



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

A study to examine
local barriers to the
delivery of affordable
housing in rural Wales

The Wales Planning Policy Development Programme



The Wales Planning Policy Development Programme

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A study to examine local barriers to the delivery of affordable housing in rural Wales

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Enquires on the programme should be addressed to
Jonathan Fudge,
Senior Planning Manager,
Planning Policy Branch,
Planning Division,
Cathays Park,
Cardiff,
CF10 3NQ.

Telephone: 029 2082 6961

Fax: 029 2082 5622

E-mail: Planning.Division@wales.gsi.gov.uk

A Study to Examine Local Barriers to the Delivery of Affordable Housing in Rural Wales

A Report to the Welsh Assembly Government

*Centre for Regional Economic and Social Research
Sheffield Hallam University*

*John Flint
Ryan Powell
Rionach Casey
Sioned Pearce
Tom Moore
Stephen Green*

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Executive Summary

1. Introduction

- 1.1. This report provides the findings and recommendations from a study commissioned by the Welsh Assembly Government to examine local barriers to the delivery of affordable housing in rural Wales and to identify key enabling factors and examples of good practice.
- 1.2. The Welsh Assembly Government is committed to increasing the supply of affordable housing in Wales and ensuring the delivery of an additional 6,500 affordable homes in Wales by 2011.
- 1.3. Many rural communities in Wales face acute housing affordability and supply problems, which threaten the economic, social and cultural sustainability of these communities and make it very difficult for local people to access suitable accommodation.
- 1.4. The Welsh Assembly Government has introduced a policy framework and set of measures to facilitate the delivery of additional affordable housing in rural areas, including increased Social Housing Grant, guidance on using Section 106 Agreements, policy and guidance on rural exception sites, supporting Affordable Housing Officers and Rural Housing Enablers and requiring local planning authorities in Wales to develop Affordable Housing Delivery Statements, with targets for the affordable units combined with action plans to ensure their delivery. However, the rate of providing affordable housing units in rural Wales is currently not sufficient to meet existing and projected future housing need.

2. Background and Context

- 2.1. Previous research, including the Joseph Rowntree Foundation Commission on Rural Housing in Wales and the Essex Review have identified the scale of the housing supply and affordability problem in rural Wales. The housing affordability problem is driven by a complex set of factors, including the changing rural economy, immigration, the operation of land and housing markets, problems in accessing development finance; the limited supply of social housing, the condition of the existing housing stock and the physical, access and infrastructure problems with some potential development sites. The earnings to house price ratios are greater in rural areas and most acute in smaller and more isolated rural settlements and homelessness has risen sharply in rural areas.
- 2.2. Previous research has also identified a series of further localised barriers to the delivery of affordable housing in rural areas, including difficulties in identifying, quantifying and understanding housing demand and capturing hidden housing need at the individual settlement level; limitations to Social Housing Grant and Acceptable Costs guidance; the lack of developers; the lack of economies of scale in rural developments; and considerable local opposition to affordable housing developments.

- 2.3. Previous research suggested that opportunities to deliver affordable housing in rural areas of Wales were not being maximised. Section 106 Agreements have been limited, partly as a result of small rural developments falling below threshold sizes. Difficulties remain in the use of rural exception sites, including identifying and bringing forward potential sites and working with landowners and developers. Weaknesses have also been identified in local strategies, policies and delivery mechanisms.
- 2.4. A number of key enabling factors are suggested by previous research. These include the use of robust and fine-grained local evidence, a clear local policy framework and political commitment combined with strong partnership working, the proactive utilisation of publicly-owned land for development and the efficient use of the existing housing stock. Rural housing enablers were found to have a significant positive impact on the delivery of affordable housing in rural areas of Wales and Community Land Trusts have been proposed as a potential delivery mechanism.

3. Research Methods

- 3.1. This study was conducted between December 2008 and July 2009. The study comprised:
- a literature review of policy documents and existing research evidence from Wales and other parts of the UK
 - interviews with representatives of 19 key stakeholder organisations in Wales
 - a postal and e-mail survey questionnaire of the 25 local planning authorities in Wales, which achieved responses from 24 of these authorities
 - case studies covering seven local planning authority areas: Ceredigion; Gwynedd/ Snowdonia National Park; Monmouthshire/ Brecon Beacons National Park; and Pembrokeshire/Pembrokeshire Coast National Park. These case studies included analysis of documentation, interviews with a total of 28 key local stakeholders and site visits to developments
 - brief case studies of specific affordable housing developments in Anglesey, Conwy, Flintshire, Powys and the Land for People organisation and two local Community Land Trust developments in Powys.

4. Definitions and Delivery

- 4.1. There was considerable variation in the definitions of rural areas and affordable rural housing. Although the Welsh Assembly Government enables local definitions and interpretations to reflect local circumstances, there was an issue about the conflation of 'affordable housing' with 'housing for local need' which created tensions with priority need. There was also uncertainty about the extent to which affordable housing was confined to social rented or shared ownership tenures.
- 4.2. Only a small number of local planning authorities indicated that they had a numeric target for the delivery of affordable housing specifically in rural areas.
- 4.3. Some local planning authorities had secured significant levels of planning approvals for affordable housing units in rural areas, usually involving housing associations as developers, although this had translated into very limited numbers of actual housing completions.

- 4.4. A total of 145 affordable housing units were identified as having been delivered in 15 specific developments, all in rural or semi-rural local planning authorities and a number of other successful developments in Wales were identified. However, our study has confirmed the findings of previous research about the need to improve the robustness of data about the actual delivery of affordable housing units in rural areas.
- 4.5. Stakeholders acknowledged the prioritisation of affordable housing delivery by the Welsh Assembly Government and that a combination of new policies and funding and local practice had facilitated the delivery of some successful developments.
- 4.6. However, the effectiveness of local policy and practice varied widely across Wales and only a third of local planning authorities indicated that the ability of local agencies to deliver affordable housing in rural areas has increased.
- 4.7. The limited delivery of affordable housing in rural areas of Wales was attributed to a combination of continuing structural barriers and an implementation gap arising from the failure of local authorities to maximise the potential of mechanisms including Section 106 Agreements and rural exception sites.
- 4.8. The economic downturn and credit crunch were reported to have exacerbated problems of land supply, housing affordability, access to mortgages and the willingness of developers to deliver affordable housing. However, these barriers predated the current recession and are likely to remain when the economy begins to recover.

5. Barriers

- 5.1. Our research confirmed the findings of previous studies and the nature and extent of local barriers to the delivery of affordable housing in rural areas of Wales. These barriers appeared common to most areas and it was the cumulative impact of several of these barriers, rather than a specific individual barrier, that usually inhibited the delivery of local affordable housing. A combination of these barriers also resulted in significant delays to developments even where planning permission has been secured, particularly for developments based on Section 106 Agreements.
- 5.2. Land availability and land price were identified as the most significant barriers by local planning authorities. Increasing house prices and the effects of the economic downturn, including the lack of access to development or mortgage finance were also identified as key barriers. Long term reductions to Social Housing Grant (despite recent increases) and Acceptable Costs Guidance were also identified as significant barriers by the majority of local planning authorities. Restrictive planning policies, second or holiday homes, the role, or absence of developers, political and resident opposition and tensions between policy priorities were reported as key barriers by local planning authorities, although local policy, practice and partnership working were not regarded as significant barriers by most local planning authorities.
- 5.3. Our case studies confirmed that rising house prices and very high price to income ratios were key features of rural housing markets and in some cases this was exacerbated by very high proportions of second or holiday home ownership in specific settlements. Land supply and land price barriers included the reluctance of landowners to sell, the need for landowners to ensure Best Value in the disposal of sites and the physical unsuitability of some existing sites for further development. Further barriers arose from additional access, infrastructure, construction, design and material costs for small scale rural developments, Acceptable Cost Guidance and the tightness of development boundaries and rural exception site criteria.

- 5.4. Capturing housing need at the individual settlement level was a key barrier. Hidden housing need was evident through the work of Rural Housing Enablers which often identified high numbers of individuals who were not on existing housing waiting lists. The limited resources available to local planning and housing authorities made it difficult to undertake fine-grained analysis of current and future need and the types of property and tenure mix required.
- 5.5. Barriers arose from the continuing weaknesses of partnership working in some areas between local authority departments and between local authorities and other key partners. The lack of policy consistency, guidance and early engagement with developers, landowners and communities were also barriers, along with the lack of negotiating skills amongst some officers. Difficulties in accessing and securing development or mortgage finance were also evident, especially for Community Land Trusts. Strategies for maximising the use of the existing stock and developing empty homes were generally weak or in the early stages of implementation.
- 5.6. Local opposition and NIMBYISM amongst councillors, community councils and residents constituted significant barriers to many affordable housing developments, based on a stigmatisation of affordable housing and concern about the allocation of properties to non-locals. This opposition was contingent on a number of factors including the local history of housing developments, and could emerge at different stages in the development process. Community councils reported a lack of coherence and transparency in local planning processes.
- 5.7. Barriers to utilising Section 106 Agreements included sites not meeting local size thresholds, small scale developments undermining economic viability and problematic negotiations between local planning authorities, landowners and developers, in many case exacerbated by the lack of model agreements, detailed local guidance or inconsistency in the application of policy. Barriers to the use of rural exception sites included limited knowledge of potential sites, the tightness of existing settlement boundaries, restrictive criteria-based policies and a reluctance of landowners to sell. Some further barriers arising from restrictions on the personal use of an additional property and definitions of agricultural worker and rural enterprises are being addressed by current proposals from the Welsh Assembly Government.
- 5.8. The economic downturn and credit crunch were widely reported to have exacerbated barriers to the delivery of affordable housing in rural areas despite falling land and house prices. Although in some cases developers were more willing to make sites available, it was more common for landowners to be reluctant to sell, for sites to be mothballed or for developers to seek to renegotiate Section 106 Agreements. There were also increasing difficulties in accessing development or mortgage finance.

6. Enabling Factors and Good Practice

- 6.1. The research identified a number of key enabling factors and examples of good practice. As with the barriers to delivery, it is the cumulative impact of a number of these enabling factors which facilitates the delivery of affordable housing in rural areas. Our research found specific examples where these enabling factors had been able to overcome the barriers identified above and had secured additional affordable housing. However, the limited number of affordable housing units secured indicates that the success of these factors is not guaranteed.
- 6.2. Rural Housing Enablers and Affordable Housing Officers were identified as the most important enabling factors facilitating the delivery of affordable housing in rural areas. In particular they played a key role in identifying housing need and potential sites,

engaging with local communities and overcoming local opposition, and facilitating partnership working.

- 6.3. Section 106 Agreements and rural exception sites were identified as key enabling measures, despite the barriers to their use. The increase in Social Housing Grant was also regarded as an important enabling measure.
- 6.4. Political leadership and commitment from councillors is essential to mainstream affordable housing as a policy priority and provide local champions to drive the agenda forward and build partnerships. This approach is strengthened where affordable housing is explicitly linked to the sustainability of local communities and the protection of services and facilities, and in some areas, the Welsh language. This is the key message that is usually required to overcome localised opposition, along with reassurance about allocation policies and the prioritisation of local housing need through local connection policies.
- 6.5. The development of clear and consistent policies, supported by robust evidence of need, detailed guidance and achievable targets linked to delivery plans is essential, and serves as the basis for broader and more inclusive partnerships that involve all local partners (including landowners, developers, financial institutions and local communities) and are characterised by early engagement and skilled negotiation.
- 6.6. Improving the evidence base of local need is a vital enabling factor and was a defining feature of the successful developments featured in this report. This evidence should be built on a range of sources and utilise a range of partners, including community councils and social and private housing developers.
- 6.7. The proactive identification of sites and development opportunities maximises the potential for delivering additional affordable housing. Rural Housing Enablers are often key players and are able to work with local communities and landowners. Local authorities can also demonstrate leadership through providing their own land for development and seeking to encourage other public agencies, such as the Forestry Commission, to do the same.
- 6.8. National and local political support and funding and the provision of land, along with the commitment of local communities, have been the most important enabling factors to date for Community Land Trusts in Wales. However, barriers have arisen in working with local planning authorities and existing policy frameworks and in accessing finance. It is likely that the successful completion of a Community Land Trust development will serve as the most important enabling factor for the future progression of this model of delivering affordable housing in Wales.

7. Conclusions

- 7.1. Our research has confirmed the findings of previous studies about the extent of the housing supply and affordability problem in rural areas of Wales, and the key barriers and enabling factors to the delivery of additional affordable housing units. The policies and measures put in place by the Welsh Assembly Government and the political prioritisation of this issue were welcomed by all the research participants.
- 7.2. However, despite some specific examples where measures such as Section 106 Agreements and rural exception sites had combined with strong local policy and practice to secure additional affordable housing, it is evident that significant barriers remain at the local level. Only a third of local planning authorities reported an increase in the capacity of local agencies to deliver. Even in areas where good

practice appears to be evident, the number of affordable housing completions is limited.

- 7.3. The barriers to the delivery of affordable housing in rural Wales are both structural and a result of local implementation gaps. It is evident that neither the planning system as a whole, nor the combination of specific measures such as Social Housing Grant, Section 106 Agreements or rural exception sites are going to resolve the affordability and housing need problems in rural areas of Wales, and that this situation is likely to be exacerbated rather than mitigated by the economic downturn and credit crunch. Therefore, improvements in the use of existing measures need to be complemented by more radical action, including enabling local authorities to commence programmes of social housing construction. It is also evident that major structural factors, including the legacy of previous generations of rural development as well as contemporary economic and market conditions create barriers to the local delivery of affordable housing in rural Wales that are beyond the capacity of local actors to address.
- 7.4. However, our research indicates that the developments in national and local policy frameworks and mechanisms do provide opportunities to increase the delivery of affordable housing in rural areas and that there is scope within the planning system for flexibility and innovation. Our research has illustrated this through identifying a number of successful developments which have overcome local barriers and delivered affordable housing in rural areas.
- 7.5. The further delivery of affordable housing in rural areas of Wales will require local authorities and local planning authorities to ensure good practice and innovation, but in order to achieve this they will require the commitment of other actors and the continuing support of the Welsh Assembly Government. Partnership approaches and maximising the contribution of the full range of stakeholders will be particularly important in a future environment of reduced public expenditure and increasingly limited resources and capacity.

8. Recommendations

- 8.1. The key recommendations arising from this research are listed below. A full list of recommendations is provided in the research report.

Local Authorities

- local authorities should ensure that the delivery of affordable housing is a key corporate priority and ensure that the delivery of affordable housing in rural areas is specified and disaggregated in strategies, with specific numeric targets and delivery plans. This should be complemented by political leadership and commitment at senior policy officer and councillor levels
- local authorities should promote a tenure-neutral approach to new affordable housing developments in order to maximise flexibility, ensure the best fit with local requirements and enhance the viability of individual schemes. The overall impact of this approach will need to be monitored to ensure that a range of tenure options are made available
- local authorities should give increasing emphasis to maximising the potential of the existing housing stock through empty homes strategies which comprise audits of empty properties, targets and delivery plans to meet these targets, utilising measures such as compulsory purchase orders, empty dwelling management orders and mitigating the impact of second homes in areas of

housing pressure. This should be combined with a continuing focus on the repair, renovation and maintenance of existing housing.

Local Planning Authorities

- local planning authorities should ensure that they have explicit and consistent policies in place (particularly for the use of Section 106 Agreements and rural exception sites), supported by robust evidence of housing need (including at individual settlement level), protocols, supplementary guidance and the provision of information to a range of local stakeholders and audiences. These policies should then be implemented consistently and transparently. It is important to ensure synergies between strategic objectives and the decision-making processes on individual development applications and outcomes
- local planning authorities should ensure that appropriate training is provided to their staff, for example on negotiating skills. Joint training between staff from different planning authority departments could be extended to involve other key stakeholders, including councillors and community councillors
- local planning authorities need to intensify their proactive work with public bodies, utilities, charities and churches to explore the possibility of land sites being secured for affordable housing developments. This should be combined with local planning authorities continuing to make their own land available for development
- local partnerships need to be more extensive, extending to landowners, developers and community councils and should be characterised by earlier engagement at both strategic and individual development proposal levels. Enhanced partnership relationships and early stage negotiations, for example over Section 106 Agreements, are resource intensive but often assist in reducing conflicts and delays at a later stage in the development process. It is important that all local stakeholders are involved in consultations on policy development and guidance.

Welsh Assembly Government

- the Welsh Assembly Government should continue to show leadership by making its own land available for development. The Welsh Assembly Government should work at a national level with public bodies, charities and churches which have significant land holdings in rural areas to explore making more land available for affordable housing. This will require an examination of existing regulations upon organisations to ensure Best Value for the disposal of assets. One example of such an initiative is the Church of England's 'Faith in Affordable Housing' scheme, launched in February 2009 (www.fiah.org.uk) and the Welsh Assembly Government should explore with partners the possibility of establishing equivalent initiatives in Wales
- the Welsh Assembly Government should enable local authorities to commence programmes of social housing construction
- the Essex work stream currently considering Social Housing Grant allocations should examine the impacts of its proposals on rural housing. In particular there is a need to clarify whether existing Acceptable Costs Guidance accurately reflect any additional costs involved in some affordable housing developments in rural areas
- the Welsh Assembly Government should promote a tenure-neutral approach to the delivery of affordable housing in rural areas, which recognises the need for a mix of products and the contribution of each of these products to meeting the

diverse needs of local communities. These include the social rented sector, the private rented sector, intermediate rent products, Homebuy and shared equity schemes and Community Land Trusts. The Welsh Assembly Government should consider the introduction of a similar scheme to the Homebuy Direct initiative in England which provides targeted support to help first-time buyers purchase selected new build properties

- the Welsh Assembly Government should continue to ensure that funding is available to support Rural Housing Enablers and Affordable Housing Officers
- the Welsh Assembly Government should consider the feasibility and impacts of further incentives, such as token grants, to encourage landowners to release sites for affordable housing developments. Consideration should also be given to making exception sites available on a leasehold basis or allowing landowners nomination rights on one property in a development
- the Welsh Assembly Government should convene a working group of local planning authorities, developers, landowners and financial lending institutions to address continuing tensions and misunderstandings in the use of Section 106 Agreements. The working group should have a remit to explore the balance to be struck between greater consistency and transparency between local areas and retaining local flexibility
- the Welsh Assembly Government should work with the Rural Housing Network to share information about the impacts of, and local responses to, the economic downturn and the credit crunch.

1. Introduction

- 1.1. The Welsh Assembly Government is committed to increasing the supply of affordable housing in Wales. This commitment is set out in *One Wales: A progressive agenda for the government of Wales* (Welsh Assembly Government, 2007a) and states "A stock of good-quality affordable homes is the foundation of thriving local communities" (p.16). The Welsh Assembly Government is committed to ensuring the delivery of an additional 6,500 affordable homes in Wales by 2011.
- 1.2. The Welsh Assembly Government has introduced a range of policies to facilitate the delivery of affordable housing in Wales. These are set out in the draft updated national housing *strategy: Sustainable Homes: A National Housing Strategy for Wales*, which went out to consultation between January and May 2009 (Welsh Assembly Government, 2009a), *Ministerial Interim Planning Policy Statement on Housing* (MIPPS 01/2006), *Technical Advice Note 1 Joint Housing Land Availability Studies* (TAN 1) and *Technical Advice Note 2, Planning and Affordable Housing* (TAN 2). The Welsh Assembly Government has also issued a draft *Technical Advice Note 6 Planning for Sustainable Rural Communities*, which includes sections on sustainable and affordable rural housing (Welsh Assembly Government, 2009b).
- 1.3. 12 local authorities in Wales have adopted *Unitary Development Plans* and another three local planning authorities are also currently completing Unitary Development Plans containing affordable housing policies. 21 authorities have now moved to a statutory duty to prepare a *Local Development Plan* (LDP), the first of which is currently scheduled to be adopted in 2010/11. Local authorities in Wales submitted Local Housing Strategies in 2007, which were envisaged as being supported by Operational Plans. Local authorities are also now required to prepare *Affordable Housing Delivery Statements* (AHDSs), covering the period up to the adoption of their LDP, as an interim measure. AHDSs should be informed by a robust evidence base including Local Housing Market Assessments and land availability through Joint Housing Land Availability Studies (Welsh Assembly Government, 2009c).
- 1.4. The Welsh Assembly Government has issued a series of guidance documents to support local planning authorities in their delivery of affordable housing. These include the Affordable Housing Toolkit (Welsh Assembly Government, 2006d), the Local Housing Market Assessment Guide (Welsh Assembly Government, 2006e), delivering affordable housing using Section 106 agreements (Welsh Assembly Government, 2008c) and Guidance on Affordable Housing Delivery Statements (Welsh Assembly Government, 2009a). The Welsh Assembly Government has also consulted on planning policy changes to support sustainable development in rural areas through meeting housing needs (Welsh Assembly Government, 2008b) and the reintroduction of Homebuy shared equity streams. In addition, the Welsh Assembly Government has supported a series of regionally-based workshops in 2007 and provided, in conjunction with the Royal Town Planning Institute Cymru, training on negotiating Section 106 Agreements.
- 1.5. The *One Wales* document sets out a wide range of measures by which the Welsh Assembly Government will support the delivery of affordable housing, including increased funding for social housing, increased use of public sector land, obtaining legislative power to suspend the Right to Buy and Right to Acquire and promoting the expansion of Community Land Trusts and the use of Section 106 agreements and

rural exception sites. The Welsh Assembly Government has also supported the funding of affordable housing officers and four Rural Housing Enablers. In partnership with the Welsh Local Government Association and Welsh Housing Associations, the Rural Housing Development Fund has been established to support six additional Rural Housing Enabler posts and to support the development of Community Land Trusts in Wales.

