 3.27. However, eligibility criteria for key workers does not extend to rural or land-based workers.

**3.28. Recommendation: Investigate introducing a policy extending the eligibility criteria of certain types of affordable homes delivered in the High Weald to include rural workers / land-based workers. Local authorities and housing associations would need to advise which types of affordable housing could be included in this as public subsidy can be restrictive.**

- 3.29. While they do not comply with the planning definition of 'affordable housing' because they are not sufficiently discounted, there are also private schemes to assist people in home ownership such as the Developer Key Worker Contribution Scheme. For example, in Kent, Barratt Homes and David Wilson Homes give a developer contribution of £1000 for every £20,000 spent on the purchase price by a key worker (i.e. £22,500 contribution for a home costing £450,000. Key workers for this scheme includes people employed by the NHS, Police Force, Fire Service, Education, Prison Service, RNLi, Probation Service and Foster Carers. While it is appreciated that this is not affordable housing, this does help people who are eligible for a mortgage but have not been able to save for a deposit.

**3.30. Recommendation: Investigate the feasibility of introducing a policy requiring developers to extend their 'developer contribution schemes' to rural worker / land-based worker, for developments in the High Weald.**

- 3.31. In most cases, new affordable properties are marketed to eligible persons for a period of three months and if there are no takers, marketing is expanded to a wider pool of people. In our view, three months is not very long.

**3.32. Recommendation: Local planning authorities to consider pursuing a policy that requires a longer period of marketing and potentially also, for the High Weald to be notified of such properties when they become available.**



## Aspirations of Rural Workers / Land-based Workers

3.33. It might be that rural workers / land-based workers do not aspire to the type of homes being delivered by housebuilders. Such people may have the skills needed to build their own homes and therefore be more interested in self-build plots.

**3.34. Recommendation: Local planning authorities to consider pursuing a policy requiring self-build plots in the High Weald.**





## Viability Approach to Development

- 3.35. Planning policies require affordable housing to be delivered on site, subject to viability. Where it can be demonstrated that it is not viable for a development to support the delivery of affordable housing, this can be found to be acceptable in planning terms.
- 3.36. 100% of authorities confirmed viability is a key barrier to affordable housing delivery in the LPA survey.
- 3.37. Both build costs and the costs associated with securing planning permission, impact the viability of developments and these have both risen sharply in recent years, negatively impacting on the delivery of affordable housing. Further, building in rural areas is more costly than building in urban areas largely because sites are smaller and economies of scale are harder to achieve (Stirling et al, 2023).
- 3.38. Both Tunbridge Wells BC and Wealden DC emerging affordable housing planning policies require a developer to demonstrate, in the event that a policy compliant level of on-site affordable housing cannot be supported, that the affordable housing cannot be delivered by other means. This could include exploring whether there is Section 106 money ring-fenced for affordable housing that could be used to 'bridge' the viability gap or whether a Registered Provider can assist in using grant funding.
- 3.39. Further, research by Stirling et al, (2023) into rural exception site delivery highlighted the importance of using a rural housing enabler as a co-ordinator between landowners, developers, local authorities and housing associations to identify funds to maximise affordable housing provision on sites. This is discussed further on page 21 of this report.

**3.40. Recommendation: Consider introducing a policy that requires developers to demonstrate other avenues have been explored to maximise on-site affordable housing provision, where a viability case is presented. Such measures to include for a rural housing enabler to be on board.**

- 3.41. Where a viability case has been made to deliver an on-site affordable housing offer that is below the policy requirement (either non-compliant overall provision or tenure split for example), a viability review mechanism can be secured in the s106 agreement for a further viability assessment to be undertaken during the construction of the development or on sale of a certain number of units to ascertain whether the development is in a position to deliver additional affordable housing units up to the planning policy requirement.
- 3.42. Based on our assessment of affordable planning policies in the High Weald, not all 11 local authorities within the High Weald National Landscape have a policy requirement for review mechanisms. This is recommended for all authorities to ensure any up-tick in market conditions during the construction of developments is captured, particularly given it can take large developments a considerable time to be delivered.

**3.43. Recommendation: Consider introducing a policy requiring viability reviews where non-compliant levels of affordable housing are delivered in the High Weald.**





## Viability Approach to Development

- 3.44. Paragraphs 009-019 of the relevant part of the National Planning Practice Guidance set out the standardised inputs into planning viability assessments as follows:
- Gross development value (GDV) (value of the development including 15-20% return on GDV for developers)
  - Costs (development costs, professional fees, abnormal costs)
  - Benchmark Land Value (BLV) (existing use value (EUJ) of the site plus a premium that: *“provides a reasonable incentive for a landowner to bring forward land for development, while allowing for sufficient contribution to fully comply with policy requirements”*)
- 3.45. The Government’s consultation on the draft NPPF refers to Benchmark Land Values currently being set at a range of 10-40 times the Existing Use Value. This range is vast and could directly impact on the delivery of on-site affordable housing as part of developments. The NPPF consultation notes that for greenbelt land, the BLV could be set by the NPPF at a reduced level of 3 times the Existing Use Value.
- 3.46. In responding to the government’s consultation on the NPPF changes, The Community Land Trust Network seeks for local authorities to set a Benchmark Land Value for rural exception sites up to 5 times the Existing Use Value and taking into consideration local market evidence to reduce the need for provision of market dwellings for cross subsidy. (CLTN, 2024).

