

Affordable Housing in the Rural West Midlands

The West Midlands Rural Affairs Forum (WMRAF) has a number of priorities for the rural areas of the West Midlands. The development of affordable housing is one of these, as it is essential to ensure that people can afford to live and work in the rural West Midlands.

Why is affordable housing important in the rural West Midlands?

Around 30% of the population of the West Midlands lives in the countryside where the cost of living and housing is higher than in the cities.

Housing is a critical element of social change in rural areas. Young people are often forced to move out of villages because they cannot afford a home. This can lead to the populations of rural areas having a wealthier and older profile than the urban areas. The affordability gap is more severe in smaller settlements and is widening.

The importance of affordable housing in rural areas led to the establishment of the Rural Affordable Housing Project. This was set up following the completion of the Regional Housing Strategy in 2005, and was supported by rural housing research and through the Regional Funding Advice Process.

Affordable housing is a key priority for in the West Midlands and for the Department for Communities and Local Government (DCLG). A target of 1106 new affordable homes in settlements with less than a population of 3000 was set for the 3 years, 2008-2011, by DCLG

What are the issues?

- The proposed slimmed-down National Planning Framework will shortly be developed to guide changes to the planning system. This could impact on the provision of affordable housing.
- The provision of affordable housing in rural areas will be a critical component of the government's Localism / Big Society agenda. Local people will be given more of a say in new developments proposed in their area.
- The proposed Community Right to Build could allow affordable housing developments in rural areas if there is support from the local community through a community-led plan.
- Spending cuts are likely to impact on the funding and deliverability of affordable housing programmes. Changes to the Housing Benefits system could affect the availability of housing for lower paid workers or unemployed people.
- Capital funding available for affordable housing has halved following the Comprehensive Spending Review and there is an expectation that the delivery of new affordable homes will be funded through increased social housing rents, which is potentially an additional challenge for the West Midlands, where there is less of a differential between market rents and social housing rents.
- Government are currently consulting on the New Homes Bonus, aimed at rewarding local authorities which deliver sustainable housing development. A key issue is whether the incentives are great enough to deliver the level of homes needed.
- There is currently an issue in relation to the availability of financial / mortgage products, particularly for shared ownership schemes. At the present time house prices in the rural areas of the West Midlands are around 12 times the average salary (NHF-Home Truths 2009).
- There has been a decline in the availability of affordable homes as 'Right to Buy' sales have not been replaced by new housing.
- There is an increase in demand for rural housing for people moving out from the cities and the planning system allows few homes to be built in the countryside, although it does recognise the need for affordable homes in rural areas. The rural population in the UK has increased by 800,000 in the last 10 years. The Affordable Rural Housing Commission (2006) and the Matthew Taylor Review (2008) set out recommendations for 11,000 new rural homes to be built each year.
- The National Affordable Housing Programme was updated by the Homes and Communities Agency (HCA) in February 2010 and the West Midlands is on course to meet all non-rural targets for 2009/10. The West Midlands needs to meet the HCA regional target of 301 completions in rural settlements in 2009/10, but there was a shortfall of 140 in January 2010. Targets are expected to be met by 2011, although additional spending has been required from the underspend elsewhere in the country.

- Following the abolition of the Regional Assembly, there is currently no formal mechanism for monitoring the delivery of affordable housing in the West Midlands.

What needs to be done?

1. Maintain a watching brief on the role of Local Housing Trusts/Community Land Trusts which may be set up to establish local schemes through the Community Right to Build that have sufficient local support and do not require planning permission.
2. Work with Local Enterprise Partnerships to develop mechanisms to bring the key parties together, including the HCA and local authorities.
3. Continue to engage with local authorities in the development of Local Development Frameworks to ensure that policies are included relating to affordable housing, including those relating to exceptions policy and cross subsidy from private developments, including S106 contributions.
4. Encourage an improvement in the quality of new housing through community-led planning. This may help to reduce the resistance to such developments in rural areas.
5. Undertake an overview of affordable housing delivery in association with the HCA, local authorities and other delivery vehicles. This should establish West Midlands-wide and more local monitoring mechanisms so that targeted action can be taken to address lack of delivery.
6. Keep a watching brief on national policy changes on issues such as localism, the Big Society, the National Planning Framework, Housing Benefits changes and Community Right to Build.
7. Work with the National Housing Federation on its "Save Our Villages" initiative. This will require the development of an updated assessment of needs, a rural housing action plan and addressing the rural housing crisis for future generations through action planning.
8. Develop new models of affordable housing delivery by working with local authorities and other key delivery agencies. Seek engagement with the Rural Reference Group of the HCA.

9. Seek new funding sources and partnerships for project delivery due to reduced levels of grant from the HCA and local authorities.
10. Promote the HCA Rural Affordable Housing Project and utilise its resources, such as the rural enabling guide, sustainability tool, economic viability toolkit and published research.
11. Disseminate best practice from West Midlands case studies, including those in the National Housing Federation publications, "Picking the Best Solution for Rural Housing" (examples below) and "Affordable Housing Keeps Villages Alive".

Eckington, Worcestershire

Eckington is a thriving village with several local shops, two pubs, a recreation centre and the local primary school.

Over forty former council properties have been bought leaving a shortage of affordable housing in the village. Eckington Parish Council had identified a need for new affordable housing, confirmed in a consultation exercise as a key concern for local people.

Rooftop Housing Group was asked to build 12 new affordable homes in the village and at the same time they, along with Thomas Vale Construction, donated £3,000 towards new play equipment at the recreation ground. Homes were given to people with a local connection to Eckington.

Shipston on Stour, Warwickshire

26 homes were developed by Warwickshire Rural Housing Association on a Rural Exception site. They were supported by the Rural Housing Enabler at Warwickshire Rural Community Council. They were completed in 2010 and consist of 2, 3, and 4 bedroom houses and bungalows. Tenure is a mixture of rented and shared ownership.

Rocks Green, Shropshire

Rocks Green has seen the development of 91 affordable new homes funded with £3.9M from the HCA.

This exciting new development by South Shropshire Housing Association has put affordable warmth at the heart of its mission by providing a woodburning biomass boiler which is fuelled by wood chips from county-sourced timber waste. This will lead to reduced bills for heating and hot water, as residents will be charged an annual fixed price for heating and hot water.

Further information

West Midlands Rural Affairs Forum

www.ruralnetworkwm.org.uk

Housing and Communities Agency

www.homesandcommunities.co.uk

National Housing Federation

"Picking the Best Solution for Rural Housing" [read more](#)

and "Affordable Housing Keeps Villages Alive" [read more](#)

Chartered Institute of Housing and CRC "Financial Inclusion and Rural Social Housing" [read more](#)