



The Government Response to the Taylor Review of Rural Economy and Affordable Housing



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March 2009

Department for Communities and Local Government

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Foreword

England is blessed with wonderful countryside. It is a commonplace that it is not natural, but the result of many generations of hard work and careful management. Much of it is now protected either for its own sake or because of its importance as a habitat for valuable species but, nevertheless, rural areas still face a range of challenges which are very different in different parts of the country and require targeted responses at local level.

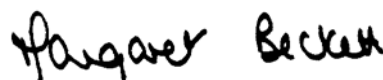
In this context, we very much welcome Matthew Taylor's Review of the rural economy and of affordable housing. In 2007 he was asked by the Prime Minister to produce a comprehensive and authoritative report into the issues that our rural communities face, and to make practical recommendations for change and improvement. He has certainly done that, and we are grateful to him for the thorough and enthusiastic way he carried out his work. We have also noted the wide degree of support for his recommendations among those whom he met and consulted, and are grateful to all of them for contributing so much to the Review as well.

We are therefore particularly pleased that the Government can accept so many of the Review's recommendations. The social and economic outcomes sought by this Government apply equally to all areas, urban and rural. We are committed to supporting strong, diverse and dynamic rural communities. That means planning for the provision of housing to meet evidenced local needs; and providing the support structures and leadership to enable businesses and local economies in both rural and urban areas to contribute effectively to sustainable economic growth. All those involved in the planning process have a responsibility to take a positive approach to increasing the sustainability of our homes, businesses and communities.

Much of what Matthew proposes requires subtle but important changes in approach by Government Departments and Government Offices, by rural planning authorities and by other Agencies, particularly to get the balance right between protection and development in the countryside. This response sets out how we are already engaged in those changes, and outlines the other ways in which we will move forward to build on the improvements the Government has previously introduced, and those in addition which Matthew has recommended.



Rt Hon Hilary Benn MP
Secretary of State for Environment,
Food and Rural Affairs



Rt Hon Margaret Beckett MP
Minister for Housing and Planning

Executive summary

Introduction

The Government notes that the Taylor Review seems to have helped shape a growing consensus about what is needed in the English countryside. The Government agrees with and accepts nearly all of the Review's recommendations, and particularly sees them in the context of the creation and maintenance of sustainable communities, and the need to plan for economic recovery, in which a streamlined planning system will be a significant factor.

The Government agrees with the Review that a "one size fits all" approach cannot do justice to the diversity of rural communities and experiences and, in responding to the Review's recommendations, emphasises that sustainability is not about choosing the environment over development but about recognising both and striking a balance.

Creating and maintaining sustainable communities

Living Working Countryside

Taylor Review Recommendations 1 & 2

The Government is already streamlining the planning system, and will review Planning Policy Statements as and when there is a need to change policy. In doing so, we will take the opportunity to assess what more we can do to improve the coherence of the planning policy framework and to make it more user-friendly.

The Government reiterates its intention to 'rural proof' all relevant domestic policies. Rural proofing is a long-standing commitment by the Government to ensure that all domestic policies take account of rural circumstances and needs. It is a mandatory part of the policy-making process.

Encouraging sustainable economic growth in rural areas

Promoting Rural Economic Development

Recommendations 22, 23, 24 & 25

The Government accepts the Review's recommendations for promoting rural economic development. The Government has said in the Rural Strategy and elsewhere that we want a countryside which can shape its own future, with its voice heard by Government at all levels, and in which people have access to the jobs and services they require. We see the Review's recommendations as being particularly helpful in this context.

Better support for home-based businesses, and live / work units

Recommendations 26, 27, 28 & 29

The Government has looked again at the issues surrounding home-based working, particularly in social housing. The National Housing Federation (NHF) has produced a model tenancy agreement to accommodate home working for Housing Association tenants, which strikes a reasonable balance between encouraging enterprise and avoiding unreasonable noise and disturbance. We want social landlords to seriously consider any tenant's requests to have such rights incorporated into their tenancy agreement or reflected in new tenancy agreements.

We agree that rural enterprise hubs and live / work units can have a part to play in the economy.

Increasing housing supply in the long term

Masterplanning

Recommendations 4 & 10

We do not agree that we should abandon the proposed Planning Policy Statement on eco-towns, and instead publish a different but similar one on the issues surrounding the sustainable growth of communities, including new neighbourhoods and community extensions. But we are minded to develop the Review's suggestion of a competition, particularly for rural authorities wanting to provide growth over an extended period in one or more of their market towns.