**3.47. Recommendation: Further work could be done to understand what range is appropriate for sites in the HWNL to inform a potential policy in local plans regarding Benchmark Land Value to be used in planning viability assessments to ensure developments can deliver policy compliant levels of affordable housing.**



## The Requirement for Sustainable Development & Rural Exceptions Sites

- 3.48. National planning policy concerning rural exception sites requires for such developments to be 'well related' to existing settlements. It allows for developments outside of settlement boundaries.
- 3.49. Of the 11 LPA's, Ashford, Sevenoaks (adopted policy) and Wealden rural exception site policies require such developments to be located either within or adjacent to existing settlements.
- 3.50. Horsham and Tandridge policies are more flexible, allowing rural exception sites to come forward on sites that are 'well related' to existing settlements, reflecting the NPPF. Both Tonbridge and Tunbridge Wells Councils require for sites to be 'well related' to existing settlements but have a series of criteria against which sites should be assessed. Lewes policy is the most flexible, providing for rural exceptions sites where the site is well-related to an existing village or other settlement which could possibly be a much smaller settlement such as a hamlet.
- 3.51. Rother requires rural exception sites to have access to public transport and be well-related to an existing settlement and its services. Mid Sussex sets out rural exceptions sites must be in close proximity to a rural settlement that has a shop, access to a bus stop and possibly a primary school. Tunbridge Wells and Wealden require rural exception sites to deliver footpaths to existing settlements.
- 3.52. The NPPF requires for it to be demonstrated there are no other more suitable sites available for development (either within or adjoining the settlement boundary). 5 of the 11 LPA's in the High Weald require for such an assessment to be submitted in support of affordable housing on a rural exception sites (Horsham, Rother, Sevenoaks, Tonbridge and Malling and Tunbridge Wells). This is at the cost of the developer.
- 3.53. As identified in the LPA affordable housing survey, edge of settlement sites rarely come forward for affordable housing development under exceptions site policy where a Council cannot demonstrate a five-year housing supply because the site is likely to get planning permission for market housing, which would make for a higher return for landowners.
- 3.54. Given the above, local planning authorities may wish to consider introducing planning policies in the HWNL that provide for affordable homes for rural/land-based workers further away from settlement boundaries, where it can be demonstrated that this would be sustainable.
- 3.55. Recommendation: Consider the introduction of a policy that allows for new affordable dwellings further outside settlement boundaries for rural workers/ land-based workers where it can be demonstrated that there is an acute need for such housing and it would be more sustainable for such people to live in rural areas (due to proximity to work, the need for more space to store work equipment).**





## The Requirement for Sustainable Development & Rural Exceptions Sites

3.56. This would likely be most successful where the end occupier is already identified so that an assessment of their job, role, day-to-day lives etc.. could be provided as part of an application. An occupancy condition could be applied that only allows occupancy by rural or land-based workers which would keep the property affordable in perpetuity.

3.57. Local planning authorities may also wish to consider introducing policies that provide for the conversion of agricultural buildings for affordable housing, including for land-based workers or to prioritise these for land-based workers.

**3.58. Recommendation: Local planning authorities should consider introducing a policy that provides for the conversion of agricultural buildings to residential use to meet the needs of rural workers and land-based workers.**

3.59. An assessment as to whether and how such a policy could be misused would be needed.





## Rural Exception Site Policy and Cross-subsidy

- 3.60. Paragraph 82 of the NPPF allows for LPAs to consider market dwellings to be delivered on rural exception sites where it is demonstrated that this is required to make the development viable.
- 3.61. Older Local Plan policies across the High Weald do not provide for the provision of market dwellings for cross subsidy (Sevenoaks, Horsham and Tandridge) which reflects older national policy. Sevenoaks emerging policy, Ashford, Lewes, Rother (emerging) and Tunbridge Wells (emerging) policies allow for the provision of market housing to cross-subsidise affordable housing delivery on rural exceptions sites, in line with the NPPF. All policies require for a viability assessment to be submitted to support this.
- 3.62. Ashford policy specifically states that cross market subsidy should be in the form of starter homes, custom build and self-build. It is possible that such homes could meet the need of rural workers/land-based workers.
- 3.63. Recommendation: In the event it is demonstrated that starter homes, custom build and self build plots are needed to meet rural worker/land-based worker housing needs, the local planning authorities should consider a policy that requires such homes to be delivered on rural exception sites, where cross subsidy is required.**





## Community Engagement / Need for Local Support

- 3.64. Local authorities require it to be demonstrated as part of planning applications, that consultation has been undertaken with key stakeholders, prior to the submission of planning applications. Key stakeholders include the local planning authority, parish council and local residents.
- 3.65. Public opinion of affordable housing can be low while often the planning policies associated with rural exception sites requires for local support to be demonstrated. This is the case for the majority of LPAs in the High Weald:
- Ashford Borough Council policy requires applicants to demonstrate parish council involvement in applications for rural exception site development.
  - Rother requires community engagement in bringing rural exceptions sites forward for development.
  - Mid Sussex District Council requires the involvement of the parish council, a specialist rural residential provider and the Council's Housing Enabler.
- 3.66. Further, Stirling et al, (2023) identify that continued support is needed given the time that developments take to be delivered. During this time, councillors can change, planning officers can change and the political make-up of Council's can change and this can impact delivery. It is therefore key for engagement to take place throughout the process to ensure all key stakeholders are kept up-to-date with progress of rural affordable housing developments.
- 3.67. In practice it is considered that local residents and other stakeholders are more likely to support rural affordable housing developments where there are other benefits to the local area. The National Housing Federation Report on Rural Life (2024) and the Stirling et al, (2023) report on rural exception site housing both interviewed key representatives involved in a series of case studies where affordable rural housing was delivered, including those in Tandridge and Sevenoaks. The following characteristics were identified as being key to the success of these schemes:
- Early engagement / consultation with the parish council and other stakeholders to obtain support for the development
  - Schemes that provide other benefits to the parish are more likely to be supported (additional parking spaces for village hall)
  - Developments that maintain a rural feel (small orchard, ecological buffer zone) are more likely to be supported
  - The use of a rural housing enabler to understand what homes are needed, assist local needs surveys, assist in generating support for development

**3.68. Recommendation: Local planning authorities should consider including policies requiring early engagement with the parish council and other key stakeholders, and that seek wider benefits from rural developments to assist with generating local support. It is appreciated that the Management Plan already includes policies concerning the design of developments**

## Use of a Rural Housing Enabler

- 3.69. Much of the research undertaken on rural exception sites delivery promotes the involvement of a rural housing enabler as key to the success of rural affordable housing developments. They are a key driver and co-ordinator of local support and can provide landowners with information on which housing associations they could work with and work with local communities to collect housing needs data and help build local support.
- 3.70. Rural housing enablers can also work with local landowners to help them navigate the complexities of the planning system and with local opposition. They can also assist in managing the expectations of landowners around the value of their land to ensure affordable housing is delivered.
- 3.71. It is our understanding that Kent Housing Group provides a rural and community housing enabling service in Kent and Sussex Rural Affordable Housing Partnership provides a rural housing enabler service at Action in Rural Sussex.
- 3.72. The LPA surveys identified that the DEFRA funding for rural housing enabler services expires in April 2025.

