

Rural Housing Advisory Group

3 February 2011

Board Room, Maple House

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 |
| Fenella Collins (FC) | Country Land and Business Association |
| Catherine Grannum (CG) | Tenants Services Authority |
| Stephen Hall (SH) | Defra |
| Arlene Kersley (AK) | Community Council of Berkshire |
| Helen Kelly (HK) | Department for Communities and Local Government |
| Nigel Stone (NSt) | Association of National Park Authorities |
| Graham Russell (GR) | Commission for Rural Communities |
| Liz Sealey (LS) | Department for Communities and Local Government |
| Kate Houghton (KH) | Campaign for the Protection of Rural England |
| Sara Cunningham (SaC) | National Housing Federation |

In attendance from the Homes and Communities Agency: Matthew Dodd (MD), Paul Abey (PA), Susan Fallon (SF), Tim Willcocks (TW), Helen Wilkes (HW), Robert Napier (RN) for the first item only.

Apologies:

| | |
|------------------|---|
| Colin Molton | Homes and Communities Agency |
| James Hulme (JH) | The Prince's Foundation for the Built Environment |

| Item | Discussion | Action |
|---|---|--------|
| 1. Robert Napier, Chair of the HCA joined the meeting for this item | RN provided a current brief on the HCA; referring to reduced budgets; the Localism agenda; London devolution; TSA and the HCA's new regulatory function; and the HCA's advisory role on RDA assets. RN also briefing spoke about the new Affordable Rent model and emphasised that the need remains for decent affordable homes across the country. He stated that the rural agenda is a very important subset of the Affordable Homes Programme. Going forward it is going to be a challenge; but there are opportunities for rural communities within the localism bill. He stated that the HCA as an enabler will be a guide and friends to Local Authorities and sometimes a critical friend. | |
| 2. Notes and issues arising from the last meeting | MD distributed the working plans of the HCA Community Led Development Working Group. He updated the Group on the rural website www.ruralaffordablehousing.org.uk . | |
| 3. Localism Bill | HK provided a summary of the bill. She stated: It enshrines the principles Ministers have set out for Government: including the Big Society and decentralisation. The Bill is at Committee stage now and Report stage is due at the end of March. (If you would like a copy of the presentation please ask Susan Fallon.) | |

| | | |
|---------------------------------------|---|--------------------------|
| | <p>HK emphasised that Neighbourhood Plans must have regard to local and national planning requirements. Furthermore she clarified that the cost of developing neighborhood plans falls to the Local Planning Authority; however the charge can be made back to the community. DCLG would be seeking out LAs that would be vanguards for this.</p> <p>SB asked for a definition of sustainable development and where it is defined. SB stated the need to balance protectionism against the anticipation that communities will opt for growth. She has concerns that neighbourhood plans could become single issue documents; that strategic plans could be blocked by a local plan; and that there is a need to integrate processes. SB also expressed concern that after a lot of work local plans could be de-railed by a referendum. AK felt that if proper consultation is undertaken, referendums should not be seen as risky.</p> <p>CA raised concerns that new Travellers sites would struggle to get support through this process. NS commented on Local Planning Authorities working with, and identifying, 'neighbourhoods'.</p> <p>CA was concerned that there could be a delay in on-going delivery in rural areas in the next few years and that CRtB would not pick up pace quickly enough. HK replied that the Minister sees the timeline for CRtB as being faster than Community led development has operated in the past. The Group agreed to establish a small working group to review what timelines CRtB and other forms of community led development could be working to.</p> | <p>SC, FC, AK and MD</p> |
| <p>4. HCA Affordable Rent Product</p> | <p>Tim Willcocks, HCA, Policy & Strategy Manager, Markets & Renewal, presented the new Affordable rent product and information that is expected to be part of the final Framework document for the Affordable Homes Programme. (The framework has since been published and can be found at http://www.homesandcommunities.co.uk/affordable-homes.htm)</p> <p>He stated that packages agreed within the Affordable Homes Programme would need to be reflective of LIPs and other local priority and strategy documents, and not just a reflection of provider's financial plans. TW explained that the Framework is very positive towards community led development as a result of a lot of input from the HCA Community Led Working Group.</p> <p>SC – National Housing Federation's response to the Framework is that they welcome the greater flexibility, but also want to see checks and balances to make sure it will work in all areas.</p> <p>Discussion followed and is briefly recorded below:</p> <p><u>Small providers and working in consortia:</u></p> <p>The issue was raised that small rural providers might not want to work within larger consortia. They will however be encouraged to do so and the HCA will favour consortia that includes a wide breadth of developers and wide breadth of need.</p> <p>Over concerns on gaining conversions in rural areas, TW stated that the HCA had no presumption that development and conversions had to be in the same area.</p> <p>TW explained that discussions are ongoing within the Agency and DCLG over whether smaller and community led providers could bid for funding for standalone projects, rather than as part of a programme.</p> <p>CA raised concern that rural providers are more challenged in developing</p> | |