Longer-term visions for communities

Recommendation 6

We agree with the general thrust of this idea, and the empowering communities white paper outlines our thinking, as does *Planning Together 2*.

Community involvement

Recommendation 7

We have established an Empowerment Fund of at least £7.5m. The fund includes a 'Community Involvement in Planning' theme which seeks to involve communities in housing delivery, including affordable rural housing as a priority.

Partnership working

Recommendation 8

The PPS on Climate Change already addresses issues around the sustainable expansion and regeneration of large & small communities; and further Government guidance will include advice about best practice in community engagement, developing the ideas set out in the empowerment white paper last year.

Better infrastructure

Recommendations 9

The Community Infrastructure Levy (CIL) aims to contribute to the costs of the infrastructure needed to support the development of an area, and this could certainly include the provision of the infrastructure necessary to deliver an extension to an existing settlement. But CIL will not be used to remedy pre-existing deficiencies in infrastructure – unless these are being exacerbated by new development – or to fund general local authority expenditure.

Smaller communities and affordable housing

Recommendations 3, 11, 12, 13, 14, 15 & 19

The Government accepts the Review's recommendation that there may be circumstances in which a community may decide through the local development framework (LDF) process that a small brownfield site is best left alone, and that necessary new development should be directed elsewhere.

We accept the Review's recommendation that we look again at the Homes and Communities Agency's (HCA) target to confirm its continued relevance in the rural context, in terms both of the numbers required and of the distribution spatially when set against known rural need. The Government will work with stakeholders to review these targets to inform the next spending review. And the Government is supporting a good practice project which will enable the HCA, among other things, to encourage poorly performing local authorities to 'up their game' on delivery of rural housing.

Even where there is no allocated development land for housing in any village, the Review recommends that local planning authorities must nevertheless engage with the community to bring forward exception sites for residential development, and we certainly agree with this. PPS 3 makes it clear that local planning authorities are expected to be active housing enablers.

Exceptions sites

PPS 3 makes it clear that local planning authorities are expected to be active housing enablers, and where it is inappropriate to allocate land for development in or close to an existing settlement then seeking out exceptions sites is the alternative way forward.

It is important to clarify that the Government has no intention of allowing market housing to be built on rural exception sites as this would undermine their very purpose. However, we think that now is the time to show a degree of flexibility to encourage and incentivise landowners to come forward to provide land for rural exception sites. We are therefore going to set up a practitioners' Working Group which will examine the Review's proposals for landowners to have nomination rights for affordable housing units or retaining an interest in their land.

S106 agreements

Recommendation 16

We are reviewing the Government's existing model s106 agreement, as the Review recommends, and are working with the Planning Inspectorate so that they can publish on their website a planning obligations checklist designed to assist Inspectors, and which would also assist anyone preparing such an obligation.

Securing more sites for affordable housing: community land trusts

Recommendation 20

Like the Review, we see an enhanced role for community land trusts (CLT), and a definition was included in the Housing and Regeneration Act 2008. We are currently considering the response to our consultations last year, on CLTs generally, and on shared ownership and leasehold enfranchisement and the designation of 'protected areas'.

Securing more sites for affordable housing: affordable housing and site-size thresholds

Recommendations 37, 38 & 39

PPS 3 makes tools available to rural local planning authorities to enable them to secure affordable housing: they can set site-size thresholds lower than the indicative national minimum threshold of 15, above which they can then seek affordable housing; and they can make more use of rural exceptions site policies.

Securing more sites for affordable housing: landowners' interests

Recommendations 17 & 18

As we say above, we are therefore going to set up a practitioners' Working Group which will examine the Review's proposals for landowners to have nomination rights for affordable housing units or retaining an interest in their land. The working group will be established in April.

s106 agreements and the community infrastructure levy

Recommendation 40, 42 & 43

We will be introducing regulations and proposals throughout this year as we introduce the community infrastructure levy (CIL), and provide more details about its interaction with s106 contributions. We are still considering if CIL should include the flexibility to charge differential rates across an area, and will explore this further as draft regulations are published for consultation.

Registered social landlords (RSLs) which are charities will be covered by an exemption from CIL, where a development will be used for charitable purposes. In addition, we have committed to explore with the social housing sector how a significantly reduced rate of CIL for social housing development might be specified in regulations. An important aspect of this will be to establish a clear definition of what is meant by 'social housing' for these purposes. Draft CIL regulations will be subject to full public consultation later in the year.

