

A GUIDE TO DEVELOPING AFFORDABLE HOMES IN RURAL COMMUNITIES



English Rural Housing Association – Buxton Meadow, Stockbury

Foreword

The Kent countryside is one of the County's greatest assets and should be available to enjoy by all. It accounts for 85% of land in the County and should be promoted for its benefits, whilst protected and enhanced for future generations. This is especially true for the rural communities who work and live there. But it has been identified that the lack of affordable housing is holding back the true potential of these communities - stifling life chances of young people, inhibiting growth and investment, unpicking close family bonds and increasing isolation and loneliness.

The Kent Housing Group has a long history of commitment and success in supporting the delivery of affordable housing. In partnership with a network of organisations who are passionate about protecting and invigorating our rural communities, this Guide has been produced to address housing needs through the development of new affordable homes.

This most recent version of the Guide reflects and offers advice and information relevant for a broad audience. For ease of use, the Guide has been split into a number of useful Fact Sheets. The production of this updated Guide was highlighted as a key objective within the Kent and Medway Housing Strategy 2020-2025. This document sets out the strategic housing objectives for Kent and Medway, which recognise the continued need to address the housing requirements and sustainability of all communities, including our rural ones.

The aim of this Guide is to provide information and advice to those who are concerned about the lack of affordable housing in their rural community and are keen to secure new affordable homes. All partners of Kent Housing Group - local authorities, registered providers, Parish Councils and the voluntary sector are encouraged to promote and reference this Guide. I am very pleased on behalf of the National Housing Federation to be supporting this excellent initiative.

Together we can promote, sustain and enhance the rural communities in Kent, for the benefit of all.



A handwritten signature in black ink that reads "Baroness Warwick".

Baroness Warwick, Chair of the National Housing Federation

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Factsheet 1

About this Guide

Introduction

This guide is formed of a series of factsheets about rural **affordable housing**. It sets out:

- how new homes can be delivered;
- the important role of landowners;
- guidance about how these homes can be funded;
- the parties who may be involved in the development of these homes; and
- how these homes are allocated and protected.

The focus of this guide is to provide clear, concise information for those who believe there is a need for new affordable homes in their local community

The guide has been developed by members of the [Kent Housing Group](#) (KHG).

Vision

Within the County of Kent, most land (85%) is classed as “rural” and over 40% of businesses in Kent are based in rural areas. KHG recognise that provision of affordable housing is vital to ensure that rural communities continue to thrive and prosper. (See definition in [Factsheet 2](#)).

Affordable housing provides many benefits. It provides opportunities for young people to remain in the community in which they grew up; helps families support each other across the generations; provides local business with a local workforce source; stimulates the local economy; and ensures older people can downsize to more suitable accommodation within their chosen location rather than being forced move to a new location at a time of care crisis. This is when **local needs affordable housing** can make a difference.

Many people cannot afford to buy or rent a home within their local community. The gap between rural property prices and local wages continues to widen. In a report published in June 2018 by the Institute for Public Policy Research (IPPR)¹ it is stated that:

‘The affordability gaps in rural areas are high compared to urban areas. The average rural house price is around £19,000 above the average for England as a whole, at £320,700 compared to £301,900, and is more than £87,000 higher than the urban average excluding London (£233,600)’

For information about house prices and income in your local area visit the following <https://www.kent.gov.uk/about-the-council/information-and-data/Facts-and-figures-about-Kent>

¹ https://www.ippr.org/files/2018-06/1530194000_a-new-rural-settlement-june18.pdf

The number of affordable homes has shrunk. Many Council-owned homes have been sold under the statutory **Right to Buy**, introduced in 1980, and this right still exists with many homes rural areas being sold under this legislation. It was not until 2012 that a requirement was introduced for homes sold under the Right to Buy to be replaced on a one for one basis.

Figures taken from 64 parish needs surveys undertaken in Kent during the period April 2014 – March 2019, have identified a need for 825 new affordable homes. This equates to an average of **13 local needs affordable homes needed** in each rural Parish.

New high quality affordable housing developments are vitally important to help those who have been priced out of the open market to remain living in the communities where they have strong connections.

The overall aim of this guide is to:

- Ensure continued delivery of high quality affordable rural housing
- Support and enable Kent's rural economy through sustainable growth in rural areas
- Raise awareness and understanding amongst rural communities about how to develop new affordable housing for local people
- Develop consistent, proportionate and efficient approaches to the delivery of affordable rural housing
- Share good practice and develop innovative ways to encourage delivery of new homes
- Support and encourage **local authorities** to have robust rural housing policies

The value and impact of rural local needs affordable housing is a benefit to everyone

“Small scale affordable rural housing developments help to rebalance communities, keeping families together whilst providing a boost for local services.”

HRH The Princess Royal Patron of English Rural Housing Association

Rural Housing Alliance's Practical Guide for Parish Councils in 2014

Factsheet 2

What is 'Affordable Housing'?

The term affordable housing is widely used to refer to different types and tenures of housing that is available to people who cannot afford to rent or buy a suitable home on the open market. However the term is also used in a wider context, to refer to entry level housing/smaller housing for outright sale, often to first time buyers. In this guide the definition set out by central Government in the [National Planning Policy Framework 2019 \(NPPF\)](#) is used and it is in this context that this Guide is written.

