



Rural Housing Alliance

Pledged to work with and for rural communities

The Rt Hon. Robert Jenrick MP
Secretary of State for Housing, Communities & Local Government
2 Marsham Street
London SW1P 4DF

8th July 2020

Dear Secretary of State

Rural Recovery and Renaissance – The Role for Affordable Homes

We write further to our letter dated 14th May 2020 to welcome the recent commitment from the Government to invest £12 billion in new affordable homes over the next five years. This investment placing housing associations at the fore of economic recovery plans. As the detail of recovery planning takes shape, we would though remind the Government not to overlook the needs of rural communities and the valuable role that they will play in the country's future.

The argument in favour of affordable rural homes is well-rehearsed. In summary;

- **There are very few of them** - 8% of rural housing stock is affordable compared to around 20% in urban areas;
- **They are being lost and not replaced**– Between 2001-11 the level fell by 1% driven by Right to Buy discounts, a trend fully expected to have continued since. Research has shown that for every eight rural homes lost through the RtB only one is replaced;
- **They are underfunded** – Looking at 2018/19, 13% of the Homes England Affordable Homes Programme was delivered in small rural settlements, the good news is that this is the highest level for many years, but still falls short of the 18% rural population figure which should be set as a target;
- **Affordability can be more acute in rural areas** – The average income to property value ratio in a rural area is 10:1 compare to around 8:1 in urban areas. Similarly rural rents are higher than urban ones. Research has also shown that more disposable income is spent on essential living by rural households;
- **Rural affordable housing development take time and trust** – which is easily damaged when policy is not sufficiently rural-proofed;
- **Just a handful of affordable rural homes have an impact** – Affordable rural homes keep services open by securing customers and a local workforce. They sustain family and support networks, reducing isolation and loneliness. For each £1 invested in an affordable rural home it generates a wider value of £6.50 for the local community and economy.

The organisations named below restate their offer of partnership, looking to aid the Government as the nation unites at this challenging time. This Government has a strong record of supporting housing delivery and recognising the varied roles played by those that share its housing ambitions. Working with the Government, the organisations named in this

letter want to make sure that more affordable rural homes get built and in so doing revitalise rural economies.

It is fully realistic to expect that working cultures will change post Covid-19, supported by investment in digital infrastructure. This change offers the potential for the countryside to play an increasingly positive role. To realise this potential, more investment in affordable homes is needed. Funding more affordable homes will offer somewhere secure for low income households and essential workers. Rural housing associations stand ready to lend their skills, knowledge and investment to help build these homes.

As economic recovery plans take shape, we would ask the Government to help rural housing associations by supporting the following:

- 1) Through its agent Homes England, invest grant proportionately in rural housing delivery;
- 2) Empower, encourage and aid rural local authorities to invest in enabling rural housing where this does not already happen;
- 3) Permit local determination of affordability and tenure;
- 4) Safeguard the scarce affordable rural homes that currently exist, specifically by supporting alternative routes into affordable homes ownership and exempting rural homes from the Right to Shared Ownership Policy;
- 5) Factor rural proofing within policy making and recovery planning.
- 6) Allow funding for social rented housing in all local authority areas, rather than the limited number currently permitted. This will particularly benefit rural areas as lower rents mean additional disposable income for local people to spend in their local communities. Alternatively, allow housing providers to set rents in accordance with local incomes which would greatly improve affordability.

We would be pleased to engage further with you and your department on this matter.

Yours sincerely,

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CC. The Rt. Hon Christopher Pincher MP, Minister for Housing
Lord Gardiner of Kimble, Parliamentary Under Secretary of State, DEFRA

The [Rural Housing Alliance](#), which works in partnership with the Rural Services Network and National Housing Federation, is a group of leading housing associations that develop and manage affordable homes in rural areas across England.

The [National Housing Federation](#) is the voice of housing associations in England. With almost 800 housing association members, providing homes for around six million people.

The [Rural Services Network](#) membership is 154 local authorities (counties, unitaries, districts and boroughs) from across England and over 85 other public, private and civil society sector organisations, such as fire and rescue authorities, housing associations, bus operators and land-based colleges

Action with Communities in Rural England ([ACRE](#)) is the national voice for our 38 member organisations who make up the country's largest rural network. Together, we reach 52,000 grassroots organisations in 11,000 rural communities. Many of our network members employ Rural Housing Enablers who support communities to meet their affordable housing needs.