Housing will be an important element of your Neighbourhood Development Plan. This includes ensuring the right amount of proportional growth, taking account of the needs of all members of the community from starter homes to older persons accommodation and allocating for future growth.

Affordable housing is one of the most sought-after commodities in Herefordshire due to the county’s high house price to income ratio.

This guidance note details the various aspect of housing and provides general advice in respect of how to deliver it within your Neighbourhood Area.

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Introduction
This guidance note is split onto four sections:

• Proportional growth;
• Affordable housing;
• Older Persons housing;
• Site allocations.

Rural housing growth
The Core Strategy indicates that housing development in rural areas will be delivered through Neighbourhood Development Plans and a Rural Areas Sites Allocation DPD (where neighbourhood plans do not exist). This delivery will be through a combination of existing commitments, allocations and windfall development. Therefore, an importance aspect of your work to prepare your plan should be the consideration of future new housing growth requirements.

Proportional growth is indicated as a percentage and is based upon the numbers of dwellings within the parish at April 2011. Your support officer can assist you in determined what this figure is. Neighbourhood development plans should be positively produced and as such encouragement is given to proposing site allocations within your plan. Additional specific guidance is available on site search process and allocations within Guidance Note 21.

As such Neighbourhood Development Plans are not necessarily required to allocate all their indicative proportional growth. However, there should be some demonstration that it is possible to delivery the levels of housing indicated within the Core Strategy.

The principal task will be to demonstrate that those levels of growth are achievable subject to local and environmental constraints. This can be achieved by providing local evidence of suitable land availability, historic windfall rates and specific allocations.

During the production of your neighbourhood plan local circumstances and environmental factors should be used to determine the precise level of growth for individual settlements. At examination your neighbourhood plan will be tested for its ‘general conformity’ with the Core Strategy and this will include its ability to provide a delivery mechanism for proportional rural housing growth.

In accordance with national planning guidance, the focus for new development should be within or adjacent to those settlements highlighted within Policy RA2. A settlement boundary should also be considered to define those areas subject to Policy RA2 and those areas classified as countryside under Policy RA3. It is acknowledged that due to the characteristic of some settlements with Fig 4.20 and 4.21, this may not always be appropriate. Additional guidance is available regarding settlement boundaries within Guidance Note 20.

Windfall development has consistently taken place in rural areas and this is likely to continue. Windfall development includes non-allocated development that may come forward both within and outside settlement boundaries. If you so wish your neighbourhood plan can make an informed judgement about the likely level of windfall development that will be generated in your plan area during the period up to 2031. However, it should be born in mind that the majority of the growth should be positively planned for be means of allocation or capacity within the settlement highlighted within policy RA2.

There is greater flexibility to those parishes with more than one RA2 settlement. The distribution of growth between those settlements is entirely a matter for the neighbourhood plan to determine. Therefore it is not a policy requirement to ensure that some growth provision occurs in all settlements listed within Fig 4.20 and 4.21. With this in mind, early consultation with the community regarding the distribution of housing growth between settlements within your parish is strongly encouraged.

National policy context
This section outlines the national policy context and highlights the key documents which you should take into account when preparing your plan.

The majority of national housing policies are fairly strategic in their approach and so it is possible that they will not match the local circumstances.
in your Neighbourhood Area. However, the Government’s aim is to ensure the provision of high quality housing including for those who are unable to afford market housing, and people who are looking to make the step from social rented housing to home ownership. You’ll find different aspects of this policy elaborated in the National Housing Strategy for England, published in November 2011.

The Housing Strategy for England sets out a range of measures designed to respond to current conditions in the housing market. It is part of a series of Government actions to increase confidence and help ensure stability and fairness in the housing market. One of the measures aims to assist first-time buyers aspiring to buy their own homes, and Herefordshire Council will ensure it is as well placed as possible to meet the housing needs, especially affordable housing in the short and long term.

**National Planning Policy Framework**

National planning policy contained in the NPPF is clear that local planning authorities should aim to deliver a wide choice of quality homes, widen opportunities for home ownership and create sustainable, inclusive mixed communities. Local planning authorities should:

- Plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community.
- Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand.
- Where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified and the agreed approach contributes to the objective of creating mixed and balanced communities.

Your neighbourhood plan should help to delivery these aims.

The following web links provide additional information which may be worth viewing:


In delivering rural housing, the council has distributed to each parish council a guide ‘Developing affordable housing for local needs in Herefordshire’ and subsequently the National Housing Federation has issued ‘Affordable rural housing: a practical guide for parish councils’ which should aid your planning.

