

RURAL HOUSING POLICY

Who lives in rural and coastal areas?

According to the Department for Environment, Food & Rural Affairs (DEFRA)¹, 9.5 million people (17.0 per cent of the population) live in rural areas.

In 2016/17 alone, migration from urban to predominantly rural areas was 88,400. The effect was to drive up prices by reducing the supply available to the existing population.

It has also raised the proportion of the rural population aged over 65 by 37% between 2001 and 2015, far more than in predominantly urban areas.

Key issues in rural areas – availability and affordability

Availability of suitable land in the right places.

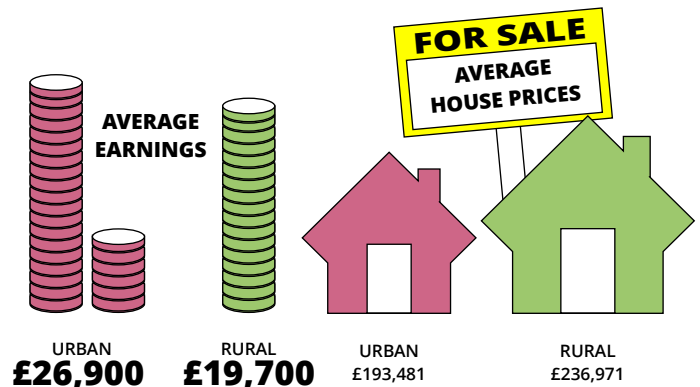
- 1) Sites for homes need to be of the right size and type in appropriate locations to meet local need.
- 2) Substantial areas of land may be unusable due to the likelihood of flooding, subsidence etc
- 3) The overlapping powers and responsibilities of different tiers of government (Parish, Town, District and County Councils, National Parks and Areas of Outstanding National Beauty (AONBs)) makes it difficult to implement effective and coherent land-use strategies.

New infrastructure and transport

- 4) New infrastructure is often needed – highways, gas, electricity, drainage and water, as well as broadband. There may be local shortages of suitably skilled labour to provide this.
- 5) Public transport in many rural areas is poor to non-existent. It is essential for access to

employment, education, medical services and shopping and leisure facilities. Lack of it threatens the viability of existing villages and constrains options for development. (See p3)

- 6) It is harder for local authorities to get significant developers' contributions for small developments under Section 106 of The Town and Country Planning Act 1990, making it difficult to provide the necessary new facilities, such as doctors' surgeries or schools.



Affordability

- 7) Rural homes are often even less affordable to local residents than homes in urban areas. Comparing the cheapest 25% of homes with the incomes of the lowest paid 25% of people, gives a ratio of what the poorest people might be able to afford. While this ratio was 7.5:1 for predominantly urban areas (excluding London), the ratio for predominantly rural areas was even worse at 8.8:1.
- 8) Land prices may also be inflated by, for instance, natural features that attract holiday lets and upmarket homes. In National Parks and AONBs, house prices are further inflated,

with the average house prices 11 times the local earnings¹.

- 9) Online lettings, such as Airbnb, in areas such as the Lake District and Devon account for as much as 20% of listings.²
- 10) Not all homes described as “affordable” really are for those on low incomes. For instance, in 2017-18, only 1,310 of 12,550 new “affordable homes” were social rented.³
- 11) Small developments spread over wide areas are more costly to develop, less profitable for the private sector and therefore unlikely to happen without public sector intervention.
- 12) Finance for mortgages may be harder to get while insurance premiums can be prohibitively expensive.

Current policy failings

There has been a lack of consistent focus on the needs of rural populations, with frequent central government reorganisations and ministerial changes blurring the issue. Cuts in local authority funding have made it very difficult for small rural District Councils, which are the Housing Authority, to play a significant role.

- a) Housing developers have made extensive use of **viability assessments** to avoid Section 106 requirements to provide affordable housing.
- b) **Change of use** of existing dwellings to second homes or holiday letting reduces the supply of housing to local residents and **reduces the permanently resident population** which undermines the viability of local services and the communities themselves.
- c) The **Rural Enablers** initiative, which is the Government’s key instrument for facilitating small-scale affordable housing schemes in villages is under-resourced, ineffective and lacks scrutiny.
- d) The **New Homes Bonus** has encouraged District Councils to favour large building schemes that are less likely to meet local need.

¹ Source: Lloyds Bank

² Source: Guardian 20 Feb 2020

³ Source: DEFRA rural housing statistics Jan 2020

- e) Planning guidance, such as the National Planning Policy Framework, discourages provision of affordable housing for residential developments of fewer than 10 homes, except in rural areas such as National Parks and AONBs.
- f) Conservative-controlled councils have often **outsourced their direct housing functions**, thus increasing their dependence on the private sector and housing associations.

What are Labour’s policies?

The 2019 General Election Manifesto did not focus closely on rural issues. The housing policies were comprehensive and progressive but made few references to rural issues, although the proposal to re-instate the Agricultural Wages Board was welcome.

Labour’s earlier Rural Manifesto (2015) looked at a whole range of issues relevant to rural areas and set out the basis for a comprehensive integrated approach to housing and the other issues. *It is still a useful reference (see page 4).*

In *Housing For the Many – A Labour Party Green Paper April 2018*, Labour promised it would remove the viability loophole which allows developers to avoid affordable housing obligations and introduce a presumption that there is no development without affordable housing, including smaller and rural sites.

