

AGENDA ITEM

REPORT TO PLANNING COMMITTEE

12 January 2011

**CORPORATE DIRECTOR OF
DEVELOPMENT AND
NEIGHBOURHOOD SERVICES**

LOCAL DEVELOPMENT FRAMEWORK: RURAL HOUSING NEEDS ASSESSMENT

SUMMARY

1. Arc4 (a housing research consultancy) were commissioned in September 2009 to carry out a Rural Housing Needs Assessment. The assessment period ran from September 2009 to January 2010. Arc4 undertook the study in conjunction an independent rural housing specialist. The purpose of the survey was to find out the level of housing need in each parish from both existing and future households. The study, which forms Appendix 1 to this report, was completed in March 2010. This report states the background to the study and summarises its methodology, key findings and how it will be taken forward.

DETAIL

Background

2. The Tees Valley Strategic Housing Market Assessment (January 2009) provided a broad overview of rural housing need in the borough. However, it was determined by the Spatial Planning and Housing Strategy teams that a more detailed study specifically of rural housing need in the borough was required for the following purposes:
 - To provide the evidence base to support a rural exception policy in the Core Strategy
 - To inform rural housing provision
3. The aims of the study were to:
 - identify the level of housing need across rural parishes, and the extent to which their housing needs cannot be accommodated by market prices and,
 - identify the affordable housing requirements across a range of affordable tenures and dwelling sizes for each rural parish of Stockton-on-Tees, taking into account local connections, incomes and market prices.
4. It is important to note when considering the key findings of the study that the consultants brief did not require sustainability issues (access to shops, schools and other services) to be considered; that is to say it identified affordable housing need where it arose without reference to identifying the locations that would be the most sustainable to meet that need. In this context the key findings should to be cross-referenced to the Core Strategy rural exception site policy stated below and the Planning the Future of Rural Villages study.

Core Strategy Rural Exception Policy

5. Point 5 of Core Strategy Policy 1 (CS1) - The Spatial Strategy, states the following: In catering for rural housing needs, priority will be given to the provision of affordable housing in sustainable locations, to meet identified need. This will be provided through a rural exception site policy.

6. Paragraph 6.8 of the Justification for Policy CS1 states that the Planning the Future of Rural Villages study will assist the Council in applying its approach to housing proposals in the rural area. Members will recall that this study sets out a hierarchy of sustainability for the rural villages in the borough.
7. Point 9 of Core Strategy Policy 8 (CS8) - Housing Mix and Affordable Housing Provision, states the following: The requirement for affordable housing in the rural parts of the borough will be identified through detailed assessments of rural housing need. The requirement will be met through the delivery of a “rural exception” site or sites for people in identified housing need with a local connection. These homes will be affordable in perpetuity.
8. Paragraph 12.42 of the Justification for Policy CS8 states the following: The need for rural affordable housing will be identified through more detailed rural housing assessment work. This will be met through rural exception sites. A rural exception site is a small site in a small rural community that meets a genuine and proven need specifically for affordable housing. Such a site may be in a location that the Council would regard as inappropriate for general market housing and will always be within, or immediately adjacent and well-related to, an existing village. Any proposed rural exception sites will be associated with villages with access to services and facilities by sustainable means.

Methodology

9. Arc4 did a presentation to the Parish Council Liaison Form of 15 June 2000 on the methodology for the proposed Rural Housing Needs Study. It was explained that the preferred approach was to undertake a 100% household survey of the rural parishes in conjunction with a total of four community engagement events with each event serving a cluster of Parish Councils. The clusters of Parish Councils were as follows:
 - Aislaby and Newsham, Long Newton, Elton
 - Kirklevington and Castle Levington, Hilton, Maltby
 - Stillington and Whitton, Carlton, Redmarshall
 - Billingham (rural part only), Grindon, Wolviston

Household survey

10. A total of 3,665 households were contacted and 770 questionnaires were returned and used in data analysis (a 21% response rate).

Community engagement events

11. The purpose of the events was to inform residents about the study, encourage survey forms to be returned and provide information on affordable housing provision – Who develops it? Who manages it? Who is it for? Finally, what are the benefits of such provision within rural villages? Residents were asked to leave comments at the events and these are summarised in Appendix 2 along with the number of residents attending each event.

Key Findings

12. The study evidenced that there is a modest need for affordable housing across the rural area of Stockton-on-Tees. An annual shortfall of 5 dwellings each year has been calculated which equates to 24 over the 5-year period 2009/10 to 2013/14. The general consensus amongst local residents is there are pockets of need across the rural areas and affordable development would help support longer-term community sustainability.
13. Of the affordable housing needs identified, half is from existing households who are in need but cannot afford open market options; and half is from newly-forming households who want to remain living in the rural area.