**3.73. Recommendation: This poses a threat to rural affordable housing provision and the HWNL Partnership may wish to lobby DEFRA to secure future funding streams for the Rural Housing Enabler service. This would be an area to usefully explore at a national level through engagement with the National Landscapes Association.**

**3.74. Recommendation: Speak to key representatives of the rural housing enabling services in the High Weald to understand if there are any other opportunities to increase affordable housing delivery in the High Weald.**

**3.75. Recommendation: The High Weald should introduce a policy requiring the involvement of a rural housing enabler in rural affordable housing developments.**





## Need to Evidence the Recommendations

### **3.76. Recommendation: Gather and collate local housing needs information to support the recommendations of this report.**

- 3.77. The High Weald crosses local authority boundaries and covers a vast area, and it makes it difficult (and costly) to obtain local housing needs information for the whole area. Data is available through the planning system, particularly where a neighbourhood plan has been prepared or where a rural exception site has come forward. A housing needs survey is often carried out in these circumstances.
- 3.78. As set out above, rural housing enablers also have access to and can assist with local housing needs data.

### **3.79. Recommendation: The data should also be used to inform the definition of rural worker / land-based worker to inform eligibility criteria and ensure the policies meet the specific housing need. It will also be necessary to 'test' this definition to ensure that it cannot be misused.**

#### *Conclusion*

- 3.80. It is hoped some of the ideas presented can lead to further discussion and an increase in the affordable housing provision within the High Weald National Landscape.





## ***Chapter 4: Wider Constraints to Delivery***





#### 4. Wider Constraints to Delivery

- 4.1. Not all constraints to affordable housing delivery in the HWNL are planning policy led. This chapter provides a summary of some wider, additional constraints to affordable housing delivery faced by housing associations, landowners and developers to be considered in pursuing the recommendations of this report.
- 4.2. Such constraints faced require for government assistance and therefore require different potential action, such as the lobbying of relevant government departments regarding funding streams for affordable housing.
- 4.3. It is advised that we speak to local authorities, housing associations, developers and landowners in the High Weald to gain a greater understanding of the opportunities and constraints faced by them in affordable housing delivery. The below information is taken from research, the results of the LPA survey and planning practice.

##### **Constraints faced by Housing Associations**

- 4.4. Housing Associations (HAs) are not for profit organisations set up to provide affordable homes. This includes new affordable homes and investing in the safety and quality of existing homes. Housing Associations typically provide social and affordable rented homes, shared ownership homes but also specialist housing including that for the elderly and some market homes to rent and buy.
- 4.5. The National Housing Federation set out that:

*“England needs 340,000 new homes every year, including 145,000 social and affordable homes, and HA’s are calling for government investment to get these homes built”* (National Housing Federation, 2024)
- 4.6. Key funding streams available to housing associations include:
  - Government funding such as The Affordable Homes Programme 2021-2026
  - Cross-subsidy from the sale of market homes
  - S106 contributions from developments
- 4.7. As government investment has decreased over the years, some private finance has also been used to fund new affordable homes, largely from institutional investors such as pension funds and insurance companies who are attracted by the stable, long-term returns (National Housing Federation, 2019).



4.8. The LPA survey undertaken by the High Weald identifies those registered social landlords who are active in the area. This includes housing associations and local authorities. Please see the table below which lists these.

<i>Registered Social Landlord</i>	<i>Number of LPAs</i>
<i>Sage Housing Association</i>	<i>III</i>
<i>Southern Housing</i>	<i>III</i>
<i>Orbit / Orbit South</i>	<i>III</i>
<i>Worthing Homes</i>	<i>II</i>
<i>Clarion</i>	<i>II</i>
<i>Hastoe Homes</i>	<i>II</i>
<i>English Rural</i>	<i>II</i>
<i>Town and Country</i>	<i>II</i>
<i>West Kent Housing Association</i>	<i>II</i>
<i>Moat</i>	<i>II</i>
<i>Places for People</i>	<i>I</i>
<i>Saxon Weald</i>	<i>I</i>
<i>Legal and General</i>	<i>I</i>
<i>Vivid Homes</i>	<i>I</i>
<i>Aster</i>	<i>I</i>
<i>A2 Dominion</i>	<i>I</i>
<i>Wealden District Council</i>	<i>I</i>
<i>Raven Housing Trust</i>	<i>I</i>
<i>Mount Green</i>	<i>I</i>
<i>Golding Homes</i>	<i>I</i>

4.9. In his blog on Southern Housing Groups website, Richard White, the Executive Director of Development at Southern Housing Group sees housing associations as a solution to the housing crisis. However, it is widely documented that housing associations do not currently have the capacity to build new affordable homes as resources are tied up improving existing housing stock both in terms of energy efficiency and getting rid of damp and mould and also making improvements in terms of fire safety (Southern Housing, 2024).

4.10. In taking into consideration Labour's plans to build 1.5 million new homes, Richard White called on the new government for support in a number of key areas:

- Long-term rent settlements: Introduce a stable, long term rent settlement to provide certainty for housing associations enabling them to plan strategically, invest in new developments, and maintain existing properties effectively;
- Building safety fund extension: to extend the building safety fund to include social and affordable rented properties to allow for essential safety improvements to existing properties



- Social housing decarbonisation fund: increased funding through the social housing decarbonisation fund to undertake energy efficient upgrades to existing properties to improve residents' comfort and reduce their energy costs
- Greater grant support: greater grant support for housing associations to build new homes – the Affordable Homes Programme.