However individual Local Authorities may have their own locally agreed definitions and therefore, where new development is being considered, local Planning Policy should be consulted. Please see the [Glossary](#) for user-friendly descriptions of the various tenures of affordable housing set out below.

The NPPF defines affordable housing 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); and which complies with one or more of the following definitions:

a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a **Registered Provider**, except where it is included as part of a **Build to Rent** scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) **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.

d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.'

Factsheet 3

How new rural affordable housing is provided

New affordable housing in rural areas is normally provided in three ways - built on sites allocated for housing development in the Local Plan, on **windfall sites** or on Rural Exception Sites.

Allocated Sites

Each local planning authority is required to have an adopted **Local Plan** for its area, which sets out where new homes may be built. Government policy states that sites of 5 or more homes (the minimum threshold) can be allocated in the Local Plan for new homes. The NPPF paragraph 63 sets out that an element of new affordable housing can be sought on sites of 10 homes or more.

Individual Local Authority Local Plans will also set policies for the percentage of new homes to be provided as affordable housing on each site. The percentage will vary between Local Plans. For certain smaller sites of 6-9 homes (e.g. those located within **Areas of Outstanding Natural Beauty**), the NPPF allows local planning authorities to seek a financial contribution towards new affordable housing in lieu of on-site provision. If adopted, this requirement will be set out in the Local Plan.

A legal agreement known as a Section 106 agreement (S106) is a mechanism under the Town and Country Planning Act 1990, which makes a development proposal acceptable in planning terms. The delivery of affordable housing is generally secured through the use of a s106. The S106 will specify the number, type and tenure of affordable housing to be provided or the amount of financial contribution to be paid instead. The S106 is a formal document that is binding on the land in perpetuity (125 years). It does not matter if the land changes hands as the S106 is registered as a local land charge. Any potential buyer will request a “search” of the land and the requirements of the S106 will be flagged.

For all allocated sites, the site owner will select their preferred delivery partner (i.e. **Provider**) to deliver the new affordable housing.

Windfall Sites

A windfall site is a site which has not been identified or allocated within a local authority’s Local Plan. Many rural settlements will have few, if any sites allocated in their Local Plan as the available sites fall below the minimum threshold. Smaller sites comprising 1 – 4 homes, may come forward as “windfall sites”. Under the NPPF, they are not generally required to provide any affordable housing. However the advice of the **local planning authority** should be sought as there may be scope for a financial contribution to be sought on these smaller sites.

Rarely, larger windfall sites may come forward and these would be subject to Local Plan policy relating to affordable housing provision. A S106 would be required.

For windfall sites which trigger affordable housing, the site owner will select their preferred delivery partner (e.g. **Registered Provider**) to deliver the new affordable housing.

Rural Exception Sites

Rural exception sites are often the only means of delivering new local needs affordable housing in rural communities and most local planning authorities in Kent have a rural exceptions policy in their Local Plan.

The NPPF sets out that a rural exception site is an area of land where due to planning constraints, e.g. the Green Belt and/or Areas of Outstanding Natural Beauty, development would not normally be allowed. However the development of housing to meet the needs of a local community (“local needs housing”), is permissible so long as:

- the housing needs of the local community have been identified in an independent (e.g. the Rural Housing Enabler), up to date needs survey;
- the local needs housing cannot be met by any other means, e.g. through the development of non-Green Belt sites;
- a thorough sites options appraisal has been carried out and the landowner is willing to make their site available for local needs housing;
- the homes will be held in perpetuity (125 years or more) to meet the housing needs of the local community; and
- eligibility for the homes, including the **local connection** criteria, is set out within a legal agreement.

On rural exception sites the land stays in the Green Belt or AONB even when the new homes are built. To protect the openness of the Green Belt, development rights for extensions and outbuildings is often removed.

For site specific queries regarding delivery of affordable rural housing please contact your local or the relevant Local Planning Authority.

For more information please see [Appendix 1](#).

Factsheet 4

Who can help deliver new rural affordable homes?

Parish Council

The Parish Council represents the grass roots of local democracy and its **elected councillors** often have a long and intimate knowledge of the parish.

If an allocated/windfall site is required under planning policy to deliver new affordable housing, the Parish Council is unlikely to have any say on the type of housing required, the number of affordable homes to be provided or the Registered Provider/Registered Provider partner who will deliver the new homes. However the Parish Council is a “statutory consultee” who considers all planning applications within their area and can make their comments/requests as part of this process, e.g. if they would like to see a **local lettings plan** put in place.

A Parish Council may be concerned about the lack of local needs affordable homes in their community and can ask for a **housing needs survey** to be carried out by the Rural Housing Enabler. This is the starting point if new homes are to be delivered through rural exceptions housing policy. The Parish Council has a critical role of engagement with the local community to ensure residents understand why a survey is being undertaken and to encourage participation in the survey. If a local housing need is identified and rural exceptions housing is considered the best way of delivering the required new homes, the Parish Council may be aware of potential sites and can feed these into the local search for sites (sequential test). The Parish Council will also select which Registered Provider partner they wish to work with to deliver the new affordable homes on the rural exceptions site, although many local housing authorities will encourage the use of rural specialist **Private Registered Providers**.

Some Parish Councils may decide to form a Community Land Trust (CLT) to deliver new affordable homes. The wider community can join and shape the CLT to enable the development of new affordable housing. See below for more details about Community Land Trusts.