Building regulations and sustainability

Recommendation 48

Improving standards of energy efficiency of homes and innovations in heating and hot water delivery as promoted by the Code (and strengthened Building Regulations) should mean that less fuel is required for heating and hot water. This can help to offset any increased costs that may be associated with building to higher sustainability standards. However, we will be considering the applicability of standards to affordable rural housing when we consult this year on planned amendments to the Building Regulations and the Code for Sustainable Homes to be introduced in 2010.

Planning for economic recovery: streamlining planning and unblocking the system

Streamlining planning

Recommendation 5

We have taken significant steps to reform the planning system, and are now looking to streamline it further: our acceptance of many of the Killian Pretty proposals, and our identification of priorities for action arising from it, is a recent case in point.

The rural / urban definition

Recommendation 30

We agree with the Review that regional and local planning bodies should use the Government's 'rural / urban definition' (which is a National Statistic). Both Defra and CRC proactively support and promote the use of the urban / rural definition and local authority classification by policy makers and delivery bodies at all levels.

Regional planning and collaborative working

Recommendation 31, 33, 35 & 36

We also agree with the Review that it will be important to maintain an overview of the rural impacts of the regional spatial strategies as they come into force, and that it will be important to share good ideas and practice wherever possible.

Development plan documents

Recommendation 32

We agree with the Review that we need urgently to clarify and publicise the weight which can be given to emerging development plan documents.

The weight to be attached to emerging policies will clearly be dependent upon the circumstances surrounding the plan and application in question, therefore the local planning authority will need to assess the weight attached to emerging policies on a case by case basis.

In order to clarify and publicise our position, we will provide further information in addition to that set out in *The Planning System – General Principles* document and we will provide further accompanying advice on the on-line Plan Making Manual.

Local housing markets

Recommendation 34

We have considered the Review's recommendation that there should be a national database of local housing markets and affordability, but are not convinced that the exercise would be cost-effective or beneficial, even in more stable market conditions. However, the National Housing and Planning Advice Unit are commissioning research to identify housing market areas, and to assess functional housing market areas against any current definitions used in regional and sub regional planning.

Second homes

Recommendation 21

The Review thought the Government should examine the options, possibly with a trial "in one or more of the communities most affected", for changes in secondary planning legislation to limit changes of use for full-time homes to be used instead for holiday lets, or as second homes. The Review was particularly thinking of the National Parks, and acknowledges the "real issues of practicality".

We well understand that the issue arouses strong feelings, for and against, but are not persuaded that the 'problem', such as it is, could be tackled effectively through the planning system, for the reasons given in the body of this response. We think that there are more innovative ways of providing the affordable homes rural communities need without interfering with the legitimate rights of second home owners.

Pre-application etc discussions

Recommendations 41 & 44

We agree with these recommendations which overlap with a recommendation in the Killian Pretty Review that, among other things, a more consistent approach to charging for pre-application discussions and negotiations by local authorities would be helpful. We intend, therefore, to give more guidance generally to authorities about this aspect of their work to help spread best practice, in the context also of clarifying for them how the community infrastructure levy and s106 do and do not overlap.

The Planning Inspectorate

Recommendations 45, 46 & 47

The Planning Inspectorate have already published some of their advice to Inspectors on their website to assist appellants and local planning authorities. We are actively discussing with the Planning Inspectorate the publication of further chapters, and devising a new format

In addition, the Planning Inspectorate is investigating the use of information arising from geographical plotting of related casework to aid consistency, and examining the possibility of delivering a 'search by topic or policy theme' function either through its existing electronic casework system or, more likely, by being built into the requirements for any replacement system.

Introduction

1. In 2007, Matthew Taylor MP was asked by the Prime Minister to undertake a review of the countryside, and to make recommendations about how to nurture a healthy rural economy and ensure an adequate supply of affordable rural housing. He consulted very widely, travelled to all the English regions (and the Scottish highlands) and held a large number of one to one meetings, seminars and roundtable discussions.

2. His Review (*Living Working Countryside*¹) was published in July 2008. It contains 48 recommendations, ranging from consideration of national planning policy to detailed issues in the Building Regulations. As he says in his foreword, the English countryside is “a wonderful place to live – *if you can afford a home, if you can find a reasonably paid job*”.