4.11. We understand that currently, most housing associations do not have a development programme as they are waiting for confirmation of the above.

#### **4.12. Recommendation: HWNL could explore whether it could assist in the lobbying of Homes England regarding grant funding for affordable housing.**

- 4.13. In practice it is understood that often, housing associations seek a certain number of affordable homes on sites to ensure effective management of properties. This would be a key constraint to rural affordable housing delivery and this needs to be understood further.
- 4.14. It is possible the requirements of the Affordable Homes Programme which governs the grant funding available for affordable housing may not suit rural affordable housing provision. It is our understanding that in order to secure grant funding, housing associations have to demonstrate a development programme that assigns money to developments and that where there is least risk (i.e. sites already have planning permission) the housing association is more likely to secure the funds. This likely directs housing associations to deliver homes on allocated sites.

#### **Constraints faced by landowners**

- 4.15. There are landowners willing to bring their land forward for rural affordable housing and who see the benefits this housing would bring to their local community and the stability and sustainability of their own operations.
- 4.16. The CLA (2023) sets out that the key constraints to such development are the amount of up-front capital investment that is required, the slow return on the investment, potential local opposition and the complexity of the planning system. It highlights that because of this, new ways to incentivise landowners should be considered such as financial incentives in the form of tax breaks or grants. In particular, the CLA has called for a conditional inheritance tax exemption for affordable homes as long as they remain as such. Further, it sets out that landowners need guidance and support to navigate the planning and development process. This is a further example of where rural housing enablers can play a key role.

#### **4.17. Constraints faced by Community Land Trusts**

- 4.18. As set out in Chapter 1, Community Land Trusts (CLTs) are non-profit community organisations that own and develop land for the benefit of the community, including for affordable housing. CLTs hold the assets in trust to ensure affordable homes remain affordable to the benefit of the local community.
- 4.19. There are many examples where CLTs have successfully delivered affordable housing supported by the community, but legal complexity and inflexibility of the planning system can be an impediment.



- 4.20. CLTs can be developer, landowner or local authority-led but often comprise normal people who share the same goal to deliver affordable homes for their community.
- 4.21. The Community Land Trust Network highlights the difficulties in setting up a CLT and offers assistance for this, including advice concerning the appropriate insurances and an incorporation service to ensure the legalities are correct. They have to work within the strict rules as to what charitable or public bodies can do.
- 4.22. Given the complexities, the Community Land Trust Network advise that a rural housing enabling service is also used to assist CLTs. As set out in Chapter 4, the future of funding for the rural housing enabling service is unknown. It might be that the HWNL Partnership can lobby for future funding streams for this service.
- 4.23. CLTs may be given land at a discounted price by landowners, making the delivery of affordable homes possible and can have access to grant funding from the government where they can achieve registered provider status. However, the Community Land Trust Network sets out that registering with the regulator is “onerous, time consuming and expensive process for very small, volunteer organisations, especially those just starting up” which restricts the use of grant funding by such community groups (CLTN, 2024).
- 4.24. Recommendation: To gain a greater understanding of the constraints and opportunities faced in affordable housing delivery in the High Weald by local authorities, housing associations, CLTs, developers and landowners by interviewing the relevant parties and analysing the interview findings.**



## ***Chapter 5: Summary of Recommendations***





## 5. Summary of Recommendations

- 5.1. This report has made some draft recommendations outlining actions that LPAs in the High Weald NL could pursue with the support of the High Weald National Landscape Partnership, through a working group with the aim of increasing affordable housing delivery.
- 5.2. The recommendations can be largely grouped into the following three main categories, and are as follows:

### 1. Recommendations for the content of policies in Local Plans to increase affordable housing delivery in terms of overall number:

- An affordable housing policy for developments in the High Weald that requires:
  - A lower planning policy threshold for affordable housing for sites in the High Weald to capture delivery on small sites and potentially a different threshold for greenfield and brownfield sites
  - Developers to explore alternative ways of delivering a policy compliant level of affordable housing (such as through grant funding or s106 monies) and the involvement of a rural housing enabler to ensure all opportunities have been taken to deliver the maximum reasonable amount of affordable housing
  - A viability review mechanism to be secured in s106 Agreements where a developer is presenting a viability case

### 2. Recommendations for the content of policies in Local Plans to increase affordable housing specifically for rural workers / land-based workers:

- An affordable housing policy for developments in the High Weald that requires:
  - A tenure split that reflects the housing need for rural/land-based workers
  - A mix (size and type of unit) that reflects housing need for rural/land-based workers
  - Discount levels for affordable homes for sale that reflect the housing need for rural/land-based workers
  - Eligibility criteria for (certain) affordable homes to be extended to include rural/land-based workers
  - Properties to be marketed to eligible persons (including rural workers/land-based workers) for longer than 3 months and ideally for the High Weald to be notified of such properties
  - Housing that is used to cross-subsidise affordable housing on rural exception sites to meet the needs of rural/land-based workers (starter homes, self-build plots/custom build)
  - Early engagement with the parish council and other key stakeholders and the involvement of a rural housing enabler
  - Developers to extend their 'Key Worker Developer Contribution Schemes' to rural/land-based workers.



- An affordable housing policy that provides for new dwellings further outside settlements, where it can be demonstrated these are meeting an acute need for rural worker/land-based worker affordable housing and that it would be sustainable for such people to live in that location.

### **3. Recommendations for lobbying of relevant government departments and to collate more evidence to support and test the draft policies:**

- To obtain local housing needs data for the High Weald to support the policies
- To define 'rural worker' or 'land-based worker' to ensure the policies meet the specific housing need and test the definition to ensure this cannot be misused
- To gain a greater understanding of what Benchmark Land Value range is appropriate for sites in the HWNL to inform a potential policy in local plans to direct planning viability assessments to ensure developments can deliver policy compliant levels of affordable housing.
- To gain a greater understanding of the constraints and opportunities faced in affordable housing delivery in the High Weald by local authorities, housing associations, developers and landowners by interviewing them and analysing the findings arising from the information gathered
- To lobby Homes England regarding the grant funding programme for affordable housing and DEFRA regarding the future funding streams for Rural Housing Enablers.