Rural Housing Enabler

The Rural Housing Enabler (RHE) will work with and on behalf of rural communities to address the shortage of affordable homes within the Parish. The RHE can also consider other unmet housing needs, i.e. homes for older residents to downsize, specialist housing, etc. The work undertaken by the RHE involves identifying the local need for housing, usually through a survey commissioned by the Parish Council, and sent to every home in the Parish. The RHE can also help the Parish Council identify development sites (the local search for sites). The RHE will work in partnership with the local community as well as other stakeholders who have an interest in local needs housing. They will make initial contact with local landowners whose sites have been put forward under the local search for site, as potential rural exceptions sites. They can also act as an independent body and engage with local residents when a development process is underway. In Kent, the RHE Service is provided by [Action with Communities in Rural Kent](#).

In November 2016, the [National Network of Rural Housing Enablers](#) produced a [Housing Needs Survey Principles and Guidance Document](#). The aim of this document is to set a standard to which all housing needs surveys should adhere across the network. This document is used for all surveys undertaken across Kent.

Elected Councillors

Elected Members of the local council (District, Borough or Medway Unitary) represent defined areas known as “Wards”. They represent their local Ward constituents and will have a key role providing local leadership on housing, advocating the benefits of affordable housing and working with the Parish Council to engage with the wider local community, not just those who have an identified housing need.

Local Housing and Planning Authorities

Each local council in Kent (District, Borough or Medway Unitary) has responsibility for having policies in place to secure delivery of new housing and ensuring that this includes provision of affordable and specialist housing. Many local housing authorities hold a list of preferred Registered Provider partners to deliver new affordable housing on allocated/windfall sites. For rural exceptions housing schemes, a rural specialist, such as the English Rural **Housing Association**, may be promoted due to their expert knowledge and experience in this field.

Individual **local housing authorities** set the policy for the allocation of affordable housing in their local authority area. However it is, the Provider as owner who will allocate the homes. The local housing authority will also have a robust allocation policy that references rural exceptions housing (local needs housing). Where the need for rural exceptions housing has been evidenced through a parish survey, the local housing authority will work with the Parish Council, Elected Members, the RHE and the selected Registered Provider to ensure that a potential scheme is sympathetic to existing/surrounding settlements and fits within their overall housing strategy.

The local planning authority can provide input to the sequential test of sites that have been identified in the local search for sites and provide pre planning advice about potential sites, their suggested design and the quality of the proposed development. The local planning authority is responsible for processing the planning application, determining the application and securing any S106 or legal agreement.

Neighbourhood Plans

Neighbourhood plans is a way for communities to influence the future of the places where they live and work. They are able to:

- identify where they want new homes, shops and offices to be built
- have their say on what those new buildings should look like and what infrastructure should be provided

The government introduced the community right to do neighbourhood planning through the **Localism Act 2012**. Neighbourhood planning is optional, not compulsory. However Central Government believes that lots of people will want to take the opportunity, to influence the future of the place where they live or work. These plans can identify provision of affordable

rural housing and can assist with the instigation of local housing needs survey work. See the [Kent Community Led Planning Guide](#).

Providers of new Affordable Housing

A Registered Provider of social housing can provide affordable housing to people at below market rents. Registered Providers include not-for-profit Registered Providers and occasionally for profit Providers. They are referred to as Private Registered Providers in this guide but are more commonly known as Housing Associations. Both for profit and not for profit Registered Providers will be registered with the government agency **Homes England**.

Where local authorities have retained their housing stock (Council housing) they too are able to provide new affordable housing in most areas. Council housing is referred to as **Public Registered Providers** in this Guide.

The Private or Public Registered Provider is responsible for allocating homes and will manage the scheme once built and occupied, dealing with all tenancy management issues and the upkeep of any communal land.

If an allocated/larger windfall site is required to deliver new affordable housing, the Registered Provider will work with the local planning authority to deliver the homes specified by the S106.

For rural exception sites, the Registered Provider or other Provider will be selected by the Parish Council.

Other Providers

Some local authorities in Kent have set up independent (often called “arm’s length”) local housing companies to deliver new affordable homes. In future, a **local housing company** could be selected to deliver new rural affordable housing. The local housing company would be bound by the terms of the S106 or legal agreement attached to the planning permission, in the same way as a Registered Provider.

There are several major landowners in Kent who have acted as custodians of land for centuries and have provided local affordable housing on this land, e.g. tied cottages for farm workers. In other parts of the Country, major landowners are developing and managing new affordable homes, e.g. the Blenheim Estate in West Oxfordshire District Council. Subject to complying with a S106 or legal agreement attached to the planning permission, a landowner could work with the Parish Council and other stakeholders to deliver new affordable housing.

Private developers are not excluded from providing homes in rural areas in the form of **discounted market sales Housing**. Development by a private developer would have to be agreed by the Local Planning Authority.

Community Land Trusts

Community Land Trusts (CLT’s) are non-profit community based organisations run by volunteers that develop housing, work spaces, community facilities and other assets that help meet the

needs of communities. Sometimes a Parish Council will decide to form a CLT in order to deliver rural exceptions housing. The assets developed by a Community Land Trust are owned and controlled by the community and are made available at permanently affordable levels.

The purpose of a Community Land Trust in regard to this guide is that they can provide access to land and housing that would otherwise be unaffordable due to the high value of land in rural areas and therefore can act as a body to develop and own local needs housing in rural areas.