- 1.6. *The Joseph Rowntree Commission on Rural Housing in Wales* (2008) found that problems of housing affordability and need were more acute in rural areas of Wales, identified a series of barriers to the delivery of affordable housing and set out a series of recommendations to overcome these barriers. *The Affordable Housing Task and Finish Group*, chaired by Sue Essex (and known as the *Essex Review*), also identified barriers to the delivery of affordable housing in Wales and set out a series of recommendations. Both the Essex Review and the Welsh Assembly Government research into *The Use and Value of Planning Obligations in Wales* (Welsh Assembly Government, 2007b) identified improvements that could be made to the local delivery of affordable housing in Wales.
- 1.7. The *Essex Review* was commissioned by the Deputy Minister for Housing to consider the way forward on delivering affordable housing in the context of the commitments made in *One Wales*, which specifically set out the aspiration of a home for all, identifying that a stock of good quality affordable homes is central to thriving local communities, recognising that the shortage of affordable homes was one of the greatest challenges facing many communities in Wales and stating the ambition to ensure that all households in all communities irrespective of their means could afford a decent home (Welsh Assembly Government, 2007a). *One Wales* committed the Welsh Assembly Government to working to create new tools to ensure that housing was affordable in areas of severe pressure and that the supply of affordable housing was increased by at least 6,500 between 2007 and 2011 (Welsh Assembly Government, 2007a). The Essex review sought to identify ways forward on affordable housing within the overall objectives of the Welsh Assembly Government. The Essex Review reported in 2008 (Affordable Housing Task and Finish Group, 2008) and a number of work-streams have been established to take forward the recommendations of the review and the *One Wales* commitments, including examining the rationale for allocating Social Housing Grant.
- 1.8. In December 2008 the Welsh Assembly Government commissioned the Centre for Regional Economic and Social Research at Sheffield Hallam University to undertake a study of the local barriers to the delivery of affordable housing in rural Wales. The objective of the study was to identify both the barriers to the delivery of affordable rural housing at the local level and the opportunities to improve performance. The study also aimed to identify and disseminate examples of local good practice.
- 1.9. This research aims to build on the findings of the Joseph Rowntree Foundation Commission, the Report of the Affordable Housing Task and Finish Group and other previous studies (which are summarised in Chapter 2). One of the key findings of the Joseph Rowntree Foundation Commission was the commonality of the evidence presented to it (Joseph Rowntree Foundation Commission, 2008: 5). Although our findings largely confirm those of previous research, we have sought to enhance the evidence base at the local level and to identify some additional or emerging issues and to highlight further examples of good practice. In particular we have sought to explore in more depth the barriers to the local delivery of affordable housing identified by the Joseph Rowntree Foundation Commission and the Essex Review, to present indicative evidence of the impacts of the economic downturn, to provide examples of how these barriers may be overcome at the local level and to assess the development of Community Land Trusts in Wales.

- 1.10. The research included telephone interviews with representatives of 19 key national stakeholder organisations in Wales, a postal survey of the 25 local planning authorities in Wales (the 22 local authorities and the three National Park authorities); detailed case studies of seven local planning authority areas; studies of specific affordable housing developments and an examination of the development of Community Land Trusts in Wales.
- 1.11. This report sets out the findings of our research study. The following Chapter 2 provides an overview of the background to the research, including existing research evidence and the current policy context. Chapter 3 describes the research approach and methodology. Chapter 4 presents findings on local definitions of affordable rural housing, evidence of the delivery of affordable housing in rural areas and general views about the effectiveness of policy at the national and local levels. Chapter 5 examines the barriers to the delivery of affordable housing in rural Wales, followed by Chapter 6 which identifies the key enabling factors facilitating the delivery of affordable housing in rural areas and provides examples of local good practice. This chapter also includes an assessment of the development of Community Land Trusts in Wales. The conclusions and recommendations of the research are presented in Chapter 7.

2. Background and Context

Introduction

- 2.1. This chapter presents previous and existing research in order to provide an overview of housing in rural Wales, problems of affordability and access to housing in rural communities and initial considerations of the impact of the recession and credit crunch. The chapter describes the national policy response to housing affordability problems in Wales. It then presents previous research evidence on the local barriers to delivering affordable housing in rural areas and highlights some of the factors identified as enabling some of these barriers to be overcome. The chapter draws primarily on research conducted in Wales, including the Joseph Rowntree Foundation Commission (2008) and the report of the Affordable Housing Task and Finish Group or 'Essex Review' (2008). The chapter also includes some relevant evidence from England and Scotland. The purpose of the chapter is to provide the context for our own research and to indicate the existing research evidence base that we sought to build upon in our study.

Housing in Rural Wales

- 2.2. The Welsh Assembly Government classifies local authorities into four categories: Rural, Semi-rural, Urban and Valleys. Anglesey, Carmarthenshire, Ceredigion, Conwy, Denbighshire, Gwynedd, Monmouthshire, Pembrokeshire and Powys are defined as rural, and Flintshire, Vale of Glamorgan and Wrexham are defined as semi-rural. There is a great deal of spatial, social and economic differentiation *within* rural Wales, including various rural economy structures and changes in population (Joseph Rowntree Foundation Commission, 2008: 7-9). This indicates that a 'one size fits all' approach to delivering affordable housing cannot do justice to the diversity of rural communities (Taylor, 2008).
- 2.3. According to the 2001 Census, 959,486 people, or one third of the Welsh population lived in rural authority areas and a further 396,322 persons lived in semi-rural local authority areas (Joseph Rowntree Foundation Commission, 2008: 6). The Joseph Rowntree Foundation Commission also utilised Office of National Statistics data to identify that 22 per cent (645,351) of the Welsh population lived in rural wards comprising settlements in sparsely-populated areas and villages, hamlets and isolated dwellings settlements in less sparsely-populated areas (Joseph Rowntree Commission, 2008:7). Household projections show a continuing rise in household numbers in rural areas, driven by inward migration but also by decreasing household sizes as a result of ageing and divorce etc. (Welsh Assembly Government, Three Dragons and University of Cambridge, 2007: 8).
- 2.4. According to the 2001 Census, 71 per cent of households in rural Wales were in owner-occupied properties, 16 per cent of households were in the social-rented sector and 10 per cent of households were in the private-rented sector, although tenure mix varied considerably between different rural local authority areas (Joseph Rowntree, Foundation Commission, 2008: 10). The 2001 Census showed that 3.1 per cent of properties in rural Wales were second or holiday homes. In 4 per cent of all rural wards second or holiday homes comprised more than one fifth of the stock. The proportion of vacant properties in rural Wales was 4.3 per cent, slightly higher

than the Welsh average and the Joseph Rowntree Foundation Commission (2008: 11) concluded that 'in numerical terms, vacant homes are more significant than second and holiday home properties in rural Wales.' The Taylor Review in England (Taylor, 2008) concluded that there was no firm evidence that second or holiday homes greatly affected affordability for local people, given other economic and social drivers, but argued that planning controls should be considered in some of the most-affected localities, although this was rejected by the Department for Communities and Local Government (2009) as being impractical and unlikely to meet its stated aim, which accords with the Welsh Assembly Government's view on the use of the planning system to control second homes (see Tewdwr, Gallent and Mace, 2001; Welsh Assembly Government, 2002). *One Wales- a progressive agenda for the government of Wales* includes a commitment to draw on the model of control of Houses in Multiple Occupation (set out in the Housing Act 2004) to provide local authorities with the power to control the conversion of full-time dwellings into second homes in areas of housing pressure.

- 2.5. Although the 2001 Census suggested that the standard and condition of the housing stock in Wales was generally high, evidence also suggests that the proportion of poor quality housing stock in some rural local authority areas is higher than the Wales average (Joseph Rowntree Foundation Commission, 2008: 11). In addition, the Essex Review found that the quality of social housing stock (in rural and urban areas of Wales) generally 'falls well short' of the Welsh Housing Quality Standard and requires 'substantial investment to meet and sustain the target by and after 2012' (Affordable Housing Task and Finish Group, 2008: 26).

Housing Access and Affordability Problems in Rural Wales

- 2.6. Average household earned income across rural Wales is only slightly below that of Wales as a whole (Wales Rural Observatory, 2005). However, eight of the nine rural local authority areas have average income levels below the national mean, with the lowest average incomes recorded in the western rural local authority areas of Gwynedd, Carmarthenshire, Anglesey and Pembrokeshire (Wales Rural Observatory, 2005; Joseph Rowntree Foundation, 2008). The average house price in rural Wales increased by 176 per cent between 1997 and 2005 (compared to the Wales average of 157 per cent), with the average price doubling between 2001 and 2005. Land Registry data indicate that, between 2000 and 2007, average house prices increased by more than 200 per cent in Ceredigion and Pembrokeshire, and by 150 per cent in the seven other rural local authority areas (Joseph Rowntree Foundation, 2008: 11-12). The property price to annual earnings ratio in 2007 exceeded 5 in all local authority areas in rural Wales and was higher than the national average ratio for Wales, with affordability problems most acute in the smaller settlements in rural Wales (Joseph Rowntree Foundation, 2008: 12-14; see also Wilcox, 2005; Affordable Housing Task and Finish Group, 2008; Gallent, 2009b). It is estimated that the number of households accepted as homeless and in priority need in rural local authority areas rose by 309 per cent between 1978 and 2005 (Wales Rural Observatory, 2006), with an 83 per cent increase in rural Wales between 1997-8 and 2006-7 (more than double the increase in urban areas). In addition, there have been annual increases since 2004 in possession actions in Wales (Shelter Cymru, 2008). The Joseph Rowntree Foundation Commission found that housing needs were particularly pressing in the national parks, 'recreational areas' such as the coastal belts, accessible commuter rural areas and smaller settlements (Joseph Rowntree Foundation Commission, 2008: 24). The lack of affordable housing and acute housing need has major impacts on the sustainability of rural communities and, in some parts of Wales, is also linked to the continuing sustainability of the Welsh language.

- 2.7. Between 1997-8 and 2006-7 there were 84,000 new housing completions in Wales, of which one in ten were provided by local authorities or housing associations. In the same period there were 92,400 new housing starts in Wales, 7.8 per cent of which were provided by local authorities or housing associations (Affordable Housing Task and Finish Group, 2008: 13). Between 1996-7 and 2006-7 there was an average of 2,853 new housing completions per annum in the nine rural local authority areas. Nine in ten of these completions were delivered by the private sector, with registered social landlords providing a total of 2,865 and local authorities providing 36 new properties in total in rural Wales during this period (Joseph Rowntree Foundation Commission, 2008: 11).
- 2.8. It is estimated that in 2005, 869 affordable housing units in Wales were contained in Section 106 Agreements, although 11 of the 25 local planning authorities failed to secure any affordable housing through Section 106 Agreements in those 12 months (Welsh Assembly Government, 2007). Evidence suggests that a significant number of new market-built homes in rural Wales, and a large part of the forward land supply, are on small sites below the relevant local threshold size for affordable housing proportions and therefore make limited or no contributions to the stock of new affordable housing (Welsh Assembly Government, 2008b). In 2007-8 1,533 affordable housing units were obtained, 842 through Social Housing Grant and 691 from Section 106 Agreements or registered social landlords' own funding (Welsh Assembly Government, 2009b: 14). Housing needs assessments indicate a new annual shortfall of 3,803 affordable housing units across rural Wales and the Joseph Rowntree Foundation Commission concluded that the increases proposed in *One Wales* would not in themselves be sufficient to meet existing and future housing needs in rural Wales (Joseph Rowntree Foundation, 2008: 15).
- 2.9. The Joseph Rowntree Foundation Commission argued that the problem of accessing affordable housing for purchase or rent on the open market had moved from affecting low-income or vulnerable groups to impacting more generally on the populations across rural Wales (Joseph Rowntree Foundation Commission, 2008: 17). This was driven by the restricted supply of housing, with the impacts of Right to Buy, real term-reductions in Social Housing Grant, the lack of new affordable housing schemes, the additional costs associated with providing affordable new units in rural areas, new pressures arising from retirement migration and second and holiday home ownership and pressures on the private rented sector resulting from immigration of workers from central and Eastern European states (Joseph Rowntree Foundation Commission, 2008: 18-20). It was also driven by low rates of pay associated with the rural economy (Joseph Rowntree Foundation Commission, 2008: 23). Young people were identified as having the most pronounced housing needs and facing the most acute affordability problems (Joseph Rowntree Foundation Commission, 2008: 23). Further challenges included the poor condition of the rural housing stock which did not meet contemporary standards and were difficult to upgrade and the dominance of larger family homes (Joseph Rowntree Foundation Commission, 2008: 20), the lack of support and opportunities for the improvement of existing properties (Mantell Gwynedd, 2007), the lack of land supply and the limited availability of loan finance (Gallent, 2009b).
- 2.10. The planning system was also reported to be a barrier to the delivery of affordable housing, being too restrictive, too slow, overly-focused on environmental protection, constraining sites for development in smaller settlements and requiring large volumes of evidence to justify development (Joseph Rowntree Foundation Commission, 2008: 21-23). Conventional land allocations and locations for future growth remain concentrated in and around principal settlements rather than smaller or more isolated villages and hamlets (Gallent, 2009a and 2009b). There was also an implementation failure within the planning process due to the absence of a robust evidence base and a lack of capacity to co-ordinate action at different levels and the

lack of political consensus (Affordable Housing Task and Finish Group, 2008; Satsangi, 2006; Gallent, 2009a) It was further recognised that housing need may also be more hidden in rural areas and that there was increased local opposition to new housing (and particularly affordable housing) developments in smaller settlements (Joseph Rowntree Foundation Commission, 2008: 24).

The Recession and the Credit Crunch

- 2.11. The economic downturn and the credit crunch have had a major impact on the context within which affordable housing is delivered in Wales. Land values are estimated to have fallen in some areas of Wales by between 20 to 40 per cent and average house prices in Wales have reduced by 11.7 per cent between 2007 and 2008 (Welsh Assembly Government, 2009b: 7-8). New home starts in Wales have decreased by 60 per cent between 2007 and 2008 (Welsh Assembly Government, 2009b: 7). The declines in land values and house prices have not eased housing supply and affordability problems. The reductions in land values have meant that landowners have been reluctant to sell land for development and affordable housing starts have fallen sharply as there is reduced capacity for cross-subsidisation and that Section 106 Agreements have declined and it is anticipated that developers may seek to renegotiate existing agreements (Welsh Assembly Government, 2009c). Mortgages have become more difficult to obtain and more expensive. However, some large private developers have attempted to off-load sites and developments to registered social landlords (Welsh Assembly Government, 2009c). It is anticipated that both housing completions and housing starts will continue to decline during 2009 (Welsh Assembly Government, 2009c).

The National Policy Response

- 2.12. The Welsh Assembly Government has sought to ensure the delivery of affordable housing in Wales through a range of policy and guidance, including: *One Wales, a progressive agenda for the government of Wales* (Welsh Assembly Government, 2007a) the updated draft national housing strategy: *Sustainable Homes: A National Housing Strategy for Wales* (Welsh Assembly Government, 2009a), *Ministerial Interim Planning Policy Statement on Housing* (MIPPS 01/2006), *Technical Advice Note 1 Joint Housing Land Availability Studies* (TAN 1), *Technical Advice Note 2, Planning and Affordable Housing* (TAN 2), the *Affordable Housing Toolkit* (2006) a draft *Technical Advice Note 6 -Planning for sustainable rural communities* currently subject to consultation (Welsh Assembly Government, 2009b) and the introduction of Affordable Housing Delivery Statements (Welsh Assembly Government, 2006a,b,c and d, 2009). Policy measures have included:
- placing a duty on local planning authorities to devise plans for delivering affordable housing in their area by producing Affordable Housing Delivery Statements to cover the period up to the adoption of their LDP which will include a local target for the delivery of affordable housing and the means of delivery
 - increased funding for social housing, through an additional £28m in Social Housing Grant over three years, and revisions to the allocation process for Social Housing Grant, which is currently being considered by the Essex Work Stream
 - through the Strategic Capital Investment Fund (SCIF) providing additional funding of £42m over three years to increase the supply of affordable housing and to help maintain employment in the building industry in Wales. This funding is being made available as Social Housing Grant and allocated to local authorities and registered social landlords across Wales

- providing Social Housing Management Grants to facilitate affordable housing officer posts or further local research
- enabling local authorities to use Empty Dwelling Management Orders, subject to certain conditions, to manage privately-owned properties that have been unoccupied for a specified period of time
- promoting initiatives to sustain low-cost home ownership including Homebuy, Homefinder, Transfer Discount and Shared Ownership
- supporting the funding of affordable housing officers and four Rural Housing Enablers
- in partnership with the Welsh Local Government Association and Welsh Housing Associations establishing the Rural Housing Development Fund to support six additional Rural Housing Enabler posts
- funding Land for People to support the development of Community Land Trusts in Wales
- providing grants to first time buyers
- a Mortgage Rescue scheme
- providing flexibility on standards to enable registered social landlords to purchase already built properties from volume builders, providing guidance and providing additional Social Housing Grant funding of £42m over 3 years from the Strategic Capital Investment Fund to support this scheme
- publishing practice guidance on the use of Section 106 Agreements to deliver affordable housing
- encouraging the release of publicly-owned land for affordable housing development
- supporting the Local Authority Housing Strategy Officers Network and the Rural Housing Authorities Network
- encouragement of local authority empty homes strategies
- supporting regional training seminars for planning and housing officers and councillors on delivering affordable housing
- consulting on expanding the definition of essential dwellings linked to rural enterprises, enabling a second dwelling to facilitate the succession of a farm business, with the property being retained as affordable housing in perpetuity and amending the conditions on a second dwelling linked to rural enterprises
- consulting on ensuring that all market housing developments contribute to affordable housing through the use of commuted sums for sites below the affordable housing threshold, with these sums used to facilitate, for example, rural exceptions sites developments or Community Land Trusts.

Barriers to Delivery

- 2.13. Many of the difficulties in delivering affordable housing in rural areas are linked to structural demographic and economic shifts and the operation of land and housing markets. The Joseph Rowntree Foundation Commission (2008) identified barriers arising from a lack of available land and Gallent (2009b: 273) argues that it is land availability that presents 'by far the biggest obstacle' to housing supply and housing affordability in rural areas. However, previous research studies and reviews have also identified an 'implementation gap' between policy aims and the delivery of affordable housing at the local level (Satsangi, 2006: 745). Research studies have

also identified a range of barriers at the local level to the delivery of affordable housing in rural areas of Wales. These include:

Difficulties in identifying, quantifying and understanding housing need

- 2.14. Both the Joseph Rowntree Foundation Commission (2008) and the Essex Review (Affordable Housing Task and Finish Group, 2008) highlighted the difficulties that local authorities faced in identifying housing need in local areas, particularly at the community or individual small settlement level. As a result, local housing strategies and the operational plans were often not robust (Welsh Assembly Government, 2009b). Housing needs surveys were sometimes of poor quality and rapidly became out of date. There was a particular problem of hidden housing need in rural areas, partly because individuals were not being placed on social housing registers and individuals often did not identify themselves in need in areas where there was no affordable housing available (Affordable Housing Task and Finish Group, 2008). There was also a reported lack of knowledge about the linkages between housing, demographic change and economic restructuring in rural communities, the relationship between housing, community sustainability and the Welsh language, the actual impacts of second and holiday homes; limited identification of empty properties and a lack of understanding of the coping strategies of rural households in housing need (Joseph Rowntree Foundation Commission, 2008: 31).
- 2.15. Previous research suggested that there was an urgent need for a more robust evidence base of localised need in rural settlements in Wales (Joseph Rowntree Foundation Commission, 2008; Affordable Housing Task and Finish Group, 2008). There was also a need for improved and multiple-landlord and regional affordable housing registers. However, developing such an evidence base is likely to be resource intensive and local planning and housing departments often have limited capacity and skills to undertake further or more comprehensive research.

Limited supply of social housing

- 2.16. The impacts of Right to Buy sales, and previous reductions in Social Housing Grant, restrictions on local authority provision, and the limited presence and activities of the housing association sector in rural areas limits the supply of social housing available (see Bramley and Watkins, 2009). Recent research concluded that social housing output is not commensurate with housing need in rural areas (Gallent, 2009a). There was also a need for a more comprehensive network of housing associations operating in rural areas and providing more extensive development programmes (Satsangi, 2006: 741).

The planning system and existing powers not being used effectively

- 2.17. Previous research has identified that aspects of the planning system may be a barrier to the delivery of affordable housing in rural areas. These include a propensity to prioritise conservation and preservation of the countryside over new housing development and a spatial unevenness arising from an over-reliance on new developments in larger settlements in rural areas rather than a more even distribution of new housing, including in outlying villages and isolated hamlets (Gallent, 2009a and 2009b).
- 2.18. Previous research has also found that key development enabling measures such as Section 106 Agreements are not being maximised. The limited impact of these key development measures such as Section 106 Agreements and rural exceptions sites are linked to barriers including difficulties in land supply, securing funding, delays in the development process and environmental issues (Satsangi, 2006: 734). Previous research suggests that opportunities to utilise Section 106 Agreements have not

been maximised in Wales (Affordable Housing Task and Finish Group, 2008; Welsh Assembly Government, 2007b) and that land values in Wales could support higher affordable housing contributions in many areas (Welsh Assembly Government, 2007b). The barriers to utilising Section 106 agreements in smaller rural settlements included the lack of volume builders, the lack of competition between builders, additional construction costs and the small scale of developments meaning that they either fell below the required size threshold or involved a high proportion of the units of a development. However, barriers also arose due to inconsistency in the use of Section 106 Agreements and uncertain communications between local planning authorities and developers (Affordable Housing Task and Finish Group, 2008). Previous research also found that it was not clear how the revenue from Council Tax on second homes was being used by local authorities to meet rural housing needs (Joseph Rowntree Foundation Commission, 2008: 34).

- 2.19. Rural exception sites involve exceptional planning permission for affordable housing being given on land that would not normally be released for this use, within or adjacent to existing rural settlements (Gallent, 2009b). Rural exception sites are identified as crucial to the delivery of affordable housing in rural areas (Joseph Rowntree Foundation Commission, 2008; Taylor, 2008; Department for Communities and Local Government, 2009). Indeed, in England, 57 per cent of all Housing Corporation-funded affordable homes in communities with a population of less than one thousand was on such exception sites (Taylor, 2008). However, an over-reliance on rural exception sites has been criticised as an 'ad hoc' and 'muddling through' approach to delivering sufficient affordable housing (Gallent, 2009b: 264). Barriers to the use of exceptions sites include locations being difficult to access or build upon, the reluctance of some landowners to sell land; partly caused by the issue of 'hope value', particularly in localities without a history of adopted development plans whereby land is retained in the hope that it will be receive future planning permission for market housing and the propensity of other landowners to retain land as 'ransom strips' (Gallent, 2009b). The role of potential developers and their decision-making processes may also present a barrier (Satsangi, 2006: 742).
- 2.20. Existing research also indicates that barriers arise from the absence of clear development plan policies at local planning authority levels (Welsh Assembly Government, 2007b) and the lack of joined up approaches between planning and housing departments, landowners, developers and financial lenders. The lack of up to date adopted development plans has also meant that the 'hope value' barrier, where landowners retain sites in the expectation of future release for market housing development, has not been reduced in the same way as it has in England. There was also an identified need for further training for local practitioners on Section 106 Agreements, negotiation skills, local economic development and interpreting local housing market assessment evidence (Welsh Assembly Government, Three Dragons and University of Cambridge, 2007: 21).

Community Opposition and Limited Community Engagement

- 2.21. Research has consistently found a major local barrier being NIMBYISM and opposition from local residents, councillors and community councils to new housing developments, and especially affordable housing developments in rural areas of Wales (Joseph Rowntree Foundation Commission, 2008; Hedges, 2008). There is also a concern that the lack of trust in registered social landlords in some rural areas is a major barrier to the potential effectiveness of housing associations as delivery mechanisms for affordable housing. Even where community councils were supportive of affordable housing, there was often a lack of knowledge about the definitions of affordable housing, the role of different agencies and funding arrangements, planning policies and local connection criteria and allocation processes (Parry, 2009; Hedges, 2008). Previous research has therefore concluded

that there is a need to overcome this barrier by promoting effective ways to ensure that rural communities support new housing development (Commission for Rural Communities, 2008).

