

# Affordable Rural Housing

## *barriers to land provision*

A report on a survey carried out in the East of England region to investigate the disincentives facing landowners in the provision of land for affordable housing in rural areas



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## FOREWORD

For several years, the Rural Housing Sub-group of the East of England Rural Forum (EERF) has been at the forefront of raising awareness of rural affordable housing issues.

In 2002/03 the EERF organised a series of local seminars to bring together local authority planning and housing officers, housing associations and the major home building companies to explore the barriers to delivering affordable homes in rural areas and to create a broad understanding of the problems and barriers faced by each sector. This was followed by a major regional conference that further explored the issues raised in the seminars, identified a number of potential solutions and resulted in a broadly welcomed report that was presented to Government Ministers from both Defra and CLG (ODPM at that time).

In 2005, to ensure all the extremely valuable data and evidence gathered to support the Regional Housing Strategy was used for the further benefit of the region, the EERF commissioned the 'Treehouse' project. Treehouse was a prototype to evaluate the potential for an electronic tool to support the identification of affordable housing need in rural areas.

In 2008, as Vice-chair of the EERF and Chair of the Rural Housing Sub-group, I am delighted to welcome this latest addition to the rural housing delivery evidence base.

The identification of suitable sites for affordable rural housing has long been seen as a major barrier to delivery. I therefore particularly welcome the range of practical measures the report identifies that could significantly increase the supply of land on which affordable rural housing could be delivered.

The EERF and the Rural Housing Sub-group look forward to working with national and regional partners to use the report's recommendations to increase the supply of affordable homes to support and develop sustainable rural communities.

### **Andrew Budden**

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This report was launched at the East of England Rural Forum's annual conference '**Affordable and Zero Carbon Homes in Rural Areas – can they be delivered?**' in Peterborough on 5<sup>th</sup> March 2008. This event was funded by the Energy Saving Trust as well as EERF and GO East and was attended by 145 delegates representing a broad range of stakeholder sectors from across the region.

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Further details of the EERF 2008 Conference, together with copies of the presentations and conference report can be found on the EERF website: [www.eerf.org.uk](http://www.eerf.org.uk)

## **EXECUTIVE SUMMARY**

### **Background**

For several years, the Rural Housing Sub-group of the East of England Rural Forum (EERF) has been at the forefront of developing sound evidence with which to raise awareness of rural affordable housing issues.

This report highlights the findings and recommendations based on the results of a questionnaire survey conducted in association with the Country Land and Business Association Ltd. (CLA) amongst its 3885 landowning members in the Eastern region.

The aim of the survey was to identify the disincentives facing landowners in the provision of land for affordable housing in rural areas and provide recommendations for practical, sustainable policy measures to reduce or remove identified barriers.

**In summary, five key issues were identified** together with recommendations for their solution. In addition, three other issues worthy of note were raised.

### **Key Issues**

#### **1. Provision of land for affordable housing to meet local need**

**Barrier:** Landowners are concerned that there is insufficient guarantee that homes built on land they have released will be kept in perpetuity for the provision of affordable housing to meet local need.

**Issue:** Many landowners are already involved in affordable housing schemes, having made land available to rural housing associations free of charge, or at significantly less than market prices. Even more housing is provided to employees and retired employees at low rent, or even rent free. Generally, landowners do not want any possibility of such housing being lost as a consequence of: right to buy; being used to solve housing shortages elsewhere or being sold on the open market.

A common theme is dissatisfaction with the fate of affordable housing once the landowner has surrendered any connection with the scheme. Almost two thirds of respondents would want to retain an interest (be it leasehold or freehold) so that they would have some degree of assurance that the new homes will continue to be available for 'genuine' local people.

**Recommendation:** Local planning authorities should encourage local housing need to be met as close to the origin of that need as possible through the organic, incremental growth of villages. This may include applying flexibility to the village envelope where this is necessary to sustain a particular rural community. Exception site policies should be recognised as a valuable mechanism for providing small scale housing developments in rural areas and should be retained.

#### **2. Open market homes as part of new affordable developments**

**Barrier:** That existing housing and planning policy prevents cross subsidy.

**Issue:** Current housing policy specifically states that funding affordable housing by using profits from the sale of open market houses built on the same development is inappropriate on exception sites. Many houses present in rural areas today were originally built for the purpose of housing employees and relatives of local landowners. Providing these houses as part of a new mixed development of mostly affordable homes helps to make the residents feel included as part of the community, rather than isolated.

**Recommendation:** The prohibition on subsidising small affordable rural housing schemes on exception sites by developing associated small scale open market housing should be removed. Subsidy for affordable housing from public funding is already restricted (particularly in rural areas) for recognised reasons. Facilitating more

sources of subsidy could be the key to unlocking greater provision of affordable housing in the future. **The Housing Corporation has funded Hastoe Housing Association's Rural Resource Unit to investigate this issue in more detail. Their report is expected to publish during summer 2008.**

### **3. Inheritance Tax**

**Barrier:** No Business Property Relief (BPR) on properties used to provide affordable housing.

**Issue:** One of the big problems facing private landlords providing affordable housing is the capital value of the housing stock which is subject to inheritance tax (IHT) on death.

**Recommendation:** Reclassification of the provision of affordable housing as a business activity to enable qualification for 100% Business Property Relief. The fiscal boundary between trading and rental income should be removed with all business activities being treated as a single economic enterprise for all tax purposes.

