

## **Report to East of England Rural Forum: Homes and Communities Agency 2008-11 Rural Housing Programme - 10th March 2009**

### **1. Purpose of Report**

- 1.1 To update the Forum on the allocation and supply of affordable rural housing funded via Homes and Communities Agency social housing grant.

### **2. 08-11 East of England Development Programme – Rural Housing Targets**

2.1 The East of England Regional Housing Board and Ministerial Rural Housing Targets for 08-11 are different:-

- Ministerial Target: a minimum of 1,401 new homes in rural communities in 2008-11 in settlements with a population less than 3000.
- Regional Target: 1000 new homes 75% in market towns and 25% in sub 3000.
- At the 1<sup>st</sup> April there were 586 rural completions still to be brought into the Programme.

2.2 The Homes and Communities Agency Rural Completion Targets for the East of England 08-11 National Affordable Housing Programme are as follows:-

	<b>08/09</b>	<b>09/10</b>	<b>10/11</b>	<b>0811 total</b>
<b>East of England</b>	381	490	530	<b>1,401</b>

### **3. East of England 08/09 Delivery Trajectories**

3.1 Despite current market conditions the Region has already achieved its rural target of 381 completions in the 08/9 financial year and exceeded it by 32 completions. That said there are currently 743 rural completions forecast for the current financial year and only 56% of this had been achieved by the 1st March 2009. This picture of "back ended" programme delivery is very reflective of the whole of the affordable housing programme in the Eastern Region.

3.2 Rural Completions at 1st March 2009

Rural Population	Expenditure Programme	Sponsor LA Region Name	F'cst 2008-09	Act 2008-09
0-3K	ADP	Eastern	451	293
3-10K		Eastern	286	120
	<b>ADP</b>		<b>737</b>	<b>413</b>
0-3K	NPIAHP	Eastern	6	6
	<b>NPIAHP</b>		<b>6</b>	<b>6</b>
			<b>743</b>	<b>419</b>

3.3 In some respects it appears that small rural exception sites have been cushioned from the full impact of current market conditions in the housing market. Whilst development in the region is slowing down and particularly larger sites are being mothballed we are finding that rural exception sites are continuing to come forward to us for funding. In part this is due to the very long lead in time for the development of rural sites which means that at anyone time there is a pipeline of sites in various states of progression. This also reflects the fact that such sites do not include properties for private sale. Current housing policy specifically states that funding affordable housing by using profits from the sale of open market houses built on the same development is inappropriate on exception sites. As a result exceptions site do not assume cross subsidy from private sale which developers are reluctant to build out in the current market.

## 4. Rural Units By Tenure

### 4.1 Rural Housing Programme Tenure Split @ 1st March 2009

ADP

Rural Population	Expenditure Programme	Product	Heading	F'cst 2008-09	Act 2008-09
0-3K	ADP	RENT	MFRENT	349	237
3-10K	ADP	RENT	MFRENT	212	91
		<b>RENT</b>		<b>561</b>	<b>328</b>
0-3K	ADP	LCHO	HBYNB	102	56
	ADP	LCHO	INTRENT	0	0
	ADP	LCHO	KWHBYNB	0	0
<b>0-3K</b>				<b>102</b>	<b>56</b>
3-10K	ADP	LCHO	HBYNB	69	29
	ADP	LCHO	INTRENT	5	
<b>3-10K</b>				<b>74</b>	<b>29</b>
		<b>LCHO</b>		<b>176</b>	<b>85</b>
	<b>ADP</b>			<b>737</b>	<b>413</b>

4.2 Because of the difficulty of obtaining mortgages and therefore the reduction in low cost homeownership sales Registered Social Landlords in

the region have been keen to explore the conversion of unsold LCHO stock to affordable Rent, Intermediate Rent and in some instance intermediate rent to Homebuy. Whilst this has also been the experience on rural sites there appears to be a slightly different set of circumstances at play. Rural exception sites are small with limited exposure to the low cost homeownership market. Because they are developed for an identified local target market and in some instances identified families there is local pressure to build LCHO units and in some instances it is a condition of the land coming forward.

