

## Rural Housing Advisory group

12 March 2010

Maple House, London

**Chair:** Candy Atherton (CA) Homes and Communities Agency

**Members present:**

Sylvia Brown OBE (SB)	Action for Communities in Rural England
Sue Chalkley FCIH (SC)	Hastoe Group
Helen George (HG)	Improvement and Development Agency
James Hulme (JH)	The Prince's Foundation for the Built Environment
Colin Molton (CM)	Homes and Communities Agency
Graham Russell (GR)	Commission for Rural Communities
Liz Sealey (LS)	Department for Communities and Local Government
Neil Sinden (NS)	Campaign for the Protection of Rural England
Cameron Watt (CW)	National Housing Federation
Debby Wheatley (DW)	Chartered Institute of Housing

**Guest Speakers:**

Abigail Davies (AD)	Chartered Institute of Housing
Louise Wyman (LW)	Homes and Communities Agency
Jamie Ratcliff (JR)	Homes and Communities Agency

**In attendance from the Homes and Communities Agency:** Matthew Dodd (MD), Susan Fallon (SF), Simon West (SW).

**Apologies:**

Fenella Collins (FC)	Country Land and Business Association
Jim Dixon (JD)	Association of National Parks Authorities
Arlene Kersley (AK)	Community Council of Berkshire
Catherine Grannum (CG)	Tenants Services Authority
Stephen Parsons (SP)	Regional Rural Affairs Forum Chairs
Dan Berlin	Homes and Communities Agency

Item	Discussion	Action
1. Minutes of the last meeting and matters arising	Following discussion at the previous meeting on the HCA corporate plan, CM updated the Group on progress within the HCA. The plan is being built up from the emerging priorities in Single Conversations and Local Investment Plans. CM encouraged the Group to endeavour to influence and 'rural proof' Local Investment Plans (LIPs) as they are developed. He also stated that even when published, LIPs are evolving documents. CM agreed to send	

	emerging documents from Bournemouth, Dorset and Poole initially to GR.	Colin Molton
2. Rural Master Planning Fund Update	<p>Louise Wyman, Urban Design Manager, HCA presented to the Group an update on the Rural Masterplanning Fund. SB requested more information on how the Fund was publicised (via the Government Offices) as there seemed to some significant disparity between regional applications. Further more, SB wanted to know what community involvement the winning projects had and would have in the future. LW replied that Enquiry by Design and Defra Community led planning policy were being used to ensure community involvement. JH questioned how CABE, who are enabling a lot of the successful bids, will work with stakeholders; does CABE have guidelines on how to involve communities? LW replied that CABE would be mapping out at the start of each project the key stakeholders. NS suggested that the Group should be able to provide advice in engaging stakeholders and CM responded that details have been widely publicised and people should continue to engage. LW agreed to speak to members who were concerned outside the meeting.</p>	Louise Wyman
3. National Affordable Housing Programme Update	<p>THE FIGURES DISTRIBUTED ARE NOT OFFICIAL STATISTICS AND ARE FOR ILLUSTRATION PURPOSES ONLY.</p> <p>CM addressed the regional distribution of rural output. He suggested that all regions might benefit from a data cleansing exercise as the SW had picked up a number of rural completions which had been miscoded. GR asked about tracking allocations in settlements of 3,000 to 10,000 population. MD responded that the figures for these settlements were erratic and unreliable. He stated that previous work had been done to 'cleanse' the figures in the South West, but this was a very expensive and painstaking task.</p> <p>CW asked the Group for their opinion on developer's appetite for rural schemes at the moment. CM replied that packages were more successful and helped maintain momentum. SB responded that RHEs were not identifying a general trend at present. DW said that there had been an expectation that small to mid sized RSLs would have less time for rural schemes because the Single Conversation was expected to focus on larger schemes, however this fear does not seem to have materialised. CM raised the Dorset example where the resource distribution between priorities, has led Dorset to promote a rural housing theme in its Local Investment Plan. MD stated that Low Cost Home Ownership numbers had dropped, but this was not specific to rural and reflected the general housing market and financial climate. CW ended this discussion with a question on what allocation figures the National Federation could use - the answer was the Regional Allocation Statements which the HCA releases quarterly and are published on its website.</p>	Matt Dodd with HCA Rural Champions
4. Mortgage lending and perpetuity arrangements	<p>Jamie Ratcliff, Head of Intermediate Markets at the HCA presented to the Group the work his team are doing including:  Engaging with lenders of Low Cost Home Ownership  Perpetuity arrangements in Protected Areas,  S106 agreements and cascades within them.</p> <p>The team have produced a revised shared ownership lease which will go live for all new schemes after 6 April 2010. Due to the financial pressure that</p>	