### **4. Capital Gains Tax**

**Barrier:** Under current tax rules it is not possible to treat let housing within the same business as trading for income or capital gains tax purposes.

**Recommendation:** Treat affordable housing stock as a business asset. There would then be a tax incentive to roll-over gains from the sale of other business assets into affordable housing projects.

### **5. Inflexible planning policy**

**Barrier:** Resistance to the conversion of rural buildings to affordable housing.

**Issue:** While conversion of rural buildings to economic use is generally encouraged by planning policy (PPS7), there is a general presumption against conversion to residential use. However, conversion to economic use is not always feasible or practical. Ranges of farm buildings adjacent or near to villages may well provide opportunities for affordable housing schemes that are not reliant on public funds.

**Recommendation:** Include affordable housing for local need (subject to appropriate environmental conditions) in the favoured options described in PPS7 for the re-use of redundant agricultural and commercial buildings in rural areas. In particular, mixed commercial and residential use could stimulate local economic activity and meet sustainable development objectives.

## **Other issues of note**

### **6. Renewable building materials in affordable homes**

**Issue:** New housing is a clear opportunity to use UK produced materials in construction, especially wood, for the benefit of the national rural economy. Furthermore and as part of the agenda to tackle climate change, the Government has set a target for all new homes to be carbon neutral by 2016. Truly 'sustainable' homes are closely connected to their site, society, climate, region and the planet.

**Recommendation:** Any statutory method of assessing whether or not a building is zero carbon should favour UK produced materials, particularly wood.

### **7. Wood fuel for heating systems in affordable homes**

**Issue:** Wood is a carbon neutral fuel, as long as it is used close to where it is grown. It is also cheaper, cleaner and more secure than fossil fuels. Providing a local market for wood makes woodlands economically

viable which, in turn, means they can be managed for social and environmental benefit as well. The Climate Change Supplement to PPS1 requires planning authorities to set a level of energy use to come from decentralised, renewable or low carbon sources.

**Recommendation:** That national guidance and advice to local planning authorities on compliance with the Climate Change Supplement to PPS1 emphasises the environmental benefits of wood as a fuel as well as the far reaching social and economic benefits which it can offer.

## **8. Council Tax on Second Homes**

**Issue:** Revenue raised from additional Council Tax on second homes by some local authorities is treated as part of the general revenue stream.

**Recommendation:** That national direction is given to all Local Authorities to use the revenue raised from additional Council Tax on second homes to support the provision of affordable housing in rural areas where the demand for second or holiday homes can have a significant effect on the affordability of housing.

## RECOMMENDATIONS

**Recommendation 1:** Local planning authorities should encourage local housing need to be met as close to the origin of that need as possible through the organic, incremental growth of villages. This may include applying flexibility to the village envelope where this is necessary to sustain a particular rural community. Exception site policies should be recognised as a valuable mechanism for providing desirable small scale housing developments in rural areas and should be retained.

**Recommendation 2:** Policies should support and encourage the contribution that rural landowners can make to the provision of affordable housing and protect their ability to ensure that land or houses provided for this need can be retained in the affordable housing sector, for local people.

**Recommendation 3:** Local Authorities should recognise that well designed affordable housing schemes are essential to the attractiveness and community spirit within the settlement in which they are located. Policies must allow the provision of suitable homes for older people in rural areas so that they can retain close links with friends and relatives within their communities.

**Recommendation 4:** The prohibition on subsidising affordable housing schemes on exception sites by developing small scale open market housing should be removed.

**Recommendation 5:** The fiscal boundary between trading and rental income should be removed with all business activities being treated as a single economic enterprise for all tax purposes.

**Recommendation 6:** Local Authorities should use the revenue raised from additional Council Tax on second homes to support affordable housing in rural areas where there is a need.

**Recommendation 7:** In accordance with PPS7, local policies should favour the re-use of redundant agricultural and commercial buildings in rural areas. The provision of affordable housing should be recognised as one of the suitable options. On some sites, mixed commercial and residential use could help meet sustainable objectives.

**Recommendation 8:** More encouragement should be given to communities to find their own solutions to the provision of affordable homes. Within appropriate, yet broad guidelines, landowners should be given fiscal incentives to provide land for affordable housing in collaboration with the community.

**Recommendation 9:** The proposal that all new homes will have to be carbon neutral by 2016 is welcomed. Building regulations should be drafted so as to encourage, wherever practical, the use of UK produced materials, particularly wood, in house construction. A statement of carbon input could form part of the approval process.

**Recommendation 10:** The use of renewable energy in affordable housing schemes, particularly wood fuel, should be encouraged and acknowledged by Local Authorities in recognition of the far reaching social, economic and environmental benefits which it can offer. It would also help to meet the targets for reducing CO2 emissions.

## BACKGROUND

**The East of England Rural Forum (EERF)** is the voice of rural stakeholders in the East of England region. The EERF's main role is to influence and scrutinise rural delivery, challenge the delivery agencies and provide the rural perspective on the development of regional policy and strategies. The EERF functions under the auspices of the East of England Regional Assembly (EERA) within the regional governance structure. In association with the seven other Regional Rural Affairs Forums, the EERF has an influencing and informing role at national level via regular contacts with Ministers in DEFRA and other Government departments.

The EERF Rural Housing sub-group was established to take forward issues relating to rural housing on behalf of the Forum, by ensuring rural issues are taken into account (rural proofing) by those developing; national, regional and sub-regional housing policy. The sub-group has been particularly successful at raising awareness of housing and affordability issues and their implications for rural areas. The sub-group is currently involved in the development of a sound evidence base to inform rural housing policy, as well as to aid the targeting of housing related delivery against the Regional Rural Delivery Framework (RRDF) priorities. It also provides a source of advice and support for the region's Rural Housing Enabler network.