5.3. It should be noted that the recommendations in this report may change subject to the findings of the local housing needs data. Further, it is appreciated that the High Weald Partnership may not wish to pursue some of the recommendations and not all would need to come forward to have an impact.



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# ***Appendices***



# Appendix I - Introduction to Affordable Housing

## 1. Introduction to Affordable Housing

- 1.1. This section introduces affordable housing, as defined by the planning system. It sets out the different types of affordable housing and whether a registered provider (RP) must be involved. It discusses the ways in which affordable housing can be delivered and how it is secured by the planning system.
- 1.2. Definitions of each affordable housing type can be found at Appendix II. This includes a brief description of the home, the likely discount level at which it is provided and typical eligibility criteria.

### Types of Affordable Housing

1.3. Affordable housing is defined in Annex 2 of the National Planning Policy Framework (last updated December 2023) as:

*Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)*

- 1.4. There are a range of housing types that fall within this wider ‘affordable housing’ definition. Some types of affordable housing MUST be owned and managed by an RP such as a housing association or local authority. Some can be delivered, owned or managed privately. Some can be either.
- 1.5. Please see the table below which summaries the different affordable housing types and whether they require for a registered provider or not. As set out in the Table, the types of affordable housing are largely separated into three main types:
  - 1. Affordable housing for rent
  - 2. Affordable housing for sale
  - 3. Affordable routes to home ownership

	Affordable Housing for Rent	Affordable Housing for Sale	Affordable Routes to Homes Ownership
<b>Registered Provider involved</b>	Social Rent Affordable Rent	Starter Homes First Homes	Shared Ownership
<b>Private Developer / landlord</b>	Affordable Private Rent	Discounted Market Sales housing First Homes/starter homes where no public subsidy is required	Rent to Buy

Table 1: Types of Affordable Housing



### **LPA Survey – Type of Affordable Housing Being Delivered**

- 1.6. The High Weald LPA Affordable Housing Survey asked authorities in the High Weald Landscape about the type of affordable housing typically being delivered in their districts. The results are as follows:
- The majority of authorities confirmed that both social rent housing and shared ownership is frequently delivered in their district.
  - Five authorities highlighted that ‘affordable rent’ is also delivered in their district and this is likely to be because the current Affordable Homes Programme supports affordable rent.
  - 78% of authorities said that starter homes are rarely/never delivered in their district and 44% of authorities said that discounted market sales housing is sometimes delivered.
  - Where build to rent schemes are delivered, 44% of authorities said affordable private rent is provided as the affordable product.
- 1.7. It is established from the LPA surveys that the most common affordable housing being delivered in the High Weald is social and affordable rent and shared ownership products, that use grant funding and require for a registered provider to be involved.
- 1.8. Shared ownership properties could be meeting the need of rural workers/ land-based workers depending on the associated eligibility criteria. But social rent / affordable rent would not if such people are not on the Council’s Housing List.

### **How Affordable Housing Can Be Delivered in the High Weald National Landscape**

- 1.9. Affordable housing is delivered in the following ways:

#### **On mixed tenure sites:**

- These can be sites that have been allocated for development by a local development plan for housing and meet the threshold to deliver affordable housing. They deliver affordable housing as a proportion of the market housing delivered, in line with planning policy.
- Mixed tenure sites can also be ‘windfall’ sites that are not allocated for development, but that come forward to deliver affordable housing as a proportion of market housing. More windfall sites tend to come forward when a local authority cannot demonstrate a 5 year housing land supply.

#### **On rural exception sites:**

- Sites on which only local needs affordable housing would be permitted by the planning system due to a local unmet housing need. National planning policy provides for some market housing on such sites however, where cross-subsidy is needed to deliver the affordable housing.
- 1.10. Where a local authority cannot demonstrate a five-year housing land supply, planning policy applies a presumption in favour of sustainable development which often means that edge of settlement sites that could come forward as rural exception sites often come forward as standard mixed tenure schemes, for which landowners can get a higher price for their land.



- 1.11. The Labour Governments proposed changes to the method of calculating housing need results in an increased housing need in many local authorities. If local authorities are not able to demonstrate a five-year housing land supply or delivery of homes is low, the presumption in favour will apply and it will impact the delivery of rural exception schemes.
- 1.12. One authority confirmed in the LPA survey that the Council's difficulty in demonstrating a five-year housing land supply was preventing rural exception sites from coming forward.

#### **Off-site contribution in lieu**

- Where a developer can demonstrate that a development cannot afford to deliver affordable housing on site, a financial contribution can be made to the Council, secured by a Section 106 agreement to go towards affordable housing delivery on other sites in the district.

#### **By Community Land Trusts:**

- Community Land Trusts (CLT's) are non-profit community-based organisations run by volunteers that develop housing, workspaces, community facilities and other assets that help meet the needs of rural communities. The development is owned and controlled by the community and are made available at permanently affordable levels.
- 1.13. The High Weald LPA survey asked authorities how affordable housing is currently delivered in their districts. The results are as follows:
    - 100% of respondents said that affordable housing is frequently secured as a proportion of total housing delivered on development sites (mixed tenure sites) and that this is delivered by a registered social landlord (RSL).
    - 100% affordable housing sites delivered by RSLs are sometimes delivered across the local authorities, but 33% said this rarely / never happens.
    - Just under half of local authorities said that off-site financial contributions are sometimes paid in lieu of on-site affordable housing
    - Over half of local authorities said that rural exceptions sites rarely come forward in their districts.
    - 89% of authorities said that affordable housing is rarely/never delivered by way of community land trusts.
  - 1.14. Drawing from the above, affordable housing across the High Weald is most frequently being delivered by RSLs on mixed tenure sites. Off-site contributions and rural exceptions sites are far less common and the delivery of affordable housing by community land trusts rarely takes place.