	<p>many lenders are under, this will not necessarily increase the number of mortgages available, but it will help to keep those lenders who do shared ownership stay in the market and make it more likely others will enter the market when financial conditions improve.</p> <p>The team are also working with the Financial Standards Authority to ensure they fully understand shared ownership products. Draft guidance issued by the FSA for Building Societies described shared ownership as adverse products with a greater risk attached, when in reality they have been shown not to be. This work could attract more lenders to join the shared ownership market.</p> <p>The team has a new staff member (Tony Davis) whose responsibility is to build strong relationships with current lenders and those not currently lending on Low Cost Home Ownership. He has already met with all the largest lenders and is now making progress with smaller lenders and Building Societies.</p> <p>Shared ownership delivery in Protected Areas has been regularly reported as a concern. JR reported that Halifax and a number of smaller lenders will still lend on restricted staircasing leases. Providers have not been keen to provide guaranteed buybacks and CW reiterated this. A discussion followed on the effects of the Protected Area's regulations and CM cited information that the HCA had received from mid Sussex that worryingly put a large proportion of their development in Protected Areas. Part of the concern is a lack of knowledge on the Protected Areas and the availability of the maps. The HCA is looking to get the maps on its GIS system – the Group endorsed this and would like to see it addressed as a matter of urgency.</p> <p>JR said that in reality he thought lenders concerns with restricted staircasing was really related to cascades for occupancy found in s106 agreements and exceptions agreements. JR circulated a copy of a note (found on the HCA website) authored by the Council of Mortgage Lenders detailing the attitude to lenders of such arrangements. It basically requests consistency and Local Authorities to follow the standard CLG form of s106 as much as possible. Where changes (e.g. on occupancy restrictions) are imposed they need to be clearly time-limited. Failure to do this will make the property unmortgageable. JR said that his team would be doing some work on this to try and agree some clear wording that can be universally used. The CIH have kindly offered use of their Housing and Planning Practitioners network to assist in this.</p> <p>CW raised the issue of the HCA consultation on Recycled Capital Grant Funds. He raised the National Housing Federation's concern over options currently being consulted on and confirmed that the NHF will be submitting a consultation response.</p>	
<p>5. Report on Flexible tenure</p>	<p>At the request of the Group members working on flexible tenure as part of the business plan, Abi Davies of the Chartered Institute of Housing presented a paper on flexible tenure and its possible application in rural areas. The</p>	