**The Country Land and Business Association Ltd. (CLA)** is a membership based organisation safeguarding the interests of those responsible for land, property and business throughout rural England and Wales. Founded in 1907 as the Country Land Association, the membership now encompasses the full diversity of landowners, businesses and professions. CLA members own and manage more than half the rural land in England and Wales and are an integral part of the rural economy and rural community. The CLA provides an informed voice to lobby Government at all levels as part of its aim to encourage the positive management of rural areas. The CLA (Eastern Region) is represented on the EERF Rural Housing sub-group.

At a meeting of the sub-group on 12th March 2007, the group agreed to seek consent from EERF to instruct the CLA to conduct an affordable housing survey amongst its landowning membership. Consent was duly obtained and the CLA were instructed to proceed. The aim of the survey was mainly to identify the disincentives facing landowners in the provision of land for affordable housing in rural areas. It was agreed that the CLA would prepare a suitable questionnaire, approved by the Chair of the sub-group, and send it to all of their landowning members in the Eastern Region. The results would be collated, summarised into a readily usable format and presented in a concise report. This report would then be used by EERF as part of the evidence base to influence affordable housing policy.

Without land there can be no housing. Landowners may be willing to provide land for rural housing for a number of reasons, for example to expand the provision of local housing for employees, to diversify income or to ensure that the local community remains viable for the future. In particular, young families increase the demand for local shops and services. By keeping young families housed in rural communities helps to maintain the viability of rural shops and services which, in turn, provide local employment. This has two further benefits; the promotion of vibrant rural communities and a reduction in the need to travel. Unlike the purely speculative developer, landowners generally have a connection with the locality. It is their home and they will want to see it sustained by a level of; limited, sensitive and sustainable development.

## SURVEY RESULTS

There are approximately 5000 CLA members in the Eastern Region. More than a thousand of these do not own any land and are generally involved in non land based rural businesses. Due to the nature of this survey, responses were only invited from the 3885 landowning CLA members in the region. This figure can be broken down as follows:

Beds & Cambs	788
Essex	847
Hertfordshire	515
Norfolk	868
Suffolk	867
Total	3885

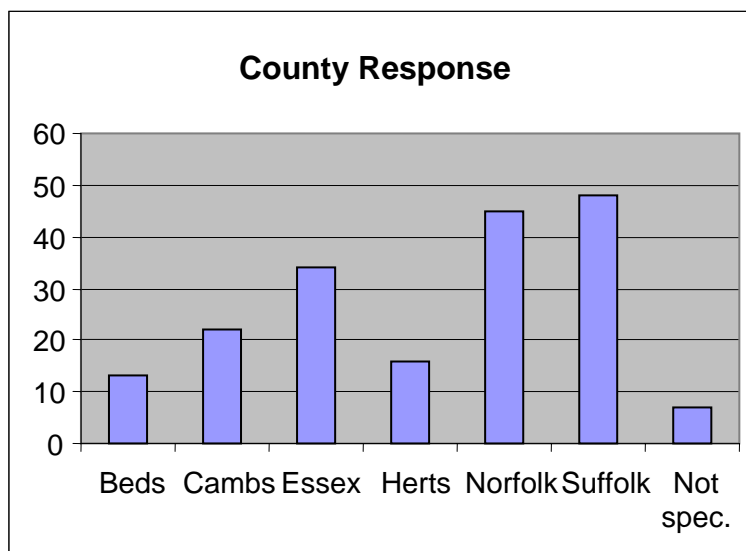
The percentages provided in brackets below indicate the proportion of the total members in each category that responded to the survey. This gives an idea of the sample size in each case.

No. of respondents = 193 (but 6 of these only made comments and 2 were received after the cut off date).

**No. of completed surveys = 185 (5%)**

This figure can be broken down as follows:

Bedfordshire	13	(4%)
Cambridgeshire	22	(4%)
Essex	34	(4%)
Hertfordshire	16	(3%)
Norfolk	45	(5%)
Suffolk	48	(6%)
Non-specified	7	
Total	185	

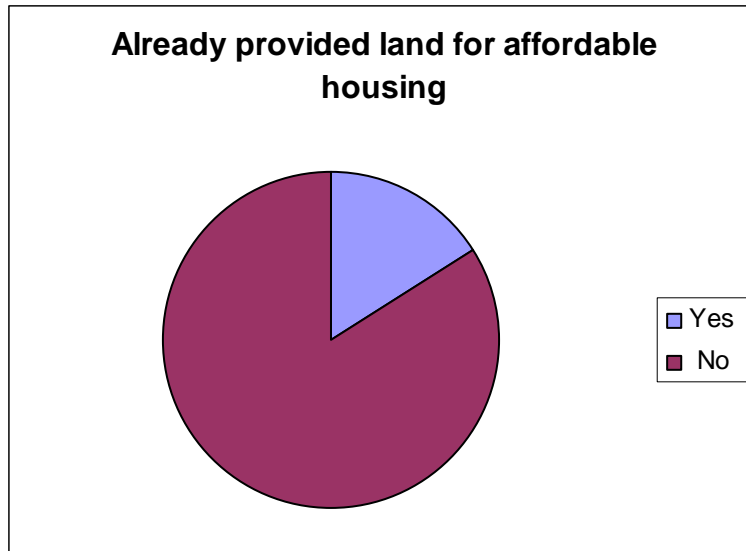


## QUESTION 1

Have you ever provided land for affordable housing (either by sale or gift)?