**Local policy context**

Having set out the national policy context it is now necessary to summarise the content of local policies and strategies.

**Joint Herefordshire Housing Strategy 2012-2015 (Herefordshire and Shropshire)**

The Council’s housing priorities, as set out in its Corporate Plan, are:

1. Create and sustain a successful economy that has good quality housing to support everyones needs
2. Enable residents to be independent and lead fulfilling lives so that people are active in their communities and look out for the more vulnerable so they can live independently.

The Joint Housing Strategy’s vision is to ensure that “The diverse housing and support needs of local communities in Herefordshire and Shropshire are provided for through a balanced supply of sustainable homes and services”. The vision is supported by 3 priorities, one of which is to provide “A range of housing, including affordable housing, is provided in partnership to meet the current and future needs of all our communities”. Intrinsic to this priority is the key outcome that communities have a range of housing options which meet their local needs in terms of type, size, location and tenure of accommodation.

**Affordable Housing Viability Study (2010)**

The viability study provides Herefordshire Council and developers with an assessment of the economic viability of residential schemes to support development of the Herefordshire Local Plan - Core Strategy. The viability study
provides thresholds and targets for affordable housing that can financially be achieved through the development process. The study is currently being updated in light of the changing economic markets and to inform further policy decisions relating to the Community Infrastructure Levy (CIL).

**Strategic Housing Market Assessment (2008) (SHMA)**

The SHMA provides a detailed sub-regional market analysis of housing demand and housing need leading to the identification of seven local market areas within each sub-regional market and identifying the key drivers in the West Housing Market Area. In addition, the assessment provides an evidence base for current and future requirements in terms of market and affordable housing to inform local policies and strategies.

**Local Housing Market Assessment 2013 (LHMA)**

The LHMA provides a more detailed breakdown of the demand and need for market and affordable housing within the seven identified housing market areas. These focus on the main settlements of Hereford city, Bromyard, Kington, Ledbury, Leominster and Ross-on-Wye along with the Golden Valley area. Evidence supporting this assessment is taken from a range of national data sets, HomePoint and local housing needs surveys.

**Empty Property Strategy (2010-2016)**

The strategy sets out how the council will continue to work with owners of empty properties, and with local communities to bring them back into residential use. It demonstrates how the council have, and will continue, to develop a proactive approach to send out clear messages that existing housing must be effectively utilised. This strategy is currently being reviewed.

**Local Investment Plan 2011-2026**

The Local Investment Plan (LIP) sets out the strategic and investment framework through which Herefordshire Council and the Homes and Communities Agency will seek to work and invest alongside strategic partners.

To address key challenges identified in the LIP, the key priorities for Herefordshire are, growth in Hereford City and its surrounds, rural and market town housing, supporting independent living for vulnerable households and increasing energy efficiency and decent homes and lifelong homes.

**An introduction to affordable housing**

Affordable housing is the term we use to describe homes which are subsidised in some way for those who cannot rent or buy what is readily available on the open market. In general, a house is not affordable if it takes more than 33% of gross earnings or if the mortgage needed is more than 2.9 times joint gross earnings or 3.5 times single gross income.

**Definition of affordable housing**

The definition of affordable housing can vary, but the Government’s definition is contained in Annex 2 to the National Planning Policy Framework (NPPF). The NPPF states that:

> “Affordable Housing is social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.”

The NPPF also provides broad definitions of both social rented housing, affordable rented housing and intermediate housing:

> “Social rented housing is owned by private registered providers for which guideline target rents are determined through the national rent regime”.

> “Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the affordable housing definition above. These can include shared equity (shared ownership) and intermediate rental and low cost market houses for sale, but not affordable rented housing”.

> “Affordable rented housing is usually owned or managed by housing associations and is not subject to the national rent regime, but is subject
Full details of the types of affordable housing on offer to eligible households within Herefordshire can be found on Herefordshire Council’s website www.herefordshire.gov.uk/housing/advice/definition-of-affordable-housing/

Why is affordable housing so important?

Not everyone living in Herefordshire is able to find a suitable home that they can afford on the open market, whether to rent or to buy. This can be largely attributed to high house prices/rents and below average incomes and this is compounded by the lack of affordable housing available to those who need it. Herefordshire Council’s housing register (Home Point) provides a good indication of the need and demand for affordable housing in Herefordshire, although the applicants may have varied reasons for applying.

An assessment of housing needs has been undertaken, which considers the levels of need for and supply of housing over the next five years (2012-17). This assessment shows a continuing demand for affordable housing across the county and reveals that 56% of households would be unable to access the property market without subsidy. It draws on a range of information on housing costs and earnings, as well as the number of households and flows onto the Home Point housing register.

