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Welsh Government

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An Evaluation of the Rural Housing Enablers in Wales

Research Summary

Social research

Number: 7/2014

The evaluation explores the effectiveness of the Rural Housing Enabler (RHE) role, management and funding of the posts and the barriers and opportunities that impact on the RHEs' ability to deliver affordable homes in rural communities. The report concludes with an integrated package of recommendations for those working with and managing RHE posts, local policy makers and Welsh Government. These focus on strengthening practice and policy and providing long term funding for RHE posts.

Key Findings:

- Rural Housing Enablers (RHEs) successfully put in place the evidence and community engagement that are essential pre-requisites for delivery of rural affordable housing. Their input is valued by local authorities, housing associations and communities.
- In six areas the RHEs have helped deliver 186 affordable homes since 2004, with a further 240 in the pipeline. Unfortunately there is a paucity of data on delivery by other routes.
- It is universally considered that the loss of an existing RHE project would reduce the already low levels of rural affordable housing delivery.
- The length of time for which a post has been existence and the time that an individual RHE has been employed appear to have a significant impact on outcomes and outputs. Six areas provided data on delivery and between them they had completed 186 units since the RHE posts started. Of this 89% of completions were in Gwynedd, Monmouthshire and Powys South, all areas where there has been a RHE in post since 2009.
- It is perceived however that delivery is held back by a lack of capital funding, limited site supply, out of date local plans, planning policies that do not take account of financial viability and a lack of strategic leadership. All these issues can be influenced by but are outside the direct control of the RHEs.
- This research recommends that a parallel approach is taken to improve delivery and retain the RHE posts. At a local level these include: adopting a delivery team approach that involves all partners co-ordinated by the RHE; and stronger strategic leadership by those managing and funding the RHE role. At Welsh Government level they include considering: targeting some of its capital funding for rural delivery; and amending planning policy to allow cross-subsidy on rural exception sites.

Dadansoddi ar gyfer Polisi



Analysis for Policy

Introduction

The Rural Housing Enabler (RHE) network was established in response to the shortage of affordable housing in rural Wales, the impact on the ability of rural communities and economies to thrive and the complexity of delivering rural affordable housing.

First piloted in 2004, the network gradually expanded to become a pan Wales project in 2009/10.

The RHE role is multi faceted. They act as facilitators, honest brokers working with rural communities, local landowners, local authorities (LAs) and housing associations (HAs).

Purpose

The ending of the current tranche of Welsh Government funding in March 2014 prompted an evaluation of the RHE Programme to:

- assess how far the RHEs have linked directly with rural communities and local stakeholders to identify and find potential resolutions to housing needs.
- evaluate RHE influence on

the strategic landscape of affordable housing.

- provide conclusions and recommendations for the future, including potential funding options.

Methodology

The evaluation used quantitative and qualitative techniques. The former primarily drew on data obtained from published sources and the RHEs. Qualitative evidence was collected via in-depth interviews with the RHEs, LAs, relevant HAs, community representatives and national organisations, two workshops and three short case studies.

Findings

Seven RHEs are currently in post. In two areas the post has lapsed, but future funding is planned. In one area the role has been abandoned.

The RHEs have achieved the required outcomes, with community engagement running as a golden thread through their work. Their input is felt to be greatest and most vital at the start of a scheme, evidencing need and identifying

sites. They lead on galvanizing and maintaining community engagement and support, helping them to help themselves. The research suggests that key to their success is their independence from any single organisation.

Their role has evolved into a more delivery focused and targeted approach.

However, the delivery of rural affordable housing is very low and data hard to come by. On rural exception sites, across Wales 125 affordable homes have been provided since 2010. Since 2004 RHEs in six areas have directly facilitated 186 new affordable homes. The length of time an RHE post has been in existence and the time the individual has been in post has a significant impact on output. 89% of delivery is in the three areas where the post has been established the longest. On average it takes 6 years to build a scheme. Since 2011 RHE activity in six areas has resulted in a pipeline that at a minimum will deliver 240 units and there is some limited evidence that the pace of progressing schemes is

quickenning.

