

# HARAH

Hampshire Alliance for Rural Affordable Housing

## HARAH Business Plan 2009 - 2011

### **Background**

The HARAH partnership was established in 2005 to make a difference to the provision of affordable housing in the villages of Hampshire and to support the sustainability and diversity of rural communities.

The founding members were the Hampshire Rural Housing Enablers, the Housing Corporation (now the Homes and Communities Agency) and the six rural Local Authorities in Hampshire (Basingstoke & Deane, East Hampshire, Hart, New Forest, Test Valley and Winchester). Hyde Housing Association (now HydeMartlet) were selected as HARAH's development partner following a comprehensive selection process. Hampshire County Council joined the partnership in 2007. The New Forest National Park Authority joined in 2009.

HARAH has been quoted as an example of best practice by the Housing Corporation's 'Future Approaches to Investment', the Affordable Rural Housing Commission's Final Report, and the Commission for Rural Communities 'Making it Happen – HARAH'.

HARAH took part in the Improvement and Development Agency's (IDEA) Rural Excellence Programme. One of the important outcomes was the establishment of a Members Board comprising the Housing and Planning portfolio holders of the Local Authorities and County Council, Chairman of the New Forest National Park Authority and key HARAH officers.

In 2007 HARAH commissioned Rural Housing Solutions to undertake an evaluation of its work to consider whether it was achieving its objectives and to help identify future challenges. In response to the evaluation an Action Plan for the next two years has been written.

HARAH's main objective is to increase the supply of rural affordable housing. The type of housing, including supported housing, would be based on need and the appropriateness of the rural location for meeting that need.

Between the start of the partnership in 2005 and July 2009, 11 projects have been completed (84 homes), 5 are on site (48 homes), 3 have planning permission but have not yet started on site (22 homes), 3 are being progressed

through planning applications (21 homes). A further 51 projects comprising approximately 460 homes are under discussion.

HARAH has recently made a film of the process of developing affordable rural housing. The film is one of the tools HARAH will use to encourage rural communities to engage with HARAH. All Parish Councils have been sent a DVD copy.

In November 2008 HARAH appointed a Strategic Housing Officer to work 14 hours per week on strategic issues. The role includes responsibility for the publicity and promotion of HARAH including developing a Communications Strategy; introducing formal monitoring arrangements of HydeMartlet and the partners within HARAH; researching good practice regarding rural housing; and co-ordinating responses to policy consultations.

## **Context**

In recent years house prices have increased rapidly, particularly in rural areas where house price inflation has been exacerbated by inward migration of wealthy commuters, retirees and second home owners. This has created an affordability gap for many local people between what they can afford to pay for a home and the actual cost of the home. The result is that many local people are no longer able to buy or rent a home in the village they grew up and/or work in and have to leave to find suitable accommodation elsewhere. This in turn impacts on the social and age mix within a community, its social diversity and cultural identity. It also impacts on the economic vibrancy of rural communities which are increasingly composed of older retired or wealthy commuters who work elsewhere and are less likely to use the local amenities and facilities such as the local school and shop. These factors can result in a lack of social cohesion and long term sustainability for the community.

A lack of rural affordable housing particularly impacts on vulnerable<sup>1</sup> and disadvantaged<sup>2</sup> households. Many of these are covered by the 6 equality strands

---

<sup>1</sup> Vulnerable - The term vulnerable has two principle meanings in a housing context:

In terms of homelessness legislation a person is 'vulnerable' if he or she is less able to fend for himself or herself than an ordinary homeless person and so will suffer injury or detriment in circumstances in which the ordinary homeless person would not.

In terms of decent homes in the private sector, vulnerable households have been defined as those in receipt of at least one of the principal means tested or disability related benefits.

<sup>2</sup> Disadvantage - Some people are 'disadvantaged' by the circumstances they find themselves in – often by a combination of social and practical factors. As a result they find it difficult to obtain services or goods on the same basis as other groups or individuals. People more likely to suffer disadvantage are often described as 'vulnerable'.

of gender, age, race, disability & health, sexuality and religion & belief, or may fall into a number of categories, e.g. older people will also often have a disability or long term health problem. The informal support networks that are an important part of rural communities are vital to many households. By providing rural affordable housing, disadvantaged households are able to remain in or return to the community where they have support networks.

The 'Credit Crunch' has had an impact on the price of houses, but the fall in prices is not generally as great as in urban areas. Fewer houses are on the market and prices are often higher to start with. Recent falls in interest rates have not helped first time buyers as higher deposits are required and mortgages are more difficult to obtain.