#### **Securing Affordable Housing via the Planning System**

##### *S106 Agreements – Provision of On-site Affordable Housing*

- 1.15. New, on-site affordable housing units are secured in perpetuity by way of a legal agreement tied to the planning permission, called a Section 106 Agreement (s106 agreement). This ensures that new affordable homes are available for eligible persons forever. If an affordable home is lost, the s106 agreement will require the monies to go back into delivering future affordable housing.



1.16. The following characteristics of on-site affordable housing will be secured in the s106 agreement to ensure that it meets an identified housing need:

- Location of the affordable units
- Size / mix (no. of bedrooms)
- Number of wheelchair accessible affordable units
- Eligibility criteria
- Number of affordable housing units
- Type/tenure (social rent/affordable rent/shared ownership/ starter homes etc..)
- Rent levels / discount levels

The required location, amount, size, type and other characteristics of affordable housing units are often set out in local planning policy or supplementary planning guidance.

#### *S106 Agreements - Provision of Off-site Affordable Housing / Contribution in lieu*

- 1.17. Where it can be demonstrated as part of a planning application by way of viability assessment that on-site affordable housing cannot be delivered by a development, a financial contribution is secured by way of legal agreement towards off-site affordable housing provision.
- 1.18. This money is paid by the developer to the Council, in lieu of delivering affordable housing on site which is why it is sometimes referred to as 'a contribution in lieu'. In this instance, the Council holds the monies from s106 agreements until it can be allocated for affordable housing development.
- 1.19. In September 2023, a report by the Home Builders Federation estimates that when surveying half of all Councils in England and Wales, they are sitting on £2.8 billion of unspent funding from house building contributions including £567 million allocated for affordable housing, enough to fund the construction of 7,000 affordable homes.
- 1.20. It is possible for s106 monies to be used in developments to 'bridge the viability gap' to deliver a policy compliant level of on-site affordable housing. Grant funding from housing associations or other registered providers can also be used for this. However, there is often no policy requirement for developers to explore other avenues to deliver a policy compliant level of affordable housing.

#### *Land Charge*

- 1.21. Affordable housing for sale such as First Homes are secured in perpetuity by way of land charge on the property. This ensures that at the time of sale and future sale, the property can only be sold at a discounted market rate to eligible persons. In this vein, the eligibility criteria is also secured by way of the land charge.



## Appendix II - LPA Housing Survey Results

### *Summary of Results*

#### **1. Participants**

*Of the 11 LPAs located within the High Weald National Landscape, 9 responded to the LPA Affordable Housing Survey. Lewes District Council and Tonbridge and Malling Borough Council did not respond.*

#### **2. Within your district, what type of affordable housing is typically currently delivered?**

*44% of respondents set out that social rent housing is frequently delivered in their district and 78% set out that shared ownership is frequently delivered. In the additional comments, five LPAs set out that 'affordable rent' is also delivered in their district. This is likely to be because the current Affordable Homes Programme that sets out the grant funding regime provides for affordable rent.*

*78% of respondents said that starter homes are rarely/never delivered in their district with only 22% setting out that discounted market sales housing (including First Homes) is delivered. 44% of respondents said discounted sales housing is sometimes delivered and so it seems there is some delivery of this type of tenure across the LPAs.*

*Where building to rent schemes are delivered, 44% of respondents said affordable private rent is provided as the affordable product.*

#### **3. Within your district, by what mechanisms is affordable housing currently delivered?**

*100% of respondents said that affordable housing is frequently secured as a proportion of total housing delivered on development sites (mixed tenure sites) and that this is delivered by a registered social landlord (RSL). 11% of respondents set out that affordable housing is frequently delivered on 100% affordable housing sites by RSLs, while 56% said this happens sometimes and 33% said this rarely / never happens.*

*44% of respondents said that sometimes a contribution is provided by developers in lieu of providing on-site affordable housing, while 56% of respondents said this rarely/never happens in their districts.*

*44% of respondents said that affordable housing is sometimes delivered by way of rural exceptions sites, while 56% said this rarely/never happens in their districts.*

*Lastly, 89% of respondents said that affordable housing is never/rarely delivered by way of community land trusts while only 11% said it is sometimes delivered in this way.*

#### **4. Within your district, what do you find to be the key barriers to delivering affordable housing?**

*100% of LPA respondents set out that developer's viability claims is a key barrier to affordable housing delivery in their districts and 67% set out that lack of interest from RSLs in delivering small volumes of affordable housing within a larger scheme is preventing affordable housing from being delivered.*

*33% said that developers preference to providing financial contributions in lieu of on site affordable housing delivery is a key barrier and 22% said a lack of RSLs for developers to engage with is a key barrier to affordable housing delivery.*

*In providing additional comments, LPA respondents set out the following additional barriers to affordable housing delivery in their districts:*

- High price of land and land owner expectations of land value*
- Constraints to development such as the National Landscape and green belt means that developer activity gets focused outside of these areas and therefore there is less mixed tenure schemes coming forward*
- Shortage of developable land*
- Barrier to local needs housing and rural exception sites is the expiry of the rural housing enabler service on 30th April 2025 with no successor funding yet identified*



**5. Have you found that developers in your district are using BNG costs as part of any viability claim to provide no/reduced affordable housing?**

*75% of respondents said they had never come across developers using BNG costs in viability claims to lower affordable housing provision and 25% said this happens sometimes.*

*From practice, The RPP sees BNG as an additional cost to development. The results of the survey could be because BNG is a relatively new requirement in planning applications or that this cost is being wrapped up in professional fees and not being stated explicitly. The key thing is that the cost of submitting an application is rising for many reasons and the need for developments to achieve a biodiversity net gain is just one of the reasons behind this.*

**6. How frequently do developers in your district apply post permission to reduce affordable housing provision / change the mix?**

*56% of LPAs set out that developers sometimes apply post permission to reduce the permitted level of affordable housing or change the mix. 33% said this rarely / never happens and 11% said this frequently happens.*