CLTs can work alone or in partnership with a Registered Provider to develop and manage their homes. The Registered Provider funds the build but the CLT retains the freehold of the land. The Registered Provider collects rents from the tenants and manages the properties.

Once developed homes built through or with a CLT should remain for the local community 'in perpetuity'. This means that the CLT will retain the freehold of the land ensuring that the homes remain affordable and for local people.

Housing Co-operative

Housing Co-operatives are not-for-profit and democratic organisations run for and by their members. The membership of a co-op is limited strictly to its residents. They can be large properties and developments where people live collectively or in individual homes in close proximity. Residents can self-manage the homes in a democratic way; they have security and pay fairer costs. The co-operative approach works for both buying and renting.

The co-operative movement's values are deep-rooted. They are: self-help, self-responsibility, democracy, equality, equity and solidarity,:

- Residents are in control
- Residents self-manage the homes in a democratic way
- Residents have security
- Residents pay fairer costs

The co-operative approach can be used in various ways:

- where residents own property/properties as a collective by paying into one mortgage
- where residents are both the tenants and landlords

No two co-operative housing schemes are the same. Part of what makes it successful is its ability to enable local people to develop housing in the way that is right for them.

Cohousing

Cohousing is people coming together to build a neighbourhood that embodies particular values. These values are generally linked to a shared vision for living in a certain way. More often than not the values are around living in a way that increases connectivity, the spirit of looking out for one another and in a way that is environmentally-conscious.

Residents have their own homes and private space but there is normally a common house and shared outside spaces. They can be intergenerational or for specifically for older people.

Cohousing schemes can provide affordable housing in rural areas but that is not necessarily their aim.

Factsheet 5

Rural Exceptions Housing – land and landowners

Sometimes, local interest in new local needs affordable housing comes about when a landowner indicates they wish to make land available. These sites are often in the Green Belt or have other planning constraints applying, and so would not normally be permitted for development. However they may be considered suitable for rural exceptions housing. The starting point for the development of rural exceptions housing is to understand local housing needs and this is done through a household survey of the Parish. Although it is the Parish Council who generally instigates a local household survey, a landowner or any other individual may also commission a survey.

As part of the survey, local residents (including any landowners) are asked to suggest any land/sites where rural exceptions housing could be built. Parish Councils and the Local Authority may have sites in their ownership or are aware of other sites. Sometimes it is not clear who owns a piece of land, in which case, the Rural Housing Enabler will carry out a Land Registry search. The Rural Housing Enabler or selected Provider partner will then contact the owners of all suggested sites to find out if the land could potentially be made available for sale or long lease (125 years or more), to enable the delivery of new rural exceptions housing.

The Provider will carefully consider which of those suggested and available sites are, in their expert opinion, suitable for development. A Sequential Test of all suggested, available and “developable” sites is then carried out by the local planning authority. At this stage, an information event may be held for local residents to comment on the sites. The Parish Council will use the Sequential Test and any feedback from local residents, to select their preferred site (s) for the development of new rural exceptions housing.

At this stage, the Provider will begin negotiations with the landowner regarding the terms of sale, including the land price. Due to the exceptional nature of these sites in planning terms, land values will be much lower than on allocated/windfall sites. As a guide, the typical price a landowner can expect is £10,000 per plot.

As per [Factsheet 7](#) it is very unlikely tenants or shared owners/lessees will be able to buy their homes outright. It is hoped these restrictions will reassure landowners that no one is ever going to “profit” from their land being provided at a greatly reduced price.

It is recognised that the very restricted land values applying to rural exceptions housing can put off landowners from making their sites available. The lack of a say in who gets to live in the homes built on their land can also deter landowners. The NPPF and some local planning authorities have considered these barriers and have put in place policies which should make rural exceptions housing more viable as well as stimulating the amount of land being made available for rural exceptions housing. This is sometimes referred to as “cross subsidy”. Generally, these policies

allow a small proportion of **open market housing** to be built (where the £10,000 per plot price will not apply) and/or permit the landowner to keep an agreed number of homes for their own use or allocation, e.g. to provide homes for family or members of staff. The open market homes can still provide housing for people from the local community, for instance older people who need to downsize.

It is very important any landowner who intends conditioning the sale of their land on any of the above, raises this with the PROVIDER at the outset. The Provider will then liaise with the local planning authority to check whether the Local Plan policy allows for such flexibility and will also check with the Parish Council whether it would have local support.

Factsheet 6

How are new affordable homes financed?

Allocated and larger windfall sites

Where a proportion of affordable housing is required, under Local Plan policy, to be provided on site, the developer subsidises the cost of the new affordable homes. This is generally achieved through the provision of land at nil or minimal cost. The Provider then uses its own resources (including private borrowing) to fund the build and other associated costs, of developing the homes.

Funding from Homes England

On certain new developments, Registered Providers may be able to secure public grant funding from the central Government agency, Homes England, via their Shared Ownership and Affordable Homes Programme. This funding will subsidise development costs and ensure that when built, the homes are genuinely affordable. However the Registered Provider will still be required to use their own resources to fund the majority of the development costs.

Funding from the local authority

Some local authorities own land in the rural areas. If this land is no longer needed (“surplus to requirements”) it may be suitable for the development of new homes. The local authority may decide to sell the land to a Provider at nil or minimal value, providing a subsidy to the overall costs of development.

Some local authorities have capital grants or S106 commuted sum monies available, which can be allocated to fund some of the costs of development.