3. The world moved on significantly while the Taylor Review was being undertaken, and even more so since. The global economic downturn is the most obvious and significant change in circumstances, the past year having seen significant economic shocks lead to an exceptionally challenging economic climate. The Government’s immediate priority is to continue to support the economy, families and businesses – in all places – through these difficult times. The economic downturn is likely to have impacts spread across both urban and rural areas. Therefore, it is vital that Government is able:

- to ensure that the mainstream measures designed to support the economy are having a proportionate impact in rural as in urban areas; and
- to quickly identify any particular rural issues that may require specific or targeted action

4. To this end we are working closely with the regional development agencies and the Commission for Rural Communities to make sure that the National Economic Council has access to high quality intelligence about the economic situation in rural areas.

5. At the same time, the Government’s own efforts to streamline the planning system have continued, not least with the granting of Royal Assent to the Planning Act at the end of 2008.

¹ Communities and Local Government, London, July 2008

6. Even while the Taylor Review was being carried out, therefore, the Government was making early arrangements for the introduction of such initiatives as the Infrastructure Planning Commission, the community infrastructure levy and policy statements for nationally significant infrastructure. In addition, as Matthew Taylor knew, the Government has been considering and consulting about a planning policy statement on sustainable economic development to supersede earlier planning guidance on industrial and commercial development. The Killian Pretty review of ways to improve the planning application process was published on 24 November, and an announcement about our response was published earlier this month.

7. Accordingly, the Government's response to the published findings of the Taylor Review needs to be seen in this wider, dynamic context.

8. Our principal policy considerations for the countryside are:

- the need to create and maintain sustainable communities
- the need to develop ways to encourage sustainable economic growth in rural areas
- the need to encourage an increase in the supply of housing in the long term, and particularly that of affordable housing; and
- the need to plan for economic recovery, in which a streamlined planning system will be a significant factor.

9. We have therefore grouped the Taylor Review's Recommendations into clusters which seem to us to address these particular policy considerations, and our detailed response is set out in the following Chapters.

Creating and maintaining sustainable communities

Living Working Countryside

Recommendation 1:

Planning policy (the Planning Policy Statements) should be reviewed by the Government as a body to create a more coherent set, reducing apparent conflicts between interpretations of sustainability, and the means by which competing priorities are assessed, and by doing so aid consistent interpretation and application at the local and regional level.

Recommendation 2:

Planning policy (the Planning Policy Statements) should more clearly set out the requirement to take account of all three strands of sustainability in a balanced way, and to have a long term vision of the contribution that planning can make to enhancing sustainability economically, socially and environmentally in each and every community.

10. We agree with the Review's recommendations, and see them in the context of the creation and maintenance of sustainable communities. The Rural white paper of 2000² and the 2004 Rural Strategy³ successfully sought to focus efforts on meeting the different needs of different places and sections of individual communities, with a strong emphasis on targeting help where it is needed most.

11. The foreword to the Government's Rural Strategy said in 2004 that the Government recognised that change was a part of rural life but that, to be sustainable, change had to balance economic, social and environmental interests. It added that the vision of a living, working, protected and vibrant countryside remained at the heart of rural policy, as this response to the Review's recommendations confirms. In February of this year Hilary Benn, the current Secretary of State for Environment, Food and Rural Affairs, spoke at a Rural Innovation Summit organised by the Commission for Rural Communities. He said that in protecting nature we must also recognise people's need for somewhere to live and for a job. He referred to the concerns set out in the Taylor Review about the impacts of denying development to small villages that have been characterised as 'unsustainable'. He said that there is no such thing as an unsustainable place – only unsustainable ways of doing things.

² *Our Countryside: The Future – A Fair Deal for Rural England*, Department for Environment, Food and Rural Affairs, 2000

³ *Rural Strategy 2004*, Defra, 2004

12. In responding to the Review's recommendations, we wish to emphasise the message that sustainability is not about choosing the environment over development but about recognising both and striking a balance. As the Review makes clear, a "one size fits all" approach cannot do justice to the diversity of rural communities and experiences. The aim of national planning policy is to create the framework which allows those working at local level to strike the right balance in the light of local needs and circumstances.

13. The Planning white paper of 2007⁴ set out our detailed proposals for reform of the planning system, building on Kate Barker's recommendations for improving speed, responsiveness and efficiency in land use planning. She and Rod Eddington also made recommendations for improvements in our arrangements for major infrastructure planning, and many of these will come into effect as the provisions of the Planning Act 2008 are brought into force. Our acceptance of the broad thrust of the Review's recommendations needs, therefore, to be seen in this context.