### Response

Yes 16%  
No 84%



### Issue

Many landowners are already involved in affordable housing schemes, having made land available to rural housing associations free of charge, or at significantly less than market prices. However, this is only half the picture. The contribution of landowners to the private rented housing sector in rural areas is very significant. Much of this provision results from the involvement of integrated rural estates in housing and other rural infrastructure for many years. A recent Joseph Rowntree Foundation study found that CLA members in particular provide 38% of all private rented housing in rural areas. Some of this rented housing is at open market rents, but much is at controlled rents. More again is provided to employees and retired employees at low rent, or even rent free. There are concerns about releasing land without sufficient guarantee that it will be kept in perpetuity for the provision of affordable housing to meet local need. Generally, landowners do not want any possibility of such housing being lost as a consequence of right to buy or being used to solve housing shortages elsewhere.

### Comments

“Ten years ago we released land for new houses to be let at affordable rents. We recently discovered that they were trying to sell the houses. In hindsight I wish I had retained ownership of the land.”

“Very important to keep them affordable; one of the houses I provided ten years ago has just been put on the open market, resulting in no local people being able to afford it – this defeats the whole object.”

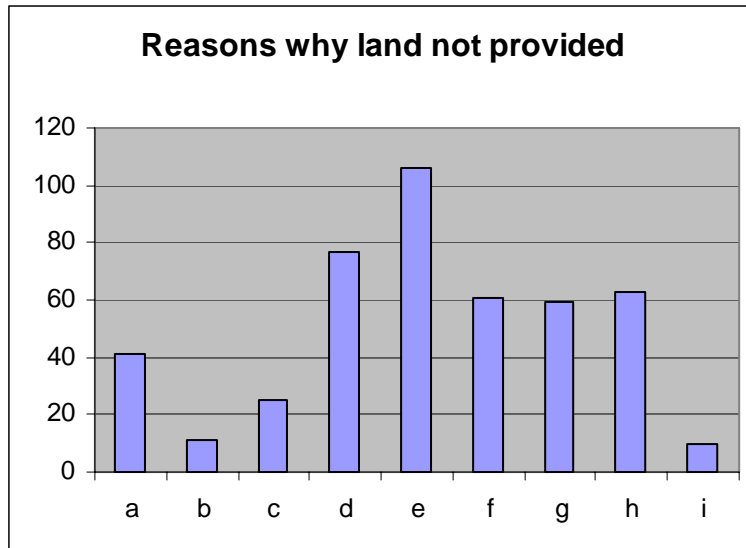
## QUESTION 2

If you have not (or even if you have, but are reluctant to provide any more) please tick those reasons which apply.

### Response

a) Lack of knowledge about affordable housing	41	(6 <sup>th</sup> )
b) Unaware of any local need for affordable housing	11	(8 <sup>th</sup> )
c) Land holding not suitable	25	(7 <sup>th</sup> )
d) Inadequate financial incentive	77	(2 <sup>nd</sup> )
e) Planning system too restrictive	106	(1 <sup>st</sup> )
f) Taxation system provides disincentives	61	(4 <sup>th</sup> )
g) Insufficient guarantee that the homes will only be used by genuine local people	59	(5 <sup>th</sup> )
h) Local Authority unhelpful or obstructive	63	(3 <sup>rd</sup> )
i) Other, please specify: (mostly local opposition)	10	(9 <sup>th</sup> )

(Respondents could select more than one)



### Issue

There need to be mechanisms which will encourage suitable sites to be made available. Development controls restrict the supply of housing in the countryside below that which would meet demand in an unrestricted regime; the price of housing therefore remains higher than local economic conditions would otherwise determine. Most small rural settlements do not have land designated for housing and are thus reliant on the exception site policy to provide land for affordable housing. Most respondents reported that Local Authorities are increasingly reluctant to consider suggestions for suitable plots as exception sites. This exacerbates the problem further.

### Comments

“We have some suitable sites, but the local council have been so unhelpful. The fees are so high and the work so onerous, we have not tried again”.

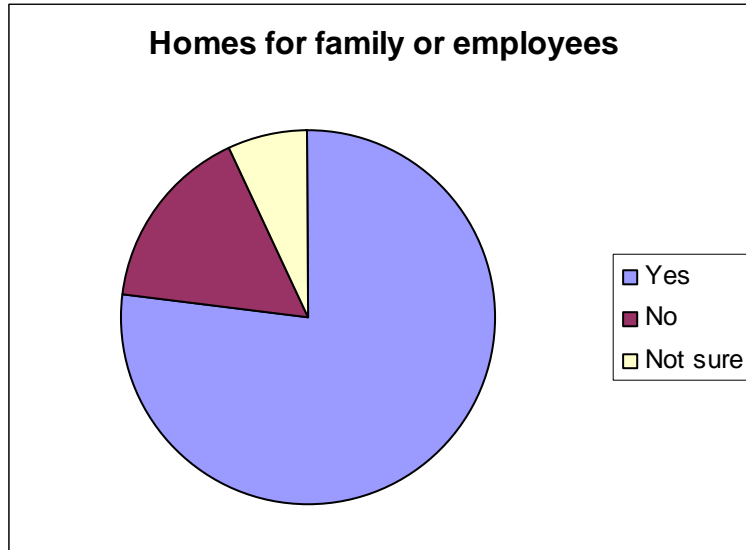
“We must have nomination rights so there is an element of control on occupiers.”