**7. Which regional RSLs do you most commonly deal with – please list top 5**

*Registered Social Landlord Number of LPAs*

*Sage Housing Association III*

*Southern Housing III*

*Orbit / Orbit South III*

*Worthing Homes II*

*Clarion II*

*Hastoe Homes II*

*English Rural II*

*Town and Country II*

*West Kent Housing Association II*

*Moat II*

*Places for People I*

*Saxon Weald I*

*Legal and General I*

*Vivid Homes I*

*Aster I*

*A2 Dominion I*

*Wealden District Council I*

*Raven Housing Trust I*

*Mount Green I*

*Golding Homes I*

*As shown by the table, Sage Housing Association, Southern Housing and Orbit are active in three LPAs in the High Weald. Clarion, Hastoe, English Rural, Town and Country, West Kent and Moat are active in two LPAs. This is not to say that they are largest in terms of the amount of stock.*



## Appendix III - Affordable Housing Definitions

### Affordable housing for rent

- **Social Rent:** homes rented by a registered provider at rent levels set by the Government (through the national rent regime) that are typically about 65% of market rents. Homes are secured so that they remain at an affordable price for future eligible households or, the subsidy can be recycled for alternative affordable housing provision. These are often considered to be the most affordable type of affordable home. Eligible persons are those on the Council's Housing Register. The Council may have a Local Lettings Plan which prioritises people with a connection to the local area.
- **Affordable Rent:** homes rented by a registered provider to people who are eligible for social rented housing at a rent of no more than 80% of the local market rate (including service charges where applicable). Similar to social rent dwellings, eligible persons are those on the Council's Housing Register and a Local Lettings Plan may also be applied.
- **Affordable Private Rent:** this is the normal form of affordable housing provision in build to rent schemes. The key difference is that the homes will be owned and managed by a private landlord as opposed to a registered provider. The rent levels will be at least 20% below market rent levels and tenancies are often longer than in market rented accommodation (usually three years). The homes are secured in perpetuity. Eligible persons are those people on the Council's Housing Register or that meet the low income criteria.

### Affordable housing for sale

- **Starter homes:** must be new dwellings that are available for purchase by first time buyers who don't already own a home, who are aged between 23-40 and are sold at a discount of at least 20% of their market value and always less than the price cap of £250,000 (outside London). There is also an annual household eligibility income cap of £80,000 (outside London). These can be sold by a private developer without the need for a registered provider. Certain schemes such as Key Worker Schemes have additional occupation criteria (police, fire service, probation service, prison service, armed forces etc..).
- **First Homes:** first introduced in 2021. Similar to starter homes but must be discounted by a minimum of 30% against market value, no higher than £250,000 (outside London). Eligible persons must be 18 or older, have a combined annual income not exceeding £80,000 (outside London) and a mortgage of at least 50% of the discounted purchase price. The eligibility criteria applies to all future sales. There are provisions for local authorities to set their own eligibility criteria for example prioritising key workers, those who already live in the area or those on lower incomes. These local criteria only apply for the first 3 months that property is on sale. There is also the provision for local authorities to require a high minimum discount of either 40% or 50% if they can demonstrate a need for this. They are secured in perpetuity, but the price cap is only in relation to the first sale (to take into account inflation). These can be sold by a private developer without the need for a registered provider. First Homes were given priority by the previous Conservative Government including for First Homes Rural Exception Sites but not in designated rural areas such as National Landscapes. The new Labour Government's proposed changes to national planning policy (August 2024) include the removal of this priority for First Homes.
- **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

### Other affordable routes to home ownership:

- **Shared Ownership:** part buy part rent. A registered provider must be involved and the homes must be secured in perpetuity (or money goes back into new affordable housing). Eligibility criteria includes a household income of £80,000 or less and the person cannot afford all of the deposit and mortgage payments for a home that meets their needs. There may also be local eligibility criteria that requires a qualifying person to live in, work in or have a connection to the area where they want to buy a home. Key worker criteria may also be applied. This tenure allows people to 'staircase' to increase equity in 1% increments up to full ownership.
- **Rent to Buy:** a below market rent property of at least 20% below the market rent. Eligibility criteria includes that a person must be in full or part time employment, be a first time buyer and able to pay rent and save for a deposit on a different property at the same time. You may also be eligible for rent to buy if you are returning to home ownership following a relationship breakdown. The initial tenancy agreement will be for up to 2 years. You may also be eligible for Rent to Buy if you are returning to home ownership following a relationship breakdown. Where grant funding was used to deliver the product, this should remain affordable in perpetuity.



## Appendix IV - Table Summarising LPA Affordable Housing Policy

Local Authority	Threshold for Affordable Housing	Threshold in High Weald National Landscape	Social/Affordable Rented requirement (% of total dwellings)	Affordable Home Ownership Products (% of total dwellings)	Total affordable housing requirements (% of total dwellings)	Requirement to seek grant funding / s106 monies to improve viability position	Requirement for review mechanisms where provision is below policy level
<b>Ashford Borough Council (Adopted Local Plan)</b>	10 dwellings+ or sites of 0.5 hectares+	-	10% (in Zone C – VILLAGES & RURAL)	30% (in Zone C – VILLAGES & RURAL)	40% (in Zone C – VILLAGES & RURAL)	None	None
<b>Hastings Borough Council (Adopted Local Plan)</b>	Brownfield land: 1-4 units	-			10% financial contribution	None	None
	Brownfield land: 5-14 units	-	Greater proportion		20%	None	None
	Brownfield land: 15+ units or 0.5ha or more in size	-	Greater proportion		25%	None	None
	Greenfield land: 1-4 units	-	Greater proportion		20% financial contribution	None	None
	Greenfield land: 5-9 units	-	Greater proportion		20%	None	None