14. We made a commitment in the Planning white paper to streamline the planning policy framework to achieve a more strategic, clear and focused framework, with PPS1 (*Delivering Sustainable Development*) at its heart to provide an improved context for plan making and decision taking at the local level. As part of this exercise we have decided to bring together the planning policy statements covering economic development topics into a single new PPS on Planning for Prosperous Economies. This new PPS will incorporate *draft PPS 4: Planning for Sustainable Economic Development*, *PPG 5: Simplified Planning Zones*, *PPS 6: Planning for Town Centres* and the economic development policies in *PPS 7: Sustainable Development in Rural Areas*. We will shortly consult on a draft of this new PPS.

15. This will be an important further confirmation of the Government's commitment to sustainable economic development, in rural and urban areas, recognising the important role that rural areas have to play in the regional and national economy. The Review says (*Living Working Countryside*, page 122, paragraph 16) that, "contrary to an often outdated and perhaps romanticised view of the countryside, the economies of rural and urban England are much more alike than many people might imagine". We agree, and the Government recognises that proper planning for economic development of an appropriate scale can ensure that rural communities can prosper and thrive whilst ensuring continued robust protection for the countryside.

16. The Review argues, for example in paragraphs 49 – 51 on pages 130 and 131, that there are "unhelpful preconceptions" about what kinds of business are appropriate in rural areas, and that if current policy focuses on city regions then "huge areas of rural England are being left 'off the map'".

17. The Government remains convinced that economic growth and the achievement of a high quality environment can and should be pursued together, in urban and rural settings equally. We intend that the new PPS will emphasise this point again, and reinforce the message that all types of businesses can, in principle, be appropriate in rural areas, subject to the need to protect the countryside.

4 *Planning for a Sustainable Future*, DCLG, May 2007

18. But the Government has also introduced 'rural proofing' as a further safeguard against 'urban-centric' policy making: rural proofing is a long-standing commitment by the Government to ensure that all our domestic policies take account of rural circumstances and needs. It is a mandatory part of the policy-making process, which means that as policies are developed policy makers should systematically:

- consider if their policy is likely to have a different impact in rural areas, because of particular rural circumstances or needs
- make a proper assessment of those impacts, if they are likely to be significant; and
- adjust the policy, where appropriate, with solutions to meet rural needs and circumstances.

19. Rural proofing applies to all policies, programmes and initiatives and it applies to both the design and delivery stages. As the lead Department for Planning and Housing Delivery, Communities and Local Government ensures that policy and professional advisers can 'rural proof' emerging policies at an early stage and will continue to work closely with the Commission for Rural Communities to ensure that we have a clear understanding of the impact of our policies so that we can review them quickly if needs be.

20. We will streamline other planning policy statements as and when there is a need to change policy. In doing so, we will take the opportunity to assess what more we can do to improve the coherence of the planning policy framework and to make it more user-friendly.

Encouraging sustainable economic growth in rural areas

Promoting rural economic development

Recommendation 22:

A clear message should be voiced, through the new PPS4: Planning for Sustainable Economic Development and a Government statement of intent, that rural economies have an important contribution to make to regional and national economies as well as urban economies and that all types of business and enterprise can be appropriate for rural areas, subject to assessment of impact based upon local circumstances and conditions (social, economic and environmental).

Recommendation 23:

The Government should undertake work to draw together, clarify and consolidate national policy to ensure consistency with regards to economic development, through the review of Planning Policy Statements and Planning Policy Guidance as a whole as proposed in Chapter 1 (Recommendation 1).

Recommendation 24:

The consultation paper on the new PPS4: Planning for Sustainable Economic Development recognised that not all development in rural areas can be accessed by public transport and should not be refused simply on this ground, a change in emphasis which this Review very much supports. This new message should be retained in the final Planning Policy Statement, and early action taken to ensure it is reinforced in the development and application of regional and local plans. This would help remove a significant barrier to rural economic development, including the re-use of disused farms or farm buildings, subject to proper assessment of the impact on economic, social and environmental sustainability.

Recommendation 25:

The new PPS4: Planning for Sustainable Economic Development should make a clear statement that decisions involving the loss of existing employment sites in rural areas and the identification of new sites should be based on evidence addressing the supply of employment sites and premises in that community to ensure economic, social and environmental sustainability of the area is protected and enhanced.