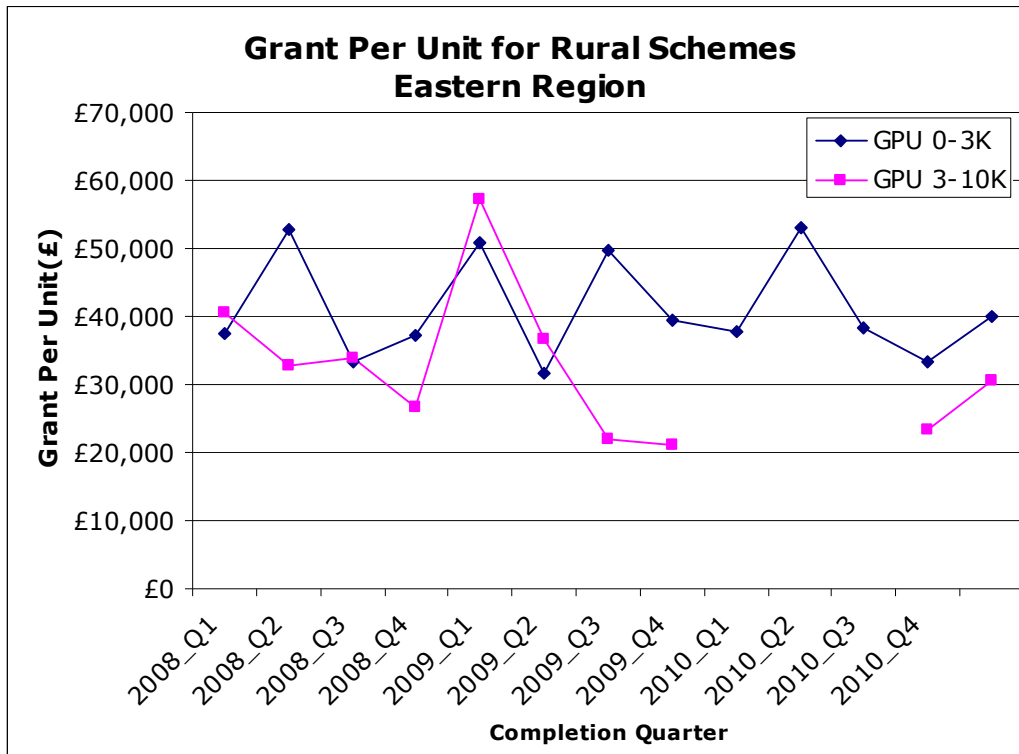
4.3 RSLs such as Hastoe and Broadland HA are continuing to bring forward proposals for a limited number of shared ownership units on new sites and this is at odds with the main programme. The Home and Communities Agency is continuing to fund Low Cost Home Ownership where both the provider and the Local Authority are confident that this is deliverable in the current market.

4.4 The Region has promoted the benefits of Intermediate Rent and Rent to HomeBuy and it seems that there is a growing understanding of these tenures and their benefits. A number of Local Authorities have identified a rural market for intermediate rented and intermediate rent to sale products.

## **5. Cost of Delivering Rural Housing in the East of England**

5.1 The cost of developing rural housing varies from site to site and therefore each funding application is assessed on its own merit rather than just by regional benchmarking data. Many rural sites are delivered within regional grant funding cost targets however others have significant extraordinary costs associated with development such as the provision of footpaths into settlements. Whilst such costs are often justified and necessary to deliver housing at a site in many instances there is a need to manage the expectations of both the Parish and Planners. Unreasonable expectations do sometimes result in prohibitively expensive schemes.

## 5.2



## 6. Rural Housing By Sub-Region

### 6.1 As At March 2009

#### ADP

Expenditure Programme	Sponsor LA Sub Region	Product	Rural Population	Heading	New Or Committed	F'cst 2008-09	Act 2008-09
ADP	Bedfordshire	RENT	0-3K	MFRENT	C	15	15
ADP	Bedfordshire	RENT	0-3K	MFRENT	N	8	8
ADP	Bedfordshire	RENT	3-10K	MFRENT	N	32	21
ADP	Bedfordshire	LCHO	0-3K	HBYNB	C	10	10
ADP	Bedfordshire	LCHO	0-3K	HBYNB	N	8	8
ADP	Bedfordshire	LCHO	0-3K	INTRENT	C	0	0
ADP	Bedfordshire	LCHO	3-10K	HBYNB	N	16	3
	<b>Bedfordshire</b>					<b>89</b>	<b>65</b>
ADP	Cambridge	RENT	0-3K	MFRENT	C	76	54
ADP	Cambridge	RENT	0-3K	MFRENT	N	36	1
ADP	Cambridge	RENT	3-10K	MFRENT	C	6	6
ADP	Cambridge	RENT	3-10K	MFRENT	N	20	5
ADP	Cambridge	LCHO	0-3K	HBYNB	C	33	17
ADP	Cambridge	LCHO	0-3K	HBYNB	N	12	0
ADP	Cambridge	LCHO	0-3K	KWHBYNB	C	0	0
ADP	Cambridge	LCHO	3-10K	HBYNB	C	1	1
ADP	Cambridge	LCHO	3-10K	HBYNB	N	11	0
	<b>Cambridge</b>					<b>195</b>	<b>84</b>
ADP	Greater Norwich	RENT	0-3K	MFRENT	C	22	11
ADP	Greater Norwich	RENT	0-3K	MFRENT	N	12	4