Housing need is calculated by considering current housing need, and flows in terms of newly arising need and the supply of affordable housing (such as lettings of existing properties) over a five year period, to calculate a net need for affordable housing. The report concludes that the net need of affordable housing per annum 2012-17 is 691 dwellings, the majority of which is in Hereford (417 units).

In rural areas, the need is identified by undertaking housing needs surveys specific to a particular area as not all people register their housing needs with Home Point. This is particularly the case in rural areas, where there is a distinct lack of affordable housing options and therefore local people sometimes feel there is no advantage of being on a register if there is no chance of housing.

Local Planning Policy

Herefordshire Council’s affordable housing requirements are set within the Local Plan (Core Strategy) which includes two policies on this theme: H1 - Affordable housing thresholds and targets; and H2 - Rural exception sites.

Whilst your neighbourhood plan include local or place specific policies on this theme any proposals to set out higher or lower targets than those included at Policy H1 of the Local Plan - Core Strategy should be supported by evidence that is sufficiently robust to pass the examination. Guidance Note 8: Writing Planning Policies provides detailed advice in respect of this matter.

Key players in delivering affordable housing

The Government’s principal agency for regulating the delivery of affordable housing is the Homes and Communities Agency (HCA), formed in 2008. The HCA is responsible for, among other things, ensuring the delivery of the National Affordable Homes Programme for the period 2011-2015. Further information on the work of the HCA can be obtained in the following link.

The HCA provides funding to providers that have registered with them and by doing so have signed contracts to ensure homes are affordable, delivered to high quality standards and are in areas of local need, which is supported by the local authority (as identified in the Local Investment Delivery Plan).

Delivery can also be achieved through working with private land owners, developers and housing associations who can provide a range of housing solutions to meet local need.

The delivery of affordable housing within Herefordshire is facilitated and monitored by the Housing Needs and Development team within Herefordshire Council. They have a statutory duty to assess the needs within its administrative area and provide solutions to meet the needs identified across all its communities.

Why should rural areas provide affordable housing?

Ensuring that the housing market offers enough decent homes at a price which people can
afford is one of Herefordshire Council’s highest priorities. This can be partially compounded since the number of people living in Herefordshire is forecast to grow over the coming years. The proportion of older people will increase and there will also be a greater number of young adults whom Herefordshire will need to retain to support the economy, particularly within the 24-35 age group. It is therefore important that local housing needs are identified and that there is flexibility to respond to these needs.

The increasing pressure to provide more affordable homes continues due to the proven need as demonstrated through Home Point, housing market assessments and local housing need surveys. These reveal that the local housing market is unbalanced, as there are too few homes available which local people can afford, particularly in smaller rural communities. As a consequence some local people cannot afford to live where they work or where they grew up.

Failure to deliver affordable housing can impact upon Herefordshire in several ways. It can affect the health and well-being of families who are forced to live in homes which are too small and in poor condition. In addition, an inadequate housing stock can cause damage to the local economy by forcing younger people to look elsewhere for work which, in turn loses skilled entrepreneurs, encourages commuting and congestion on the roads. In rural areas it can also mean the loss of crucial support and care needs for elderly residents, putting strain on public resources and compromising the ability of people to care for their relatives and remain independent as they get older.

To assess the need for rural affordable housing (whether for purchase or rent) a local housing need survey should be carried out, although these are no longer carried out by the Housing Needs and Development team and the Local Housing Market Assessment can be used instead. Alongside these surveys, consultation and information events may be held and the process of assessing need and delivering rural housing is detailed in the Guide to parish councils.

How to deliver affordable housing in your parish

Relevant policies in the Local Plan - Core Strategy should ensure that a substantial proportion of affordable housing will continue to be delivered through section 106 agreements; these are legally binding agreements or planning obligations between the Council and landowners, which are a way of addressing matters that are necessary to make a development acceptable in planning terms.

The Herefordshire Local Plan - Core Strategy therefore supports the delivery of affordable housing across Herefordshire and this does not need to be duplicated in the parts of your Neighbourhood Development Plan which relate to housing, however, you may still wish to allocate sites specifically for affordable housing or write more specific policies for your area.

Affordable housing can be delivered through other means, including site specific allocations, Community Right to Build Orders or single dwellings.

Older person housing

The Housing Strategy for England (2011) identifies that 60% of projected household growth to 2033 is from households aged 65+. Older people are therefore a major driver in the housing market, not just in relation to specialist housing but also general needs housing that is suitable for and attractive to older households.

