



Homes
England

Making homes happen

Rural Services Network

30 June 2021



The role of Homes England

Homes England was launched in January 2018 to play a major role in fixing the housing market.

Our mission is to intervene in the market to ensure more homes are built in areas of greatest need, to improve affordability. We'll make this sustainable by creating a more resilient and diverse housing market.



What we do

We use our land, money, powers and expertise to accelerate delivery, tackle market failures and help shape a more resilient and diverse housing market.



We make **land** available for development by acquiring and investing in public and private sites and bringing them to market.



We have a range of **investment products** – including debt funding for infrastructure and development, equity, grant funding for affordable housing and infrastructure, and financial guarantees. We also partner with private lenders.



We use our **networks, influence and expertise** to help build partnerships and address local housing challenges.



We are helping to support improvements in **construction productivity, market diversity and design quality** through our investment and land portfolio, partnerships with lenders and developers and by developing and sharing expertise with the sector.

Last year, we helped create over **40,000** new homes, including over **28,000** affordable homes. We also supported over **60,000** households into homeownership and unlocked land with capacity for over **35,000** homes.

Search “Homes England Strategic Plan” to find out more

The Affordable Homes Programme 2021 – 2026

The Affordable Homes Programme 2021 – 2026 is our newest investment product and the first fund we have launched as a new agency.



The Affordable Homes Programme provides grant to support the cost of building housing for rent or sale at sub-market rates – a key element of the Government’s plan to end the housing crisis, tackle homelessness, and provide aspiring homeowners with a step onto the housing ladder.



The fund is part of a range of tools and funding streams that Homes England has at its disposal to support the delivery of housing of all types and tenures – we know that a one-size-fits all approach doesn’t work and that these resources need to be combined in different ways to most effectively support the different markets, partners and places with which we work.



Funding and support is available for all organisations with an interest in developing affordable housing – including housing associations, local authorities, developers, institutional investors, for-profit registered providers, community-led organisations and others.

Search “Apply for affordable housing funding” to find out more

What the fund will deliver

Up to £7.39 billion will be made available from April 2021 to deliver up to 130,000 new affordable homes outside of London. Further funding will be made available for building affordable housing in London by the Greater London Authority.



Funding will be available to develop new affordable housing. This includes:

Homes for rent (around half of homes delivered)

- Social Rent
- Affordable Rent

With certain exemptions all homes for rent will be subject to the Right to Shared Ownership. Search “Right to Shared Ownership” to find out more or see slide 7.

Routes into home ownership (around half of homes delivered):

- Shared Ownership
- Home Ownership for people with Long-term Disabilities (HOLD)
- Older Persons Shared Ownership (OPSO)
- Rent to Buy

The Government has introduced a new Shared Ownership model which will apply to all new Shared Ownership homes. Search “New national model for Shared Ownership” to find out more or see slide 7. Of this we expect **at least 10% of homes to be delivered in rural areas.**

→ Funding can also be used for supported housing, traveller pitches and empty homes.

Search “Apply for affordable housing funding” to find out more

Focus on Rural Housing

The provision of rural housing is a key focus of the fund – we expect around 10% of homes delivered to be in rural locations.

What is rural housing?

Rural housing is defined as any housing delivered in a settlement with a population of fewer than 3,000 people.

Why is rural housing important?

Rural areas are some of the most popular parts of the country to live in – around 17% of the population currently live in rural locations and there are indications that demand for rural living will increase as housing priorities are reassessed in response to COVID-19. However, rural housing is often of a poor quality and has become increasingly unaffordable – with house prices reaching more than 28 times the average income in some locations.

This has a direct impact on local communities, many of which suffer from poor service provision (due to unsuitable accommodation for key workers) and stunted economic growth – which in some areas has led to deprivation and isolation.

Increasing the supply of good quality affordable housing is important if we are to tackle these challenges and play our part in creating sustainable and thriving rural communities.