In both of the above, the Provider will still be required to use their own resources to fund the majority of the development costs.

Restricted land values

The greatly restricted land values applying to rural exceptions sites act as a subsidy to development costs. See [Factsheet 5](#).

Cross subsidy

Where permitted by Local Plan policy, and providing there is local support for an element of open market housing, the cross subsidy can secure the overall viability of the development. See [Factsheet 5](#).

Community led housing schemes

CLT's and other community led housing projects can currently access funding from the Community Housing Fund and other sources.

Factsheet 7

Eligibility and allocation of new rural homes

Eligibility, allocation and protection of new affordable homes in rural areas will be dependent on the nature of the development site e.g. whether it is an allocated site/larger windfall site (referred to here as “S106 sites”) or rural exception site, and the type of Provider who is developing the site.

S106 sites

The S106 agreement will require new affordable homes to be subject to a nominations agreement whereby, in general, the local housing authority will have up to 100% nomination rights at first letting and up to 75% rights thereafter.

Eligibility and allocation of S106 homes

Applicants will need to be registered with the local housing authority, i.e. they have been accepted onto the [local Housing Register](#) (rented housing) or the [Help to Buy](#) register (homes for sale). Normally this means an applicant will need to demonstrate some form of housing need as set out in the local authority’s housing allocation policy or the national Help to Buy policy.

Homes for rent

When affordable homes for rent become available for letting, they are normally advertised on [Kent Homechoice](#). This will show where the home is located, its size, the amount of rent payable and any other features. A Local Lettings Plan could give preference to those who have a local connection to the parish. If a Local Lettings Plan applies, the advertisement on [Kent Homechoice](#) will give details of the local connection criteria that will be applied. The Provider will take great care when advertising and allocating these homes to ensure the criteria is met by the successful applicant.

Homes will be allocated to those on the [local Housing Register](#) who are in highest need, as set out in the local housing authority’s allocation policy and meet the criteria of any Local Lettings Plan.

Homes for sale

All first sales will be advertised through the Help to Buy website. Re-sales may also be advertised on the Help to Buy website. Homes may also be promoted locally via the Parish Council. Current Government policy states that priority is given to military personnel. Sometimes, for a limited period of time, priority is also given to those with a local connection to the District/Borough. Date of registration under Help to Buy may be used to prioritise applicants.

Protection of new S106 homes in perpetuity

Homes are unlikely to be protected in perpetuity unless provided on a rural exception site or where the freehold is retained by a Community Housing Trust, (CLT).

Homes for rent

If homes are provided by a Private Registered Provider, eligible tenants may have the **voluntary Right to Buy**, subject to the Registered Provider's adopted policy. Depending on the geographical location of the home, an eligible tenant may have the statutory **Right to Acquire**.

If homes are provided by a Public Registered Provider, eligible tenants (as set out in the Housing Act 1980, as amended) will have the statutory Right to Buy.

Homes for sale

Shared Ownership lessees will have the right to "staircase" up to 100% ownership of their home, except where the geographical location of the homes is within a **Designated Protected Area**². In this case, stair casing is limited to 80% of ownership or the Registered Provider will have first refusal to buy back the home. However it should be noted that a local housing authority can agree to waive the protected status.

Rural exception sites

The local housing authority will normally have up to 100% nomination rights in perpetuity to the new homes. This will be set out in the legal agreement to the planning permission and accompanying nominations agreement.

Eligibility and allocation of Rural Exception site housing

Priority will always be given to people with a local connection to the parish who are in housing need, i.e. they have been accepted onto the local Housing Register. Different eligibility rules may apply to applicants for rural exceptions housing than those applying to other affordable homes. If any applicant is only interested in rural exceptions housing they should be advised to make this clear on their application. This should then avoid them being refused the right to join the housing register if they are otherwise considered to be adequately housed, e.g. a young couple living with one set of parents, but not in overcrowded conditions, who want to set up their first independent home; or someone living in private rented housing but this is outside the Parish.

If an applicant for rural exceptions housing experiences difficulty getting onto the housing register, they should seek assistance from the Parish Council and/or local Elected Councillors or Provider.

² <https://www.gov.uk/government/publications/designated-protected-areas>

The actual local connection criteria may vary in each local authority area and would be set out as part of the legal agreement attached to the planning permission, but commonly used criteria include:

1. Resident of the parish
2. Length of residency in the parish
3. Employment within the parish
4. The need to live in the parish to give care or support to immediate family
5. Family connections in the parish
6. Provides a community service in the parish which requires residency within the parish.

Homes for rent

When affordable homes for rent become available for letting, they are generally advertised on [Kent Homechoice](#). This will show where the home is located, its size, the amount of rent payable and any other features. The advertisement will give details of the local connection criteria that will be applied. The Provider will take great care when advertising and allocating these homes to ensure the local connections criteria is met by the successful applicant.

The Provider will short list applicants and, once an applicant's local connection is verified, will allocate each home. Some local authorities have put in place an additional "check" whereby the Parish Council is asked to confirm or verify an applicant's local connection before an allocation is made. This will vary across the County and data protection requirements need to be carefully considered.

If more than one applicant has a verified local connection, the Provider will take account of an applicant's housing need, as set out in the local authority's housing allocation policy. The applicant in highest need will then be allocated the home.

If the sitting tenant of a home wishes to make a mutual exchange, the new tenant must meet the local connection criteria. The Provider will ensure this is made clear in their tenancy policy.