14. Analysis of tenure preferences suggests split of 64% social rented and 36% intermediate tenure for new affordable dwellings. Analysis of data relating to income and other financial resources suggests that most households could afford an intermediate tenure product marketed at between £50,000 and £80,000.
15. The extent to which affordable housing is required varies across the rural areas, with greatest needs identified in Stillington & Whitton, Redmarshall and Wolviston. In other parishes, the number of dwellings required is low and it may be appropriate to group parishes together and any development would aim to address affordable shortfalls for that group of parishes.

Delivery options

16. The Housing Strategy team have identified the following delivery options for meeting rural affordable housing need:

Option 1

New build on infill sites within sustainable villages

17. The Planning the Future of Rural Villages study identifies sustainable villages. A point based scoring criteria was used to rank each village in terms of their sustainability under the following categories: employment, health, education, shops, leisure, ancillary facilities and access. This provided a clear hierarchy of sustainability amongst the villages (see table 1). The report made a number of recommendations including that infill development will be appropriate within Tiers 1 and 2. The delivery of this option may depend on securing funding support through option 5 and/or option 6.

Table 1: Village Sustainability Rankings

	Village	Sustainability Score
Tier 1 (40 points plus)	Stillington	41
Tier 2 (30 – 39 points)	Long Newton	36
	Carlton	33
	Maltby	33
	Kirklevington	32
	Wolviston	30
Tier 3 (25 – 29 points)	Redmarshall	29
	Hilton	28
	Elton	27
	Thorpe Thewles ¹	25
Tier 4 (24 points and less)	Wynyard	22
	Whitton	21
	Cowpen Bewley	20
	Aislaby	12

Option 2

Purchase properties in rural location from the open market

18. One option to provide small numbers of affordable housing in rural areas would be for a Registered Social Landlord/developer to purchase properties in village locations from the open market, refurbish to their lettable standard for rent and/or low cost sale to households in need which were able to evidence a local connection. Rents would need to be affordable and in line with Tenant Standards Authority requirements. This option would allow local households currently priced out of entering the housing market to remain in village locations. Barriers to this option may include: -

¹ Thorpe Thewles and Wynyard make up the Grindon area in the Rural Housing Needs Assessment

- Grant availability from the Homes and Communities Agency
- Registered Social Landlord/Private developer finance if required to self fund in the absence of grant and or local authority support

Option 3

Bring empty properties in rural locations back into use

19. In April 2010 there were 2,278 empty properties in the borough, of which 1,043 had been empty for over six months. Rural areas of the borough had 72 empty properties, which had been empty for more than six months. These properties vary in type from terraced accommodation to farmhouses. Four of the 72 properties are on the Councils empty property priority list, as they have been the subject of complaints from residents and include 3 terraced houses and a bungalow. All four properties are located within villages in Tiers 1 and Tier 2 of the sustainability matrix.
20. Bringing empty properties back into use could provide necessary affordable accommodation for local people and also improve areas and neighbourhoods. This would however be subject to the provision of incentives for owners and the willingness of owners to take such a project forward.

Option 4

Development on a rural exception site

21. This may depend on securing funding support through option 5 and/or option 6.

Option 5

Off site provision of affordable housing secured through Section 106 agreements and commuted sums

22. Affordable housing secured through Section 106 agreements and commuted sums on market sites throughout the borough could be used for off site provision of affordable housing in rural locations where there is an identified affordable housing need.

Option 6

Disposal of Council land at less than market value

23. The Council could decide to dispose of its land at below market or nil value to Registered Providers to assist with the viability of affordable housing schemes in rural locations and on schemes, which are too small to achieve economies of scale.

Actions

24. The Housing Strategy team have identified the following actions as the basis for an action plan:
- The village study is kept up to date to reflect any development which could affect the sustainability ranking of the villages which could in turn influence the decision to support and or provide affordable accommodation in village locations.
 - Discuss with Registered Social Landlords operating in the borough the opportunities for and barriers to the development of new affordable housing or buying up existing housing.
 - Work with the Councils Empty Property Team to identify any opportunities for bringing long term empty properties in rural locations back into use.
 - Investigate the possibility of Registered Providers managing any long empty properties, which are brought back into use and used for affordable housing, with the property owners receiving a monthly rental income less a management fee.
 - Establish whether there is any suitable Council owned land in appropriate rural locations to develop affordable housing.

THE NEXT STEPS

25. Following consideration by planning committee the report will be referred to Cabinet on 20 January 2010.

RECOMMENDATION

26. Members are recommended to: -
- i) Note the content of the report

Corporate Director of Development and Neighbourhood Services

Name of Contact Officer: Matthew Clifford
Post Title: Principal Planning Officer
Telephone No: 01642 526049
Email Address: matthew.clifford@stockton.gov.uk

Background Papers

Planning Policy Statement No 3: Housing
Stockton-on-Tees 2010 Rural Housing Needs Assessment

Financial Implications

The cost of the study was divided equally between Spatial Planning and Housing Strategy.

Environmental Implications – None.

Community Safety Implications – None

Human rights Implications – The provision of the European Convention of Human Rights 1950 has been taken into account in the preparation of this report.

Ward and Ward Councillors – All ward councillors