While respondents to the research consider the ultimate goal of RHE work to be the delivery of rural affordable homes they acknowledge that LAs and HAs have a more direct impact on achieving this output.

The main barriers to delivery are perceived to be: shortage of capital funding; limited site supply hindered by landowner expectations of value, out of date Local Plans, fragile and static housing markets in some areas; inconsistencies in development management practice; inability to use cross-subsidy on rural exception sites; LA unwillingness to release sites they own at an appropriate price for affordable housing.

Only in two areas have the RHEs assisted in bringing empty homes back into use. Elsewhere this is not necessarily seen as a good use of the RHE due to the scarcity and costs involved.

A significant success of the RHEs is in influencing policy, making it

easier for rural residents to register their housing need and shaping local plan policies and guidance.

The strategic role of the RHE Steering Groups (SGs) is weak. In part this reflects the lack of strategic monitoring to highlight common barriers and potential action to unlock them at a strategic level.

In contrast, scheme monitoring is largely well developed with steering group members taking action within their own organisation to unlock scheme specific barriers.

The quality of line management is variable with links to overall management by the SG sometimes weak and occasionally ineffective.

The majority view is that RHEs offer good value for money. As budgets tighten funding of RHE posts is becoming more precarious. Only two RHEs have local funding confirmed beyond March 2014.

The current funding model is not sustainable and is likely to falter if Welsh Government funding were withdrawn. There is interest in

alternatives using a mix of grant and income, but this would take time to test and agree.

The key finding is that the RHE role has worked most successfully in the areas where rural housing is a real priority for the local partners. To fulfill its potential it has to be one of an integrated range of mechanisms.

Summary of Recommendations

Role and funding of RHEs

1.1 Adoption of a delivery team approach for rural affordable housing, including HA, LA housing, planning policy and development management staff and the RHE who would be responsible for co-ordinating the process.

1.2 Greater RHE involvement in initial site appraisal including viability, supported by training and adoption of a rural affordable housing viability toolkit.

1.3 Greater RHE formal involvement in formal 'training' events for local authority politicians, organised through the WLGA.

1.4 Extension of Welsh

Government funding for RHEs until March 2015, with a similar commitment by local partners. During this time consideration should be given to putting in place funding arrangements that are not wholly dependent on grant.

1.5 Thereafter, local SGs that show commitment to rural affordable housing delivery should have the opportunity to bid into a pot of funding available for RHE posts, with Welsh Government funding representing no more than 33% of costs.

1.6 In parallel, Welsh Government should work with the SGs, WLGA and CHC to develop alternative funding mechanisms. This should recognise the links between delivery and revenue for RHE posts and include consideration of a rurally targeted capital funding programme.

1.7 Welsh Government review with the SG Chairs and the Rural Housing Strategic Group the possibility of changing to a sub-regional approach extending across LA boundaries, but with more than one RHE covering the

sub-region.

Steering Group arrangements

2.1 The Welsh Government work with the Rural Housing Strategic Group to set Terms of Reference for RHE SGs to include a strategic influencing role at local and national level. Signing up to these could be a condition of future funding for the RHE post.

2.2 SGs to formally agree roles and responsibilities for all those involved in rural affordable housing delivery, including RHEs, LAs and HAs.

Welsh Government

3.1 Introduction of a targeted rural affordable housing capital programme, ideally available on a three year basis with annual reviews.

3.2 Undertake a detailed review of Acceptable Cost Guidance- applied to rural schemes.

3.3 Amend TAN 6 to permit cross-subsidy in small rural communities including on rural exception sites. To be accompanied by training and guidance note clarifying that

viability considerations mean this is only appropriate in high value areas.

3.4 Collect and publish data that records: levels and type of delivery of affordable housing in rural communities of less than 3,000 population; and levels of ACG applied to rural schemes.

3.5 Agrees with the Rural Housing Strategic Group a set of core output and outcome targets to be monitored by the SGs, included in LA monitoring returns to and collated by Welsh Government into a published annual report.

3.6 Explores with Rural Housing Strategic Group some of the alternative practice being adopted by the Home Nations, with a particular focus on Scotland.

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