### QUESTION 3

Would you be more likely to consider an affordable housing project if, as part of the same development, you were also allowed to build a few homes for your family or employees?

#### Response

Yes	77%
No	16%
Not sure	7%



#### Issue

Many houses present in rural areas today were originally built for the purpose of housing employees and relatives of the local landowners. Such housing was and still is vital to retain a viable rural economy and a diverse rural community. Providing these houses as part of a new mixed development of mostly affordable homes helps to make the residents feel included as part of the community, rather than isolated. An alternative approach would be to extend the principle of agricultural occupancy conditions to become more general 'rural based enterprise' conditions. This would also encourage the development of more diverse rural economies.

#### Comments

"The landowner must have some sort of input into who the houses go to because they are the ones that get criticised by the local community when the houses end up in the hands of non-locals."

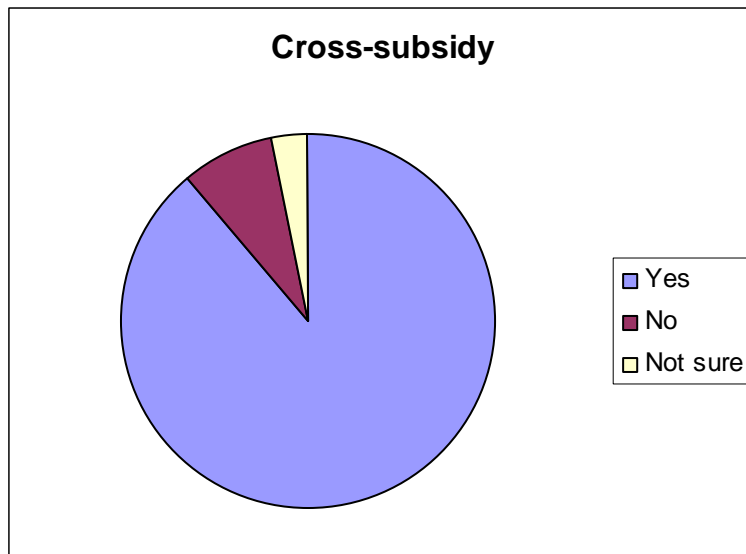
"Surely it's better to have a few high value and low value houses in many villages rather than building bigger towns. It would also help to keep local services and pubs, etc. in business and spread out the traffic."

## QUESTION 4

Would you be more likely to consider an affordable housing project if you and / or the developer could fund the affordable housing by using profits from the sale of a few open market houses built on the same development?

### Response

Yes	89%
No	8%
Not sure	3%



### Issue

Current housing policy specifically states that cross subsidy is inappropriate on exception sites. Affordable housing in smaller rural settlements is not currently economic to deliver unless the land is made available at significantly below market value and there is a subsidy on the level of rents or through the provision of shared ownership. The continuing shortage of funding for affordable housing schemes, particularly in settlements of fewer than 3000 people, means that facilitating more sources of subsidy will be the key to unlocking greater provision of affordable housing in the future. Hastoe Housing Association estimates that, as a general guide, it is possible to fund the costs of developing five or six units of affordable housing from the construction and sale of one comparable unit of open market housing.

Respondent's comments reinforce the need for cross-subsidy to be promoted rather than prohibited.

### Comments

"We would have given them the land if they agreed to let us have one or two open market houses included. They would not even agree to let us have any nomination rights."

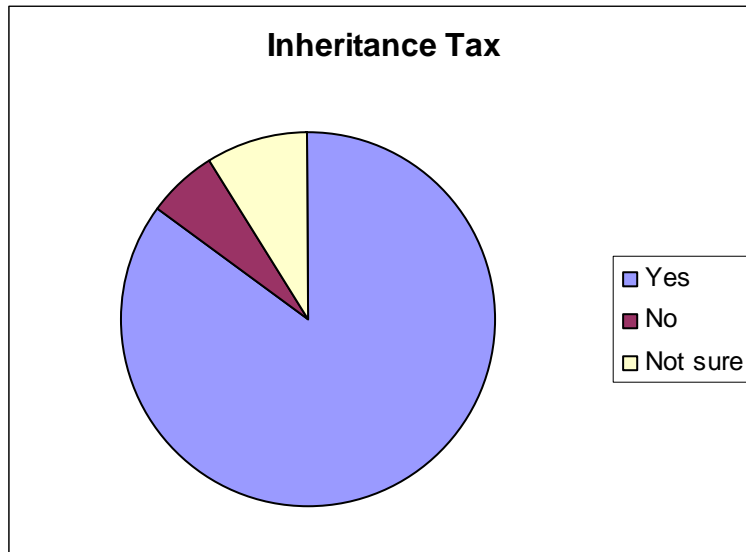
"I would be willing to give land for affordable housing in return for two or three houses to sell."

## QUESTION 5

Would you be more likely to consider an affordable housing project if it remained outside the scope of Inheritance Tax?

### Response

Yes	85%
No	6%
Not sure	9%



### Issue

One of the big problems facing private landlords providing affordable housing is the capital value of the housing stock which is subject to inheritance tax (IHT) on death, the payment of which is often funded from the housing stock, leading to its depletion and removal from the affordable sector. It is probably unrealistic to expect a complete exemption from IHT, but qualification for 100% Business Property Relief (BPR) would be quite reasonable. However, this would require a reclassification of the provision of affordable housing as a business activity. This theme was reflected in a number of comments from respondents.