Homes for sale

All first sales will be advertised through the Help to Buy website. Re-sales may also be advertised on the Help to Buy website. Homes may also be promoted locally via the Parish Council.

The Provider will short list applicants and, once an applicant's local connection is verified, will allocate each home. Some local authorities have put in place an additional "check" whereby the Parish Council is asked to confirm or verify an applicant's local connection before an allocation is made. This will vary across the County and data protection requirements need to be carefully considered.

If more than one applicant has a verified local connection, the Provider may take account of an applicant's date of registration on the Help to Buy register.

Military Personnel do not have an automatic priority for these homes. They will only be eligible if they can demonstrate a local connection to the Parish.

Protection of Rural Exception homes in perpetuity

Homes are very likely to be protected in perpetuity. This means homes can be protected to always meet local housing needs. It also means no one can “profit” from a landowner making their land available at greatly reduced price (see [Factsheet 5](#))

Homes for rent

If developed by a Private Registered Provider, eligible tenants will not be given the voluntary Right to Buy their current home. Instead, they will be offered an alternative home to purchase from within the Registered Provider’s stock. Tenants will not have the statutory Right to Acquire as rural exceptions housing is not developed in those geographical locations where the statutory Right to Acquire arises.

If developed by a Public Registered Provider, eligible tenants will have the statutory Right to Buy. The Housing Act 1985 does provide some ‘rural safeguards’, limiting any re-sales either by the local housing authority having first right of refusal to buy back the home or a requirement that the home is sold on to someone else with a local connection. However, in reality, it is highly unlikely new homes will be developed by a Public Registered Provider because homes cannot be protected in perpetuity.

Homes for sale

Homes will be subject to a maximum share purchase (stair casing) cap of 80% ownership. Alternatively, the Registered Provider will have first refusal to buy back the home.

Homes for Discounted Market Sales Housing will always be sold with a discount of at least 20% of the open market value. This discount is locked in perpetuity for all future sales.

These measures ensure the home remains available to meet local housing needs in perpetuity.

Factsheet 8

What can you do?

Local communities can take responsibility for instigating the delivery of new affordable housing in rural areas. As members of an existing community, they can appreciate how a lack of affordable housing options can prevent family networks remaining and stifle local economic enterprise. In the first instance, local communities may look to good practice examples of how other community groups have worked together to deliver new rural affordable housing. Examples of these can be found on the useful contacts / links factsheet and through the RHE. Local communities can form Community Land Trusts to secure and deliver new affordable housing. See [Factsheet 4](#).

Individual residents may be concerned about the lack of affordable homes. They may have personal experience of family members who cannot afford to live locally or they may themselves be an older resident who is keen to downsize and stay in the village, but is unable to do so due to lack of suitable housing. They can contact the Rural Housing Enabler to ask for advice and support about how housing needs can be resolved. Alternatively, residents can contact their Parish Council and ask them to do this on behalf of the community or form their own local community group.

If a housing needs survey is undertaken to establish local needs, it is important for all residents to take part and encourage others to do so. The level of response can greatly impact on the likelihood of development of future schemes.

When a scheme is worked up by the selected Registered Provider, some local residents may have concerns, e.g. the location of the scheme, the number of affordable homes, the scheme design, etc. Local residents are encouraged to discuss these concerns with the Parish Council and Registered Provider, as there may be ways to resolve these concerns. Once a scheme is submitted as a planning application, local residents can provide comments to the Local Planning Authority. Site notices and the local authority's website planning pages will give details on how comments can be submitted.

Amongst the Elected Councillors of the District/Borough Council, there may be a **housing portfolio holder**, who will be responsible for housing matters and who can champion the delivery of rural affordable housing. Please contact the Democratic Services Team at your local authority for contact details.

Parish Councils have the ability to develop a Neighbourhood Plan, see [Factsheet 4](#).

Factsheet 9

Frequently Asked Questions

Q. How is affordable housing need assessed?

A survey of all local households will be undertaken to identify the number, size and tenure of homes that are needed in a rural community (normally a Parish) for those people who cannot afford to rent or buy on the open market.

To ensure an independent and impartial assessment of housing needs, the survey is normally carried out by the Rural Housing Enabler. The survey is generally commissioned by the Parish Council, but others can also commission and pay for a survey themselves, e.g. landowners.

Q. How are the new homes allocated?

See [Factsheet 7](#).

All rented housing is generally advertised on Kent Homechoice. This is a choice based lettings system whereby people registered on their local authority housing register can bid for (express an interest in) a home

With regards to homes for sale (shared ownership and discounted market sales housing), applicants are advised to contact the Sales Team at the Registered Provider who is building the new homes, to register their interest. The Registered Provider will direct applicants to join the Help to Buy Register. All applications will be verified by the Parish Council to confirm a local connection.

On rural exception sites, the Parish Council may be asked to verify an applicant's local connection, however the final decision on who is allocated the home rests with the Registered Provider. Under no circumstances are personal details of individual applicants divulged to the Parish Council

Q. Should I join the Housing Register?

It is recommended that if a person/household considers themselves to be in housing need they should register with their local authority, this is usually in the District or Borough where they currently live or have a local connection to. Applications to join the appropriate housing register are made on line via [Kent Homechoice](#) (for homes to rent) and the [Help to Buy Register](#) (for homes for sale). These websites provide guidance on how to complete the form and what information to provide to support an application.