Enabling Factors

2.22. The existing research evidence has identified a number of enabling factors that have facilitated the delivery of affordable housing in rural areas. These include:

- a robust and appropriate evidence base, including the use of comprehensive housing needs surveys at the scale of individual settlements and common housing registers (Joseph Rowntree Foundation Commission, 2008; Affordable Housing Task and Finish Group, 2008)
- a clear local policy framework based upon robust local research and analysis, early engagement and strong partnership working with potential developers, landowners and housing associations, senior officer and political support, and the capacity to work across existing boundaries (Affordable Housing Task and Finish Group, 2008: 87; Welsh Assembly Government, Three Dragons and University of Cambridge, 2007:18; Affordable Housing Task and Finish Group, 2008: 87)
- the establishment of specialist teams in local authorities to deliver affordable housing plans and Social Housing Grant (Affordable Housing Task and Finish Group, 2008: 87)
- the proactive identification and utilisation of local publicly-owned land for affordable housing development (Affordable Housing Task and Finish Group, 2008:97)
- effective use of the existing local housing stock (Affordable Housing Task and Finish Group, 2008), for example through the development of a Council Tax database of empty properties and proactive initiatives to bring empty properties and non-residential buildings back into use (Affordable Housing Task and Finish Group, 2008:95)
- Rural Housing Enablers in Wales have been subject to a series of positive evaluations (Hughes and Isherwood, 2006; Bevan, 2009; Mantell Gwynedd, 2007) and were supported by both the Joseph Rowntree Foundation Commission, and the Affordable Housing Task and Finish Group. Rural Housing Enablers have identified hidden need at the community-level, have enabled new affordable housing units in rural and remote areas, including social housing for rent and low cost home ownership and the more effective use of existing housing stock (Bevan, 2009: 2). Key factors in the success of rural housing enablers are their independence, their demonstrating added value rather than duplication and a need to recognise that working with communities takes a long time (Bevan, 2009; Hedges, 2008)
- Community Land Trusts have also been proposed as offering a sustainable model for tackling land availability for affordable housing in rural areas (Satsangi, 2009; Gallent, 2009b).

3. Research Methodology

Introduction

3.1. This chapter describes the research methods used in this study. The study was conducted by a team of researchers from the Centre for Regional Economic and Social Research at Sheffield Hallam University. The research was supported by research managers at the Welsh Assembly Government and overseen by a Research Advisory Group comprising national and local experts who guided each stage of the research and commented on a series of working papers and draft findings reports. The research was carried out between December 2008 and June 2009 and comprised five research stages:

- Literature Review
- Key Stakeholder Interviews
- Survey of Local Planning Authorities
- Case Studies
- Report Writing.

Literature Review

3.2. In order to develop the research approach and research instruments and to provide a context for our study, a review of available literature was carried out. The review analysed a range of relevant documentation, including the policy and strategy documents and guidance on delivering affordable housing produced by the Welsh Assembly Government. Major research studies into affordable housing in Wales were examined, including the Joseph Rowntree Foundation Commission into Rural Housing in Wales (2008) and the Report of the Affordable Housing Task and Finish Group, also known as the 'Essex Review' (2008). A series of other research and good practice studies into rural housing in Wales were also examined, including evaluations of Rural Housing Enablers (Hughes and Isherwood, 2006; Hedges, 2008; Mantell Gwynedd, 2007), the use of planning obligations (Welsh Assembly Government, 2007b; Welsh Assembly Government, Three Dragons and University of Cambridge, 2007), and housing and affordability in rural Wales (Wales Rural Observatory, 2005, 2006; Wilcox, 2005). In addition, reviews and evaluations of rural housing policy in England and Scotland were analysed (Bevan, 2009; Commission for Rural Communities, 2008; Department for Communities and Local Government, 2009; Taylor, 2008). Finally, a series of recent academic journal articles on rural housing in different parts of the United Kingdom were examined (Bramley and Watkins, 2009; Gallent, 2009a and 2009b; Satsangi, 2006 and 2009). The findings of the literature review are presented in the previous chapter of this report and a full list of the references is presented in Annex 1.

Key Stakeholder Interviews

- 3.3. A series of telephone interviews were conducted with representatives of key stakeholder organisations in Wales. The aims of these interviews included identifying key issues relating to the policy framework and definitions of affordable housing in the rural Welsh context; gathering perceptions of the effectiveness of current policy and practice; identifying barriers and enabling factors in relation to delivering affordable rural housing; and identifying examples of good practice and potential case studies to inform the further stages of the research.
- 3.4. Key stakeholders were identified by the research team and the Welsh Assembly Government in order to capture a wide range of organisations and a spectrum of perceptions based upon local contexts and experiences across Wales. The Welsh Assembly Government provided the research team with the names and contact details of key individuals in each stakeholder organisation. These individuals were contacted and invited to participate in the research. A total of 22 interviews were conducted with representatives of 19 organisations in January and February 2009. The following organisations participated in the interviews:
- Chartered Institute of Housing (CIH) Cymru
 - Council of Mortgage Lenders (CML) Cymru
 - Community Housing Cymru (2 interviews)
 - Conwy and Denbighshire Rural Housing Enabler
 - Country Land and Business Association
 - Gwynedd Council
 - House Builders Federation in Wales
 - Land for People
 - Monmouthshire Council
 - Monmouthshire and South Powys Rural Housing Enabler
 - National Farmer's Union Wales (2 interviews)
 - Planning Inspectorate Wales
 - Royal Institute of Chartered Surveyors (RICS) Wales
 - Royal Town Planning Institute Cymru
 - Tai Pawb
 - Tenant Participation Advisory Service (TPAS) Wales
 - Welsh Assembly Government, Housing Division
 - Welsh Local Government Association (2 interviews)
 - Wales Young Farmers Club.
- 3.5. The interview questions used in this stage of the research are provided in Annex 2 of this report.

Survey of Local Planning Authorities

- 3.6. A questionnaire survey of all local planning authorities in Wales was conducted in February 2009. This included the 22 local authorities and the three National Parks.

The survey was provided in both paper form for postal return and electronic form for email submission. The survey was also made available in a Welsh language version. The survey was sent to senior housing and planning officers in each local planning authority in a deliberate attempt to generate the distinct views of housing and planning departments. However, in all but two cases, a combined response was received from each authority. Where separate responses were received, these showed a degree of consistency but data from both are included in the following two chapters of this report.

3.7. The survey was developed in conjunction with the Project Advisory Group and designed to elicit information on the specific issues in each local area. The information gathered also informed subsequent stages of the research project, and particularly the selection of case study authorities for more in-depth scrutiny. The survey sought a mix of quantitative (closed) and qualitative (open-ended) responses to allow for the capture of some of the more attitudinal and subjective views and opinions. It was divided into four sections:

- Local Context
- Barriers to Delivery
- Partnership Issues
- Local Examples of Delivering Affordable Housing Developments and Good Practice.

3.8. A copy of the survey is provided in Annex 3 of this report. Respondents were given two weeks to reply before an email chase up exercise was undertaken. Responses were received from all but one planning authority giving a total response rate of 96 per cent (24 out of 25 planning authorities). However, some respondents, primarily those representing local authorities in urban areas, felt that some of the questions were not applicable to their area given the lack of a rural-urban distinction in approaches towards housing affordability. As one respondent put it:

"Due to the close proximity of rural to urban...there is no perceived need for rural affordable housing - rather the goal is to protect what is left of the countryside" (Local Authority Planning Officer).

3.9. Consequently not all responding authorities provided responses for every question. Data from the survey are included in the following findings in Chapters 4, 5 and 6.

Case Studies

3.10. A series of case studies were conducted to examine in more detail local contexts, barriers and enabling factors related to the delivery of affordable housing in rural areas of Wales. Three types of case studies were conducted: studies covering seven local planning authority areas; studies of individual affordable housing developments in other areas of rural Wales not included in the above case studies; and a case study of Land for People and local Community Land Trust developments in Wales.

Case Studies of Local Planning Authority Areas

3.11. Case studies were conducted covering seven local planning authority areas. These areas were selected on the basis of information provided by the Project Advisory Group, the key stakeholder interviews and the survey of local planning authorities. Project Advisory Group members and key stakeholders were asked to nominate

case study areas, based on their own knowledge and to provide reasons for their nominations. In addition, respondents to the survey of local planning authorities were asked to identify examples of affordable housing developments and good practice or innovative initiatives in their own areas. A number of local planning authorities and examples of specific affordable developments were commonly nominated by key stakeholders.

3.12. In the survey responses, seven local planning authorities were able to identify successful recent affordable housing development schemes in their area and six local planning authorities (including the same six identifying successful developments) provided examples of innovative initiatives or good practice in delivering affordable housing in rural localities in their area. All seven of these planning authorities were rural local authorities or National Parks. Information about the individual successful affordable housing developments in rural areas is included in Chapter 4 and the examples of good practice are discussed in Chapter 6. It was decided that the case studies would focus on these local planning authorities rather than attempting to include a mix of urban and rural authorities or to include case studies of areas where developments had not taken place. The rationale for this approach was that, based on the key stakeholder interviews and survey responses, areas which had delivered affordable housing developments or reported good practice were likely to have faced similar barriers to those areas where developments had not been delivered and therefore there was likely to be more additionality in focusing on areas able to provide evidence of both barriers and enabling factors. The four case study areas included three combined areas of a local authority and a National Park and one local authority on its own. These were:

- Ceredigion County Council
- Gwynedd County Council and Snowdonia National Park
- Monmouthshire Council and Brecon Beacons National Park
- Pembrokeshire County Council and Pembrokeshire Coast National Park.

3.13. In each of these areas analysis of relevant local documentation, including strategies, policy and procedural guidance, working papers and local evaluations was conducted. A series of site visits to developments were also undertaken. In addition, interviews were carried out with local stakeholders. These included housing and planning officers in the local authorities and National Park authorities, Housing Association directors, Affordable Housing Officers, Rural Housing Enablers, planning agents, developers, landowners and councillors. A total of 28 interviews were conducted across the four case study areas. The case studies sought to identify the local context for the delivery of affordable housing in rural areas, recent policy developments and key barriers and enabling factors. This analysis included examination of specific affordable housing developments. The findings from these case studies are presented in Chapters 4, 5 and 6 of this report.

Case Studies of Specific Affordable Housing Developments in Rural Localities

3.14. In addition to the examination of specific affordable housing developments in the four case study areas, we also undertook short case studies of specific rural affordable housing developments in Anglesey, Conwy, Flintshire and Powys. It should be noted that these case studies are based on a very limited number of telephone interviews with local planning officers, affordable housing officers / consultants, Rural Housing Enablers, housing association directors and community councillors. A total of 8 interviews were conducted across the four case study areas. These case studies sought to identify the local context for within which the specific housing developments were delivered and the key barriers and enabling factors to their

delivery. The findings from these case studies are presented in Chapters 4, 5 and 6 of this report.

A Case Study of Land for People and Community Land Trusts in Wales

- 3.15. Land for People is a not-for-profit organisation seeking to support the development of local Community Land Trusts in Wales. It has received some funding support from the Welsh Assembly Government. Interviews with a representative of Land for People were conducted to assess the progress made to the development of Community Land Trusts in Wales and the main barriers and enabling factors impacting on their development. The case study included an examination of two specific Community Land Trust developments in Ceinws and Castle Caereinion in Powys. The findings from the case study are presented in Chapter 6 of this report.

Report Writing

- 3.16. The final stage of the research was the production of this final report. This has been preceded by the production of a series of working papers based on the findings of each stage of the research. These papers have been discussed by the Project Advisory Group and the individual case study reports for each of the three types of case study described above were circulated in draft form to local stakeholders for their comment prior to final versions being written.

4. Definitions and Delivery

Introduction

- 4.1. This chapter examines issues relating to the classification of rural areas and the definitions of 'rural', 'affordable' and 'local' housing, as used by local planning authorities and key stakeholders. The chapter then assesses the delivery of affordable housing in rural areas in Wales, including the setting of targets, planning permission and completions and identifies specific developments which have successfully delivered additional affordable housing units in rural areas of Wales. The chapter presents stakeholders' perceptions of the developing policy framework for delivering affordable housing in rural areas, changes in the capacity of local agencies to deliver affordable housing, the context for this delivery and the variability of the effectiveness of policy and practice across Wales.

Definitions

- 4.2. The key stakeholder interviews and survey of local planning authorities elicited information about the local context of planning areas and definitions of rural areas and affordable housing.
- 4.3. Local planning authorities were asked how they would classify their area as rural, urban or mixed. The responses are presented in Table 4.1 below:

Table 4.1: Rural-urban classification

	Number	%
Rural	7	29
Urban	0	0
Mixed	17	71
TOTAL	24	100

Source: Survey of Local Planning Authorities, 2009

- 4.4. Interestingly, not one authority described their area as urban. Mixed urban-rural was the most common response, accounting for 17 of the 24 responding local planning authorities. All three National Park Authorities (Brecon Beacons, Pembrokeshire and Snowdonia) classified their area as rural. In addition, Anglesey, Ceredigion, Monmouthshire and Powys, agreed with their Welsh Assembly Government classification as rural areas. The other four local authority areas classified by the Welsh Assembly Government as rural: Carmarthenshire, Conwy, Denbighshire and Gwynedd defined themselves as mixed urban-rural in their responses to our survey.

- 4.5. There was an evident lack of a consistent definition of what constitutes 'rural' for housing purposes. Only five respondents reported the use of a consistent definition of 'rural' within local planning policies and strategies: Bridgend; Cardiff; Neath Port Talbot; Newport; and Rhondda Cynon Taff. The definition for each of these authorities was based on housing outside settlement boundaries as set out in Unitary Development Plans. Several other planning authorities used different definitions for different purposes. For example, in Caerphilly the ONS rural-urban classification was used for the local housing market assessment, which is based on towns, fringes, villages and hamlets in relative isolation; whereas, for planning purposes rural housing was considered to be that lying outside settlement boundaries. Similarly, in Ceredigion's current (unadopted) Unitary Development Plan (and emerging Local Development Plan) rural is defined as that outside the six main towns of the county. For the purpose of the government's 'Right to Buy' restrictions on resale or purchase however, the whole of Ceredigion with the exception of Aberystwyth, Cardigan and Lampeter is designated as 'rural' under section 157 of the Housing Act 1985.
- 4.6. These inconsistencies in definition were also evident in local planning authorities' estimates of the proportion of their area that was classified as rural, as shown in Table 1.2 below. Several authorities provided alternative estimates for the proportion of their area that was classified as rural while others just stated a single figure. Different definitions and methods (e.g. population based as opposed to area based) obviously resulted in different figures and produced some surprising results. For instance, rural areas were said to account for 80 per cent of the district of Swansea - the same proportion as that for Denbighshire and Anglesey.

Table 4.2: Percentage of local area classified as rural

LPA	% classified as rural
Pembrokeshire Coast NPA	100
Snowdonia NPA	100
Brecon Beacons NPA	99
Anglesey	80
Denbighshire	80
Gwynedd	80
Swansea	80
Vale of Glamorgan	80
Blaenau Gwent	77
Carmarthenshire	75
Flintshire	75
Newport	70
Neath Port Talbot	60
Rhondda Cynon Taff	60
Powys	59*
Conwy	51
Bridgend	50
Pembrokeshire	50*
Wrexham	48*
Merthyr Tydfil	36
Cardiff	25
Caerphilly	22

Source: Survey of Local Planning Authorities, 2009

* denotes population-based definition

- 4.7. Some respondents were pragmatic about urban-rural classifications. The Powys response acknowledged different definitions but stated that in reality the vast majority of the county was rural. The same was true of the Ceredigion and Monmouthshire survey returns which acknowledged that the majority of the county was rural with the exception of specific towns. Consequently the data in Table 4.2 are not directly comparable and should be treated with caution. The data does highlight the variation in terms of classifying rural areas and the absence of an accepted definition used in housing policies and strategies may result in a significant variation in approaches and outcomes.
- 4.8. All of the local planning authorities responses to our survey indicated that they worked to a consistent definition of 'affordable housing' across local policies and strategies. There was some slight variation between local planning authorities but the majority utilised the definition in Technical Advice Note (TAN) 2 (Welsh Assembly Government, 2006c) which states that affordable housing: 'Is housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers.' A small number of authorities had gone beyond TAN 2 in detailing specific definitions in relation to rental and market housing.
- 4.9. In contrast, all of the key stakeholders interviewed during the study believed that definitions and applications of 'affordable' and 'rural' housing did in fact vary widely in different localities across Wales and amongst different partner organisations and that the Welsh Assembly Government definition and supporting guidance was interpreted differentially by local organisations. Indeed, national policy enables local authorities to determine definitions of 'affordable housing' in their own contexts, to develop individual Section 106 Agreement schemes and to link into wider local policy priorities such as employment and transport. There was no firm consensus amongst the stakeholders about whether moving towards the application of a more uniform definition and interpretation in all local areas would improve current policy and practice, although the majority of stakeholders expressing a view believed that greater consistency would be desirable.
- 4.10. A key issue identified by the stakeholders is the delivery of housing to local populations, which may be interpreted as delivering rural affordable housing but is often targeted at those with a local connection and may not be linked to wider definitions of priority need for affordable housing. This conflation of, and confusion between, 'affordable' and 'local' housing occurs between and within local authorities and other organisations, and this issue is further complicated by the interpretation of policies supporting the Welsh language. Some stakeholders expressed a concern that the definition of 'affordable' housing was too narrowly defined to social rented or intermediate housing and omitted affordable housing that may be available through the open market (for example those properties in the £60-70K price range). One stakeholder highlighted how 'affordability' varied across the population, so for example affordable housing for young single people was generally less expensive than for households comprising young families.
- 4.11. The diversity in interpretations of affordable rural housing was very evident in the definitions provided by the stakeholders themselves. Some stakeholders defined affordability in general fundamental terms of 'every person having the means to a suitable home'; 'housing that does not present a barrier to residents and does not become a source of exclusion' or 'the provision of housing for individuals who could not access a property on the open market without support'. Other stakeholders linked affordability more directly to local populations, defining it in terms of 'housing that is within the financial reach of local people' or 'housing that enables people to remain in, or move to, rural areas.' Another definition focused upon the longer term provision of local supply, defining this as 'housing that is affordable in perpetuity,

linked to local income levels.' Several stakeholders referred to the standardised definition of ratios of house prices to average earnings in a given locality (although there were weaknesses with this definition, which are discussed below) whilst others stated that open market properties could be classed as affordable if they were less than £100K.

- 4.12. The stakeholders were divided about the role of tenure in delivering affordable housing in rural areas. Some stakeholders stated that open market properties and the private rented sector were important elements of an affordable housing offer in a locality. However, other stakeholders argued that affordable housing was, in reality, the provision of rented properties through a registered social landlord, although shared equity and part ownership schemes could be included in this definition. One stakeholder defined affordable rural housing specifically as properties tied to Section 106 Agreements. A final set of definitions equated affordable rural housing with particular groups of the population including young people, first-time buyers and agricultural or rural workers.

Delivery

- 4.13. According to data supplied by the 25 local planning authorities in Wales from the Joint Housing Land Availability Studies at 1 April 2007, 983 affordable housing units were completed in 2006/07, and 4,857 affordable housing units were proposed on 5 year land supply sites from 2007 to 2012, an average of 971 per annum. This compares with an estimated net annual shortfall of 3,803 affordable housing units across rural areas of Wales (Joseph Rowntree Commission, 2008: 14). 8,971 market housing units were completed in 2006-07.
- 4.14. Only six local planning authorities reported in their responses to our survey that they had a specific numeric target for the delivery of affordable housing and only three of these distinguished rural from urban affordability: Pembrokeshire Coast National Park Authority has a target of 20 per cent of all new housing; Snowdonia National Park Authority has a target of 50 per cent; and Powys aims to deliver 35 rural affordable units for the period 2009/10.
- 4.15. Our survey of local planning authorities also sought information on the number of planning approvals which had been granted for rural affordable housing and the number of units completed - both over the last three years. Again, responses were complicated by the lack of a rural-urban distinction in some cases. Table 4.3 below shows the total number of approvals and completed units for each local planning authority. Snowdonia National Park Authority did not provide a total figure for approvals but stated that 27 per cent of approvals were for affordable housing in 2006-07 and 30 per cent for 2005-06. Three local planning authorities were unable to provide this information.
- 4.16. Most urban and valleys areas reported no rural planning approvals or unit completions within the last three years. For those local planning authorities that have granted planning approvals, in most cases there was a sizeable mismatch in terms of actual units completed. This is partly explained by the time lag between approval and development but it may also be the case that proposed developments with planning permissions are no longer considered viable in the current economic climate (and this was stated by several survey respondents). Only Monmouthshire reported a number of completions consistent with approvals.

Table 4.3: Affordable rural housing planning approvals and units completed (last 3 years)

	Planning approvals	Units completed
Gwynedd	254*	80*
Wrexham	247*	100*
Conwy	181*	unknown
Carmarthenshire	156*	20*
Ceredigion	144*	40*
Anglesey	92	unknown
Merthyr Tydfil	80	0
Brecon Beacons NPA	75	34
Pembrokeshire	38	0
Pembrokeshire Coast NPA	37	14
Denbighshire	22	4
Monmouthshire	19	19
Vale of Glamorgan	14	0
Blaenau Gwent	0	0
Bridgend	0	0
Caerphilly	0	0
Cardiff	0	0
Neath Port Talbot	0	0
Newport	0	0
Rhondda Cynon Taff	0	0
Flintshire	unknown	unknown
Powys	unknown	unknown
Swansea	unknown	unknown
Total	1359	311

Source: Survey of Local Planning Authorities, 2009

* denotes total for rural and urban areas

- 4.17. Local planning authorities were asked to identify which developers were involved in the delivery of rural affordable housing in their area. The vast majority listed were local housing associations, suggesting a current limited role for private developers in rural affordable housing delivery. Our survey asked local planning authorities to identify up to three recent affordable rural housing development schemes in their area. The results are presented in Table 4.4.