### Comments

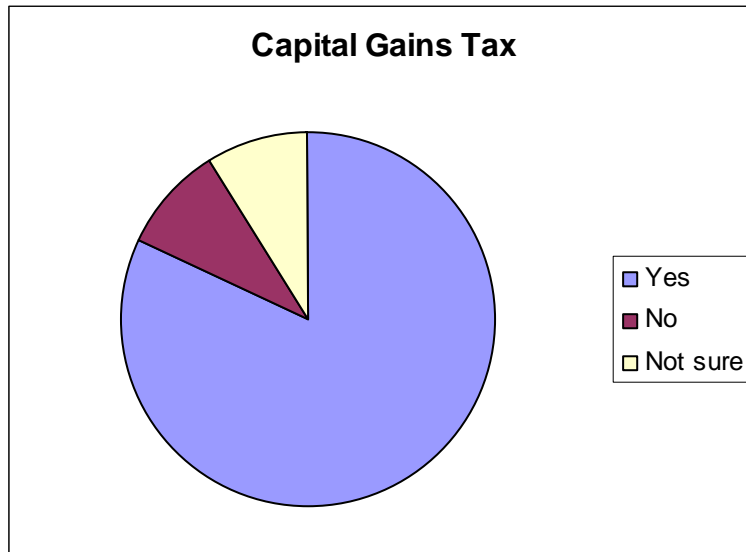
"We let many houses to local people at a discount to open market rent. We have the absurd situation that if these houses were used as holiday lets, thereby reducing the local benefit, our tax situation would be much improved. Tax relief is available for holiday lets, but not residential. We are penalised for providing a vital service."

## QUESTION 6

Would you be more likely to consider an affordable housing project if it qualified for Capital Gains Tax roll-over relief where development is funded by gains from other assets?

### Response

Yes	82%
No	9%
Not sure	9%



### Issue

Where houses are let on low rents, the costs of maintenance are high in relation to the rental income, but under current tax rules it is not possible to treat let housing within the same business as trading for income or capital gains tax purposes. If affordable housing stock was treated as a business asset, then there would be a tax incentive to roll-over gains from the sale of other business assets into affordable housing projects. This is another measure which would reduce the reliance of such schemes on public funding.

### Comments

“Provision of social housing should be treated for tax purposes as a business activity.”

## QUESTION 7

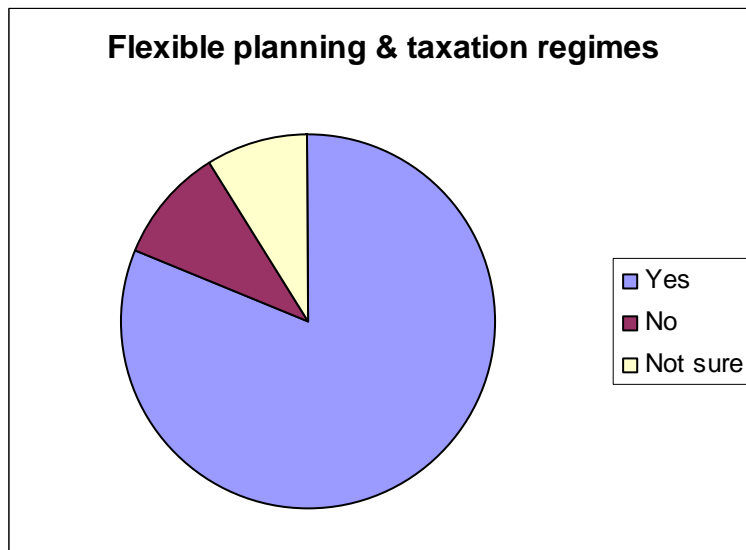
If the planning and taxation regimes allowed the flexibility suggested by questions 3 to 6, would you be willing to provide land for affordable housing (or *more* land, if you have already provided some in the past)?

### Response

Yes	81%
No	10%
Not sure	9%

If 'Yes', how many acres? Total Acres = 1205

Most positive respondents were prepared to offer plots of between 1 and 3 acres, but a few offered much larger areas. It is important to be realistic about plot size in assessing the total area of land offered by respondents to this survey. It is assumed that the maximum plot size is likely to be about 3 acres and that any respondent offering an area greater than this is merely demonstrating a willingness to provide the maximum plot size required. Revaluing any areas greater than 3 acres to 3 acres provides a revised total of 325 acres. At say 12 houses per acre, this would equate to almost 4000 new affordable rural homes in the Eastern Region. In context, this is double the number currently being built each year in the whole of England & Wales.



### Issue

The Prince of Wales recently stated that, "Affordable rural housing is probably the most important issue threatening the viability of our rural communities." There must be a more open dialogue between local authorities, housing associations and landowners to meet the specific needs of communities, rather than a one size fits all approach. Changes to the taxation system could encourage affordable housing schemes that are not reliant on public funds.

### Comments

"The village envelope is far too restrictive. There must be flexibility for good schemes rather than forcing a scheme into an unsuitable location."