At its Party Conference in 2018, Labour announced policy on second homes used as holiday homes, saying that Labour would charge a levy on such homes equivalent to doubling council tax, with an average levy of £3,000 a year. The money raised would be used to tackle homelessness, particularly children in temporary accommodation.

Labour’s 2019 *A Plan for Nature – Our Manifesto for the Environment* promised revised national guidance on building housing in areas at risk of flooding and that it would work with house builders and councils to ensure it is implemented.

Plan for Nature also pledged more County Farms, union representation and fair wages for all food and agricultural workers.

What does LHG think?

Overview

The shortage of affordable housing in rural areas is acute and adversely affects significant numbers of people who live there. Solutions to housing issues demand an integrated approach which also looks at transport and access to jobs and services.

To prioritise meeting the needs of the existing local community, new, small scale developments need to be integrated into villages which may be scattered across large areas.

Additionally, rural areas need to cope with inward migration and the resulting changes to the demographic.

There are also issues concerning the restructuring of the rural economy and stewardship of the environment.

Review and reform of government structures and roles will be required to provide effective and accountable delivery of the additional housing that is needed, including the appropriate support of community-led projects.

Political Context

Many rural areas are dominated by Conservative Councils and Conservative Members of Parliament.

This may have led some in the Labour Party to see rural issues as having a lower priority than the urban issues with which the Party is more familiar.

However there are many people living in these areas who do vote Labour and others who would if they were convinced that Labour took rural problems seriously.

There is clearly work to be done to produce a compelling manifesto for rural areas which could sit within the next General Election manifesto but also provide material for Party campaigners in rural areas in Council elections.

This is only likely to happen if the Party is convinced that this is worth doing.

If you are interested in progressing these ideas, please contact Mick Johnston of Thirsk & Malton CLP (Ryedale and Hambleton Districts) at mick.johnston@gmx.co.uk

Sources

The future of rural bus services in the UK at Better Transport campaign

<https://bettertransport.org.uk/sites/default/files/research-files/The-Future-of-Rural-Bus-Services.pdf>

Statistical Digest of Rural England 2019 can be found at: <https://www.gov.uk/government/statistics/statistical-digest-of-rural-england>

Labour's Rural Manifesto launched 28/04/15 can be found at: <https://action.labour.org.uk/page/-/RURAL%20MANIFESTO%20FINAL.pdf>

Land for the Many can be found at: https://labour.org.uk/wp-content/uploads/2019/06/12081_19-Land-for-the-Many.pdf

What is "Land for the Many"

A report commissioned by the Labour Party, edited by the journalist George Monbiot authors Robin Grey, Tom Kenny, Laurie Macfarlane, Anna Powell-Smith, Guy Shrubsole and Beth Stratford.

Its recommendations are to: -

- Set an explicit goal of stabilising land and house prices,
- Expand social housing
- Reform the private rented sector
- Reform taxation of land and property
- Replacing Council Tax with a Progressive Property Tax
- Replace Inheritance Tax with a Lifetime Gifts Tax
- Replacing business rates with a Land Value Tax

The report's recommendations were welcomed as a contribution to the discussion of these issues.

What Is the Labour Housing Group?

The Labour Housing Group is a lobbying group that is affiliated to the Labour Party and dedicated to the development of a socialist housing policy.

You can contact us at

<http://labourhousing.org/#main-contact-form>

You can join us at

<http://labourhousing.org/account/join>

Labour's Rural Manifesto 2015

The following are housing-related extracts from Labour's "A Better Plan for Rural Britain", published 28th April 2015

Building homes for rural communities

Britain is in the midst of the biggest housing crisis in a generation, with the lowest levels of house building in peacetime since the 1920s. Young people have been priced out of home ownership. Fewer affordable homes are being built, homelessness is rising, and millions face insecurity and poor standards in the private rented sector.

The housing crisis has hit rural communities hard and policies like the bedroom tax have had a particularly damaging effect in rural areas where there is typically less social housing and fewer large properties, forcing people to move away from their friends, families and the areas they grew up in, because there are often no other homes to move to.

The average cost of a rural home is ten times the average wage and in 90 per cent of rural areas the average home costs eight times the average wage or more. Despite there being 235,000 people on rural housing waiting lists, only 9,540 affordable homes were provided in rural areas last year – just one for every 25 needed.

Another five years of the Tories would lead to a halving of annual rural affordable home provision as a result of Tory policies to reduce requirements for affordable homes on small sites.

Everyone should be able to live in a secure home, whether they rent or buy.

We will make sure that at least 200,000 homes a year get built by 2020 – almost double the current level.

We will strengthen requirements on developers to build affordable housing in rural areas.

Our comprehensive plan to tackle the housing crisis will give local communities new powers to build the homes they need in the places they want to live.

To help young people and families get on the housing ladder, we will allow local authorities to give first time buyers that have lived in an area for more than three years first call on up to half of the homes built locally. And to help them buy their home, we will offer these first time buyers zero stamp duty on properties under £300,000 so that they can put this money towards their deposit.

We will give local authorities new 'use it or lose it' powers to encourage developers to build rather than landbank.

We will tackle exploitative practices such as overcrowded and tied-housing arrangements by giving local authorities and other relevant agencies a role in enforcing the minimum wage and introducing a register of private landlords.

We will increase competition in the house-building industry by backing small builders.

We will build more affordable homes through tougher requirements for affordable housing in new rural developments including on small sites and prioritising investment in housing.

And we will scrap the Bedroom Tax which is having a severe impact on rural communities where there are fewer alternative properties for tenants to move to.