Table 4.4: Affordable Rural Housing Development Schemes

Local Planning Authorities	Scheme name/location	Developers	Number of affordable units	Tenure Mix
Anglesey	Bryn Tawel, Brynsiencyn	Clwyd Alyn HA	14	Neutral (1)
	Bron y Graig Bodedern	Tai Eryri HA	10	Neutral
Conwy	Dolwyddelan	Tai Clwyd	4	Neutral
Flintshire	Maes y Goron, Lixwm	Leason Homes	25	Shared Ownership Social rent Neutral
Gwynedd/ Snowdonia NPA	Castell y Gog Dyffryn Ardudwy(2)	Tai Eryri HA	10	Neutral
	Maes y Pandy, Llanuwchllyn (3)	Tai Clwyd HA	4	Neutral
	Rhos Dyfi, Aberdyfi	Tai Clwyd HA	8	-
Gwynedd	Bro Gwgan Garndolbenmaen(3)	Tai Eryri HA	10	Neutral
Monmouthshire/ Brecon Beacons NPA	The Bryn, Abergavenmy	Melin Homes (RSL)	5	Social rent
	Gotyre	Melin Homes (RSL)	14	Neutral
	Ebenezer Chapel, Clydach	-	3	Market (4)
Pembrokeshire/ Pembrokeshire NPA	Croswell	Private	1	Low cost o/o
	Glanrhyd (5)	Private/ RSL	1	Neutral
	Newport Pottery Site (6)	Private	2	Low cost o/o Social rent
Powys/ Brecon Beacons NPA	Ffynnonau/ Crickhowell	Melin Homes (RSL)	24	1 shared equity 23 Social Rent

Source: Survey of Local Planning Authorities, 2009. (1) Tenure neutral- individual units may be for social rent or shared ownership. (2) Rural exception site on Gwynedd Council land. (3) Site is on Gwynedd Council land. (4) 3 market homes with a 20per cent commuted sum. (5) 1 plot for development by an RSL. (6) This development has just been signed.

Note: Ceredigion also provided details of 3 schemes being developed on Council land in partnership with RSLs and in one case a private developer.

- 4.18. In total, we received information on 15 specific developments, from 10 local planning authorities. These included the three National Parks and six of the local planning authorities classified as rural by the Welsh Assembly Government. Ceredigion (another rural authority) also provided information about specific developments separately to the survey. The other local planning authority to provide information, Flintshire, is classified as semi-rural by the Welsh Assembly Government. A total of 145 affordable housing units are reported within the schemes. Two of the schemes involved developments of 25 and 24 affordable units, five involved developments of between 8 to 14 affordable units and the rest involved small developments of 1 to 5 affordable units. Only 29 of the units were or are being delivered by private developers.
- 4.19. In addition to the data provided through the survey of local planning authorities, key stakeholders identified a number of other specific examples of the successful delivery of affordable housing in rural areas. Those examples provided which are not covered elsewhere in this report included:
- The Princes Foundation Wales initiatives at Coed Darcy, Neath and the Cambrian Mountain scheme
 - The Cysgod y Dderwen social housing development in Newport

- National Trust schemes
 - Trellech in Monmouthshire- a Rural Exception site development on Council-owned land
 - a joint Land Trust and County Council initiative in Montgomery, providing a mix of affordable and open market properties.
- 4.20. In summary, understanding of the local context, definitions and delivery varies between local planning authorities and partner agencies and is obviously dependent upon the geography of the area and the degree to which each authority can be classed as 'rural'. This in turn impacts upon the priority afforded to rural issues and for several, more urbanised areas, rural affordable housing is subsumed within affordable housing in general. Our study confirms the findings of the Joseph Rowntree Foundation Commission (2008) and Affordable Housing Task and Finish Group (2008) that the quality and robustness of the evidence base appears to be an issue for all areas (although those where Rural Housing Enablers have a role perform better here) and is confined to snapshots of the current situation making future plans and projections difficult. There is also variability in terms of local policies, again centred on conflicting interpretations and definitions of rural between, but sometimes also within, different local planning authorities and policies.

The Policy Context

- 4.21. Most stakeholders believed that the national policy framework for delivering affordable housing in rural Wales is clearly set out by the Welsh Assembly Government, although one stakeholder believed that the guidance and policy framework was still unclear. The stakeholders believed that increasing policy priority was being given to delivering affordable housing in general, which included a focus on affordable housing in rural areas, although a specific 'rural' dimension to housing affordability was not always so apparent. There was a general acceptance amongst the stakeholders that this focus on affordable housing was urgently required as the previous policy framework and research in this area had been limited and that the policy framework was now responding to the Joseph Rowntree Foundation Commission and Affordable Housing Task and Finish Group recommendations, including through the provision of Rural Housing Enablers and the requirement upon local planning authorities to produce an Affordable Housing Delivery Statement (AHDS) and Local Development Plan. All local planning authorities responding to our survey indicated that they had produced, were in the process of preparing, or were consulting on, a draft AHDS.
- 4.22. It was also recognised by stakeholders that the delivery of affordable rural housing was an important component of wider national housing strategies and objectives, including achieving racial equality and social justice and that there was evidence of significant housing need in rural areas of Wales which reflected wider issues of housing affordability. The policy framework is operating in a context where the housing market is in 'turmoil' and where there is a general lack of social housing.
- 4.23. There was consensus amongst key stakeholders that mapping the effectiveness of current policy and practice was difficult as key actors, including the Welsh Assembly Government, were coming to terms with the implications of the Joseph Rowntree Foundation Commission and Affordable Housing Task and Finish Group reports. However, it was widely accepted that this was a period of transition within which policy and practice at local authority level, whilst starting from a 'low level' was in development. The Local Development Plan process provides a framework for the delivery of rural affordable housing at a local level but this process is in its early

stages and it will be some time before local authorities have finalised their Local Development Plans. AHDSs are a further mechanism to assist local authorities, and the majority of authorities have now finalised these statements.

- 4.24. Our survey sought the views of local planning authorities about the extent to which changing economic conditions and national and local policy developments had affected the ability of local agencies to deliver affordable rural housing in the last three years. Respondents were asked whether this capability had increased, decreased or stayed the same and the results are presented in Table 4.5 below.

Table 4.5: Changes in the ability of local agencies to deliver affordable rural housing

	Number	%
Increased	6	29
Decreased	5	24
Stayed the same	10	48
TOTAL	21	100

Source: Survey of Local Planning Authorities, 2009

- 4.25. Six local planning authorities (or 29 per cent) reported an increased ability to deliver affordable housing, citing improved partnership working and positive outcomes derived from the presence of Rural Housing Enablers. A quarter of responding authorities stated that the ability of local agencies to deliver affordable rural housing had decreased in the last three years, due to a mixture of changing housing market conditions, a lack of partnership working and communication, and poor information on housing needs. Almost half of responding local planning authorities indicated no change to local ability in the last three years.
- 4.26. Key stakeholders pointed out that the wider context within which policy is developing is one in which public expenditure (e.g. Social Housing Grant) is considerably lower compared to 15 years ago, but that there have been some recent improvements including an increase in Social Housing Grant, the possibility of re-profiling Acceptable Costs in response to the economic downturn and an increased Strategic Capital Investment Fund. Some stakeholders argued that the financial crisis had resulted in developers' margins being reduced and a subsequent difficulty in pursuing Section 106 Agreements. Conversely, other stakeholders believed that the housing market slump was increasing developers' willingness to accept guaranteed sales and prices through working more closely with registered social landlords on affordable housing developments (see the following chapter).
- 4.27. Several stakeholders believed that the diversity of Wales was still not consistently recognised in policy and practice, and most importantly, the fact that various types of rural areas often face very different issues and challenges. For example the *One Wales* target of 6,500 affordable homes does not adequately differentiate between urban and rural areas or between different types of rural areas. Stakeholders also suggested that affordability policies had been focused on delivery of new affordable housing rather than increasing housing supply overall and others believed there is was an overemphasis in current policies on subsidised housing and not enough on market housing.

- 4.28. All of the key stakeholders reported that the effectiveness of policy and practice varied considerably between, and indeed within, local authority areas. Some individual local authorities had achieved successes in delivering affordable housing in rural areas, and likewise some rural housing associations were reported to be 'punching above their weight' in terms of delivering affordable housing and utilising their stock to meet housing need. The effectiveness of local delivery strategies was inherently linked to the quality of partnership processes and relationships between key actors and this was reported to vary considerably between local areas. In some localities there was reported to be very close and effective partnership working with local needs in rural areas clearly identified and co-ordinated action being undertaken to meet these needs, but in other areas there were reported to be considerable tensions and partnership working was either non-existent or, at best, weak.

5. Barriers

Introduction

- 5.1. This chapter presents the research findings on the local barriers to the delivery of affordable housing in rural areas of Wales. The chapter begins by reporting data from the survey of local planning authorities to illustrate which barriers were regarded as being the most frequent and the most significant. The chapter then presents findings from the key stakeholder interviews and case studies of local planning authority areas and specific affordable housing developments to examine these barriers in more detail. The chapter includes a discussion of the emerging and anticipated impacts of the economic downturn and the credit crunch.

Findings from the Survey of Local Planning Authorities

- 5.2. Respondents to our survey of local planning authorities were asked to state to what extent particular factors or issues acted as a barrier to the local delivery of rural affordable housing. The results to this question are presented in Table 5.1 below and percentages are given for those stating each issue was: a significant barrier; a minor barrier; not a barrier; and don't know or not applicable. The issues are ranked in the table by the proportion of respondents citing them as a significant barrier. This data provides an indication of the prevalence of barriers across Wales and reinforces that perceptions of the significance of individual barriers were largely shared across the country. Land price was identified as a significant factor by over 8 in 10 respondents, with increasing house prices, the effects of the economic downturn and the lack of availability of mortgage finance all identified as significant barriers by 65 per cent of respondents. The other barriers identified as significant by at least half of the respondents included land availability and supply, reductions to the stock of social housing, the lack of access to private finance for developments and problems with Social Housing Grant and Acceptable Costs Guidance. Each of these issues is primarily a structural and national problem, which suggests a mismatch between the most significant barriers to the local delivery of affordable housing in rural areas and the capacity of local actors to overcome these barriers. A second category of barriers identified by between 15 to 42 per cent of respondents included a mix of structural and contextual problems, such as restrictive planning policies, the effects of second-home ownership and the lack of private developers; and issues where it may be anticipated that local delivery agencies could have an impact, including resident and political opposition, the roles of developers and utility companies and conflicts between policies. Although this will be a function of the respondents representing local planning authorities, it is striking that a further category of barriers based on local policy and practice and partnership working were only regarded as significant by a small minority of respondents and many respondents did not regard these as barriers at all. This contradicts the findings of previous research studies in Wales and the other stages of our research which identified some local policy, practice and lack of partnership as barriers.

Table 5.1: Local barriers to delivery (%)

	Signifi- cant barrier	Minor barrier	Not a barrier	Don't know
Land price	82	5	5	9
Increasing house prices	65	15	15	5
Effects of the recent economic downturn	65	15	15	5
Lack of availability of mortgage finance	65	10	5	20
Land availability/supply	57	24	19	0
Reductions to the stock of social housing	57	19	24	0
Lack of access to private finance	55	15	10	20
Problems with Social Housing Grant	52	24	10	14
Problem with Acceptable Cost Guidance/Bands	50	0	25	25
Failure to bring land allocated in plans to market	44	22	33	0
Effects of purchasing by commuters/retired incomers	42	32	26	0
Lack of strategic infrastructure development (Utilities)	35	45	15	5
Local resident opposition	33	43	10	14
Local political opposition to new development	24	48	19	10
Restrictive planning policies	21	32	47	0
Conflicts with other policies (e.g. conservation aims)	20	45	35	0
Attitudes of developers (private)	19	48	19	14
Effects of second-home ownership	19	33	43	5
Availability of developers (private)	15	20	50	15
Inadequate data/information about housing needs	10	40	50	0
Lack of common definition of 'affordability'	10	24	67	0
Lack of a common definition of a 'rural' area	6	17	67	11
Development control practices	5	40	55	0
Lack of co-ordination between planning and housing	5	15	80	0
Inadequate partnership arrangements	5	10	70	15
Lack of detailed knowledge amongst officers	0	25	75	0
Attitudes of developers (RSL)	0	15	70	15
Availability of developers (RSL)	0	5	80	15

Source: Survey of Local Planning Authorities, 2009

- 5.3. The survey of local planning authorities also asked what the most significant barriers to the delivery of affordable housing in rural areas were. Land and house prices and land availability were the most commonly cited most significant barrier reflecting the data provided in Table 5.1, along with local opposition and NIMBYISM, which is not entirely consistent with the evidence provided in the table. Further barriers reported as being the most significant included the economic downturn, the lack of development activity, problems arising from very small developments including economies of scale, poor local infrastructure, overly-rigid criteria for Social Housing Grant and no rural allowance or supplement in Acceptable Cost Guidance. Contrary to the general views provided in the table above, some respondents did identify an insufficient evidence base on localised housing need as the most significant barrier to the delivery of affordable housing in rural areas.

Examining Individual Barriers

- 5.4. This section of the chapter provides more detail of our research findings on the impacts of specific barriers the local delivery of affordable housing in rural areas. Our research confirms the findings of previous studies, and like these previous studies, what was striking was the commonality of the nature and form of impact of the barriers identified across all our case study areas and developments. In most cases it is the cumulative impact of several of these factors that create overall barriers to delivery, rather than one predominant barrier. It should therefore be noted that the individual barriers are not discussed in any order of priority, although this section should be read in the light of the survey evidence in the previous section about the prevalence and significance of particular barriers.
- 5.5. The general context within which these barriers emerge is one in which it was widely believed that the 'margins for error' are often less for developments in rural communities, for example in ensuring that levels of local demand are correctly identified or the need for buildings to 'fit in' with local aesthetics. The proportional significance of the impact of a new housing development on small settlements and their economic, social and cultural dynamics and sustainability is also greater. This includes the impacts on the viability of local service provision such as post offices and schools. It is also the case that within many areas of our case study localities, there are high proportions of Welsh speakers and Welsh-speaking communities and the strength of the Welsh language may be affected by housing developments. There are also social problems arising from high proportions of second homes in some communities, which were described as being like 'ghost towns' during winter months.

The Housing Market

- 5.6. Our findings confirmed existing research evidence presented in Chapter 2 that the operation of the housing market acts as a key structural barrier to the local delivery of affordable housing in rural areas of Wales. All of our case study areas and specific developments were operating in a context of substantial house price to income ratios, with a pattern of very severe affordability problems in particular high pressured local communities. To illustrate this point, the average wage level for a Gwynedd resident in 2005 was £19,000, which translated into a single person household first time buyer being able to afford a maximum housing price of £70,000 and a first time buyer couple a maximum house price of £110,000. This compared to an average Gwynedd house price of £155,000 and in some areas an average price of £178,000. In Monmouthshire average house prices in the most pressurised settlements were up to 20 times greater than average incomes.

Second or Holiday Homes

- 5.7. Our research found that in-migration and housing affordability problems were partly driven by the market for second or holiday homes. Although second homes had contributed to the inflation of housing market prices in our case study areas, for example in the coastal localities of Gwynedd, it was also noted that the quality of accurate information on second homes was weak. However available data from Gwynedd suggests that particular hotspots such as Abersoch and Aberdyfi had proportions of second homes of about 45 per cent. The economic downturn did not appear to have impacted on the very high selling prices of second homes, although the volume of sales was less certain.

Land Availability and Cost

- 5.8. Land availability and cost were identified as important barriers to the delivery of affordable housing in rural areas, although the exact nature of these barriers was complex. The availability of sites and the complexity of site procurement, rather than the cost of land appeared to be the principal problem, although the lack of availability is in part a function of landowners being unwilling to sell at what they deem to be below market value. Designated Sites of Specific Scientific Interest and Areas of Outstanding Beauty further reduced potential land availability in some of the case study rural areas. It was also reported to be the case that a significant amount of land in rural areas is owned by local families who may not have the same profit motive as commercial property developers and may not therefore be more persuaded to release land by planning system mechanisms and financial incentives.
- 5.9. Although the economic downturn had reduced the market value of land, this had not led straightforwardly to an increase in land supply as many landowners were reported to be holding on to land in the expectation of market recovery at some point in the future. It was also stated that current Acceptable Cost Guidance created significant differences in the cost of neighbouring plots of land. Land availability is also limited by the current criteria for rural exception sites, including the tightness of some development boundaries, the lack of flexibility in designating sites as adjacent to existing settlements and the restrictions on landowners gaining an additional property for personal use. The lack of available land is further exacerbated by landowners' uncertainty over local policies and the local application of the planning system. The data about potential sites is often limited at a local level, and undertaking research about potential sites is resource-intensive.
- 5.10. Although local planning authorities and their partners were engaged in proactive attempts to identify and secure new sites for the development of affordable housing, including a particular focus on working with public bodies such as the Forestry Commission, charities and utilities companies, a key barrier to securing land through this mechanism was that these organisations, including Churches and charities, often have policies requiring the procurement of Best Value for the disposal of their land assets.

Housing Stock and Supply

- 5.11. The case study areas and specific development sites generally had an insufficient stock of social rented housing, resulting from the impacts of Right to Buy, long term previous reductions in Social Housing Grant and the limited local presence of registered social landlords. Social Housing Grant is insufficient to meet growing need. To illustrate this, in Pembrokeshire 60-80 units are delivered through Social Housing Grant while the housing waiting list has risen by over 100 per cent since 2001 to over 4,000. The case study local planning authority areas also had relatively high proportions of pre-1919 stock in rural areas which were lacking basic amenities and would not meet modern space or design standards. In some areas, for example Monmouthshire, there was a lack of existing smaller properties which are those more likely to be required by younger people and first time buyers. In some localities development in previous decades had created a poor infrastructure which made sites almost impossible to access or construct new units upon. In addition, there was also a lack of strategy or use of specific mechanisms to bring empty properties back into use, although local authorities and their partners were increasingly prioritising this agenda.

Design and Construction Costs

- 5.12. Several stakeholders argued that the lack of economies of scale increased the construction costs of small developments in rural areas, exacerbated by increased travel and access costs and the general rise in the costs of construction. Developments can also face a number of additional costs relating to site suitability, such as flood protection, sewage, drainage and access. Our research identified examples where sites were designated for affordable housing and then issues emerged, for example flood plains or the discovery of streams etc. These costs become proportionately much higher for small developments of one to five units. Some developments also require the provision of new infrastructure, such as roads or utility supplies and there was some concern about the role of the utilities companies in facilitating affordable housing developments in rural areas. Many local stakeholders argued that these additional costs are not recognised in Acceptable Costs Guidance for Social Housing Grant. There is also evidence that particular design and material requirements (such as zero carbon housing by 2011) and restrictions, including in the National Parks, could significantly increase the costs of developments in rural areas. This barrier was often confounded by the most stringent restrictions and need for more expensive construction materials applying in settlements with the most pressing need for affordable housing. In general there continues to be a tension between affordable housing and environmental protection policy priorities. Although a minority of stakeholders suggested that reforms could be made to environmental and design specification standards, the majority of stakeholders argued that these standards should be maintained. This was supported in order to ensure environmental protection and the aesthetic integration of new developments. This was viewed as crucial to raising the confidence and support of local communities for future new developments and overcoming local concerns about uniform or 'box design' of new developments. Higher design standards would also increase the longer term viability and affordability of housing units, for example by reducing fuel poverty. There was often an assumption amongst potential developers that certain design materials or standards would cost significantly more although this may not always be the reality.

Capturing Housing Need

- 5.13. Capturing housing need and the difficulties in developing an accurate, dynamic and localised evidence base was identified as a key barrier to the delivery of affordable housing in rural areas. In part this barrier arises from different views of how affordable housing is actually defined, with local communities having a different understanding of what constitutes affordable housing and its purpose to those of the planning system. One respondent stated *'People think 'affordability' is what is affordable to them on an individual basis. There is a danger that hopes get raised unrealistically and individuals go for houses that cannot be termed as affordable. What people want is housing for local need, not necessarily affordable housing and this confuses people'*.
- 5.14. Communities often wanted housing for local people and conflated this with affordable housing. Local housing aspiration was often equated with owner-occupation. This resulted in aspirational home owners not identifying themselves as in need of social housing and increased the local opposition to social rented or 'affordable housing' which was often stigmatised. Although the political and popular cultural promotion and veneration of home ownership is a function of national developments, it acts as a considerable barrier at the local level.
- 5.15. Individuals and households in rural areas often do not have knowledge of the planning system or are reluctant to come forward and identify their needs, for

example young people still residing in their parental home and it was widely acknowledged that mechanisms such as local authority or housing association waiting lists did not capture a significant proportion of hidden housing need, including hidden homelessness. In some local areas, this was exacerbated by the lack of a shared register of housing need between local authorities and registered social landlords. The scale of the problem is evidenced by the finding that 75 per cent of individuals identified as being in housing need in surveys undertaken by the Rural Housing Enabler in Pembrokeshire were not on a common housing register which was shared by the Council, housing associations and Pembrokeshire National Park.

- 5.16. House price: income ratios were sometimes skewed by a minority of wealthier residents and the limitations of using post-code level data. There was also a significant barrier to capturing housing need at the individual settlement level, given the lack of capacity and resources within planning and housing departments, particularly in areas which did not have a Rural Housing Enabler. This led to the absence of data on the types of properties required and the most appropriate tenure mix and a lack of evidence to make future provision for the changing circumstances and future housing needs of existing residents of rural communities. It was often the case that a detailed picture of the extent and type of housing need in an individual settlement only became apparent once a development was underway.
- 5.17. Snapshots provided by affordability registers and Rural Housing Enabler surveys, where these exist, may also be problematic as they are unable to project into the future and data on individual household needs can be out of date by the time a specific development is actually delivered. There was also a lack of data or analysis of broader and future trends. As described below, the lack of robust data at the local level made development control departments within local authorities more reluctant to apply an affordability requirement of higher proportions (e.g. 30 per cent) on private sites, although The Three Dragons toolkit was seen as helpful in this context (Welsh Assembly Government, 2006d).

Policy and Partnership Working

- 5.18. It was clear from our case study research that the national prioritisation of the affordable housing agenda, including in rural areas, was also present at the local level. A number of local planning authorities had prioritised affordable housing, created specialist teams and forged new or more robust partnership arrangements. It was evident that there had been a historical lack of resources, skills or capacity at strategic levels in local planning authorities and that delivering affordable housing required a steep learning curve. It was also evident that, as found in the survey of local planning authorities, partnership working had traditionally been weak, both between departments within local authorities and between these authorities and other actors such as developers and landowners. This had created a number of barriers to the identification, procurement and delivery of sites and affordable housing developments. However, some rural local planning authorities reported that small staff numbers facilitated closer working and liaison, although this was off-set to some extent by limited capacity and resources. Tensions had been evident between competing strategic objectives within local planning authorities, for example between affordable housing and environmental protection, and this was also the case for National Park Authorities which had the dual, and at times contradictory purposes, of the preservation and protection of the rural landscape and the socio-economic well being of residents within the Parks.
- 5.19. There was also a continuing difference between the views of councillors, who often equated affordable housing with the social rented tenure and developers or landowners who regarded affordability as individualised. In some areas,

opportunities for partnership working are limited by the minimal presence of registered social landlords and volume builders and weak linkages between small family building firms and registered social landlords. There were reported difficulties in getting registered social landlords and small local developers to work together on affordable housing schemes, largely because of funding and financial considerations. Registered social landlords are locked into a three year cycle through Social Housing Grant, which means that they have to plan three years ahead for any investments. House building in rural areas is usually undertaken by small, local developers who do not plan their development so far in advance. There were also barriers to partnership arising from an over-emphasis on the public sector and social housing for rent, with private developers claiming that the potential role of market housing (including private rental housing) was not given adequate consideration in affordable housing strategies.