On the application form the applicant should make very clear if they are only interested in rural exceptions/local needs affordable housing.

Q. What does local connection mean?

On a rural exception site the planning permission will set out the local connection criteria. For example, length of residency in the Parish, employment in the Parish, family connection to the Parish. In some local authorities, the nature of the local connection can give a person priority when a home is allocated.

Q. How can we find out if affordable homes are needed in the parish and where they could be built?

The first step is to find out what number, tenure and size of homes are needed by local people. The Rural Housing Enabler can help undertake a local housing needs survey. The survey will also ask for potential sites to be suggested.

Q. Who is responsible for looking after the homes?

If a property is rented, the landlord (e.g. the Registered Provider) will have a policy about repairs and maintenance, however this does not absolve a resident from taking responsibility for the up keep of their home. Repairs and maintenance for shared ownership properties will generally be the responsibility of the owner, with some areas such as shared/communal spaces the responsibility of the landlord.

Q. What happens if there are not enough truly local people eligible to occupy all the homes built?

The purpose of a local housing needs survey is to understand and determine the need locally for affordable housing. It is often the case that fewer homes are built than identified through the survey.

For a rural exception site, there will be a ‘cascade’ whereby priority is given to people with a local connection to the parish where the homes are built. In the very unlikely event some homes remain unallocated, people with a local connection to specified neighbouring parishes will be considered. These neighbouring parishes are set by the Local Planning Authority.

Q. Can people end up buying these homes?

Please see Factsheet 4 – “Protection of new rural homes in perpetuity”.

In September 2019 central Government launched a consultation on shared ownership housing. Views were sought on the future of shared ownership re-sales and Designated Protected Area (DPA) status. DPA status means the maximum share that can be purchased is limited to 80%. The Registered Provider retains the remaining 20% share and this means they can influence and manage the future occupancy of the home, ensuring it is retained in perpetuity as affordable housing. As at November 2019, the Government has announced its intention to implement the proposed changes, although no further details have been given. In light of this, advice should be sought from the individual local housing authority as to shared

ownership housing will be supported on new rural exceptions housing developments or those sites within a DPA.

Q. Are these houses ‘council houses’?

Some local authorities are building homes again so affordable housing can be provided by the local authority (council). In this Guide they are referred to as Public Registered Providers.

Q. How long do the schemes take to build?

If bringing forward a rural exception site, the time can be very variable depending on a number of factors. Often finding a suitable site can take time. Schemes can be developed in 2 – 5 years on average, but can take much longer.

With a S106 site, the affordable housing will be built as part of the overall development once planning permission is granted. Generally permissions must be implemented within 3 years, otherwise the permission lapses.

Q. Who decides what the new housing will look like?

The scheme will be designed by the Registered Provider. A community event may be held prior to submitting a planning application, to give local people the opportunity to comment on the design.

Neighbouring properties to the site, as well as the Parish Council, will be consulted as part of the formal planning process once the planning application is submitted.

Factsheet 10

Glossary

Affordable Housing	Housing which is either for sale or for rent, or a combination of both, and provided at less than open market values, to specified eligible households whose needs are not met by the market.
Affordable Rent	A form of affordable housing. Affordable rent housing is let by Registered Providers at low rents on a secure basis to those who are in need or struggling with their housing costs (eligible persons), at rents of up to 80 per cent of open market rents (inclusive of service charges). Many local housing authorities have agreed with their Registered Provider partners to cap rents at lower levels, to ensure they are affordable to those in receipt of Housing Benefit/Universal Credit.
Area of Outstanding Natural Beauty	An Area of Outstanding Natural Beauty (AONB) is an area of countryside in England, Wales or Northern Ireland which has been designated for conservation due to its significant landscape value.
Build to Rent	Developments comprising self-contained, private rented homes, held in single ownership and provided solely for the rental market. These are very unlikely to arise in rural areas.
Community Right to Build	Enables communities to take forward local development without applying for planning permission if there is overwhelming community support and minimum criteria are met.
Commuted Sum	A Commuted Sum (or payment in lieu) is the term used for money received by the Local Planning Authority from housing developers which is then used to improve open spaces and village halls in the area where the new homes have been built.
Designated Protected Area (DPA)	Established under the Leasehold Reform Act 1967 and enacted by Order 2098 in 2009. If a shared ownership home is located within a DPA, the maximum share that can be purchased is limited to 80%. The Registered Provider retains the remaining 20% share. Alternatively a lessee can purchase 100% of the home but the Registered Provider has first refusal to buy back the home at point of sale. This means the Registered Provider can influence and manage the future occupancy of the home, ensuring on rural exceptions sites it is retained as affordable housing in perpetuity.
Discounted Market Sales Housing	Homes sold to eligible applicants at a discount of at least 20% of the open market value. Whenever the home is resold, the discount will continue to apply in perpetuity. This will be secured by a Local Land Charge. Private developers can provide these homes if agreed by the local authority.