| | | |
|--------|--|--|
| | <p>already; small rural providers with low reserves and low turn over of stock would find it difficult to develop. HK said that there was recognition that in some places rural voids are harder to identify, which is why the government is encouraging consortia working so small providers can benefit from other organisations voids. PA emphasized how important the HCA's role is in negotiating packages, to liaise with Providers and LAs to make sure strategic objectives like rural development are included. He went on to say that staff in the HCA are well aware of this role they have to play. SC asked if LIP areas are drilling down locally enough; PA assured her that rural is an element in nearly all LIPs no matter their size, because the HCA has pushed hard for it. SC explained how Hastoe have to go to the market for more finance with increased risks; Associations are taking on increasing risk and there needs to be incentives to balance this.</p> <p><u>Affordable rent:</u> TW assured the Group that housing benefit would still be able to be used to pay affordable rents</p> <p><u>Financial transparency:</u> SC asked if the new Framework would require disclosure of all items over £500. TW replied that it would be required on expenditure over £500 for activities funded by grant.</p> <p><u>Exception sites:</u> AK – is Affordable Rent an affordable rent for exception site developments? Can we justify to landlords that we are charging an Affordable Rent so as to be able to make a surplus and use it elsewhere? HK said that it would be up to providers to work with landowners to ensure that affordable housing continued to be provided.</p> <p><u>RHEs:</u> AK felt that RHEs would have to relook at their service and how they assess eligibility criteria and need.</p> <p><u>New Homes Bonus:</u> The Minister has suggested that if its is a community driven development, then that community should get the benefits in the shape of New Homes Bonus (although, of course, New Homes Bonus is not ring-fenced).</p> | |
| 5. DPA | <p>Tim Willcocks briefed the Group on a paper going to the Minister that would allow the HCA to grant exceptions to the required shared ownership lease clauses in Designated Protected Areas for sites that are not in reality villages; i.e. market town extensions and new communities. CML have indicated that this new policy would bring more lenders to the market. The Chair asked how big the problem is; it would seem the HCA get a significant number of enquiries and problems with this.</p> <p>SB stated that the important element with a community is trust; if you have said something will happen you cannot change it; therefore as long as this is not retrospective it should not cause problems. TW replied that whilst it is not clear yet, for the moment it is assumed to be 'from this point forward'.</p> <p>KH raised the issue that Providers might move to sites that could be taken out of the DPA for ease of development, moving away from provision in more rural</p> | |

| | | |
|---|--|----|
| | <p>areas where there would be no chance of exceptions to the DPA regulations. TW responded that in fact it would improve their ability to do more development as it improves their risk profile, and that <u>in the main providers are not telling the HCA that they have concerns about rural development</u> – rather over large scale development that is constrained by the current policy. The timeline for this would be 21 February to the HCA Programme Board; then to the Minister. Once the Minister has signed, the HCA would proceed with the policy immediately, even if this is before the 1 April 2011 and the implementation of the new Framework. AK asked how the HCA would publicise it and TW replied that publicity would be limited as the HCA would struggle to deal with a rush of requests at once but the policy update and procedures would be added to the Agency’s website and Capital Funding Guide. AK suggested that in due course publicising this could be a role of RHAG. The Chair noted that the Rural Housing Advisory Group fully endorsed the HCA’s request to the Minister for the Agency to be able to waive their conditions of grant in the agreed circumstances following a Local Authority request, and requested an update in 6 months time.</p> | |
| 6. National Affordable Housing Programme (NAHP) | <p>THE FIGURES DISTRIBUTED ARE NOT OFFICIAL STATISTICS AND ARE FOR ILLUSTRATION PURPOSES ONLY.</p> <p>Forecast completion and Starts on Site figures were distributed to the Group. MD showed that the HCA was on target to deliver the target 8,500 rural completions by 31 March 2011. He went on to explain that the programme often has slippage at this point of the year, citing a South West example where some units were lost because of the ROK problems.</p> <p>The Chair raised the issue of monitoring targets in the future and to maintain a rural priority and awareness in the 2011-2015 programme. The Chair suggested as part of this a Rural Seminar before the end of autumn and requested that it went into the HCA Business Plan.</p> | MD |
| 7. Update from the Rural Alliance | <p>SC provided an update, please see attached. She also raised an issue from English Rural on the TSA consultation (please see attached).</p> | |
| 8. Notice board | <p>SC informed the Group of some research the NHF had commissioned; it is to form part of their rural campaign focusing on means of collecting data on rural housing.</p> <p>SH informed the Group on developments at Defra where a Rural Housing Unit is being established; the policy section of the unit will be in London and the research and development section in Bristol.</p> | |
| 12. Other Business | <p>The Chair thanked GR for his contribution to the Group as he is now departing. She said she looked forward to meeting him in different guises in the future. GR responded that whilst he is moving on he remains in housing as Chair of Elim Housing.</p> <p>A scheme visit for the Group was proposed. Staff would investigate possibilities.</p> | SF |
| 13. Next Meeting | <p>19 May 2011 12.00 – 16.30. HCA, Maple House, London.</p> | |