- 5.20. Barriers in partnership working also arose from ambiguities and uncertainties about the policies and requirements of different stakeholders, with developers and landowners reporting a lack of consistency in the application of planning policies and decisions and planning authorities reporting difficulties in receiving guidance and support from developers or mortgage lenders. In many cases, there was a lack of early engagement and discussion between partners which often resulted in protracted negotiations and subsequent delays to developments. Our case study examples of specific developments in the following chapter highlight the difficulties of negotiations and several stakeholders suggested the need for more robust negotiating skills within local planning authorities.

Local Opposition

- 5.21. Our case study research supported the findings of previous studies and our survey of local planning authorities that local opposition and NIMBYISM was a significant barrier to the delivery of affordable housing in rural areas. Communities wanted housing for local people and may or may not support an affordable or social housing development within this demand. The role and approach of community councils was central. Although the policy position and priorities of community councils varied between localities, it was also the case that community councils may not always be representative and in particular may challenge social housing developments. There are also sensitivities and difficulties in dealing with alternative local organisations which do not have the electoral mandate of community councils and working with un-constituted alternative community groups (see the example of the Crickhowell development in the following chapter). For their part, community councils reported a lack of transparency or consistency in planning processes and limited knowledge of particular mechanisms such as Section 106 Agreements and rural exception sites and how proposed developments in their own area linked to wider strategic policies at the local planning authority level. In some cases, local councillors could also oppose developments within their own ward, although they were supportive of the general principle of affordable housing at the local authority level.
- 5.22. A key barrier is the stigmatisation of social housing which operates independently to, or becomes conflated with, concerns about affordable housing and 'non-locals' and 'dumping grounds'. This is often exacerbated in situations where the affordable housing element of a development is the last to be constructed and is visibly very different from open market housing. The specific history of housing development in a rural community will impact on the nature and extent of local opposition. For example, if an existing social housing development has experienced design problems or anti-social behaviour, local community councils are often reluctant to support new social housing developments. There is often less opposition to affordable housing provided through discounted or shared ownership or where a

development involves a landowner with local connections. Our research also identified the complexity and volatility of local opposition. Even where in principle support is achieved for an affordable housing development, opposition can arise over specific sites, the size of final developments and allocation processes. As demonstrated in Chapter 6, this opposition may be overcome, and community councils can shift from being a significant barrier to a key enabling factor for a local development, but this requires intensive engagement which can be difficult to resource, particularly in areas without a Rural Housing Enabler.

Delays in Progressing Developments

- 5.23. A key barrier to the delivery of affordable housing in rural areas remains considerable delays between planning permission being granted and the completion of a development. Some of the explanations for these delays are provided in the other barriers discussed in this chapter, including infrastructure difficulties, protracted negotiations, local opposition and securing finance. However, the delays in progressing developments are a considerable barrier to the delivery of affordable housing. Figures for Gwynedd and Snowdonia National Park planning authorities indicate that whilst 100 affordable housing units have been completed and 70 units are under construction, a further 200 units have received planning permission. There were specific concerns about the delays in Section 106 Agreement developments coming to fruition. This could be due to housing association schemes waiting for Social Housing Grant funding or private developer schemes where developers do not want to build at present because of the state of the market.

Mortgage and Development Finance

- 5.24. Our case studies reveal often complex and difficult relations and negotiations between local planning authorities, developers and financial lending institutions. The credit crunch has resulted in lending institutions increasing loan to value ratio mortgage requirements without any differentiation between urban and rural areas. In turn, mortgage lenders were concerned about the lack of consistency in local authority policies and approaches and were also uncertain about funding more than 20-25 per cent of units in a new development and this was obviously not viable in some smaller developments. Finance institutions have also been reluctant to support shared ownership schemes or demanded alterations, for example to equity proportions, initial deposits or eligibility criteria such as local connection rules. There was also evidence that finance institutions have been hesitant to engage with new models such as Community Land Trusts. However, the following chapter of this report does provide examples where these barriers have been overcome.

The Planning System

- 5.25. There was general consensus amongst local stakeholders that, although mechanisms such as increased Social Housing Grant, Section 106 Agreements and rural exceptions sites were useful and important, they would not be able, in themselves, to address housing need and housing affordability problems in rural areas. However, local stakeholders differed in their views about whether the planning system represented a structural barrier through being overly rigid and not facilitating local flexibility or whether the planning system did provide potential and opportunity which was not been capitalised upon at the local level. It was clear that there had been a perceived emphasis on protection and conservative interpretations of planning restrictions at the local level, but our case study research found that this was now being challenged and revised. There was reported to be a need to

acknowledge and address the fact that it was too easy to identify reasons for not developing a site and turn this into a proactive assumption in favour of development, which would require flexibility, partnership working and political commitment. Part of this requires overcoming negative views of the planning system and recognising the opportunities that exist within it. However, there remained a lack of public knowledge about the planning system and a feeling that individuals did not heed planning advice, and therefore if, for example, a proposal did not meet rural exceptions sites criteria, individuals tended to feel they were being treated unfairly.

Section 106 Agreements

- 5.26. Many of the sites identified for development in rural areas comprise small developments that do not meet the local size threshold for a required quota of affordable housing. Developers, including housing associations find it difficult to deliver developments of less than 5-10 units, but in some cases the need is for three units. The small sizes of developments, including those in the National Parks, are often difficult to align with Social Housing Grant and related policies which are directed towards larger or more urban developments. Developers argued that the inevitably high proportion of affordable housing in small developments (i.e. one property out of three) increased the costs of the development, including the open market housing and this could make the development unviable economically. Developers also argued that the quota on some developments was unrealistically high and further suggested that discounted properties would prevent purchasers from moving on through buying a subsequent property on the open market. There was very little consensus amongst stakeholders about what constituted a viable proportion of affordable housing.
- 5.27. There was also a lack of knowledge and expertise about Section 106 Agreements within local authorities and a lack of skills and experience in negotiating with developers. Even some of the successful developments described in the following chapter were reported as requiring a steep learning curve for practitioners and it was evident that negotiations over Section 106 Agreements were complex and often protracted. Developers and lenders believed that there was often inconsistency within local authorities in the application of Section 106 Agreements. This inconsistency, for example not requesting a Section 106 Agreement on one development but then trying to apply one to a future development, also led to the risk of legal challenge. The lack of a local model Section 106 Agreement created delays and uncertainty, and made them more liable to ad hoc modification and the involvement of councillors. These problems were exacerbated by the sometimes weak evidence base of local housing need and the tendency for the application of Section 106 Agreements to be decided on a case by case basis rather than being linked into a consistent and strategic approach. The financial viability of Section 106 Agreements was also regarded as a particular barrier on brown field sites due to potential contamination and the price the site was originally purchased for.

Rural Exception Sites

- 5.28. Our case study research identified some barriers to the use of rural exception sites. These included the limited data at the individual settlement level of potential sites, the reluctance of landowners to sell, the problem of ransom strips and the tightness of boundary definitions. Some local stakeholders argued that landowners' expectations of the land price were unrealistically high and that there was a common misperception that exception sites could also be granted for open market housing. Stakeholders also indicated that some rural exception site developments were only viable if the land was acquired for a very modest price. It was also argued that potential rural exception site developments were sometimes lost due to relatively small differences in valuations between partners. Further barriers were identified as

arising from current restrictions on farmers building a property for personal use, definitions of agricultural workers and agricultural enterprises. The Welsh Assembly Government has recently proposed reforms to address these problems through expanding definitions and has consulted on these proposals (Welsh Assembly Government, 2008b).

The Economic Downturn and the Credit Crunch

5.29. Our research attempted to capture perceptions about the impact of the economic downturn and credit crunch on the delivery of affordable housing in rural areas. Our survey of local planning authorities asked what effect respondents felt the recession might have in their area. The responses are of course opinions and the uncertainty of the current climate and problems of anticipating the future direction of the market were acknowledged. The most common anticipated effects of the downturn were:

- reduced economic viability
- mothballing of sites with permissions and in some cases of those underway
- reduced finance options for developers and purchasers
- challenges to policy and especially Section 106 agreements - including attempts at re-negotiating existing obligations
- general stalling of development
- reduced land availability as landowners 'ride out' the recession in the hope of increased returns in the future.

5.30. The majority of responses related to changing practices and behaviours on the part of developers and landowners but there were also important implications of this for policies which were increasingly being challenged in such tough market conditions. The following quote captures this dominant perspective:

"I would anticipate that falling house prices may affect the potential for affordable housing as: landowners hold on to land in the hope that land prices will go up; and developers hold on to land hoping for house price rises or because securing finance to develop sites is difficult or in anticipation of fewer buyers being able to secure mortgages" (Planning Officer).

5.31. Planning applications in Pembrokeshire were down between 30-40 per cent in the last two years and there had been no major applications in the planning authority area in the three months preceding this research. There were clear examples from our case study areas of developments, including those incorporating an element of affordable housing, being delayed or stopped. In such circumstances the rigidity of the Social Housing Grant allocation framework and Acceptable Cost Guidance criteria were brought into sharp relief and many respondents called for greater flexibility. The economic downturn was also reported to have resulted in an increase in challenges to policies on the part of developers as sites became less viable given house price depreciation. Some developers were seeking to re-negotiate Section 106 Agreements which had been secured in more favourable market conditions while many respondents reported that sites had simply been mothballed.

5.32. There was acknowledgement however, that the current economic conditions may also represent an advantage in some circumstances:

"[The downturn] is already having an effect, as can be seen from the difference between valid planning consents and delivery on the ground. There have been

a few instances of developers being prepared to off-load unsold homes to housing associations, but this will be a short-lived phenomenon by definition" (Principal Development Officer).

- 5.33. Indeed, several respondents stated that private developers had begun approaching registered social landlords as a result of difficulties in selling units on new developments and concerns about the economic viability of sites underway or planned for the near future. There was evidence of this occurring on specific development sites in the research case study areas. It was also suggested that smaller developments may be more appealing to developers as profit margins become increasingly squeezed:

"It is possible that a reduction in overall pricing and development costs might make individual developments (single properties) more attractive in some areas" (Housing Officer).

- 5.34. There was a minority view that some developers wished to continue activity and maintain their workforce in anticipation of an upturn in the future. Overall however, the downturn was seen as detrimental to the effective local delivery of affordable housing in rural areas.

- 5.35. Respondents were also asked about any measures planned, or in place, to respond to the recession and there appeared to be a significant amount of local action. A number of local planning authorities were intending to use the development of the Affordable Housing Delivery Statement as an opportunity to put mechanisms in place which could help alleviate the situation while others were undertaking consultations on how best to respond. Several local planning authorities were in discussions with registered social landlords and private developers and the partnership approach was viewed as a key requirement and even more crucial in the current economic climate. Local planning authority responses were based upon reviewing and re-evaluating policies and criteria which had been put in place when the market was buoyant. These included:

- relaxing the criteria for designating Rural Exception Sites to increase flexibility in the definitions of development boundaries and the need for developments to be adjacent to boundaries. A minority of stakeholders also argued that market housing should be allowed on some exception sites to facilitate further cross-subsidisation and ensure the economic viability of some developments. However, the majority of stakeholders were opposed to this proposal
- developing an Empty Homes strategy
- widening the definition of affordable housing beyond social housing for rent in order to ensure that the potential contribution of shared ownership, ownership and the private rented sector are maximised
- shifting to a tenure neutral approach for developments
- exploring Community Land Trust models as an option for delivery.

6. Enabling Factors and Good Practice

Introduction

- 6.1. This chapter identifies and examines key enabling factors that facilitate the local delivery of affordable housing in rural areas of Wales and alleviate or overcome some of the barriers to delivery discussed in the previous chapter. The chapter begins by presenting findings from the survey of local planning authorities about their perceptions of the effectiveness and significance of enabling factors. The chapter continues by using evidence from our case studies to examine these enabling factors in more detail, illustrated by case studies of individual developments which have delivered affordable housing units in rural areas. It should be noted that one of the most successful developments in the Gwynedd case study area is Castell y Gog at Dyffryn Ardudwy which has already been cited in other good practice guidance (e.g. Hedges, 2008: 47-48) and so is not included here. The chapter also provides examples of good practice. Finally, the chapter provides evidence about the development of Community Land Trusts in Wales.

Evidence from the Survey of Local Planning Authorities

- 6.2. Local planning authorities were asked to assess the effectiveness of a range of measures and mechanisms to enable the delivery of affordable housing in rural areas of Wales. The responses are presented in Table 6.1, ranked by relative effectiveness.
- 6.3. Rural Housing Enablers and Affordable Housing officers were deemed to play an important role in the delivery of affordable provision with over 70 per cent and 60 per cent of local planning authorities citing their presence as effective, respectively. Private housing where the resale price is controlled and social rented provision were also reported as effective enabling mechanisms, although there are some problems in practice, particularly when the original occupier wants to sell the property. Properties limited to a local connection, shared ownership schemes, exception sites and quota thresholds were also considered to be enabling factors by a minority of respondents. Open market housing and self-build developments were generally viewed as less effective mechanisms for delivering affordable housing. Table 6.1 also highlights how social rented provision delivered by registered social landlords, quota thresholds and rural exception sites emerge as the most widely used measures in delivering affordable housing in rural areas.

Table 6.1: Effective measures to facilitate the provision of rural affordable housing (%)

	Very effective	Quite effective	Not effective	Not used	Don't know
Rural Housing Enablers	38	24	0	24	14
Affordable Housing Officers	32	27	0	23	18
Social rented provision (LA)	14	32	5	36	14
Controlling resale prices	14	27	14	27	18
Quota Thresholds	10	30	15	10	35
Exceptions sites	10	25	30	10	25
Social rented provision (RSLs)	9	64	9	5	14
Shared Ownership products	9	32	14	14	32
Properties limited to local connection	9	36	9	27	18
Open market housing	0	25	50	10	15
Self build developments	0	19	29	38	14
Community Land Trusts	0	5	14	62	19

Source: Survey of Local Planning Authorities, 2009

6.4. Local planning authority respondents were then asked to indicate the *most important* enabling factors in the delivery of affordable housing in rural areas. The most common responses included:

- Partnerships and communication
- Rural Housing Enablers (and ensuring engagement with them)
- use of Section 106 Agreements
- more use of exception sites policies
- releasing more land
- increasing social housing grant.

6.5. Partnership working and Rural Housing Enablers were considered the most important factors by some margin. Section 106 Agreements were regarded as effective as a mechanism for ensuring that local people could access homes and that these homes could be affordable in perpetuity. It was also reported that Section 106 Agreements had assisted some Welsh-speaking households and thus contributed to the sustainability of the Welsh language and culture in rural communities.

Examining Individual Enabling Factors

6.6. This section of the chapter provides more detail of the research findings into the impacts of specific enabling factors identified as facilitating the local delivery of affordable housing in rural areas. As with the barriers examined in the previous chapter, it is the cumulative impact of a combination of enabling factors that ensure the delivery of affordable housing.

Political Commitment and Leadership

- 6.7. The delivery of affordable housing requires it to be a key priority in local policy strategies and planning. Local stakeholders acknowledged that the role of Welsh Assembly Government in identifying affordable housing as a priority, including increasing the attention given to affordability in rural areas and funding Rural Housing Enablers and Affordable Housing Officers, had been important in establishing a positive environment for affordable housing to be prioritised at the local level. The delivery of affordable housing in rural areas is enabled more effectively when this delivery is linked to other strategic priorities and, equally importantly, attempts are made to address the tensions that may arise between these priorities. A key enabling factor in some of our case study areas was the mainstreaming of affordable housing in local authority housing and across other key partners. It is this strategic prioritisation and mainstreaming which is likely to provide some of the resources and capacity required to undertake the other enabling activities identified in this chapter.
- 6.8. This process was assisted where the delivery of affordable housing could be demonstrated to contribute to wider policy objectives of community sustainability. For example the case study of the Ffynonnau development at Crickhowell in Powys indicates the potential to deliver affordable housing in rural areas that enables key workers in the public and private sector with a strong local connection to continue living in their communities. The Maes y Pandy development at Llanuwchllyn in Gwynedd further illustrates how rural community sustainability, and in particular the importance of the Welsh language, may be supported through affordable housing whilst also addressing priority needs such as homelessness and enhancing the wider infrastructure of a settlement. It is through making explicit connections between the delivery of additional affordable housing and the sustainability of key local social infrastructure and services such as schools that local support for these developments can often be achieved, as demonstrated in the example of Dol-Helyg at Penrhyn-coch in Ceredigion.
- 6.9. This strategic prioritisation also requires the political commitment and will amongst senior council officers, councillors and community councillors. Ensuring the active support of local councillors an early stage is crucial, and exemplified by the case study of the Ffynonnau development at Crickhowell where the political commitment of the local councillor in the face of considerable local opposition was a key enabling factor. Some local planning authorities have sought to ensure that councillors are able to adequately respond to the demands of local communities, for example through the provision of training sessions and presentations to councillors by housing associations.
- 6.10. A further enabling factor identified in our research is the presence of an individual who is able to take ownership and leadership of a particular development and to negotiate with and co-ordinate the involvement of the range of partners involved. In some cases this role is played by Affordable Housing Officers or Rural Housing Enablers. In our case study area of Ceredigion, a lead council officer is designated to co-ordinate each individual development (also noted by the Welsh Assembly Government, Three Dragons and the University of Cambridge, 2007: 18). The case study of the Dolwyddelan development in Conwy provides an illustration of the central role for a designated individual, in this instance an Affordable Housing Development Officer, who can front a project and lead negotiations.

Policy Development and Partnership Working

- 6.11. It is evident from this research that clearly identified priorities and robust policies underpinned by strong evidence, targets and objectives and a strategy to achieve them are essential enabling factors in delivering affordable housing in rural areas. These policies are most effective when they are supported by clear guidance, including supplementary guidance for a range of stakeholders. Gwynedd County Council and the Snowdonia National Park have developed a series of comprehensive and user-friendly guidance documents for officers, landowners, developers and local communities, affordable housing supplementary guidance, information sheets about approaching a planning application, and verifying an applicant is eligible for affordable housing. Affordable housing design guidelines have also been produced. These need to be tailored or adapted to specific groups in language that is not too technical and is proactively disseminated and shared, for example with community councils. In a further example, Ceredigion has developed protocols to provide a consistent framework for negotiations with developers on larger schemes and utilises a consistent indicative figure of 30 per cent of units to be affordable dwellings in new developments. This is an important enabling factor in overcoming the uncertainties often experienced by landowners, developers and local communities about local planning policies and practice identified in the previous chapter. Flintshire has developed model Section 106 Agreements and ensures that any technical changes of these for individual developments are agreed by the Heads of Service within local planning authorities (see Storr, 2009). However, although these provide examples of putting in place the necessary guidance framework, it is evident that this in itself is not sufficient, given that the number of new affordable housing units delivered in these planning authority areas is limited.
- 6.12. Ensuring that local partnerships are built upon clear roles, tasks and designated functions, coupled with the powers to make decisions and utilise resources also emerged as a key enabling factor in the case study areas. Respondents argued that there was a continuing need to clarify to external audiences these exact roles and responsibilities. These partnerships should be broadly inclusive, comprising for example planning officers, housing officers, legal officers, landowners, private developers and housing associations, community councils and Community Land Trusts and should consider extending co-operative engagement to other actors such as utilities companies, public sector landowners and lending institutions. Opportunities for partnership working had been provided by the joint funding of Rural Housing Enablers and the development of Affordable Housing Delivery Statements. Monmouthshire Council is developing a Community Housing Agreement to facilitate partnership working between the local authority and registered social landlords and it was reported by registered social landlords in Monmouthshire that they had excellent informal relations with various local authority departments and worked through the Rural Housing Enabler to appraise sites prior to approaching landowners.
- 6.13. At both local and strategic levels and in the progression of individual affordable housing developments, early engagement and partnership working, for example through pre-application discussions with developers, or co-ordination between private developers and housing associations in assessing local demand and the viability of a site, are central to the likely success of a development. These partnerships also need to be innovative and responsive to emerging issues (for example focusing on bringing existing empty properties back into use). The role of Affordable Housing officers and Rural Housing Enablers is often a key enabling factor in co-ordinating and driving forward these partnerships, particularly where these posts are viewed as being independent arbitrators between partners.
- 6.14. Strong partnership working is also a feature of the successful developments of affordable housing in rural areas provided in the case studies. This may include

partnerships between a private developer and a registered social landlord, including co-operation on assessing housing demand, the promotion of a scheme and the purchasing and allocation processes. The development of Maes y Pandy at Llanuwchllyn was enabled by a strong partnership which included the council selling the land at half-market value, the design meeting National Park Authority requirements, and the central involvement of a housing association, community council, Rural Housing Enabler and Land Trust.

- 6.15. There is also a need for partnerships to ensure active engagement with private developers and not to be seen as overly-dominated by public sector agencies. This requires recognition of the potential role that private sector developers may play in delivering significant numbers of affordable housing units in rural areas, as in the case study example of Ffynnonau at Crickhowell. Partnership working also requires a need for partners to negotiate in order to secure a successful outcome, for example on Section 106 Agreements, local connection criteria etc.
- 6.16. A key enabling factor is the development of a consistent approach in which individual policies and the use of specific measures provide synergy and consistency in the delivery of affordable housing. For example, the Affordable Housing Task and Finish Group cited the example of Carmarthenshire Council's Housing Action Plan which included providing council land for affordable development, using Section 106 Agreements and rural exception sites, restricting re-sales of Right to Buy properties in rural areas, actively promoting and funding Homebuy purchases, bringing empty properties back into use and developing strong partnerships with housing associations and private developers (see Affordable Housing Task and Finish Group, 2008: 69-73). Further examples include Gwynedd's Affordable Housing Project and the establishment of an Affordable Housing Panel in Anglesey.

Policy Development and Partnership Working in Gwynedd and Snowdonia

In 2003 affordable housing was established as a key Gwynedd Council corporate priority and the Affordable Housing Project was a priority project within the Gwynedd Community Strategy 2004-2007 and there has been strong political support for the delivery of affordable housing. An Affordable Housing Officer was appointed in 2004 and has played a key role in the establishment of the Rural Affordable Housing Project in Gwynedd. The initial work of the Project involved putting together more robust and comprehensive guidance on affordable housing and assessing housing need, drawing on good practice from the rest of the United Kingdom. The Project also enhanced partnerships between various Council departments including Finance, Legal, Regeneration, Housing and Planning. Also in 2004, the Gwynedd Rural Housing Enabler project was established. The Gwynedd Council Affordable Housing Guidance document was published in May 2005. Affordable housing for local people is also a key priority for the Snowdonia National Park Authority, arising from community priorities identified in its development plan and the Authority is committed to using mechanisms including Rural Exception sites and Section 106 Agreements.