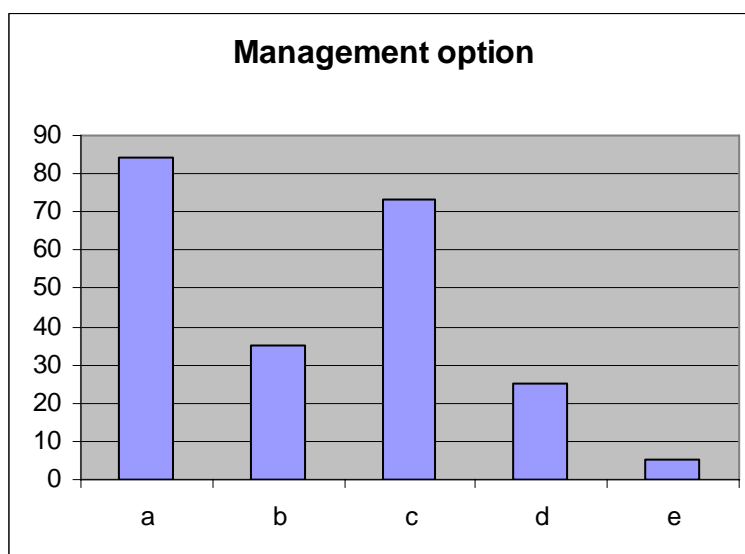
## QUESTION 8

Please tick which management option you would prefer for affordable homes built on your land.

### Response

a) Sale	84	(1 <sup>st</sup> )
b) Long-term lease in return for annual ground rent	35	(3 <sup>rd</sup> )
c) Retain and let units at approved monthly rents	73	(2 <sup>nd</sup> )
d) Community Trust	25	(4 <sup>th</sup> )
e) Other, please specify: (mostly shared equity)	5	(5 <sup>th</sup> )

(Respondents could select more than one)



### Issue

The responses to this question can be summarised into those who wanted no further involvement, e.g. by selling the land (38%) and those who wanted to retain some level of involvement (62%). A common theme throughout the survey was dissatisfaction with the fate of affordable housing once the landowner had surrendered any connection with the scheme. This is why almost two thirds of respondents wanted to retain an interest (be it leasehold or freehold) so that they have some degree of assurance that the new homes will continue to be available for 'genuine' local people. Many suggested that they would fund the scheme entirely, let the units at approved affordable rents and use the income to pay back the initial investment. Combined with suitable tax relief, this would remove the burden entirely from the public purse and so long as the rents were approved by a suitably representative committee, the homes would remain affordable.

### Comments

"There is an opportunity to give locals a chance with build to let, supported by appropriate capital allowances."

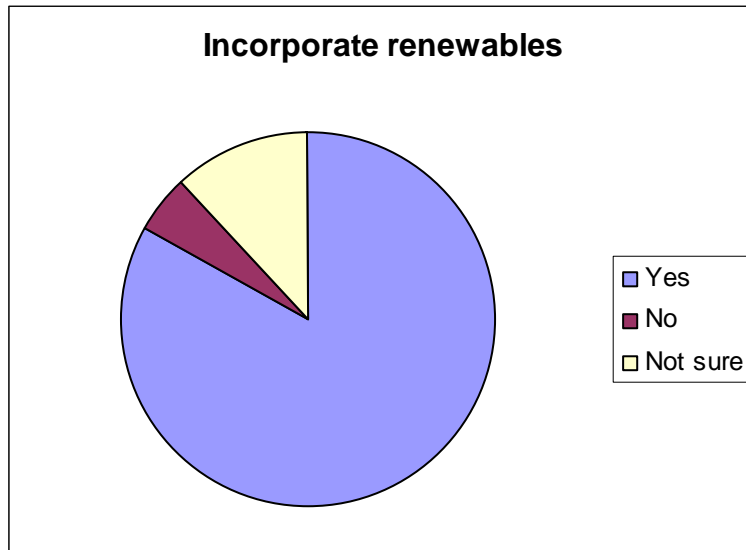
"If the decision of who was to buy or rent was made by a three way group of the landowner and the District and Parish Councils, then local needs could be met."

## QUESTION 9

If new affordable homes were built on your land, would you like to see them incorporate renewable building materials and renewable energy?

### Response

Yes	83%
No	5%
Not sure	12%



### Issue

New buildings should be a positive asset to the landscape and the environment. Sympathetic design is also essential in attracting support from local authorities and existing residents. New housing is a clear opportunity to use UK produced materials in construction, especially wood, for the benefit of the national rural economy. Furthermore and as part of the agenda to tackle climate change, the Government has set a target for all new homes to be carbon neutral by 2016. Truly 'sustainable' homes are closely connected to their site, society, climate, region and the planet.

### Comments

"I'd like to see all affordable housing being zero carbon."

"Attractive, traditional designs will win public support. No-one should condemn you for looking to the past for inspiration."

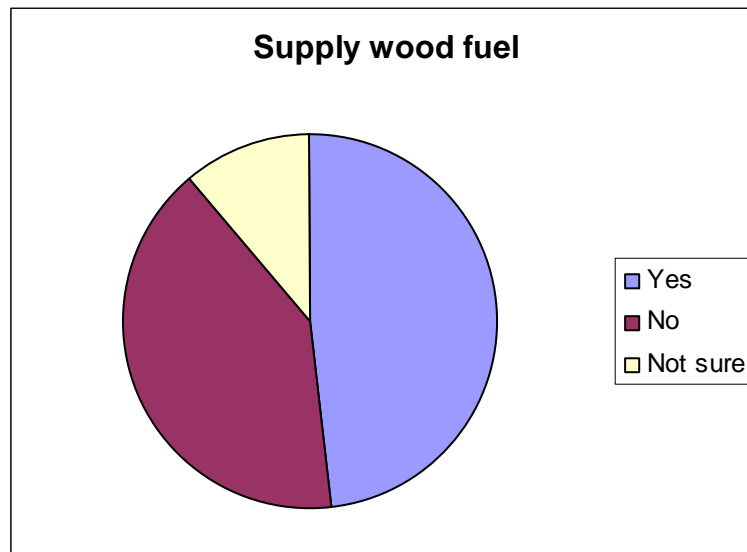
"House design to be in keeping, traditional for area – Why not have a competition to promote high quality designs?"