21. We agree with each of the Review's recommendations here, and see them in the context of the creation and maintenance of sustainable communities.

22. We have said in the rural strategy and elsewhere that we want a countryside which can shape its own future, with its voice heard by Government at all levels, and in which people have access to the jobs and services they require. We see the Review's recommendations above as being particularly helpful in this context.

23. In the summer of 2007, the Prime Minister asked Stuart Burgess, the Rural Advocate to advise on how rural economies might be further strengthened. In the summer of 2008, Stuart set out a package of proposals designed to improve support for people and enterprises in rural areas⁵. The Government response⁶ was produced jointly by BERR, Communities and Local Government, Defra, DIUS, DWP, and HMT and sets out the Government's analysis of the economic picture in rural areas and our approach to supporting communities and businesses in this context. We see both the Rural Advocate's report and the Taylor Review as important elements of a growing consensus which recognises the economic resilience of our rural areas and seeks to emphasise the opportunities they offer and the contribution they make to the economy at large.

24. We are better informed about the scale and nature of economic activity in a rural context than ever before. New measures of productivity developed by Defra and the Office for National Statistics (ONS) show that rather than being the poor relation to urban areas in terms of productivity, rural areas are in fact major contributors to the national economy on a par with all urban areas outside of London. The evidence also shows clearly that there is no such thing as a separate 'rural economy' – the economies in rural and urban areas are similar, in terms of the mix of businesses and employment and are closely inter-related, as the new PPS 4 acknowledges.

25. We noted in 2008, in our analysis of comments made on the draft of PPS 4⁷, that several respondents thought there was a need to say more on the needs, problems and opportunities of rural economic development (which may require affordable housing), and on 'high tech' versus 'low tech' skills, the need to provide for a workforce in rural areas and the potential impact on the countryside. PPS 4 will address these and similar points, and will also recognise that a site may be an acceptable location for small scale development even though it may not be readily accessible by public transport.

26. The Government also recognises the importance of village shops and services, and other small scale economic users including village pubs, to rural communities and proposes in revisions to PPS 6 to strengthen the ability of local authorities to take that importance into account when assessing development proposals which would result in their loss. We will also propose that local authorities should respond positively to proposals for the conversion or extension of shops which are designed to improve their viability.

5 See: http://www.ruralcommunities.gov.uk/files/crc67_englands_rural_areas1.pdf

6 See: <http://www.defra.gov.uk/rural/pdfs/voice/rural-advocate-response.pdf>

7 *Consultation on Planning Policy Statement 4: Summary of Key Issues and Analysis of Consultation Responses*, DCLG, August 2008, p.17

27. Respondents to the consultation on the new PPS 4 supported the diversification of the rural economy where it respected the distinctive character of the countryside, and attracted activities which secured sympathetic management of the landscape. The historic character of landscapes, villages and market towns creates a strong sense of place, contributing to a sense of cohesion and providing a major driver for the tourism which is a significant contributor to rural economies. Smaller rural communities can ensure that their distinctiveness is recognised within their Local Planning Authority's more strategic plan preparation work, but without slowing down the production of important core strategies⁸.

Better support for home-based businesses, and live / work units

Recommendation 26:

The final version of PPS4: Planning for Sustainable Economic Development should retain current policy advice to local planning authorities to "take account of the changing spatial working patterns that advances in information and communication technologies allow, such as live / work units or the use of residential properties for home working" and further encourage the collection of data on home workers to provide a local evidence base to inform business support.

Recommendation 27:

The new PPS4: Planning for Sustainable Economic Development should encourage local planning authorities to take a more supportive approach to planning applications for workspace extensions to the home (subject to impacts such as scale, noise and disturbance) and policy supporting home-based work should be incorporated into Local Development Frameworks.

Recommendation 28:

The Government should recognise and support the growing opportunities home-based work can provide for economic participation by affordable housing tenants and work with trade bodies such as the National Housing Federation, to promote with affordable housing providers the use of tenancy agreements that do not prohibit home-based working (subject to impacts such as noise and disturbance).

Recommendation 29:

The Regional Development Agencies and regional planning bodies should support the further development of both rural enterprise hubs and live / work units. An exemplar programme should be set up in one or more interested regions to identify best practice and further test the practical issues relating to these enterprise hubs and live / work units in rural areas.