Elected Member	A member of the community elected at local authority level (District/Borough/Unitary) to represent the views of local people.
Eligible Persons	Those in need of affordable housing and accepted onto the local authority housing register and/or Help to Buy register. It can also refer to specific Acts of Parliament , e.g. Housing Act 1980, etc, which set out the criteria required from tenants wishing to purchase their home.
Help to Buy	The government’s range of low cost home ownership schemes including shared ownership and discounted market housing for sale.
Homes England	The national housing and regeneration agency for England. A non-departmental public body sponsored by the Ministry for Housing, Communities and Local Government.
Housing Associations	See Private Registered Providers.
Housing Need Assessments	Studies carried out by local housing authorities to assess future local housing requirements, in particular in relation to affordable housing, and to inform their Local Plan.
Housing Needs Survey	A survey sent to all households in a specified area, normally a Parish, in order to identify and assess housing needs of people with a local connection to that specific area.
Housing Portfolio Holder	The Portfolio Holder for Housing is an elected member of the local authority with responsibility for the development and delivery of the Council’s housing services, including the provision of affordable homes.
Kent Homechoice	The choice-based lettings service for rented homes owned by Providers in Kent.
Kent Housing Group (KHG)	A Kent-wide forum which serves to represent the collective voice of Kent’s housing bodies including all local housing authorities, Private Registered Providers and Kent County Council
Local Authority	A local authority is an organisation that is officially responsible for all the public services and facilities in a particular area.
Local Connection	In the context of this protocol ‘local connection’ is the connection to the Parish and not to the District/Borough/Unitary authority as a whole.
Local Housing Authorities	Authorities with direct responsibility for delivering housing within their areas.
Local Housing Companies	An Independent, stand alone housing organisation, within a Local Authority.
Local Housing Register	The housing register is a list of households waiting for an allocation of social housing in a Borough or District Council area.

Local Lettings Plans	Plans for the allocation and letting of homes within an agreed location. Often used for new developments to ensure that a sustainable community is achieved.
Local Needs Affordable Housing	Housing that meets the needs of the local community and businesses, provided on Rural Exceptions Sites, and protected to meet local needs in perpetuity. Also known as Rural Exceptions Housing
Local Plan	A Plan prepared by a Local Planning Authority, that sets out the strategic and detailed policies for all development within the authority's jurisdiction, including new rural affordable housing. It guides most of the day to day planning choices and decisions.
Local Planning Authorities	Authorities with direct responsibility for delivering planning within their areas. In Kent, this is the District and Borough Councils and Medway Unitary Authority.
Localism Act 2011	Coalition government legislation which devolves greater powers to local councils and neighbourhoods gives local communities control over housing and planning decisions and radically alters the social housing regime.
National Network of Rural Housing Enablers	The National Network of Rural Housing Enablers is a voluntary membership group comprised of rural housing professionals in England, specifically Rural Housing Enablers and other professionals directly involved in working with rural communities to identify local housing needs and enable development of affordable house to meet local needs.
National Planning Policy Framework	National framework for the planning system in England, which has consolidated all previous national planning policies. Last updated in February 2019.
Neighbourhood Plans	General planning policies for the development and use of land in a neighbourhood produced by local communities and/or parish councils.
Open Market Housing	Homes that can be purchased on the open market at full market price.
Private Registered Providers	Non-local authority Registered Providers. Often referred to as housing associations.
Public Registered Providers	Local authority Registered Providers, i.e. Council housing.
Providers	Organizations that are providers of social and affordable housing, including homes for rent and low cost home ownership options. This may comprise Private Registered Providers, Public Registered Providers, Local Housing Companies and, in agreed circumstances, private developers.
Registered Providers	Comprising Public and Private Registered Providers

Right to Acquire	Introduced by Act of Parliament in 1996, a statutory scheme that enables certain eligible housing tenants, i.e. tenants of Private Registered Providers whose homes have been built or acquired since March 1997, to purchase their current home with a discount of up to £16,000. Under the Act (and set out in various Orders) certain geographical locations are exempt so that the Right to Acquire does not arise.
Voluntary Right to Buy	A voluntary scheme agreed between the Government and the National Housing Federation (the national body for Registered Providers) in 2015. Certain, eligible tenants of Registered Providers have the right to buy their home at a discount of up to £82,800. <i>Homes built on Rural Exception Sites by Registered Providers, will be exempt from the Voluntary Right to Buy, as Registered Providers are not required to sell certain homes and this includes local needs homes. Instead, an eligible tenant will offer a 'portable discount' to enable the tenant to purchase an alternative home from within their stock that is not exempt.</i>
Windfall Site	The National Planning Policy Framework (NPPF) defines windfall sites as: 'Sites which have not been specifically identified as available in the Local Plan process. They normally comprise previously-developed sites that have unexpectedly become available.'

This protocol will be reviewed in September 2021.

Useful Contacts/Link

[Action with Communities in Rural Kent](#)

[Rural Housing Alliance](#)

[National Community Land Trust Network](#)

[Community Led Homes](#)

[Wessex CLT Project](#)

[Affordable Rural Housing: A Practical Guide for Parish Councils](#)

[Local Needs Housing Video – English Rural Registered Provider](#)

[Kent Homechoice](#)

[Homes England](#)

[Help to Buy Agent](#)

[Ashford Borough Council](#)

[Canterbury City Council](#)

[Dartford Borough Council](#)

[Dover District Council](#)

[Folkestone and Hythe District Council](#)

[Gravesham Borough Council](#)

[Maidstone Borough Council](#)

[Sevenoaks Borough Council](#)

[Swale Borough Council](#)

[Thanet District Council](#)

[Tonbridge and Malling Borough Council](#)

[Tunbridge Wells Borough Council](#)

[Medway Council](#)

Appendix 1. Process Map