Affordable housing policies are incorporated within the Gwynedd Council Unitary Development Plan with the explicit aim of ensuring the provision of affordable housing within different types of settlement. The preparation of the Unitary Development Plan included the designation of land for housing with a specific percentage of local need affordable housing. There has been an increase in the number of new affordable housing units being delivered in rural areas of Gwynedd and this increase is widely regarded as being the results of the groundwork that has been undertaken on policies and planning since 2003 and the identification of the most appropriate sites for development.

The Affordable Housing Working Group brought together key Council officers from planning policy, housing, development control, research, legal services, property services and highways and they were each asked to identify what specific contributions their service departments could make to meet the corporate priority of delivering affordable housing. This brought departments together, with the Affordable Housing Officer acting as the bridging mechanism and this was then linked to working with a consortium of housing associations. This enhanced partnership working with housing associations has increased the number of suitable bids made for Social Housing Grant funding and has improved the information on land parcels becoming available for development.

Partnership was widely reported to have improved between key stakeholders including the Council, the National Park Authority and housing associations which has resulted in improved understanding, credence and respect for each other's roles and priorities. Communication between partners had also improved and there was a clearer understanding for example, that the Snowdonia National Park Authority was a planning authority in its own right and was now firmly embedded in affordable housing delivery mechanisms, including Gwynedd Housing Partnership, which has an affordability and supply sub-group. Early on in the development of the Rural Affordable Housing Project there was a recognised need to ensure the project was more closely integrated into housing policies and strategies and this was achieved. The evolution of the Rural Affordable Housing Project into a multi-agency housing partnership has enabled it to link into other policy objectives such as regeneration. There is no private developer forum in Gwynedd, although affordable housing supplementary guidance notes for developers have been produced (2005). However, there was still recognition that the Gwynedd Housing Partnership was still too local authority-orientated and there was a need to develop strategies and items for other partners. Although this example demonstrates the potential to make affordable housing in rural areas a corporate priority and to establish strong partnerships, the difficulties in overcoming the range of barriers to delivering affordable housing is demonstrated by the limited number of affordable units secured in 2006/07 and 2007/08 and proposed between 2008 and 2013 (according to the figures provided by Gwynedd Council in their Joint Housing Land Availability Studies).

Improving the Evidence Base of Localised Housing Need

- 6.17. Given the barriers to ensuring robust data of localised housing need identified in the previous chapter, a key enabling factor is the use of a range of methods for capturing housing requirements in rural areas. A striking feature of the case study examples of successful affordable housing developments presented in this chapter is the use of settlement-level research to identify specific numbers of local housing need and to gather evidence on appropriate property types and tenure.
- 6.18. Our research found that local planning authorities are utilising a mix of methods to identify housing need including waiting lists, Local Housing Market Assessments, population projections, sources such as Hometrack and bespoke commissioned housing needs surveys. Housing registers, particularly shared housing registers between local authorities and registered social landlords were also important. In some case study areas, intelligence on the proportion of second homes in particular localities is factored in to planning strategies.
- 6.19. A new housing register is now being developed in Flintshire. Anglesey, Conwy and Gwynedd councils, with Welsh Assembly Government grant support, will be endeavouring to develop a joint affordable housing needs register which will be

linked into other partners including private developers and fed into the ongoing North West Wales Local Housing Market Assessment process (although there have been significant delays in this process). There is also a joint initiative between Anglesey, Denbighshire, Conwy and the Snowdonia National Park planning authorities to establish a regional housing market profile that identifies base lines, key drivers and affordability factors. The key enabling factor is the ability to provide evidence of localised need in a particular location at a particular time, and for this to be linked into wider regional housing intelligence and trend data.

- 6.20. In many cases, Rural Housing Enablers and community councils have played a crucial role in undertaking housing needs surveys at individual settlement levels and the recommendation of the Affordable Housing Task and Finish Group (2008) to develop a programme of Urban Housing Enablers would also apply in some rural planning authorities, for example targeting larger settlements that provide opportunities to utilise empty student accommodation. There are also opportunities to involve potential private developers in hosting open days to identify potential housing need and demand in a settlement, including the numbers, property types and tenure packages that are most appropriate (Storr, 2009).
- 6.21. The examples of successful affordable housing developments provided in this chapter were based on fine-grained evidence of current and future demand at the individual settlement level, utilising data generated from a range of sources including the local planning authority, a private developer, registered social landlords, community councils and a Rural Housing Enabler. Although postal or door to door surveys are the traditional research mechanism for local housing needs studies, drop-in surgeries or open days can be equally effective. Our development case studies also highlight the potential to include both private developers and registered social landlords in the process of capturing housing need in local communities. At a strategic policy level, robust evidence bases enable a more ambitious and consistent approach to be taken in delivering affordable housing in rural areas, for example by stipulating the requirement for 100 per cent affordable housing on sites where there is acute need and a backlog of unmet need.

Proactive Identification and Securing of Land Sites and Development Opportunities

- 6.22. A key enabling factor to emerge from our research was proactive and comprehensive attempts at the local level to identify new sites for potential affordable housing developments and to engage with new partners in the investigation of further site acquisitions. The Three Dragons toolkit was widely regarded as an effective mechanism for assessing the validity and viability of potential developments. The delivery of affordable housing was supported by the utilisation of Affordable Housing Officers and Rural Housing Enablers to enable a proactive and intensive identification and bringing forward of potential sites for development at the individual settlement level. Not only did this sometimes result in the identification of new sites and willing landowners, but the identification of a number of potential rural exception sites in one locality also acted to encourage some landowners to release land for affordable housing and renegotiate the price of this land.
- 6.23. Anglesey Council is developing a detailed register of potential development land, which will include council-owned sites. A number of local planning authorities are making some of their own land available for affordable housing and encouraging local landowners to do the same. For example, Pembrokeshire Council made land available to housing associations at below market value. Monmouthshire Council provided land on a rural exception site at Y Bryn for a housing association to develop five affordable units. In Conwy, an ongoing positive relationship between the council

and the Forestry Commission resulted in the Commission coming forward with a site in Dolwyddelan that has been developed to provide four affordable housing units. In Gwynedd, attempts were made to identify and acquire land, focusing initially on utilities and public companies, including the Fire and Police Services, the Forestry Commission and BT. Ceredigion Council reviewed its own land holdings and is currently pursuing collaborations with registered social landlords to deliver affordable housing developments on council-owned land. This will be linked to the council's Supplementary or Affordable Housing Register which aims to match eligible households to prospective developments, supported by a new survey of existing tenants who have expressed an interest in affordable home ownership.

- 6.24. The case study development examples provided in this chapter illustrate how it is possible to identify local landowners, including farmers who are willing to provide land for a development that delivers 100 per cent affordable housing units. The proposed changes to restrictions and criteria for second properties for farmers and the redefinition of agricultural workers and rural enterprises (Welsh Assembly Government, 2008b) should further assist the acquisition of potential sites. The Maesmynach development at Cribyn in Ceredigion provides evidence of the potential to work with landowners who wish to secure a personal property on a site and are willing to accept a significant proportion of affordable housing within the development. One task for the new Rural Housing Enabler in Ceredigion will be to contact landowners and developers who have identified sites as candidate sites in the Local Development Plan process, especially where these are adjoining or not immediately part of a settlement. These landowners and developers have shown an initial willingness to develop land and so the intention is to explain the planning position and to encourage them to consider affordable housing, which may result in sites coming forward more quickly in certain areas.
- 6.25. The example of the Ffynonnau development at Crickhowell illustrates the possibility of utilising a rural exception site to deliver a significant number of new homes (24) on a 100 per cent affordable housing development, also demonstrated by the delivery of 14 affordable units at the Goytre rural exception site development in Monmouthshire. The development at Dolwyddelan provides an example of the importance of pragmatism and seizing opportunities. Although levels of housing need were greater in other localities, the provision of this particular site was utilised as a major opportunity to secure the delivery of affordable housing in a rural area. There is also potential to secure affordable housing on existing private housing developments through the use of lapsed planning permissions and robustly negotiated Section 106 Agreements, as evidenced by the Dol Helyg development at Penrhyn-coch. The case study planning authorities were also reviewing the local size threshold requirements and quotas of Section 106 Agreements to increase flexibility. Monmouthshire and Powys Councils are currently co-piloting a plan to focus upon small developments for registered social landlords rather than the traditional emphasis on larger scale developments.

Working with Communities and Demonstrating Local Housing Need

- 6.26. Local opposition was identified in the previous chapter as a key barrier to the delivery of affordable housing in rural areas. However, our research has found substantive evidence of effective approaches to addressing this opposition and enlisting community support for new developments which then becomes a crucial enabling factor. It was regarded by all the research participants as being essential to establish a sense of local ownership and empowerment amongst communities and community councils, to challenge perceptions, work through concerns and establish local need.

- 6.27. It is evident that clear, consistent and explicit messages are required that new developments are designed to meet *localised* housing need. It was reported that once community councils realised that house prices were unaffordable to local people they were keen to have an input, for example doing survey work, facilitating open days or drop in sessions and encouraging individuals to register on housing waiting lists. This is very much an emphasis on 'bottom up' working but it is important that this is adequately linked in to robust partnership arrangements with other key stakeholders. Community councils which were initially concerned about affordable housing developments have subsequently been involved in the identification of sites and potential schemes, including in some areas site visits conducted with Rural Housing Enablers. Community councils are more likely to support local occupancy and there is therefore a need to convince them that the people in need are 'people that they know.' There is also a need to reassure communities about the allocation process and who will be living in new homes along with wider efforts to address the popular stigma of affordable or social housing.
- 6.28. There is often a lack of awareness about affordable housing policies and exceptions sites amongst community councillors. There is a training programme by Planning Aid Wales for community councils and this can assist in the education of community councils and in particular how they can become more proactive in supporting affordable housing, for example through the establishment of an affordable housing sub-group of their council.
- 6.29. Rural Housing Enablers have often been central to the attempts to build a sense of empowerment and ownership of the planning and development process within local communities, particularly through overcoming some local opposition amongst community councils and ensuring that community councils having an integral role in preparing, conducting and analysing housing needs studies.
- 6.30. In addition to providing robust evidence of local need, developments are more likely to win community support when proposals are accompanied by significant consultation, including public meetings and dialogue with community councils, to generate public support for schemes.
- 6.31. A number of innovative approaches have been adopted to enlist community support for developments. For example, in some of the case study examples below attempts have been made to work with alternative community groups who are positive about affordable housing, although, as discussed above, this carries its own risks. In the example of the Bron y Graig development at Bodedern in Anglesey, local school children have been involved in undertaking surveys of housing need which was reported as being a positive mechanism for gaining wider community approval for developments. It is also possible in some cases to use local labour and materials to generate further community support for a development and to contribute to environmental sustainability.
- 6.32. There are now a considerable number of existing examples that local planning authorities may use to demonstrate that affordable housing developments in rural areas have largely benefitted local residents, and as discussed above, contributed to the wider sustainability of some communities and an opportunity exists to use this data to allay fears and win support for further affordable housing developments in these localities.

Local Connection Policies

- 6.33. The case study areas had made considerable use of local connection policies and criteria, with planning permission for new homes was only granted if the housing was for individuals who had lived or worked in designated geographical areas for a

stipulated period of time. The case studies of individual developments in this chapter illustrate both the effectiveness of these policies in ensuring that local people, including key workers in the public and private sectors, gain access to properties and how this can still be combined with providing housing for those in priority need. Although it is not possible to have a Welsh language dimension to eligibility criteria for accessing affordable housing, in both Gwynedd Council and Snowdonia National Park planning authorities, supplementary advice notes require a language and culture impact to be conducted in relation to schemes over a certain size and this is a material consideration in planning decisions, linked to other factors such as the proportion of second homes (see the example of the Maes y Pandy development below).

Making Effective Use of the Existing Housing Stock

- 6.34. There was a widespread recognition amongst local stakeholders that activities to ensure the delivery of new-build affordable housing units, through Section 106 Agreements and rural exception sites, needed to be combined with further efforts to renovate and or/convert empty and derelict properties for use as affordable housing, including the use of Empty Dwelling Management Orders and building residential units within retail developments, for example through initiatives such as Housing Above Retail Premises schemes (see Hedges, 2008: 17-18). There are also opportunities to examine the utilisation of second homes and holiday homes as temporary accommodation for part of the year (Hedges, 2008: 18). A number of our case study areas were increasingly focusing on developing empty homes strategies and Pembrokeshire Council had conducted a study to estimate the number of empty properties in urban and rural areas. The Affordable Housing Task and Finish Group (2008: 86) cited Carmarthenshire Council's Empty Homes Strategy which supports a designated empty property manager, the development of a database of empty properties and a register of empty homes, uses renovation grants, produces information packs for owners of empty properties and sets an annual target for bringing empty homes in the public sector back into use as an example of good practice.

Rural Housing Enablers and Affordable Housing Officers

- 6.35. Our research confirmed the previous positive evaluations of rural housing enablers in Wales. As identified above and in the case studies of affordable housing developments in this chapter, Rural Housing Enablers and Affordable Housing Officers had often played a key role in co-ordinating developments, negotiating with landowners, developers and local communities and forging partnership working and local initiatives. Rural Housing Enablers were essential resources in undertaking detailed surveys of localised housing need and in identifying potential development sites. Our research found that rural housing enablers had facilitated and supported research in order to assist in prioritising resources and had been crucial to increasing the capacity for undertaking needs surveys and establishing need at an individual community level which had resulted in a better understanding of what communities wanted. Surveys and research undertaken by rural housing enablers had achieved high participation rates and covered high proportions of local households. The ethos of ownership and empowerment of local communities within the planning and development developed by the Rural Housing Enabler was reported to be a very important success factor in the delivery of some affordable housing schemes and the independent brokerage role of the enabler was regarded as vital.
- 6.36. There was a need to prioritise the work of rural housing enablers and this occurred through identifying communities experiencing particular problems such as house

price/income ratios or high proportions of second homes. There were often attempts made to achieve some 'early wins' by identifying the most feasible opportunities.

- 6.37. However, there were concerns about the capacity of rural housing enablers given the intensity of work required in each community, the growing demand amongst communities to work with the enabler and the geographical size of the area to be covered. To illustrate this point, the often cited successful Castell y Gog affordable housing development at Dyffryn Ardudwy in Gwynedd was actually the result of extensive engagement in that community, including the identification of previous sites which turned out to be unsuitable due to flooding risks. The rural housing enablers resource is limited so there is a targeting of specific community councils, a need to manage expectations and balance the most problematic areas with the likelihood of achieving successful developments in the short term. Some research participants argued that there was a need for a second housing enabler in some areas, and in Gwynedd there is also an attempt to provide an urban housing enabler in partnership with neighbouring planning authorities. Although rural housing enablers were very positively evaluated by local stakeholders, it was also argued that this should not be viewed as a panacea in itself, but rather one (important) contributory factor to delivering affordable homes in rural areas. There is also a challenge in managing the increasing demand, for example on social housing waiting lists, arising from the identification of previously hidden affordable housing need, and there will be considerable frustration in local communities if developments are not delivered, for example due to the lack of Social Housing Grant.

Case Studies of Affordable Housing Developments in Rural Areas

Bryn Tawel Brynsiencyn and Bron y Graig, Bodedern, Anglesey

Both of these sites were on Council-owned land and were/are to be developed by Housing Associations utilising Social Housing Grant. The Bryn Tawel, Brynsiencyn site has been developed by Clwyd Alyn Housing Association and provides 14 affordable units and the Bron y Graig, Bodedern site will be developed by Tai Eryri Housing Association to provide 10 affordable units. The exact tenure mix on each site is still to be determined between social rented and open market housing. Both sites were located on the edge of existing rural villages and therefore did not require significant new infrastructure and were perceived as existing sites for housing local people. Local need was identified through Council housing waiting lists. There is a five year local residency criteria for nomination.

Key Points:

- it is very difficult to determine hidden housing need as aspirational home owners are often not identified by local authorities. Anglesey has just appointed a Rural Housing Enabler and she is regarded as having a key role in identifying individuals in housing need and sharing this information with partners as well as facilitating quicker delivery
- significant consultation was undertaken, including public meetings and dialogue with local community councils to generate public support for the schemes
- the Affordable Housing Panel was important in facilitating strong partnership working and the schemes have benefited from the evident strong commitment of councillors and local community support
- on the Bron y Graig, Bodedern site the development partners worked with a local school by enlisting school children to assist with analysing survey data.

This was regarded as being a useful mechanism for building links with parents and thereby increasing local community knowledge about, and support for, the scheme

Dolwyddelan, Conwy

Dolwyddelan is situated in Snowdonia National Park south-west of Betws-Y-Coed. Local housing need was identified through the local affordability register and the housing needs survey conducted by the Rural Housing Enabler. A key enabling factor in the development was the fact that the Forestry Commission came forward with some available land suitable for development. This was facilitated by Conwy Council having an ongoing relationship with the Forestry Commission in terms of identifying land and establishing what is suitable in planning terms. Although it was stated that the level of demand for affordable housing was not as acute as other areas within the District the dual identification of need and land was a consideration in the prioritisation of the site. The initial meeting with the Community Council, at which the development was tabled, was in May 2006 and the Council is looking to deliver the units this financial year (2009-10). This means the development will have taken over three years from inception to completion.

The developer involved was the local housing association, Cymdeithas Tai Clwyd. They are one of three housing associations working in Conwy but Cymdeithas Tai Clwyd primarily operate in rural areas. The Council has a positive working relationship with them and they jointly employ the Rural Housing Enabler. The partnership involved in the development proved to be very effective and included: Conwy County Council (planning, affordable housing development officer) Snowdonia National Park Authority Cymdeithas Tai Clwyd housing association, the local Councillor and the local Community Council.

The Council planning officers set the policies and implemented them: they produced a design brief and liaised with the Highways Authority etc. The Affordable Housing Development Officer worked closely with the developers and the Community Council. The Community Council were said to be "very supportive and forward thinking once they had been assured that the development was for locals". There was very little negotiation and opposition involved and when the four affordable units were put forward there were no objections.

The development was wholly financed through the Social Housing Grant: "without the grant funding the development would never have happened". There are two two-bedroom properties and two three-bedroom. The development is tenure neutral and there will be a local lettings policy attached to it which will seek to restrict the units to local people, defined as those who have lived and worked in the community for 15 years and consideration will also be given to households who can purchase a share in a property. A Section 106 agreement is in place which stipulates that any re-sale will be offered to Cymdeithas Tai Clwyd Housing Association in the first instance and then re-allocated. The use of this measure was strongly supported by Snowdonia National Park Authority

The lengthy timescale involved was accentuated by the identification of a stream near to the development and the subsequent need to assess the impact of this on the development. This underscores the unique and variable nature of rural developments and emphasises the need for pragmatism.

Key points:

- from a planning perspective the development provided a key learning curve in terms of indicating the weaknesses of the existing evidence base on housing need
- another learning point was said to be the need to timetable things in order to keep the development moving along as progress can easily slip with so many partners involved
- a further challenge was bringing the scheme in within cost. The Acceptable Cost Guidance is applied county-wide and therefore the additional costs associated with developing in a rural area are not taken into consideration (i.e. different materials required when building within the National Park; the travel costs of developing in remote areas)
- the provision of land by the Forestry Commission, facilitated by a positive working relationship between the Forestry Commission and the Council, was crucial to the development
- the development provides an example of pragmatism and seizing opportunities. Although the levels of housing need was greater in other localities, the provision of this particular site was utilised as a major opportunity to secure the delivery of affordable housing in a rural area
- early engagement with all partners, including the National Park Authority, was seen as extremely positive. There was seen to be no point commencing detailed discussions and moving things forward until all parties were on board thereby avoiding any wasted time and effort. Partnership working was supported by the positive contribution of the Rural Housing Enabler and the perceived relative independence provided by the Rural Housing Enabler was regarded as crucial in getting all partners 'on board' with the development. Partnership working also required recognition that different organisations, including Community Councils, were work at different paces. A visible Lead Officer, in this case an Affordable Housing Development Officer, who can front the development and lead negotiations is important.

Ffynnonau/Crickhowell, Powys

Crickhowell is one of the largest settlements within the Brecon Beacons National Park, in the south east of Powys. It's situated on the outskirts of the town and is a Rural Exceptions Site. The housing demand in the area is high, and housing affordability is a significant problem, with the affordability ratio of house prices to earnings in Crickhowell exceeding the already very high Powys-wide average of 7.2. Local housing need in Crickhowell was identified through Powys Council Housing Needs Survey (which was carried out by the Rural Housing Enabler) and the waiting lists of Powys Council local housing associations. The development was delivered on a rural exception site on the edge of the town, with the entire stock of 24 houses designated as affordable housing units. The site was developed by Melin Homes, a registered social landlord and was the first affordable housing scheme undertaken directly as a result of the work carried out by the Rural Housing Enabler in partnership with Powys County Council and Brecon Beacons National Park. The scheme took four years to complete.

Partnership working on this development was difficult. The town council was not directly engaged in the development. A local informal (un-constituted) community group was set up which was supportive to the development, assisted with the local

housing needs survey, developed a good initial partnership with Powys Council and the Rural Housing Enabler which was important in getting the principle of affordable housing accepted within Crickhowell. However, the particular development site chosen did not achieve the support of the majority of the community members and from then on the Rural Housing Enabler had to work without the support of the majority of the community group. There was therefore considerable local opposition to the development, including concerns about the allocation processes of the new homes. However, the development was supported by a large majority of elected members on the planning committee. Other key barriers to the development that had to be overcome included National Park planning constraints and the relatively high costs of the development. Key enabling factors to overcome these barriers included the work of the Rural Housing Enabler, the support of Councillors, the provision of evidence of local settlement-level housing need and a consistent and explicit policy message that the development was designed to meet this local need; and the use of local labour and materials which helped to increase some community backing for the development.

Key points:

- this development provides an example of the use of a rural exception site to deliver a significant number of new homes in a 100 per cent affordable housing development
- the use of data from sources such as Hometrack and housing market analysis, complemented by local needs surveys and a strong and consistent policy message assisted in demonstrating the localised need for housing on this site
- the use of local labour and local materials assisted in building support for the development in some sections of the community and contributed to the environmental sustainability of the development
- the levels of support and opposition to a development are complex and volatile. This development faced considerable local opposition, focused on concerns about the allocation process of the new homes, and this resulted in a need to work with alternative community groups and to rely on the political commitment of Councillors in the face of local opposition.

Maes y Pandy, Llanuwchllyn, Gwynedd

This development was located close to the centre of a very small rural village with a predominately Welsh-speaking community and very high average house prices. This meant that there was a need to focus on the sustainability of the language and culture and related services such as the local school and to demonstrate this commitment to the local community. The site was Council-owned and was sold to Cymdeithas Tai Clwyd Housing Association at half market value. The development was regarded as an example of good partnership practice as it included the Council, the Housing Association, the local Land Trust, and through the Rural Housing Enabler, the local community. This enabled all elements of the development to be coordinated and the independent brokerage role of the Rural Housing Enabler was reported to be a significant factor in this, particularly in facilitating communication between the community council and the local authority and housing association. The community council was very supportive and involved in the process and this was regarded as a key factor in the success of the development.