## QUESTION 10

If you answered 'Yes' to question 9, would you be able to and be interested in supplying some form of wood fuel for the heating systems?

### Response

Yes	48%
No	41%
Not sure	11%



### Issue

Under the Kyoto Protocol, the UK is committed to reduce emissions of greenhouse gases to 12.5% below 1990 levels over the period 2008-2012 and move beyond this to the goal of reducing CO2 emissions by 20% by 2010. Wood is a carbon neutral fuel, as long as it is used close to where it is grown. It is also cheaper, cleaner and more secure than fossil fuels. Providing a market for wood makes woodlands economically viable which, in turn, means they can be managed for social and environmental benefit as well. It also means they will continue to form part of our rural landscape and contribute to bio-diversity. Using locally grown produce for fuel keeps the money spent on energy in the local economy, safeguards jobs and reduces transport costs. Small affordable housing schemes offer an excellent opportunity to champion this technology and in such a way that will help to strengthen the sense of community connection and inclusion.

### Comments

"I plan to have the site run on wood chip heating with the fuel being grown next to where it is used."

"A local heat and power supply from renewable sources would eliminate transport costs and pollution."



## AFFORDABLE HOUSING SURVEY

1. Have you ever provided land for affordable housing (either by sale or gift)?  
Yes / No (please circle)
2. If you have not (or even if you have, but are reluctant to provide any more) please tick those reasons which apply:
  - a) Lack of knowledge about affordable housing
  - b) Unaware of any local need for affordable housing
  - c) Land holding not suitable
  - d) Inadequate financial incentive
  - e) Planning system too restrictive
  - f) Taxation system provides disincentives
  - g) Insufficient guarantee that the homes will only be used by genuine local people
  - h) Local Authority unhelpful or obstructive
  - i) Other, please specify:
3. Would you be more likely to consider an affordable housing project if, as part of the same development, you were also allowed to build a few homes for your family or employees?  
Yes / No
4. Would you be more likely to consider an affordable housing project if you and / or the developer could fund the affordable housing by using profits from the sale of a few open market houses built on the same development?  
Yes / No
5. Would you be more likely to consider an affordable housing project if it remained outside the scope of Inheritance Tax?  
Yes / No
6. Would you be more likely to consider an affordable housing project if it qualified for Capital Gains Tax roll-over relief where development is funded by gains from other assets?  
Yes / No
7. If the planning and taxation regimes allowed the flexibility suggested by questions 3 to 6, would you be willing to provide land for affordable housing (or *more* land, if you have already provided some in the past)?  
Yes / No  
If 'Yes', how many acres?
8. Please tick which management option you would prefer for affordable homes built on your land:
  - a) Sale
  - b) Long-term lease in return for annual ground rent
  - c) Retain and let units at approved monthly rents
  - d) Community Trust
  - e) Other, please specify:
9. If new affordable homes were built on your land, would you like to see them incorporate renewable building materials and renewable energy?  
Yes / No
10. If you answered 'Yes' to question 9, would you be able to and be interested in supplying some form of wood fuel for the heating systems?  
Yes / No

Please state the county in which your land is located:

## Appendix 2 - DEFINITION OF TERMS

**Affordable Housing** – The Government’s draft definition in Planning Policy Statement 3 (PPS3) states that affordable housing is, “non-market housing provided to those whose needs are not met by the market”. It can include social, rented and intermediate housing, for example shared equity. It should normally meet the needs of current and future eligible households, through restrictions on price, eligibility and resale. It includes private sector and unsubsidised homes that meet the definition.

**Market Housing** – Housing sold on the open market. Market housing will not meet the affordable housing definition

**Affordability** – A measure of whether market housing is on offer to buy at a level which people can afford, usually defined as 3.5 to 4 times earnings. So, if prices are high in relation to wages, then affordability will be low.

**Rural** – Definitions vary, but the Government’s current definition of rural areas is based on population density. Rural areas are those settlements with a population under 10,000. Around 19% of the English population live in rural areas. In the context of this survey, it is useful to consider the variation in population density across the eastern region:

	Area (Ha)	Population in 2001 (no. of people)	Pop. Density (people/ha)*
<b>Beds</b>	119,220	382,100	3
<b>Cambs</b>	340,914	694,000	2
<b>Essex</b>	345,619	1,316,300	4
<b>Herts</b>	163,416	1,011,000	6
<b>Norfolk</b>	537,234	797,900	1
<b>Suffolk</b>	380,207	671,100	2
<b>Total</b>	1,886,610	4,872,400	3

\* to the nearest whole person

**Section 106 Agreement** – Sets out the terms of an agreement between a local authority and a developer, under which the developer agrees to provide some public benefit relating to the development in return for being granted planning permission.

**Cross Subsidy** – Where the sale of market housing is used to fund the provision of affordable housing, normally within the same development.

**Community Land Trust** – CLTs can be set up in a number of different ways, but they are all independent non-profit trusts which own or control land and/or facilities in perpetuity for the benefit of the community. They are therefore a possible vehicle for the provision of affordable homes.