⁸ See PPS 12 (DCLG, 2008), esp. Chpt. 4

Homeworking

28. A significant degree of home-based work is already possible without the activity amounting to 'development' requiring planning permission, although the Review noted (*Living Working Countryside*, page 141, paragraph 86) that a large proportion of this takes place "covertly" as home-based workers do not wish to attract the attention of local planning authorities or other agencies. We acknowledge that it can be difficult to achieve a satisfactory outcome if neighbouring residents are complaining that their own amenity is being adversely affected, but PPS 4 will encourage local planning authorities to support small-scale economic development where it provides the most sustainable option in villages. The National Housing Federation has produced a model tenancy agreement to accommodate home-working in housing association housing which strikes a reasonable balance between encouraging enterprise and avoiding unreasonable noise and disturbance. This has already formed the basis of a number of tenancy agreements across the country. We are working with the National Housing Federation to encourage housing associations, when introducing new tenancies, to reflect this model tenancy agreement. We would also want social landlords to give serious consideration to any tenant's requests to have such rights incorporated into their tenancy agreement.

29. We agree that rural enterprise hubs and live / work units can have a part to play in the rural economy: indeed, the traditional farmyard was itself a sort of live / work unit, and some conversions and diversification schemes have adapted farmyards to more modern use without much change in appearance. The new PPS on prosperous economies will encourage local planning authorities to facilitate new working practices such as live / work or homeworking.

Increasing housing supply in the long term

30. The Government's approach to housing supply is very clear: we believe that everyone should have the opportunity of a decent home at a price they can afford. The long-term gap between supply and demand for housing has led to a long term affordability problem, with the result that many people who would like to gain access to the housing market are unable to do so. We have therefore sought to increase the supply of housing and are looking to have delivered about three million additional homes by 2020 to address demand and long term affordability issues to reduce housing market volatility. The downturn does not fundamentally affect our analysis of why the demand for housing will continue to rise, along with affordability issues, throughout this period, and we set out our thinking in a green paper in 2007⁹.

Masterplanning

Recommendation 4:

Rather than its proposed new Planning Policy Statement limited to eco-towns, or in addition to it, the Government should produce a wider Planning Policy Statement designed to address the practical planning issues concerning the sustainable growth of communities, including new neighbourhoods and community extensions as well as new towns. This should be accompanied by a new Design Guide to assist local authorities with best practice in neighbourhood / community design building on the Commission for Architecture and the Built Environment's work in this area.

Recommendation 10:

A pathfinder / challenge fund for an exemplar programme should be set up to develop best practice for local planning authorities in master planning housing and economic growth to create new neighbourhoods and community extensions for their communities – with a focus on rural areas. A competition should be launched, with successful local planning authorities receiving the resources, support and mentoring to help deliver a master plan and create a best practice toolkit for other communities to follow and to inform national policy.

31. We do not agree that we should abandon the proposed planning policy statement on eco-towns, and instead publish a different but similar one on the issues surrounding the sustainable growth of communities, including new neighbourhoods and community extensions. We wish to maintain the focus on the eco-towns at present so that they can act as exemplars, providing a good model for development that could be adopted by other developers as a way of meeting the wider objectives of existing planning policy, including the planning policy statement on climate change.

⁹ *Homes for the future: more affordable, more sustainable*, DCLG, July 2007

32. In addition, we have already prepared a further guide for local authorities¹⁰ in their role as leaders of their local strategic partnerships, within which the planning system plays a major role in shaping good places. (In PPSs 1, 3 and 12 we speak about shared visions.¹¹) The guide will help planners with the social, economic and environmental understanding required to help deliver high quality services by all of the partners.

33. Subject to resource commitments, we are exploring the possibility of joint Communities and Local Government / Defra funding over the next two years to encourage local planning authorities to take a more strategic / long-term approach to spatial planning, in line with PPS 12. There is much good advice already available to authorities about masterplanning (such as the Commission for the Built Environment's recently reissued *Creating Successful Masterplans*¹²), and the Government Offices, the Prince's Foundation, the Town and Country Planning Association and others. We will encourage authorities, particularly through the Government Offices, to make fuller use of these sources, and to consider collaborative working among themselves more often. Several authorities together, for example, could more easily afford the costs of one skilled masterplanner to advise how best to approach more detailed work.