The scheme took two years to develop, and delivered four affordable housing units. The four families allocated to the properties were Welsh speakers and two of the families were classified as technically homeless by Gwynedd Council. A local

lettings policy which prioritises residents within a 5 mile radius was also utilised. Two households opted for social renting and two households opted for partial ownership (in perpetuity). The houses have been built to very high design specifications (including solar panels) which was a requirement of the National Park Authority. It was suggested that, as the development was adjacent to lower standard Council housing, this did arouse some concern from neighbouring residents. The development enabled a new road to be extended, with a total of seven new homes in the development, with the local Land Trust negotiating to acquire the land. One result of the development has therefore been an expansion in local infrastructure.

The economies of scale arising from the rural location, small size and environmental standards created challenges and it was argued that national Acceptable Costs Guidance needed to take these more fully into account and that greater alignment and symmetries were required between affordable housing provision and environmental priorities. There was a particular difficulty in meeting Acceptable Costs Guidance for the additional development of the three new homes and the costs of the original materials and this can create a need to 'cut back' on aesthetics.

Although it was suggested that housing association developments did not have the same stigma as 'Council' housing, there was still concern in the local community that housing associations were 'unknown' and could attract people from 'outside' the community and this concern needed to be managed.

Key Points:

- this development illustrates how rural community sustainability, and in particular the importance of the Welsh language, may be supported through affordable housing whilst also addressing priority needs (such as providing housing for homeless households) and enhancing the wider infrastructure of a settlement
- the partnership working was strong, with the Council selling the land at half-market value, the design meeting National Park Authority requirements, a central involvement of a housing association, community council, Rural Housing Enabler and Land Trust
- the development faced barriers relating to Acceptable Costs Guidance and environmental standards and had to overcome concerns within the community about homes being potentially allocated to 'outsiders.'

Maesmynach, Cribyn, Ceredigion

Cribyn is a village of around 100 houses situated 5 miles north west of Lampeter. A Community Impact Assessment identified that demand for houses and house prices are very high, with local estate agents reporting demand to be higher in Cribyn than nearby settlements. The village has lost some key facilities including its shop, post office and public houses. Although housing demand is high, the Community Impact Assessment and Unitary Development Plan indicated that there is land within the development boundary of the village for 30 new dwellings, which would meet this demand.

Land for the development was acquired from a local landowning family. The main motivation for developing the site was so that the couple who owned the land could build a house there for their daughter. Planning permission was granted for a small scheme. A Section 106 Agreement was utilising stipulating that 30 per cent of the development (three out of eight houses) were designated as affordable housing.

The S106 Agreement stipulated that the affordable houses were to be built and sold before the rest of the scheme was completed. The three affordable houses are two-bedroom, and there are two five-bedroom houses completed to date. The affordable houses were sold without any problems to in-comers to the village.

There were no formal partnership arrangements in place for this scheme and the development of the site entailed protracted negotiations between the land-owner/developer, their planning agent and solicitor, and Ceredigion Council's planning and legal departments. The land-owner was required to carry out a Community Impact Assessment in 2004 as a condition of their planning application. A self-completion survey of 100 local households was conducted. Of the 36 respondents, 21 (58 per cent) did not think that the proposal would affect their household. Similarly, 20 respondents (56 per cent) did not think that the village/community of Cribyn would be affected in any way by the scheme. Overall, the survey provided evidence that the majority of residents were not opposed to the development.

There were only minor infrastructure issues relating to the sewage system during the progression of the scheme. The main obstacle to be overcome was the protracted negotiations between the Council and the landowner in getting agreement over the Section 106 Agreement, with a lack of planning guidance on the definition of 'affordable housing' reported as an obstacle that had to be addressed in negotiations. There were robust discussions between the landowner/developer, their planning agents and solicitor and the local authority team on the precise definition of what constituted affordable housing, and how this could feasibly be financed within the costings put forward by the developer, which delayed the process. The landowner was also adamant that the affordable housing would not be for rent and would only be for sale in perpetuity, and secured this clause as part of the Section 106 agreement. As this was one of the first sites for affordable housing to be brought forward it required a great deal of work and a strong negotiating team on the part of the Council.

The value of the land wasn't a prohibitive factor due to the landowner also being the developer. This had the effect of making the scheme as a whole relatively profitable and able to absorb the affordable houses, in contrast to the tighter profit margins on land bought on the open market. The fact that the developer was motivated by family reasons to build on this site, and that planning permission was contingent on the building of affordable houses also meant that the landowner was determined to go ahead with the development despite reservations about the principles and details of the affordable housing component.

Key Points:

- this development highlights the potential benefits of working with landowners who wish to secure some personal property on a site and may be persuaded to proceed with a development incorporating a significant proportion of affordable housing
- the development also highlights problems arising from a lack of clear and consistent guidance on Section 106 Agreements, differences on the definition and interpretation of affordable housing, the protracted nature of negotiations with developers and the steep learning curve faced by local planning officers.

Dol-Helyg, Penrhyn-coch, Ceredigion

Penrhyn-coch is a large village situated 4 miles north east of Aberystwyth. The village has grown substantially in recent years and now contains around 480 dwellings. There was a general requirement for more housing in the Aberystwyth area and due to Penrhyn-coch's proximity to Aberystwyth, its availability of suitable land and a good range of facilities it was considered to be well placed to accept some of this growth. The Settlement Statement for Penrhyn-coch stipulated that all new estate developments should be phased to ensure that the pace at which housing land comes forward is controlled in order to ensure that development does not take place at a rate, which is faster than the community can absorb. There was a general perception that more housing needed to be built in Penrhyn-coch to match local demand. The Settlement Statement for Penrhyn-coch also stipulated that new estates should provide a range of house types to cater for all needs within the community. The need for a diversity of different house types was one of the major selling points for the development of affordable housing in the locality, and was supported by anecdotal evidence of local families availing of larger homes as their needs changed over time in addition to properties being acquired by non-local households.

Eight affordable housing units were contained within a total development of 69 homes. Two-thirds of the scheme had already been built before Ceredigion's affordable housing policy was put in place, therefore the affordable housing criteria only applied to the remaining one-third. No formal partnership arrangements were used in this development, which entailed protracted negotiations between the developer, their planning agent and solicitor, and Ceredigion Council's planning and legal departments.

There was some initial local opposition to the development, mainly from existing residents, who were concerned that house prices would be affected by the addition of affordable houses. However, the levels of opposition to the scheme may have been limited due to the affordable housing element being added to an existing housing development. In addition, the fact that the majority of households moved into the affordable housing were locals or from neighbouring areas so this also increased retrospective support amongst those who had had reservations about the affordable housing element.

The general perception amongst local stakeholders was that the scheme had integrated successfully into the village. It was also evident that the expansion of the local housing stock, including the affordable housing element, was also seen to serve wider purposes including sustaining village life and community through keeping local residents in the area as well as attracting in-comers and helping to maintain the viability of local schools and services, and therefore generating local political support for the scheme.

There were some infrastructure issues regarding drainage and flooding but the initial main barrier to the development, the reluctance of the developer to comply with the affordable housing policy, was overcome through the negotiated Section 106 Agreement. A robustly negotiated Section 106 agreement was the main driver that enabled the affordable housing component on this already existing site. The Council also utilised the fact that previous planning permissions had lapsed in order to ensure that remaining development plots on the site were brought within the remit of the affordable housing policy.

Key Points:

- this development illustrates the potential to secure affordable housing elements on existing housing developments, through the utilisation of lapsed planning permissions and robustly negotiated Section 106 Agreements
- this development also highlights how locating the delivery of affordable housing within broader attempts to maintain the sustainability of local communities and services can generate local support for developments
- the development also highlights that demand for housing in rural communities is generated by the changing housing circumstances and needs of existing residents as well as newcomers.

A Case Study of Land for People and Community Land Trusts in Wales

- 6.38. Support for Community Land Trusts was expressed in the *One Wales* programme (Welsh Assembly Government, 2007a) and the Welsh Assembly Government has used part of the Rural Housing Development Fund to provide grant funding to Land for People of £50,000 per annum to 2010 to promote Community Land Trusts in Wales. Land for People is a not-for-profit organisation, formed in 2003, registered as a company limited by guarantee and an Industrial & Provident Society, operating at the local level in rural Wales to facilitate the development of Community Land Trusts in small communities. Land for People has also received funding from Powys Council and the Tudor Trust. The organisation aims to demonstrate the role that Community Land Trusts may play in the provision of affordable housing for local people, contributing to the sustainability of communities by opening up access and ownership of land, buildings and finance for local residents. Land for People support community groups wishing to develop Community Land Trusts by providing model rules of organisation, project management skills, and administrative support, advice, and expertise.
- 6.39. The organisation has provided support and assistance to several small communities interested in developing a Community Land Trust in their locality. Two communities assisted by Land for People, both in Powys, are in the advanced stages of development and hope to begin on-site developments of affordable housing in the second half of 2009. Underpinning the progress of these projects has been a high level of political, professional, and community support for these developments.
- 6.40. Central to the operation of the Community Land Trust model is the desire of local people in communities to take control of developments in their locality, fitting in with the policy agendas of community empowerment and community asset transfer. As demonstrated above, local people can become antagonistic to developments by external planners and developers, largely due to the imposition of schemes which the community may not in favour of, but also in collision between the opposing group's notions of affordability. Therefore, a community-led project such as a Community Land Trust offers community groups the opportunity to take more responsibility for, and ownership of, the local delivery of affordable housing. Given the limited presence of housing associations in rural areas and the restrictions to Social Housing Grant, Community Land Trusts have the potential to play an active role in supplementing registered social landlord provision in particular localities, with a particular focus on addressing localised housing need. This model is based on projects being bottom-up and led by communities who have themselves identified a need for affordable housing or other community assets in their area.

- 6.41. The role of Powys County Council in supporting Land for People was identified as a key enabling factor in fostering a supportive political environment through provision of grant funding and assistance in gaining a political mandate at senior levels, including the Welsh Assembly Government, which has grant funded the organisation but has also had a relatively 'hands-off' approach in this funding partnership, allowing Land for People to operate independently. The Welsh Assembly Government has referred local communities who share similar concerns on rural affordable housing to Land for People and the Welsh Assembly Government has also worked with the Forestry Commission and Land for People to identify unused Forestry Commission land with a view to providing sites for the development of affordable housing. The Community Land Trust at Ceinws, Powys are seeking to develop community housing and amenities on a brownfield site obtained from the Forestry Commission (see case study below).
- 6.42. The support of Powys Council and the Welsh Assembly Government was cited as being one benefit of what a stakeholder called the 'devolution effect'; and this stakeholder believed that working with the Welsh Assembly Government was 'more empowering' and supportive to Land for People in comparison to similar relationships in England, where the organisation had been funded by the Department for Environment, Food and Rural Affairs.
- 6.43. Land for People also appear to have benefited from interest and support from local professionals such as architects, solicitors, and construction companies, who have provided service and a degree of flexibility as local Community Land Trust developments have attempted to get off the ground. A particular example of this has been the construction company involved in the development at Castle Caereinion, which has been particularly willing to consult with the community over the designs of the homes and to assist with designing at the lowest possible cost. This, however, has also created a problematic relationship between Land for People the local Community Land Trusts they are supporting, and the relevant local planning departments. A key feature of the Community Land Trust developments is the building of housing as economically as possible in order to sell at build cost and increase the affordability of the homes. However, conflicts over the build and design quality of the homes has slowed further development, provoked by the idea that the notion of 'affordable housing' to planners and developers is often different to that of the local communities involved. A stakeholder argued that the 'bar for build quality is being raised too high by planners for housing to be truly affordable', with a problematic situation created by the imposition of rigid design standards suitable for suburban areas rather than allowing more pragmatic and proportional standards for small rural developments.
- 6.44. Community Land Trusts are essentially treated like any other housing provider, rather than as a small, voluntary community group with limited resources, and stakeholders believed that that this mismatch of cultures created restrictions and barriers and limited the capacity of Community Land Trusts to fulfil their objectives. Similar processes were also reported in the relationship between Land for People and the Welsh Assembly Government and the Homes & Communities Agency. Despite expressions of support the relative lack of experience that these agencies have of working with Community Land Trusts results in practices suited to other developers such as registered social landlords, which may not be suitable. An example was cited of the lengthy and complex application form for grant funding, which one stakeholder argued was inappropriate for Community Land Trusts and disproportionate to the level of risk and potential level of grant given the smaller size of the proposed developments.
- 6.45. These problems were attributed to the fact that the Community Land Trust approach is a pioneering way of operating which is unfamiliar, and as such the lines of

communication, development processes, and relationships with official bodies is also unclear. This lack of an established model appears to have also been a barrier when negotiating with mortgage lenders; all financial providers were reported to have been very cautious as the model has not yet fully developed and proven its worth. Land for People and their Community Land Trusts therefore have been involved in a complex negotiation process in order to create a finance structure which can meet local communities' ideas of 'affordable' housing.

- 6.46. In order to overcome the overarching barrier arising from the lack of a track record of successful Community Land Trust models in Wales, it is likely to be necessary for a project to complete its development and to demonstrate the fixed costs, viability, and effectiveness that a Community Land Trust scheme can actually offer in Wales, creating a model structure which can be replicated elsewhere. This will only happen when planning and finance difficulties are overcome through a process of negotiation, and the aim of Land for People is for this to happen in at least one of the case study areas during 2009. Improving these lines of communication between planners, financial stakeholders, government officials, and Community Land Trusts themselves will be a key enabling mechanism, particularly if it is complemented by the creation of a joined-up strategy for the support of future Community Land Trust developments. The factory-build home mechanisms used by Community Land Trusts mean that the construction of homes and development time on site is usually minimal.
- 6.47. A key recommendation of one stakeholder was the creation of a 'revolving loan fund' at minimal rates of interest to assist Community Land Trusts in overcoming the barrier arising from standard commercial Bank loans not usually being feasible for such small groups because of high interest rates. It was suggested that a ring fenced fund to assist Community Land Trusts and associated ventures, akin to the Scottish Land Fund which offered grants and low interest loans to schemes which demonstrate community benefit, would facilitate a greater number of developments and speed up the delivery of these developments.

The Bro Dyfi Community Land Trust

- 6.48. The Bro Dyfi CLT is based on the edge of the village of Ceinws, Powys, and formed in 2004 after a community consultation on how best to develop the old Forestry Commission depot of Ceinws Camp. This brownfield site has since been obtained from the Forestry Commission and is within the local development boundary. A housing needs survey was conducted in 2005 which identified 12 local households as being in housing need. Based on this and information obtained in the consultation process, plans have since been formed to provide five or more affordable homes in addition to workspaces, a children's play area, and a community meeting place.
- 6.49. A three-way partnership between Land for People, the Bro Dyfi Community Land Trust and Gwalia Housing Group are involved in the development. The decision to work with a registered social landlord was taken in the summer of 2008 after a public meeting identified their assistance as a useful mechanism through which to deliver the affordable housing elements of the scheme. The overarching objective of the scheme is to redevelop the Ceinws Camp site for the benefit of the community of Ceinws and the local economy, with Land for People providing administrative support, project management, and expertise to the Community Land Trust, who in turn work to an agreed plan and time schedule to help deliver the project.
- 6.50. The development at Ceinws currently lacks development finance, and this lack of working capital has been highlighted as one of the key impediments to its progress. The Unitary Development Plan for the Ceinws Camp site shows an allocation of five affordable homes; it is thought that Gwalia Housing Group and the Community Land Trust may wish to build additional housing but this has yet to be negotiated with the

local planning authority and as such remains at the preliminary stage of thinking. The proposed tenure mix of the site is yet to be officially determined but Gwalia Housing Group's involvement will offer the potential for a range of tenure options, with allocation policies to be agreed between Gwalia Housing Group and the local community.

- 6.51. In addition to the lack of working capital, the main issues that have arisen during the progression of the development appear to be related to external agencies. A key condition in obtaining land from the Forestry Commission was that it would be used for sustainable community development, and it has been necessary to reassure the Forestry Commission that such an approach continues to be viable in this development. It is also imperative for the Community Land Trust to reconcile the needs and wishes of existing tenants on the site, as there are two households near the proposed development, and additional housing in the area will necessitate development of access roads through liaison with the Highway Authority. The key enabling factors of the development so far appear to have been the persistence of the local community in driving forward the plans to redevelop the Ceinws Camp site for the benefit of their locality, and Land for People's ability to continue supporting the development despite not having a dedicated budget for work such as legal fees, site surveys, and traffic counters. Land for People hope to get some of these sums reimbursed by Gwalia Housing Group. Having secured the support of the local community and the partnership of a registered social landlord development, the next step for the Community Land Trust will be to secure development finance and resolve the access issues surrounding the proposed site.

Castle Caereinion

- 6.52. Castle Caereinion is a small village near the town of Welshpool in Powys. A Community Land Trust was formed in the village in 2004 following discussions about how best to tackle the problem of affordable housing in Castle Caereinion and surrounding areas which had arisen due to massive increases in house prices since the mid-1990s. Land for providing affordable housing has been obtained by Land for People and the Community Land Trust from Powys County Council, who gifted a site adjacent to a private housing development.
- 6.53. A housing needs survey conducted in 2005 found 15 local households in need of affordable housing, leading to plans to build 8 two-bedroom homes sold on a shared ownership basis. The Community Land Trust and Land for People had been keen to offer both rental and shared ownership properties but the final tenure mix has been determined to be the latter based on cost effectiveness assessments. These homes will be allocated on the basis of local need; initially offered to people in the immediate parish, then to people in surrounding areas and extending outwards until the units are sold. There is also an initial requirement in the allocation process for residents to demonstrate local connections and previous residence in the area, emphasising the way in which Community Land Trusts orientate towards local needs housing rather than general housing needs. The Community Land Trust plans to build homes in pairs, obtaining an income from mortgage deposits on each pair which will then help finance the subsequent developments. This should also ensure that potential residents are able to obtain a mortgage for a property, avoiding any uncertainty surrounding the allocation of the homes.
- 6.54. Partnership working between the Community Land Trust and other agencies has varied in this development process. The CLT has worked with three different developers, exercising choice to make sure they are able to form an effective partnership with developers who understand the thinking behind the development and the necessity to simplify design and reduce costs. The support Powys County Council have lent to the development with donations of land and an acceptance of

the nature and building plan of the project appears to have contributed greatly to the project. Partnership working between a registered social landlord and the community had been considered as a mechanism through which more affordable housing can be delivered. However, this approach was dismissed due to concerns over conflicting allocation processes and the possibility that homes may be allocated to people from outside the area ahead of those in local need.

- 6.55. As the proposed site is on the edge of an existing residential development, there are no major issues over infrastructure, and campaigning work in the community through holding public exhibitions and consultations appears to have avoided any local opposition to the development. The main barrier for the Community Land Trust is to simplify design and reduce costs in order to make the homes as affordable as possible. The two-bed homes proposed for the development can be built to Code Level 4 for sustainable homes and the aim is for these properties to be sold for mortgages in the region of £70,000, which is significantly below the local market value. A key goal for Land for People and the Community Land Trust will be to persuade prospective buyers to sign resale covenants in the Section 106 Agreement which ensure affordability is preserved for future generations.
- 6.56. The lack of clear lines of communication between Land for People and the relevant authorities has hindered this development's progress, but the key issue for all stakeholders appears to be to learn from the process and to establish future development processes for Community Land Trusts which may be replicated in the future. Land for People and the Community Land Trust at Castle Caereinion are currently awaiting a financial assessment of the homes from the Principality Building Society and are hopeful that this will result in mortgage offers on the properties and site development later in 2009.
- 6.57. The main enabling factors to emerge from the case studies of Community Land Trusts in Wales are the crucial support from the local authority (Powys) through donations of land to the Community Land Trust, grant funding and general political and officer commitment; the political support and grant funding from the Welsh Assembly Government; the willingness of other public agencies such as the Forestry Commission to release land for development and the proactive support and engagement of local communities.
- 6.58. The primary barriers to the progress of Community Land Trust developments include conflicts with planning departments, especially over housing design standards; difficulties in accessing finance, requiring complex negotiations and difficulty in proving the viability of the Community Land Trust Model; the lack of clarity and unfamiliarity of key stakeholders, including confusion over how the model should be developed and operated and which developments should liaise with the Community Land Trust; generally weak communication between partners; and the limited resources available to address complexities arising in site developments such as legal fees and access and highways issues.
- 6.59. Stakeholders made a number of recommendations to further support the development of Community Land Trusts in Wales, including the creation of a loan fund to overcome the difficulties the Community Land Trusts face in accessing finance; ensuring that planning system demands on Community Land Trusts are proportional to their size and voluntary status; the establishment of coherent national and local strategies for Community Land Trusts and greater awareness of the model amongst key stakeholders. However, it appears to be the case that the most significant enabling factor in the immediate future will be the successful completion of a Community Land Trust development delivering affordable housing in rural Wales, which will successfully completing a development in order to demonstrate the potential viability of the model.

7. Conclusions and Recommendations

Introduction

- 7.1. This final chapter presents the key conclusions from this research study. The chapter summarises the main findings of this report. It then presents policy ideas and recommendations for improving the delivery of affordable housing in rural areas of Wales and emerging issues that need to be considered, as identified by the research stakeholders and participants and the authors of this report.

Summary of Key Findings

- 7.2. Previous research into rural housing in Wales found acute affordability and supply problems, driven by a range of factors including the operation of the land and housing markets, restructuring of the rural economy and in-migration, which threatened the sustainability of some rural communities and in some areas, the Welsh language. The Welsh Assembly Government has introduced a policy framework and extensive suite of measures aimed at facilitating the delivery of additional affordable housing in rural areas, most notably increased Social Housing Grant, guidance on using Section 106 Agreements, policy and guidance on rural exception sites and supporting the provision of Affordable Housing Officers and Rural Housing Enablers. However, new affordable housing completions in Wales are not sufficient to meet existing and projected future housing need and previous research suggests an implementation gap in delivery arising from local barriers. Although previous research identified these key barriers it also suggested that opportunities to deliver more affordable housing in rural areas of Wales were not being maximised. This research aimed to examine these local barriers and to identify enabling factors and good practice that could alleviate or overcome these barriers and facilitate the local delivery of affordable housing.
- 7.3. Our research found that competing definitions of what constituted rural areas and affordable housing were key issues and in particular there was a continuing conflation of 'affordable' 'rural' 'local' and 'priority need' housing between stakeholders. However, local planning authorities, predominately those in rural areas, were able to indicate a series of successful individual developments which had delivered additional affordable housing units in rural areas. It was recognised that the policy framework was in a period of transition and that the full impacts of new policy measures may not yet be apparent, with only a third of local planning authorities reporting an increase in the capacity of local agencies to deliver affordable housing in rural areas. The impacts of the economic downturn and credit crunch are also significant factors, although their precise impact on the affordable housing agenda is not entirely clear. The structural barriers to the local delivery of affordable housing in rural areas pre-dated the recession and will continue to exist as the economy begins to recover.
- 7.4. A central issue for this research is the extent to which local barriers that may be addressed or overcome at the local level, explain the difficulties in delivering affordable housing in rural areas, or whether these barriers are primarily structural and require to be addressed at the national level. Local planning authorities regarded the most significant barriers as either being structural (such as house and

land prices and supply and access to finance) or resulting from national policy (Social Housing Grant and Acceptable Costs Guidance or restrictions within the planning system). Barriers were also identified as arising from a lack of private developers and localised opposition. However, our research supported the findings of previous studies that some barriers to delivery do arise from weak partnership working or policy development at the local level and the lack of robust evidence of housing need in rural areas, although this is, of course, often linked to the resources and capacity available to local authorities and their partners, which are often less in rural areas.

