

RURAL HOUSING ALLIANCE

Local Authority Housing Allocations Schemes – Impact on Rural Local Needs Homes

Report by Martin Collett, Operations Director,
English Rural Housing Association (May 2014)

1. INTRODUCTION

- 1.1 The 2011 Localism Act has enabled local authorities to review their approach to housing allocations and introduce new Allocation Schemes which restrict access by defining eligibility criteria; the primary aim being to give preference to those considered to have the highest housing needs when allocating affordable homes. Most local authorities have or are in the process of introducing an Allocation Scheme following a period of consultation. These Schemes vary from area to area, reflecting local influences and political decision making.
- 1.2 Concerns have been raised from providers of affordable rural homes and their partners about the impact that these new Allocation Schemes will or are already having on affordable rural local needs homes developed via the rural exceptions policy; where eligibility is restricted through a Section 106 planning agreement to ensure local households are given priority when homes are allocated.
- 1.3 These concerns have come to the fore during discussions by the Rural Housing Alliance, whose membership totals around 35 Registered Providers who are the principal bodies involved in developing and managing affordable rural homes across England. The Alliance and its strategic partner, the Rural Services Network have sought to appreciate the extent of this concern through general network feedback and more recently by undertaking a survey of Alliance Members. The full results of this survey are detailed within Appendix A.

2. FEEDBACK

- 2.1 The survey results are consistent with the concerns raised by individual members of the Alliance with 100% in principle supporting a collective position statement on the issue and 80% agreeing that Allocation Schemes have failed to sufficiently accommodate the planning restrictions which apply to local needs rural homes. 90% of those who responded have raised these concerns with local authority partners and 50% also taking the opportunity to highlight the issue to local partners, such as local residents and parish councils. Evidence

would suggest that the specific requirements of rural exception sites have largely been overlooked. 50% of those responding had already experienced conflict with local authority partners as a result of the new Allocation Schemes, with further conflict expected by those who were yet to see Schemes formally implemented. This conflict relating to disagreements about nominations being put forward and new restrictions on the ability of local applicants to apply for homes: 90% of those who responded to the survey have identified that this poses a modest or serious risk to their on-going relationship with local authorities and other partners.

- 2.2 One of the main areas of concern is the lack of understanding of the significance of the Section 106 requirements that rural households must be given preference when allocating rural homes. It appears that some authority housing departments are potentially undermining their own planning obligations.
- 2.3 Many of the households whom would have previously been able to access the open housing lists operated by local authorities fell within lower need categories; which have now largely been omitted from new Allocation Schemes, rendering these households unable to access affordable housing via the local authority within their home communities, as is the purpose of such housing. The Rural Alliance and peers from across the sector believe that the needs of these lower bands are often not understood or fully appreciated by housing department policies.
- 2.4 One of the areas of concern that has been highlighted is the approach taken by housing departments to under-occupation, with all those who responded to the survey permitting under-occupation (as defined in allocation policies) by at least one bedroom. There has been longstanding support from the planning system to develop larger affordable housing units in rural areas that offer flexibility for household types. In many instances Allocation Schemes now prohibit under-occupation or the process of allocating homes fails to accommodate access for those deemed not to have sufficient bedroom need for the available properties. This policy approach largely reflects the influences of welfare reform where benefit entitlement is restricted by bedroom need; it does not reflect the realities experienced by rural providers, who on the whole see lower levels of benefit dependency and higher levels of (low paid) employment amongst rural households.
- 2.5 One of the main concerns of Alliance Members is the potential impact that this issue will have on the reputation of rural local needs homes, particularly the confidence of rural communities in the durability of planning obligations entered into when rural exception sites have been developed. Experience has taught providers of affordable rural homes that reputation is critical to achieving a successful development programme, which if damaged can take years to recover given the

long lead times required to secure community support and a willing landowner. The survey identified that 80% of those responding felt that there was a serious or modest risk to reputation as result of the new Allocation Schemes, with 80% also identifying a similar risk to their rural development activity.

- 2.6 Development of rural exception sites is also dependent on identifying local households in need of an affordable home, there is some evidence emerging from Rural Housing Enablers that this need will become hidden because of the criteria contained in new Allocation Schemes.

3. CONCLUSION

- 3.1 Overall the survey demonstrates a general feeling from the Alliance that although some local authorities have accommodated local needs rural homes within Allocation Schemes, most have not and this is likely to undermine the fundamental principles of rural exception site developments which until now, have been consistently supported for some 30 years.
- 3.2 It does appear local authority housing departments have not given significant weight to their own planning policies and obligations in the drafting of the new Allocations policies.
- 3.3 There is clearly support from Alliance Members to work together on producing a position statement and message to raise the profile of the issues. Some Alliance Members also took the opportunity to provide further information about the most appropriate course of action they felt could be taken collectively or on an individual basis, with the preferred approach being to highlight concerns and seek change at central government or Minister level; this response in part reflects the earlier concern regarding lack of engagement and appreciation from local authorities over this issue.
- 3.4 It would strengthen the case if other influential bodies with an interest in rural communities such as Action with Rural Communities in England (ACRE), Country Landowners and Business Association (CLA), Rural Housing Action Group (RHAG) would join with the Rural Alliance and Rural Services Network in pressing for renewed recognition by local authorities (particularly housing departments) of their responsibilities in this area. These interest groups are understood to also have a concern about this issue; any action taken will to emphasise the role of planning departments and Committees, as well as housing departments.