The Affordable Rural Housing Commission reported in 2006. It recognised that "the countryside is one of England's most valued assets, which needs to be protected. However, the countryside is not solely about the landscape but the communities within it. This means that the needs of people, particularly a need as basic as housing, should be taken into account alongside those of the environment and the economy when taking decisions affecting future generations. Without more affordable housing, those on lower incomes will increasingly be excluded from living in many parts of the countryside, offering the next generation little choice but to move away to find homes. Families separated by distance will be less able to support each other by providing childcare or doing shopping for elderly relatives, and local services such as schools and shops, will become increasingly difficult to maintain without a critical mass to use them. Having worked hard to make urban areas more attractive and sustainable, we will look back and find we have created rural areas which are less sustainable and increasingly socially polarised." <sup>3</sup>

HARAH was established in response to the lack of affordable housing in rural Hampshire and the apparent marginalisation of this issue within regional strategies. The partnership was developed through the Rural Housing Enabler (RHE) programme and its steering group, based at Community Action Hampshire, which was largely made up of representatives from the six central Hampshire local authorities, the Housing Corporation and the RHEs. It was their recognition and commitment to raise the profile of rural affordable housing at a strategic level and improve the process of local delivery that brought HARAH to fruition.

Although HARAH is primarily a rural housing delivery vehicle, it also plays a strategic role, influencing planning and housing policy co-ordination and responding to the regional and national agenda on rural housing issues. The HARAH Members Board plays an important role in this respect.

---

<sup>3</sup> Affordable Rural Housing Commission Report, 2006

Through provision of affordable housing and associated community benefits, HARAH supports the sustainability of rural communities and the rural economy. These links were articulated in the recent Taylor Review, 'Living, Working Countryside'. Taylor writes that "villages protected from development face becoming increasingly exclusive communities of the retired and of wealthy commuters travelling ever longer distances to work, losing their services like schools and shops, and with local jobs either lost, or serviced by people commuting in from larger towns."

The Government's response to the Taylor Review published in March 2009, agrees 'that there is no such thing as an unsustainable place – only unsustainable ways of doing things'. With regard to exception sites, the Government agrees that local planning authorities must engage with the local community to bring forward exception sites for residential development and that "doing nothing" is not an option.

## **HARAH Vision**

To ensure that communities are sustainable and inclusive by enabling an increase in the supply of affordable housing to meet needs.

## **Equality**

Equality issues and objectives within the Business Plan reflect the equality policies and duties set out in the Strategies of each of the HARAH partners. These can be found on the websites of each of the partners, as listed

Basingstoke & Deane Borough Council [www.basingstoke.gov.uk](http://www.basingstoke.gov.uk)

East Hampshire District Council [www.easthants.gov.uk](http://www.easthants.gov.uk)

Hart District Council [www.hart.gov.uk](http://www.hart.gov.uk)

New Forest District Council [www.nfdc.gov.uk](http://www.nfdc.gov.uk)

Test Valley Borough Council [www.testvalley.gov.uk](http://www.testvalley.gov.uk)

Winchester City Council [www.winchester.gov.uk](http://www.winchester.gov.uk)

National Park <http://www.newforestnpa.gov.uk/index.html>

Hampshire County Council [www.hants.gov.uk](http://www.hants.gov.uk)

Homes and Communities Agency [www.homesandcommunities.co.uk](http://www.homesandcommunities.co.uk)

HydeMartlet Housing Association [www.hydemartlet.co.uk](http://www.hydemartlet.co.uk)

Community Action Hampshire [www.action.hants.org.uk](http://www.action.hants.org.uk)

## **Objectives**

The HARAH Memorandum of Understanding (MOU), between the partners, sets out the purpose of the partnership as set out below. The Business Plan is the implementation and monitoring tool. It provides details on the objectives through the action plan and consolidates action points agreed through the annual performance monitoring and from the independent evaluation of HARAH..

1. To maximise the investment in affordable housing in rural villages across Hampshire
2. To enable a strategic approach to the delivery of affordable rural housing schemes including consistency of the housing needs information collected
3. To ensure funding and effective utilisation of the Hampshire Rural Housing Enablers
4. To benefit from potential economies of scale
5. To achieve high standards of development, management and community involvement by having a specialist affordable housing provider that understands rural issues
6. To provide consistency in the information provided to Parish Councils and local people, and develop appropriate consultation mechanisms
7. To assess the impact & implications of providing additional affordable housing in rural villages.
8. To improve the deliverability of rural affordable housing schemes to meet the regional priority for rural housing
9. To ensure local affordability of rural schemes
10. To use the provision of affordable housing to contribute to community sustainability and diversity.
11. To influence and respond to the national and regional agenda on rural housing issues
12. To influence planning and housing policy co-ordination

In addition, The MOU sets out targets for the partnership:

- To complete 300 new affordable rural homes in 2008-2011, since revised to 130
- To have 100 units on site as at March 2011, since revised to 40
- To have 100 units in the planning process but not on site as at March 2011, since revised to 40
- To complete 15 rural housing needs surveys per annum
- To complete 90 visits to parish councils in 2008-2011 by the partners
- To achieve an average delivery period of rural housing of 2 years from the date of the identification of an available site
- To show economy of scale savings of at least 5% on scheme costs
- To use innovation, supply chain and modern methods of construction where possible to further reduce development costs. Although it is recognised that total costs may increase, despite efficiencies, due to the requirements of the Code for Sustainable Home, Lifetime Homes and other factors.
- To maintain high standards of quality and design on all schemes, including lifetime homes
- To ensure the rural housing built is affordable by limiting service charges , initial sales shares that reflect average local incomes (usually between 35-50% max) and rents on unsold equity shares limited to a maximum of 1.75%.