	<p>basic premise is that one owner could go through several different tenure types whilst remaining in the same property, in response to their changing circumstances. JH questioned the basis of this and stated in rural areas keeping people in the same property was not ideal as there needed to be the market mobility to allow people to move as their household grows or reduces. AD asked what is the public priority: mobility, under occupation or other issues? JH pointed to the issue of life time homes versus lifetime communities. A discussion followed on scale, funding, involving CLTs, and modelling the plan. The business plan group responsible for this area agreed to look further into it.</p>	<p>Debby Wheatley</p>
6. Housing Bond	<p>SC updated the Group on work she is doing with the racing industry. The initial idea to partner the industry on bonds to finance affordable housing is now less likely to go forward. However the idea of bonds is still valid and currently they are trying to map other major rurally based employers. There was a discussion on to what level of locality mapping of employers could take place and a number of helpful suggestions about organisations that might have this information were made to SC.</p>	<p>Sue Chalkley to keep the Group informed</p>
7. Rural Affordable Housing Project	<p>MD updated the group on progress of the Rural Affordable Housing Project.: Research projects – three projects have now been commissioned; affordable housing and parish plans, viability of rural affordable housing development and an impact assessment of affordable housing on the sustainability of rural communities.</p> <p>Launch – the project will be launched at a final event to be held at Birmingham botanical gardens on 2 June 2010. Invites would be sent to all RHAG members.</p> <p>Website – a pilot website disseminating the good practice captured during the project will be launched at the event. There will also be a dedicated area for RHAG business.</p>	<p>Dan Berlin</p>
8. Rural HCA awards	<p>As part of the HCA awards a rural category has been included, of which the judging panel is made up of Advisory Group members. GR noted that hopefully all categories would be rural – proofed.</p>	
9. Notice board	<p>SC updated the Group on the Rural Alliance</p> <ul style="list-style-type: none"> <li>• Launch in May of publication for Parish Councils, explaining about the development and management of rural affordable housing. It has been drafted by the Alliance, will be circulated to 10,000 parish councils via NALC and has been sponsored by the NHF and about 13 rural associations of all sizes</li> <li>• Template response circulated to members for use when considering their submissions to the TSA on the new co-regulation regime</li> </ul> <p>The next major task for the Rural Alliance is to establish benchmarking between them on a range of development and management costs so they can work to find efficiencies and share best practice.</p> <p>JH: Prince's Foundation for the Built Environment (PFBE) with a media partner will be launching an Affordable Rural Housing Design Competition focusing on real site scenarios. Anyone who is aware of a landowner/ promoter bringing forward an exception site who they think might make a suitable case study for promotion through the Competition please contact</p>	

	<p>James Hulme at PFBE. Sites should be suitable for promotion by a Housing Association or have some other funding partner in place. The timescale is that sites need to be identified in the next couple of months, community engagement in summer and autumn for the public competition. Build out would be 2011 – 2013.</p> <p>CM updated the Group on the HCA’s Community-led Development Working Group which he chairs. This is an HCA internal working group where issues relating to all types of community development, including CLTs will be considered. CM looking for a volunteer from the Advisory Group to join.</p> <p>CW updated the Group on Village Greens. The National Federation is advising its members on how to protect their land. He is interested in hearing details of specific cases. The Chair reported to the Group on the meeting with the Minister on this issue.</p> <p>CW also expressed his thanks to Group members who attended the National Federations Rural Conference.</p> <p>GR updated the Group on:</p> <ol style="list-style-type: none"> <li>1. The State of the Countryside report, key issues: Housing, 356,000 new households in predominately rural areas every 5 years from 2006 to 2031.</li> <li>2. The Commission for Rural Communities are visiting places to look at issues on the ground. They are keen to cover: <ul style="list-style-type: none"> <li>• Rural areas close to urban areas</li> <li>• Remote areas</li> <li>• Areas with strong/weak planning capacity</li> <li>• Local initiatives/trusts</li> <li>• Elderly populations in rural areas.</li> </ul> </li> </ol> <p>The CRC is keen to avoid duplication and want to hear from other organisations doing similar pieces of work. They are working already with the Department of Health.</p> <ol style="list-style-type: none"> <li>3. GR updated the Group on the work of CRC with the Department of Work and Pensions on financial inclusion in rural areas.</li> <li>4. GR commented that fuel poverty will increasingly become an issue in rural areas and informed the group that the CRC is mapping areas for fuel poverty, for example areas off mains gas.</li> </ol>	
10. Next Meeting	Proposed date: 12 <sup>th</sup> July 2010	