- 7.5. It was striking that the same barriers were commonly reported across the rural areas of Wales and it was the cumulative impact of these barriers, rather than one specific barrier that usually prohibited the delivery of additional affordable housing. These barriers have largely been identified in previous studies and include house and land prices, the difficulties in securing appropriate land sites for development, the lack of social housing supply and additional design and construction costs in rural areas. There were also problems in capturing robust evidence of housing need, including hidden need at individual rural settlement level and determining the appropriate property types and tenure mix for developments. Local opposition and NIMBYISM were major barriers to local developments, along with problems in accessing finance and negotiating Section 106 Agreements or rural exception sites with landowners and developers. In some cases this was exacerbated by the lack of clear policies and guidance from local planning authorities. Limitations were also apparent in the use of Section 106 Agreements and rural exception sites, with these limitations comprising a mix of national policy restrictions, the economic viability of specific developments, attitudes of developers and landowners and, in some cases, limited or uncertain application of these measures at the local level.
- 7.6. However, our research also found that a number of enabling factors could overcome some of these barriers and that there were many examples of good local practice which had resulted in the successful delivery of affordable housing developments in rural areas. Rural Housing Enablers and Affordable Housing Officers were a significant enabling factor, particularly where they were combined with political commitment and clear policies supplemented by robust evidence and guidance and strong and inclusive partnership working. It should be noted that affordable housing had been successfully delivered in some rural areas without a Rural Housing Enabler. Improving the evidence base of housing need at the individual settlement level was often a defining feature of successful affordable housing developments, particularly when this was combined with proactive attempts to identify and secure potential sites, maximising the opportunities to work with supportive land owners and the effective use of Section 106 Agreements or rural exception sites. Our research also found examples where local opposition to affordable housing developments had been overcome and, strikingly, examples where community councils had moved from being a barrier to a development to becoming a key enabling factor through their support and their assistance in identifying local housing need. There is growing interest at the local level in Community Land Trusts as a mechanism for delivering affordable housing and although their development has been enabled through support from national and local government, other public bodies, Land for People and the commitment of local communities, they have faced barriers in accessing finance and becoming integrated into affordable housing policy processes. The successful delivery of a Community Land Trust development will provide a crucial signal about the potential of this model.
- 7.7. It is evident that neither the planning system as a whole, nor the combination of specific measures such as Social Housing Grant, Section 106 Agreements or rural exception sites are going to resolve the affordability and housing need problems in rural areas of Wales, and that this situation is likely to be exacerbated rather than

mitigated by the economic downturn and credit crunch. It is also evident that major structural factors, including the legacy of previous generations of rural development as well as contemporary economic and market conditions create barriers to the local delivery of affordable housing in rural Wales that are beyond the capacity of local actors to address. Therefore, improvements in the use of existing measures need to be complemented by more radical action, including enabling local authorities to commence programmes of social housing construction.

- 7.8. However, our research would indicate that the developments in national and local policy frameworks and mechanisms do provide opportunities to increase the delivery of affordable housing in rural areas and that there is scope within the planning system for flexibility and innovation. Our research has illustrated this through identifying key enabling factors and good practice and describing a number of successful developments which have overcome local barriers and delivered affordable housing in rural areas. The further delivery of affordable housing in rural areas of Wales will require local planning authorities to ensure good practice and innovation, but in order to achieve this they will require the commitment of other actors and the continuing support of the Welsh Assembly Government. Some of the ways in which this support could be provided are set out in the following recommendations identified during this research. Partnership approaches and maximising the contribution of the full range of stakeholders will be particularly important in a future environment of reduced public expenditure and increasingly limited resources and capacity.

Recommendations

Local Authorities

- local authorities should ensure that the delivery of affordable housing is a key corporate priority and ensure that the delivery of affordable housing in rural areas is specified and disaggregated in strategies, with specific numeric targets and delivery plans. This should be complemented by political leadership and commitment at senior policy officer and councillor levels
- local authorities should promote a tenure-neutral approach to new affordable housing developments in order to maximise flexibility, ensure the best fit with local requirements and enhance the viability of individual schemes. The overall impact of this approach will need to be monitored to ensure that a range of tenure options are made available
- local authorities should give increasing emphasis to maximising the potential of the existing housing stock through empty homes strategies which comprise audits of empty properties, targets and delivery plans to meet these targets, utilising measures such as compulsory purchase orders, empty dwelling management orders and mitigating the impact of second homes in areas of housing pressure. This should be combined with a continuing focus on the repair, renovation and maintenance of existing housing. Local authorities should explore the potential opportunities of using holiday accommodation, student accommodation and semi-permanent dwellings during periods when they are unoccupied. However, by its very nature, such opportunities will only provide temporary housing and are likely to be very complicated to put into practice
- local authorities should ensure that the delivery of affordable housing is triangulated with other policy priorities (such as environmental protection) and that tensions between competing policy priorities are resolved

- local authorities should ensure that designated officers serve as champions for the delivery of affordable housing and have the resources and capacity to take forward this agenda with the support of key departments and partners
- local authorities should ensure that robust shared registers of housing need are developed with registered social landlords
- local authorities should monitor the housing needs of migrant workers in rural areas of Wales and the impact of migrant workers on the availability of affordable housing in rural areas.

Local Planning Authorities

- local planning authorities should ensure that they have explicit and consistent policies in place (particularly for the use of Section 106 Agreements and rural exception sites), supported by robust evidence of housing need (including at individual settlement level), protocols, supplementary guidance and the provision of information to a range of local stakeholders and audiences. These policies should then be implemented consistently and transparently. It is important to ensure synergies between strategic objectives and the decision-making processes on individual development applications and outcomes
- local planning authorities should ensure that appropriate training is provided to their staff, for example on negotiating skills. Joint training between staff from different planning authority departments could be extended to involve other key stakeholders, including councillors and community councillors
- local partnerships need to be more extensive, extending to landowners, developers and community councils and should be characterised by earlier engagement at both strategic and individual development proposal levels. Enhanced partnership relationships and early stage negotiations, for example over Section 106 Agreements, are resource intensive but often assist in reducing conflicts and delays at a later stage in the development process. It is important that all local stakeholders are involved in consultations on policy development and guidance
- local planning authorities should maximise the involvement of developers, including private developers and housing associations, in establishing the need for housing at an individual settlement level and engaging with local communities at an early stage about the range of options for local developments
- local planning authorities should review their current affordable housing development size thresholds and affordable housing quotas to maximise flexibility and opportunities on specific sites
- local planning authorities should ensure that local communities, and particularly community councils and councillors, are aware of how proposed developments in their locality fit within wider strategies of affordable housing delivery at the planning authority level. This is vital in demonstrating fairness and will assist in addressing (though clearly not resolving) NIMBYISM. Local authorities should provide further guidance to community councils and local residents about the allocation processes for new affordable housing developments. This guidance should seek to provide reassurance and to highlight local connection policies where these exist. However, this guidance needs to be explicit about balancing local need with priority housing need and should not further the stigmatisation of social housing
- although local planning authorities face constraints on the capacity and resources available to undertake robust housing needs and site availability assessments at the individual settlement level, there is considerable scope to

further utilise partners including potential developers and community councils in undertaking research in local communities. Although rural housing enablers are a key resource in this process, given their limited capacity and the intensity of work in each local community, ensuring the involvement of other partners is essential

- local planning authorities need to intensify their proactive work with public bodies, utilities, charities and churches to explore the possibility of land sites being secured for affordable housing developments. This should be combined with local planning authorities continuing to make their own land available for development
- local planning authorities should investigate the local factors causing considerable delays on development sites with extant planning permission but where developments have yet to commence.

Welsh Assembly Government

- the Welsh Assembly Government should continue to show leadership by making its own land available for development. The Welsh Assembly Government should work at a national level with public bodies, charities and churches which have significant land holdings in rural areas to explore making more land available for affordable housing. This will require an examination of existing regulations upon organisations to ensure Best Value for the disposal of assets. One example of such an initiative is the Church of England's 'Faith in Affordable Housing' scheme, launched in February 2009 (www.fiah.org.uk) and the Welsh Assembly Government should explore with partners the possibility of establishing equivalent initiatives in Wales
- the Welsh Assembly Government should enable local authorities to commence programmes of social housing construction
- the Essex work stream currently considering Social Housing Grant allocations should examine the impacts of its proposals on rural housing. In particular there is a need to clarify whether existing Acceptable Costs Guidance accurately reflect any additional costs involved in some affordable housing developments in rural areas
- the Welsh Assembly Government should promote a tenure-neutral approach to the delivery of affordable housing in rural areas, which recognises the need for a mix of products and the contribution of each of these products to meeting the diverse needs of local communities. These include the social rented sector, the private rented sector, intermediate rent products, Homebuy and shared equity schemes and Community Land Trusts. The Welsh Assembly Government should consider the introduction of a similar scheme to the Homebuy Direct initiative in England which provides targeted support to first-time buyers
- the Welsh Assembly Government should continue to ensure that funding is available to support Rural Housing Enablers and Affordable Housing Officers
- the Welsh Assembly Government should consider the feasibility and impacts of further incentives, such as token grants, to encourage landowners to release sites for affordable housing developments. Consideration should also be given to making exception sites available on a leasehold basis or allowing landowners nomination rights on one property in a development
- the Welsh Assembly Government should convene a working group of local planning authorities, developers, landowners and financial lending institutions to address continuing tensions and misunderstandings in the use of Section 106

Agreements. The working group should have a remit to explore the balance to be struck between greater consistency and transparency between local areas and retaining local flexibility

- the Welsh Assembly Government should work with finance institutions, including mortgage lenders to explore the continuing difficulties in accessing finance for developments and mortgages and the impacts of the recession and credit crunch. There is a particular need to address the current difficulties experienced by Community Land Trusts in accessing funding
- the Welsh Assembly Government should continue to monitor the progress of Community Land Trusts in Wales and encourage local authorities to embed existing Community Land Trusts more strongly into existing policy frameworks and partnerships. The Welsh Assembly Government should raise awareness of the Community Land Trust model amongst national and local stakeholders and encourage stronger linkages between Community Land Trusts and the expanded Rural Housing Enabler programme
- the Welsh Assembly Government should work with housing associations in Wales to promote the presence of a larger number of housing associations in rural Wales through a review of the current registered social landlord consortia arrangements. This should include ensuring that the knowledge and expertise of those housing associations currently operating in rural areas is shared across the housing association movement in Wales. The Welsh Assembly Government should also ensure that the views and experiences of small developers are included in policy formulation processes
- the Welsh Assembly Government should work with local planning authorities and other partners to ensure that the social rented sector and shared ownership schemes are promoted positively as tenures of vital importance and of equal standing to owner-occupation. The Welsh Assembly Government should ensure that its policies and discourse do not add to the existing stigmatisation of the social rented sector. The Welsh Assembly Government could be more explicit in making the case that the delivery of affordable housing is vital to the economic, social and cultural sustainability of rural communities and the protection of services and facilities within them and aligning this with environmental protection goals
- the Welsh Assembly Government should continue to work with local planning authorities to ensure that a balance is struck between prioritising local connections and other dimensions of priority housing need, such as homelessness. The Welsh Assembly Government should also consider whether there is a need for greater consistency nationally in the operation of local connection criteria including geographical boundaries and length of residence/employment in the allocation of affordable housing
- the Welsh Assembly Government should work with the Rural Housing Network to share information about the impacts of, and local responses to, the economic downturn and the credit crunch
- the Welsh Assembly Government should review the use of rural exception sites, including gathering data on how these are being applied locally
- the Welsh Assembly Government should work with local planning authorities to consider what further mechanisms may ensure that developments with extant planning permission are completed
- the Welsh Assembly Government should consider the findings and recommendations of the recently published Chartered Institute of Housing study of the management of land supply for the delivery of affordable housing

- the Welsh Assembly Government should work with One Voice Wales and the Rural Housing Enabler Network to promote the active engagement of community councils in the delivery of affordable housing in rural areas of Wales, building upon the existing examples of community councils engaging in research to identify local housing need.

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Annex 2: Stakeholder Interview Schedule

Interviewee's job title and role:

What role does your organisation play in the delivery and/or provision of affordable housing in rural Wales (National, Regional or Community level)?

What is your understanding of the national policy framework relating to rural housing affordability in Wales?

What role did/does your organisation play in shaping national policy?

How do you define 'Affordable Housing' in the rural Welsh context (*Differences between 'affordable' 'local' etc.*)?

How effective do you think current policy and practice is at delivering adequate rural affordable housing in Wales? (And to what extent does this vary across the country?)

What do you think are the main barriers to the local delivery of affordable housing (*Land availability, local opposition, developer interest, properly defining local needs etc.*)?

What do you think are useful enabling factors (*Rural Housing Enablers, strong partnerships, coherent policies/ strategies etc.*)?

Are you aware of particular examples of good practice at the local level? Why do they represent good practice?

Are you aware of any examples of successful affordable housing schemes/outcomes?

Do you have any recommendations to make on how to improve the local delivery of affordable housing?

Would you suggest any particular local planning authorities that may be worthwhile case studies? (Why?)

Are there any other important issues relating to rural housing affordability that we should be focussing on?

Annex 3: Survey of Local Planning Authorities in Wales

Local Barriers to the Delivery of Affordable Housing in Rural Wales

A Research Study by Sheffield Hallam University on behalf of the Welsh Assembly Government Questionnaire

This questionnaire survey is part of a research study examining local barriers to the delivery of affordable housing in rural Wales, commissioned by the Welsh Assembly Government, which builds on the work of the Joseph Rowntree Commission report on *Rural Housing in Wales* and the Essex Report on affordable housing. The aim of the research is to identify barriers to delivery and opportunities for improving provision. The survey is designed to provide consistent and structured information on the different localised issues facing local planning authorities and local housing authorities. It is divided into four sections covering: the local context; barriers to delivery; partnership issues; and local examples of delivering affordable rural housing.

We would be grateful if you could complete the following survey questionnaire and return it to us in the pre-paid envelope provided by **Friday 13 February**.

Alternatively, if you would rather be sent an electronic version of the questionnaire to return by email please contact [Stephen Green](mailto:Stephen.Green@shu.ac.uk) on the contact details below.

If you have any queries about this questionnaire then please contact either:

Stephen Green on 0114 225 2831 or stephen.green@shu.ac.uk or

John Flint on 0114 225 4680 or j.f.flint@shu.ac.uk

SECTION A: YOUR DETAILS

YOUR NAME:	
YOUR JOB TITLE/POSITION:	
YOUR LOCAL PLANNING/HOUSING AUTHORITY:	
YOUR TELEPHONE NUMBER:	
YOUR E-MAIL ADDRESS:	

SECTION B: LOCAL CONTEXT

1. How would you classify your Local Authority? (Please circle one only)

- Rural 1
- Urban 2
- Mixed Urban/Rural 3
- Don't know 4

2. Do your policies and strategies use one consistent definition of 'rural' housing?

- Yes 1 *Continue*
- No 2 *Go to Q4*
- Don't know 3 *Go to Q4*

3. Please can you tell us what this definition is? (Please write in)

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4. What percentage (approximately) of your authority is classified as rural? (Please write in)

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5. Do you have, or are you in the process of developing, an Affordable Housing Delivery Plan or Statement?

- Yes 1 *Continue*
- No 2 *Go to Q7*
- Don't know 3 *Go to Q7*

6. Please indicate where this is available (weblink etc):

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7. **Do your policies and strategies use one consistent definition of 'affordable' housing?**

- | | | |
|------------|---|-----------------|
| Yes | 1 | <i>Continue</i> |
| No | 2 | <i>Go to Q9</i> |
| Don't know | 3 | <i>Go to Q9</i> |

8. **Please can you tell us what this definition is?** *(Please write in)*

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9. **What evidence is used to determine the need (quantity/size/location etc.) for affordable rural housing units in your area?** *(Please write in)*

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10. Which local strategies and policies relate to the provision of rural affordable housing in your area? *(Please write in all that apply)*

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11. Do you have a numeric target for rural affordable housing provision/delivery?

- | | | |
|------------|---|------------------|
| Yes | 1 | <i>Continue</i> |
| No | 2 | <i>Go to Q13</i> |
| Don't know | 3 | <i>Go to Q13</i> |

12. Please can you tell us what this target is? *(Please write in)*

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13. Please can you indicate the number of rural affordable housing units given planning approvals in your local area in the last three years? *(Please write in)*

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14. Do you have data on the number of completions of new affordable rural housing units in your local area in the last three years?

- | | | |
|------------|---|------------------|
| Yes | 1 | <i>Continue</i> |
| No | 2 | <i>Go to Q16</i> |
| Don't know | 3 | <i>Go to Q16</i> |

15. Please can you provide details of this information? (Please write in)

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16. Which developers/Registered Social Landlords are involved in the delivery of rural affordable housing in your area? (Please write in)

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SECTION C: BARRIERS TO THE LOCAL DELIVERY OF RURAL AFFORDABLE HOUSING

17. Please can you state to what extent each of the following are barriers to the local delivery of rural affordable housing? *(Please circle one option on each line)*

	A significant barrier	A minor Barrier	Not a barrier	Don't know/ N/A
Land availability/supply	1	2	3	4
Land price	1	2	3	4
Failure to bring land allocated in plans to market	1	2	3	4
Problems with Social Housing Grant	1	2	3	4
Problem with Acceptable Cost Guidance/Bands	1	2	3	4
Local resident opposition	1	2	3	4
Local political opposition to new development	1	2	3	4
Availability of developers (private)	1	2	3	4
Availability of developers (RSL)	1	2	3	4
Attitudes of developers (private)	1	2	3	4
Attitudes of developers (RSL)	1	2	3	4
Lack of strategic infrastructure development (Utilities)	1	2	3	4
Inadequate partnership arrangements	1	2	3	4
Restrictive planning policies	1	2	3	4
Inadequate data/ information about housing needs	1	2	3	4
Lack of co-ordination between planning and housing strategy teams	1	2	3	4
Lack of detailed knowledge of new guidance/negotiation skills amongst officers	1	2	3	4
Reductions to the stock of social housing (RTB and demolition for example)	1	2	3	4
Increasing house prices	1	2	3	4
Lack of access to private finance	1	2	3	4
Lack of availability of mortgage finance	1	2	3	4
Effects of second-home ownership	1	2	3	4
Effects of purchasing by commuters / and or retired incomers	1	2	3	4
Conflicts with other policies (e.g. conservation aims; design criteria etc)	1	2	3	4
Development control practices	1	2	3	4
Lack of common definition of 'affordability'	1	2	3	4
Lack of a common definition of a 'rural' area	1	2	3	4
Effects of the recent economic downturn	1	2	3	4
Other (please write in):	1	2	3	4

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18. In your opinion, what are the most significant barriers to the delivery of rural affordable housing in your local area? *(Please write in)*

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19. What impacts (if any) will the current economic downturn have on the delivery of rural affordable housing in your local area? *(Please write in)*

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20. Please can you provide details of any policies and strategies being put in place in your local area to address these impacts? *(Please write in)*

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21. In your opinion, how effective are each of the following in facilitating the provision of rural affordable housing in your area? (Please circle one option on each line)

	Very effective	Quite effective	Not effective	Not used	Don't know
Social rented provision (Local Authority)	1	2	3	4	5
Social rented provision (RSLs)	1	2	3	4	5
Shared Ownership products	1	2	3	4	5
Quota Thresholds	1	2	3	4	5
Open market housing	1	2	3	4	5
Properties limited to local connection	1	2	3	4	5
Exceptions sites	1	2	3	4	5
Self build developments	1	2	3	4	5
Community Land Trusts	1	2	3	4	5
Private affordable housing where the future resale price is controlled by the local authority	1	2	3	4	5
Affordable Housing Officers	1	2	3	4	5
Rural Housing Enablers	1	2	3	4	5
Other (please write in):	1	2	3	4	5

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22. Please can you indicate the most important factors that facilitate improved delivery of rural affordable housing in your area? (Please write in)

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23. Are there difficulties in your local area in delivering an appropriate tenure mix of rural affordable housing (rented, shared ownership; owner occupied etc)?

- Yes 1 Continue
- No 2 Go to Q25
- Don't know 3 Go to Q25

24. Please can you briefly describe what these difficulties are? (Please write in)

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25. Has the general ability of agencies and organisations to deliver affordable rural housing in your area in the last three years...? (Circle one box only)

- | | |
|-----------------|---|
| Increased | 1 |
| Stayed the same | 2 |
| Decreased | 3 |

26. Please can you give a reason for your answer to Q25? (*Please write in*)

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SECTION D: PARTNERSHIP ISSUES

27. Are there local partnership arrangements in place to achieve the delivery of rural affordable housing in your area?

- Yes 1 *Continue*
- No 2 *Go to Q29*
- Don't know 3 *Go to Q29*

28. Which agencies and organisations are most actively involved in these partnerships? (Please write in)

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29. Which (if any) key agencies or organisations are not actively involved in these partnerships? (Please write in)

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30. What (if any) have been the main barriers to effective partnership working to deliver rural affordable housing? (Please write in)

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31. Can you indicate any successes in terms of delivering rural affordable housing that have been achieved through partnership working? (Please write in)

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SECTION E: LOCAL EXAMPLES OF DELIVERING AFFORDABLE HOUSING

32. Please can you tell us about any innovative initiatives or examples of good practice in improving the delivery of rural affordable housing in your area?
(Please write in)

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33. Please could you identify up to three successful recent rural affordable housing development schemes in your area:

	Scheme name/ location	Developer(s)	No. of affordable units	Tenure mix
1				
2				
3				

34. Are there any mechanisms through which the Welsh Assembly Government could further support improvements to the delivery/provision of rural affordable housing? *(Please write in)*

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35. Do you have any further comments on the delivery of rural affordable housing in your area that have not been covered already in this survey questionnaire?
(Please write in)

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THIS IS THE END OF THE QUESTIONNAIRE

THANK YOU VERY MUCH FOR TAKING THE TIME TO COMPLETE IT- YOUR ANSWERS
ARE VERY IMPORTANT TO US

PLEASE RETURN THE QUESTIONNAIRE IN THE PRE-PAID ENVELOPE OR BY E-MAIL
TO

Stephen Green at:

stephen.green@shu.ac.uk

or Ryan Powell at:

r.s.powell@shu.ac.uk