- To ensure that the rural affordable housing built remains affordable for future households either through use of the Housing Corporation's rural repurchase scheme or a fixed staircasing limit of 80%
- To create well integrated housing schemes within the rural areas of Hampshire, to encourage community sustainability and diversity
- To hold an annual stakeholder conference
- To hold an annual training event with housing and planning officers from HARAH local authorities
- To produce a communications strategy for HARAH by April 2009
- To share best practice and make resources available to other authorities and providers through improvement of the HARAH website
- To increase understanding and support of rural affordable housing by communities and parishes resulting in more sites coming forward
- To undertake rural study tours for parish councils in each LA annually
- Production of an annual HARAH workplan.

### **Benefits of achieving the objectives**

There is a wide range of benefits flowing from the objectives. These include:

- Rural households in need are housed in affordable housing, which remains affordable for local people in perpetuity.
- The community benefits both from the support to the sustainability and diversity of the community and from amenities provided as part of the housing, such as sports facilities and public open space.
- A strategic approach means that resources can be directed at the communities most in need of housing. However other factors impact on the development of the project including the support of the parish council and local community and the availability of a suitable site.
- Consistent information improves confidence in HARAH and understanding of what it is aiming to achieve.
- As the process is speeded up and efficiencies are made, more housing can be provided for the same resource input.
- Improving the deliverability results in greater certainty for the housing schemes and the communities in which they are being built and brings in more funding for rural housing to the area.
- High standards of development, management and consultation results in greater confidence in the housing provided and therefore more communities are engaged in the process.
- Increasing the profile of HARAH gives the partnership more influence in the local, regional and national arena and may also result in more partnerships being established.

## **Assumptions**

The targets and action plan are based on a number of assumptions

- Homes and Communities Agency funding will continue for 500 rural homes in settlements under 3,000, plus 500 rural homes for settlements between 3,000 and 10,000 for the South East per annum as set out in the Regional Housing Strategy
- HARA funding from all the partners will continue as set out in the MOU
- Planning policy will continue to allow exception site development
- Land will continue to be made available at exception site values
- HydeMartlet will continue to be the development partner until the end of the MOU period (2011)
- Rural affordable housing will continue to be supported by all parties involved in the development process

## **Constraints**

- Availability of funding
- Availability of sites
- Availability of resources, particularly staff resources of the organisations involved
- Engagement of all the parties, particularly planning departments
- Financial viability of the projects, including the impact of section 106 contributions
- Lack of commitment from parish councils
- Lack of political commitment from district councillors in the face of opposition from their parish councils.
- Impact of Special Designations on the ability to deliver housing including the Thames Basin Heaths Special Protection Area, New Forest National Park, the proposed South Downs National Park

## **Risks**

- Homes and Communities Agency funding. Projects are reliant on HCA funding. Funding may not be available for a scheme or may not be sufficient to cover the costs.
- HARA funding. The HARA project depends on funding for the Rural Housing Enablers. Each partner pays towards the funding, as set out in the MOU. HydeMartlet match fund the Local Authority contributions. If a partner withdraws funding, and match funding is also withdrawn, the partnership is in jeopardy.
- Impact of the Credit Crunch on rural housing. HydeMartlet may have difficulty gaining private finance for projects. Shared ownership/equity products may be less in demand due to difficulties of potential buyers in gaining a mortgage.

- Objectors prevent schemes being progressed. The Parish Council and/or members of the local community may mount sufficient objections to a scheme to prevent planning permission being granted, or may cause a project to be abandoned.
- Planning department does not support the project. If concerns are sufficient for an officer to recommend refusal, the project may be abandoned.

A risk assessment plan has been completed.

## **Governance**

The reporting mechanisms are set out in the Memorandum of Understanding. The partnership has a Partnership Group of officers from the partners, together with an officer from GOSE which meets at least 5 times per annum and reports to a Members Group which includes the Local Authority Portfolio Holders for Housing and Planning, the Chairman of the New Forest National Park and key HARAHA officers.

The Business Plan will be monitored by the HARAHA officers group and reported to the Members Group.

## **Equality Impact Assessment**

The Business Plan has been equality impact assessed. The Report of the assessment is available on the HARAHA website.