

APPLICATION OF ADDITIONAL DESIGNATED RURAL AREA STATUS IN RELATION TO CORE STRATEGY POLICY SP3

Housing & Health Advisory Committee - 7 February 2023

Report of: Deputy Chief Executive and Chief Officer - People & Places

Status: For Approval

Also considered by:

- Cabinet - 9 February 2023

Key Decision: No

Executive Summary: Additional designations under Section 157 of the Housing Act 1985 (“Designated Rural Areas”) have been conferred within the District via the [Housing \(Right to Buy\) \(Designated Rural Areas and Designated Regions\) \(England\) Order 2022](#) (“the Order”).

Approval is sought to apply the additional Designated Rural Area status conferred by the Order, in relation to Core Strategy Policy SP3 (Provision of Affordable Housing).

This report supports the Key Aim of: The Housing Strategy 2022-2027, the Core Strategy 2011 and the emerging Local Plan 2040.

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer: Sharon Donald, Ext. 7131

Recommendation to Housing & Health Advisory Committee:

That comments on recommendation (a) are passed to Cabinet.

Recommendation to Cabinet:

To approve the additional Designated Rural Area status conferred by the [Housing \(Right to Buy\) \(Designated Rural Areas and Designated Regions\) \(England\) Order 2022](#), as set out in Appendix A, in relation to Core Strategy Policy SP3 (Provision of Affordable Housing).

Reason for recommendation: To ensure our ability to secure affordable housing contributions from smaller sites is maximised, whilst not impacting our rural exceptions housing programme.

Introduction and Background

- 1 Paragraph 64 of the National Planning Policy Framework (NPPF) allows local authorities to seek an affordable housing contribution on small development sites (9 units and under) located within Designated Rural Areas (designated under Section 157 of the Housing Act 1985). For sites located outside of Designated Rural Areas, the NPPF states that affordable housing contributions can only be sought on major developments. Major development is defined as 10 or more units or where the site area is larger than 0.5 hectares. Core Strategy Policy SP3 (Provision of Affordable Housing) originally set a requirement for all new housing developments to provide affordable housing on a sliding scale (either on site provision or a financial contribution), however as the NPPF postdates the adoption of the Core Strategy we are much more limited in what contributions we can seek and can only seek contributions in line with the NPPF.
- 2 With regards applying a lower threshold for affordable housing contributions on sites located within Designated Rural Areas, in March 2015 Cabinet resolved to apply a lower threshold of 6 to 9 units to sites located in those Designated Rural Areas in force at that time. This related to locations within Areas of Outstanding Natural Beauty and contributions have been sought on this basis ever since. The lower threshold does not apply to sites located within Designated Rural Areas that come forward for Rural Exceptions Housing under Core Strategy Policy SP4).
- 3 In December 2021, Cabinet approved an application being made to the Secretary of State for Levelling Up, Housing and Communities, seeking the designation of additional areas.
- 4 The application has been successful and on 12 December 2022, the [Housing \(Right to Buy\) \(Designated Rural Areas and Designated Regions\) \(England\) Order 2022](#) (“the Order”), comes into force. The status of each of the District’s 31 Parishes is shown in Appendix A.
- 5 Approval is sought to update the March 2015 Cabinet resolution, whereby the lower site threshold of 6 to 9 units is applied in all Designated Rural Areas, set out in Appendix A. This will ensure our ability to secure affordable housing contributions from smaller sites is maximised, whilst not impacting our rural exceptions housing programme.
- 6 The primary purpose of Designated Rural Area status is to restrict the consequences of the Right to Buy. It allows restrictive covenants to be put in place so that social housing can only be sold on to someone who has been living or working in the parish for 3 years. Alternatively the landlord may require the tenant to offer the home back to them if the tenant wishes to sell within 10 years of buying.
- 7 Designated Rural Area status assists the Council’s rural exceptions housing programme, because sites within these Areas are not permitted to be developed as First Homes Exceptions Sites. This exclusion helps to ensure

sites will continue to only come forward for rural exceptions housing under Core Strategy Policy SP4. This will ensure the delivery of genuinely affordable housing to meet identified local housing needs.

Other options Considered and/or rejected

Leave as current and do not apply the additional areas conferred within the Order in relation to Core Strategy Policy SP3. This would prevent the District Council from maximising S106 contributions from smaller sites in the additional areas. Rejected.

Key Implications

Financial

The District Council will be able to seek Section 106 affordable housing contributions from a wider pool of application sites. Section 106 commuted sum payments will be used as set out in the Affordable Housing SPD 2011.

Legal Implications and Risk Assessment Statement.

None.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Conclusions

Application of the additional Designated Rural Area status conferred by the Order, in relation to Core Strategy Policy SP3 (Provision of Affordable Housing), will ensure our ability to secure affordable housing contributions from smaller sites is maximised, whilst not impacting our rural exceptions housing programme.

Appendices

Appendix A - Table showing Designated Rural Area status, by Parish.

Background Papers

Informative Paper

[Housing \(Right to Buy\) \(Designated Rural Areas and Designated Regions\) \(England\) Order 2022](#)

Sarah Robson

Deputy Chief Executive and Chief Officer - People & Places