Well designed housing can able older people choices to move to smaller and more suitable accessible housing thus freeing other larger homes into the housing market. It can also assist reducing the number of older people moving into long term care. When developing your housing and design policies consideration should also be given to the requirements of older persons within your community.

Herefordshire Older People’s Housing Strategy and Pathway 2014 specifically addressed the housing aspirations of older people in Herefordshire by presenting an analysis of the results of a 2011 survey of households aged 50+. This survey revealed that 12% of older households wanted to move within the next 5 years, while 15% were unsure of their aspirations. Whilst 79% could afford to purchase housing on the open market, certain places may lack the type and size of homes required. The greatest demand is for 2 bedroomed properties, a trend
which varies little across the 7 market areas in Herefordshire.

For this it is clear that there would be willingness on the part of older people to move to smaller properties or downsize during their retirement so long as the right type and size of homes are available.

Older persons housing is an umbrella term which encompasses essential 3 types of housing:

- General housing - This could be smaller lifetime properties, bungalows, cottages with downstairs bedrooms to retirement villages, shelter housing or virtual care (where home care support is available)
- Care based - This includes care homes, and nursing care homes
- Housing with care/extra care - This can include assisted living or specialist care facilities to support particular needs such as dementia.

More details of the various types of housing are available within the strategy document.

Work on your neighbourhood plan could therefore determine whether any of this demand for any of the above exists locally. This could be within your other parish and with consultation with neighbouring parishes if a wider range of services and facilities exist elsewhere. This information could help you secure an appropriate range and mix of housing within your policies or allocations.

The strategy contained details specific to other housing market area which would provide useful background for your neighbourhood plan.

Site allocations

Site allocations enable your plan to positively address some of the issues highlighted so far. Your neighbourhood plan can allocate sites for housing to address the proportional growth requirement set out within the Core Strategy, provide for a range and mix of housing for all members of the community or specifically provide affordable housing. Further guidance can be obtained from guidance note 21: Guide to site assessment and choosing allocation sites.

It is possible to allocate sites solely for affordable housing in your parish and thus satisfy the housing needs identified in the evidence base underlying your plan.

Through site allocations, and in partnership with the Housing Needs and Development team, you can help the community understand the need for a healthy and sustainable mix of housing in the parish and provide landowners/developers with a greater understanding about the type of housing required to meet local needs. If you decide that the need for affordable housing in your Neighbourhood Area would be best satisfied through site specific allocations, the next step would involve the identification of potential land that could be included as allocated sites in the Neighbourhood Development Plan. Further guidance on how to gather evidence is available in guidance note 10: Evidence base and information requirements.

Community Right to Build Orders

The Localism Act 2011 also allows parish council’s and the community to prepare a Community Right to Build Order which is a type of Neighbourhood Development Order. Community Right to Build Orders allow small-scale development on a specific site to be brought forward, without the need for planning permission. To this end, they give you the ability to develop a site for affordable housing to meet a proven need.

It is important to note that Community Right to Build Orders are subject to limited number of exclusions, such as proposals need to fall below certain thresholds so that an Environmental Impact Assessment would not be required. Proposals are subject to testing by an independent examiner and community referendum.

Further information on Community Right to Build Orders is available via the following link.
http://communityrights.communities.gov.uk/

Meeting your housing requirements
Neighbourhood Planning guidance notes available:

Deciding to produce a Neighbourhood Development Plan

1. Which is the right tool for your parish
2. What is a Neighbourhood Development Plan
3. Getting started
4. A guide to procedures
5. Funding

Plan Production

6. Developing a Vision and Objectives
7. Generating options
8. Writing planning policies
9. Environmental Assessment
10. Evidence base and information requirements
11. Implementation and Monitoring
12. Best practice community engagement techniques
13. Statutory consultees
14. Writing a consultation statement
15. Planning and other legislation
16. Web enabling your plan
17. Using OS based mapping
18. Glossary of planning terms

Topics

19. Sustainable Water Management in Herefordshire
20. Guide to settlement boundaries
21. Guide to site assessment and choosing allocation sites
22. Meeting your housing requirements
23. Conservation issues
24. Recreational areas
25. Renewable energy
26. Transport issues
27. Community Infrastructure Levy

Additional Guidance

28. Setting up a steering group
29. Creating a questionnaire
30. Community facilities
31. Conformity with the Local Plan (Core Strategy)
32. Examinations of Neighbourhood Development Plans
33. Guide to Neighbourhood Development Plan Referendums
34. Tourism
35. Basic Conditions
36. Your plan - Contributing to sustainable development