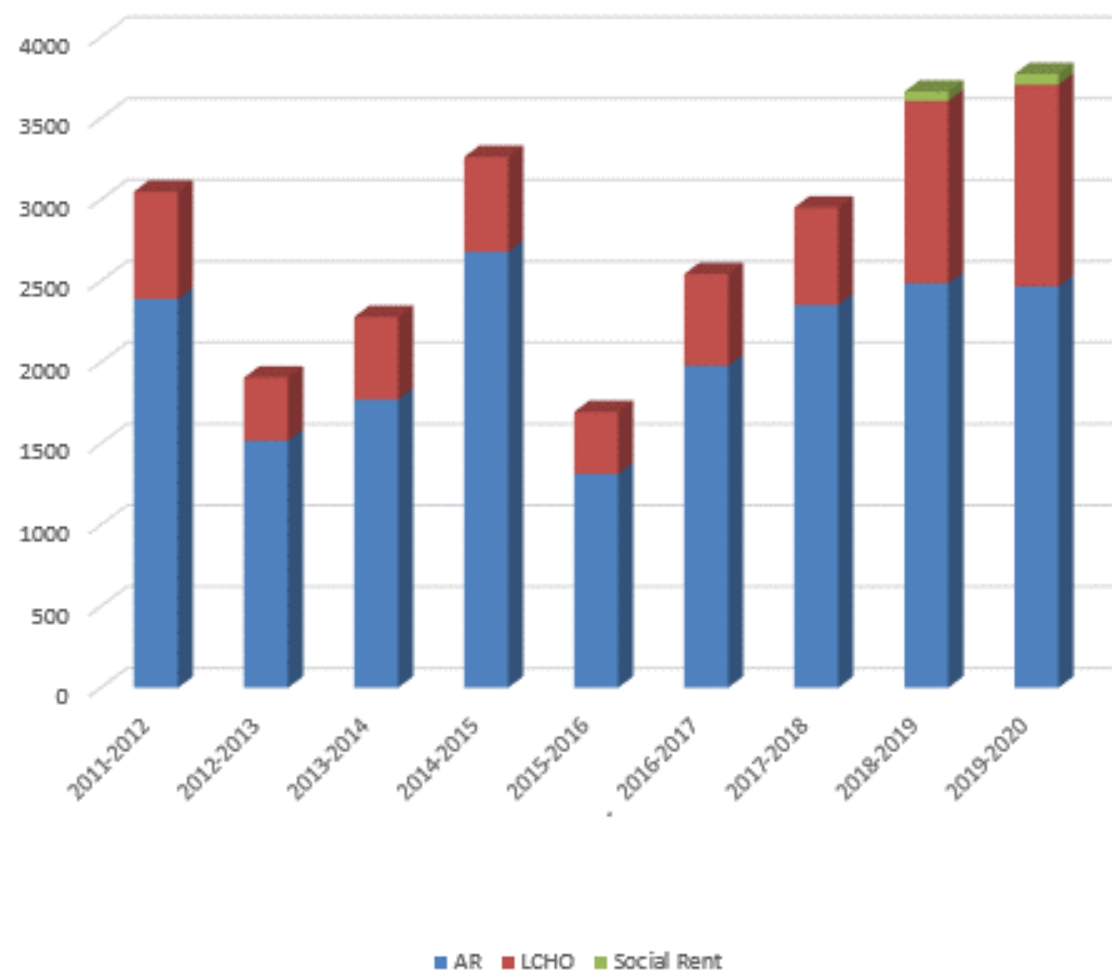


AHP delivery

Between 2011 and 2020, over 25,000 affordable homes have been delivered through Homes England's affordable homes programme in rural settlements.

- Typically, between 8.5% and 13% of the affordable homes programme is rural housing. This is usually around 70% rented products and 30% home ownership products.
- Many rural areas are now eligible to bid for social rent housing, and communities in the South have often argued that affordable rent levels are unaffordable.
- Delivery ranges from small rural exception sites to larger S106 schemes.
- Our partners range from strategic partners and local authorities to small rural specialist housing associations and community led organisations.
- To date, the majority of this delivery has been in the South East and South West. In 2019/20, 72% of rural homes delivered were in the South.
- Total investment in rural homes through the Affordable Homes Programme in 19/20 was around £67m. Total investment in local authorities considered to be significantly rural was around £325m.