	Greenfield land: 10-14 units	-	Greater proportion		40%	None	None
	Greenfield land: 15+ units	-	Greater proportion		40%	None	None
<b>Hastings Borough Council (Regulation 18 DRAFT Local Plan)</b>	Greenfield land: 10-19 units	-	Minimum 60%	10% (remaining 30% to be agreed on <u>case by case</u> basis)	40%	None	None
	Brownfield land: 20 units +	-	Minimum 60%	10% (remaining 30% to be agreed on <u>case by case</u> basis)	25%	None	None
	Greenfield land: 20 units +	-	Minimum 60%	10% (remaining 30% to be agreed on <u>case by case</u> basis)	40%	None	None
<b>Horsham District Council Planning Framework</b>	5-14 dwellings	-			20%	None	None
	15+ dwellings	-	Meet local need	Meet local need	35%	None	None



<b>November 2015</b>							
<b>Horsham District Council DRAFT Local Plan 2030-2040 Reg 19</b>	Greenfield sites of 10+ units or 0.5 hectares+	-	70%	30%	45%	None	None
	Brownfield land of 10+ units or 0.5 hectares+	-	70%	30%	10%	None	None
	Strategic sites	-	70%	30%	35%	None	None
	Greenfield Build to Rent Schemes	-			40%	None	None
	Brownfield Build to Rent Schemes	-			20%	None	None
<b>Lewes District Council (Adopted Joint Core Strategy 2016)</b>	10+ units	-	75%	25%	40%	None	None



<b>Mid Sussex District Council (Adopted District Plan 2014-2031)</b>		6-10 dwellings	75%	25%	Commuted payment towards off-site provision, equivalent to 30% on-site affordable housing provision	None	Yes – requirement for a review set out in Affordable Housing SPD
	11+ dwellings		75%	25%	30%	None	
<b>Mid Sussex DRAFT District Plan 2021-2039</b>		6-9 dwellings	75%	25% First Homes	30%	None	Yes – on sale of 75% of total units
	10+ units		75%	25% First Homes	30%	None	Yes – on sale of 75% of total units
<b>Rother District Council (Adopted Local Plan – CS &amp; DaSA)</b>	Bexhill & Hastings Fringes for 15+ units				30%	None	None
	Rye 10+ units				30%	None	None
	Battle 10+ units				35%	None	None



		6+ dwellings (or 0.2 hectares or more)			40%	None	None
	Rural areas 10+ units				40%	None	None
<b>Rother District Council DRAFT Local Plan Reg 18 version</b>		6+ dwellings	58%	25% First Homes 17% other	Not yet set		Yes – during the lifetime of the development
	10+dwellings		58%	25% First Homes 17% other	Not yet set		Yes – during the lifetime of the development
<b>Sevenoaks District Council (adopted CS 2011 &amp; Allocations and Development Management Plan 2015</b>	0-5 units and site <u>is</u> 0.5ha or more	0-5 units and site <u>is</u> 0.5ha or more	58% social rented 7% affordable rented	25% First Homes 10% other	10% off-site contribution		
		6-9 units and site <u>is</u> less than 0.5 ha	58% social rented 7% affordable rented	25% First Homes 10% other	20% off-site contribution		
	6-9 units and site <u>is</u> 0.5ha or more	6-9 units and site <u>is</u> 0.5ha or more	58% social rented 7% affordable rented	25% First Homes 10% other	20% off-site contribution		
	10-14 units	10-14 units	58% social rented 7% affordable rented	25% First Homes 10% other	30%		



	15-24 units	15-24 units	58% social rented 7% affordable rented	25% First Homes 10% other	40%		
	25+ units	25+ units	58% social rented 7% affordable rented	25% First Homes 10% other	40%		
<b>Sevenoaks District Council DRAFT Plan 2040 (Reg 18)</b>	0-5 units and site <u>is</u> 0.5ha or more	0-5 units and site <u>is</u> 0.5ha or more	Reflect need	Reflect need	10% financial contribution		Yes – on first occupation
		6-9 units and site <u>is</u> less than 0.5 ha	Reflect need	Reflect need	20% financial contribution		Yes – on first occupation
	6-9 units and site <u>is</u> 0.5ha or more	6-9 units and site <u>is</u> 0.5ha or more	Reflect need	Reflect need	20%		Yes – on first occupation
	10-14 units	10-14 units	Reflect need	Reflect need	30%		Yes – on first occupation
	15-24 units	15-24 units	Reflect need	Reflect need	40%		Yes – on first occupation
	25+ units	25+ units	Reflect need	Reflect need	40%		Yes – on first occupation
<b>Tandridge District Council (Core Strategy 2008)</b>	On sites within built up areas of 15 units or more		Up to 75% social rented		34%	None	None
	On sites within rural		Up to 75% social rented		34%	None	None



	areas (but not necessarily National Landscape)						
<b>Tonbridge and Malling Council (Core Strategy 2008 – v. old policy)</b>	Urban areas 15 units +				40%		
	Rural areas 5 units +				40%		
<b>Tunbridge Wells Borough Council (Core Strategy 2010)</b>	10 or more units				35%		
<b>Tunbridge Wells Borough Council (Submission Local Plan 2020-2038)</b>	Mostly greenfield land 9 units+		60% social rent	40%	40%	Yes – requirement to demonstrate affordable housing cannot be delivered by RP or by	None



						another means	
	Over half brownfield 9 units +		60% social rent	40%	30%	Yes – requirement to demonstrate affordable housing cannot be delivered by RP or by another means	None
		6-9 units mostly greenfield	60% social rent	40%	Financial contribution of 20%		None
		6-9 units on sites comprising over half brownfield land	60% social rent	40%	Financial contribution of 15%		None
<b>Wealden District Council (Affordable Housing Delivery Local Plan 2016)</b>	5-49 dwellings		80% social rent	20%	35%		None
	50+ units		40% social rent 40% affordable rent	20%	35%		None



<b>Wealden District Council DRAFT Local Plan Reg 18</b>	10 or more units		40% affordable rent 35% social rent	25%	35%	Yes – requirement to demonstrate affordable housing cannot be delivered by RP or by another means	None
		6 or more units	40% affordable rent 35% social rent	25%	35%	Yes – requirement to demonstrate affordable housing cannot be delivered by RP or by another means	None