ADP	Greater Norwich	RENT	3-10K	MFRENT	N	24	16
ADP	Greater Norwich	LCHO	0-3K	HBYNB	C	5	1
ADP	Greater Norwich	LCHO	0-3K	HBYNB	N	5	0
ADP	Greater Norwich	LCHO	3-10K	HBYNB	N	8	8
	<b>Greater Norwich</b>					<b>76</b>	<b>40</b>
ADP	Haven Gateway	RENT	0-3K	MFRENT	C	70	70
ADP	Haven Gateway	RENT	0-3K	MFRENT	N	24	13
ADP	Haven Gateway	RENT	3-10K	MFRENT	C	27	3
ADP	Haven Gateway	RENT	3-10K	MFRENT	N	12	6
ADP	Haven Gateway	LCHO	0-3K	HBYNB	C	9	9
ADP	Haven Gateway	LCHO	0-3K	HBYNB	N	3	2
ADP	Haven Gateway	LCHO	3-10K	HBYNB	N	0	
ADP	Haven Gateway	LCHO	3-10K	INTRENT	N	5	
	<b>Haven Gateway</b>					<b>150</b>	<b>103</b>
ADP	London Commuter Belt	RENT	0-3K	MFRENT	C	18	18
ADP	London Commuter Belt	RENT	0-3K	MFRENT	N	0	0
ADP	London Commuter Belt	RENT	3-10K	MFRENT	C	7	7
ADP	London Commuter Belt	RENT	3-10K	MFRENT	N	15	15
ADP	London Commuter Belt	LCHO	0-3K	HBYNB	C	0	0
ADP	London Commuter Belt	LCHO	0-3K	HBYNB	N	0	0
ADP	London Commuter Belt	LCHO	3-10K	HBYNB	C	18	2
	<b>London Commuter Belt</b>					<b>58</b>	<b>42</b>
ADP	Rural East Anglia	RENT	0-3K	MFRENT	C	29	14
ADP	Rural East Anglia	RENT	0-3K	MFRENT	N	30	20
ADP	Rural East Anglia	RENT	3-10K	MFRENT	C	54	12
ADP	Rural East Anglia	RENT	3-10K	MFRENT	N	5	0
ADP	Rural East Anglia	LCHO	0-3K	HBYNB	C	4	2
ADP	Rural East Anglia	LCHO	0-3K	HBYNB	N	6	0
ADP	Rural East Anglia	LCHO	3-10K	HBYNB	C	15	15
	<b>Rural East Anglia</b>					<b>143</b>	<b>63</b>
ADP	Yarmouth & Lowestoft	RENT	0-3K	MFRENT	C	3	3
ADP	Yarmouth & Lowestoft	RENT	0-3K	MFRENT	N	6	6
ADP	Yarmouth & Lowestoft	RENT	3-10K	MFRENT	N	10	
ADP	Yarmouth & Lowestoft	LCHO	0-3K	HBYNB	C	7	7
	<b>Yarmouth &amp; Lowestoft</b>					<b>26</b>	<b>16</b>
						<b>737</b>	<b>413</b>

#### NPIAHP

Expenditure Programme	Sponsor LA Sub Region	Product	Rural Population	Heading	New Or Committed	F'cst 2008-09	Act 2008-09
NPIAHP	Haven Gateway	RENT	0-3K	MFRENT	C	3	3
NPIAHP	Haven Gateway	LCHO	0-3K	MFSALE	C	3	3
	<b>Haven Gateway</b>					<b>6</b>	<b>6</b>
NPIAHP	Rural East Anglia	RENT	0-3K	MFRENT	C	0	0
NPIAHP	Rural East Anglia	LCHO	0-3K	MFSALE	C	0	0
	<b>Rural East Anglia</b>					<b>0</b>	<b>0</b>
						<b>6</b>	<b>6</b>