Total rural completions through the affordable homes programme 2012 – 2020



A co-ordinated agency response to rural delivery

We recognise that there are a number of challenges that can make rural schemes more expensive and difficult to deliver, including access to land, site requirements and access to the right development expertise and skills.

Alongside our grant, we may be able to support you to address these challenges by helping to coordinate and broker relationships with delivery partners and local stakeholders, providing development and infrastructure finance and by helping to address some of the challenges around land access.

We have identified three broad areas of challenge in delivering affordable rural housing;

Land and Planning

Acquiring sites and achieving planning permission in rural areas can be difficult. The agency is examining how we can intervene to make this easier for rural areas, and where we can work with LAs on planning matters

Financing

Rural development can be more expensive in remote areas and small associations can struggle with the abortive costs when developments do not progress. We will take this into account and look at what other areas of the agency's work could benefit rural areas

Skills and Capacity

Rural development can require certain specific skills that can be hard to find. This is true in RPs, LAs and communities. We will look at how the agency could support rural development through initiatives such as the Local Government Capacity Centre.

We have established a cross agency Rural Working Group to take forward actions identified in the forthcoming rural strategy and will report back regularly on progress

Case Studies

Higher Shippon, Cheriton Bishop

Eight home Affordable Rent scheme delivered in partnership between Hastoe Housing Association and Cheriton Bishop Council

This scheme is a good example of local partners and stakeholders coming together to deliver high-quality housing that meets the needs of the local community

- **Eight home Affordable Rent scheme** – providing two 1 bedroom flats, two 1 bedroom houses, three 2 bedroom houses, and one 3 bedroom house.
- Accommodation **prioritised for people with a local connection** to the village
- **Acquisition and lease model** – Site acquired by Cheriton Bishop Community Land Trust and leased to Hastoe Housing Association
- **Delivered using local firms** Walker Newton Architects, Classic Builders and employer's agent Randall Simmonds
- **Built out quickly** – work started in 2018 and completed in 2019
- **High-quality, energy efficient design** – built to AECB silver standard, includes air source heat pumps, mechanical ventilation and heat recovery systems.

Hastoe invested over £1.1million in the development, with grant funding of £392,000 from Homes England, and £120,000 from Mid Devon District Council.

#MakingHomesHappen



Low Demense, Ingleton

Fifteen home Affordable Rent scheme delivered by Home Group in Craven District on the edge of the Yorkshire Dales National Park

This scheme is a good example of affordable housing helping to sustain a community from which many residents would otherwise be priced out.

- **Fifteen home Affordable Rent scheme** – providing 8 flats and 7 houses.
- Accommodation **prioritised for people with a local connection** to the village
- **Specific priority given to those aged over 55 leaving sheltered accommodation**
- **Local house prices unaffordable for many residents**
- **Site on the market for several years** – planning permission converted by Home Group to better meet local needs

Homes England invested £260,000 of grant in the scheme.



Hutton Rudby

Sixteen home Affordable Rent and Shared Ownership scheme delivered by Broadacres Housing Association on a rural exception site in the North York Moors

This scheme is a good example of local residents and stakeholders working together to build homes that will help sustain their community by enabling people to live in the village where they work or have grown up.

- **16 home scheme** – fourteen affordable rental homes and two shared ownership
- Accommodation **prioritised for people with a local connection** to the village – all homes rented or sold to members of the local community
- **Local house prices more than 18x the average income**
- **Supported by local needs testing**
- **Local stakeholders collaborated to identify a suitable site** – including the council, residents, housing association, landowners and the Rural Housing enabler

The total scheme cost £2.1m, supported in part by a grant of £480,000 of grant from Homes England



Questions



For further information, contact
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