34. In addition, however, we are minded to develop the Review's suggestion of a competition, particularly for rural authorities wanting to provide growth over an extended period in one or more of their market towns. We wish to consult on the establishment of a Masterplanning Awards Panel who would invite outline submissions from such authorities. Authorities who present the most compelling vision for their futures would receive a package of resources, and be given expert support to help develop their vision into workable masterplans for their areas. The resulting plans, and the experience and expertise developed through the process, would be used to develop a range of rural-proofed tools to support other authorities to build on these exemplar programmes, and possible future national policies.

Longer-term visions for communities

Recommendation 6:

The Government should continue the work it has already begun, along with partners such as the Commission for Architecture and the Built Environment, the Planning Advisory Service and the Planning Inspectorate, to publish guidance on best practice on Local Development Frameworks (LDFs). Local Strategic Partnerships should be encouraged to develop a long term vision for their community which includes its physical shape and sets out plans for change and growth in their economic, environmental and social context. LDF Core Strategies should, as they are intended to do, set out this vision in more detail for the time period which they cover.

¹⁰ *Planning Together*, DCLG, January 2007, and *Planning Together 2*, DCLG, March 2009.

See also the extension to certain Parish Councils of the general power to promote well-being in Sn 77 of the Local Government and Public Involvement in Health Act 2007.

¹¹ *PPS 1: Delivering Sustainable Development*, DCLG, January 2005, para. 11; *PPS 3: Housing*, DCLG, November 2006, para.14; and *PPS 12: Local Spatial Planning*, DCLG, June 2008, para. 2.1.

¹² *Creating Successful Masterplans*, CABE, April 2008

35. We agree with this recommendation: the empowering communities white paper outlines our thinking, and *Planning Together 2*¹³ will remind authorities about the importance of their strategic leadership role, working through local strategic partnerships.

Community involvement

Recommendation 7:

Guidance relating to a new Planning Policy Statement and the exemplar programme (Recommendations 4 and 10) should support best practice in community engagement in developing plans for new neighbourhoods and community extensions through processes like 'Enquiry by Design' and 'Planning for Real', building on the ideas set out in Towards an Urban Renaissance and more recent experience.

36. We have said in the rural strategy and elsewhere that we want a countryside which can shape its own future, with its voice heard by Government at all levels, and in which people have access to the jobs and services they require. We see the Review's recommendations above as being particularly helpful in this context.

37. As is stated above, we continue in PPS 12 to encourage local planning authorities to take a more strategic approach to spatial planning, to make full use of good advice already available and to give more consideration to the possibilities of collaborative working.

38. We have established an Empowerment Fund¹⁴ of at least £7.5m. The fund includes a 'Community Involvement in Planning' theme which seeks to involve communities in housing delivery, including affordable rural housing as a priority.

Partnership Working

Recommendation 8:

Building on the pathfinder programme proposed in Recommendation 10 for master planning new neighbourhoods and community extensions, best practice guidance should be developed to support the necessary partnerships between local authorities, the private sector, Regional Development Agencies and the Housing Corporation / Homes and Communities Agency to deliver these new community developments.

39. The PPS on climate change¹⁵ already addresses issues around the sustainable expansion and regeneration of large and small communities; and the further guidance referred to in paragraph 31 includes advice about best practice in community engagement, developing the ideas set out in the empowering communities white paper last year¹⁶. We are exploring with the Improvement and Development Agency for local government, and the Planning Advisory Service, how best to expand and develop the existing exemplar programmes.

Better infrastructure

13 See *Planning Together*, DCLG, January 2007 / *Planning Together 2*, DCLG, March 2009.

14 *Communities in control: Real people, real power*, DCLG, July 2008.

See: <http://www.communities.gov.uk/documents/communities/pdf/1006294.pdf>

15 PPS: *Planning and Climate Change – Supplement to PPS 1*, DCLG, December 2007

16 *Communities in control: Real people, real power*, DCLG, July 2008.

Recommendation 9:

The Government should review with the Housing Corporation / Homes and Communities Agency the role the proposed Community Infrastructure Levy (CIL) can have in supporting the development of community extensions. This might include forward-funding of infrastructure provision with costs recovered from CIL as development takes place, and creating community funds to underpin the long-term maintenance costs of public realm such as green spaces. These issues should be addressed by the Government as CIL is developed.

40. The community infrastructure levy (CIL) aims to contribute to the costs of the infrastructure needed to support the development of an area, and this could certainly include the provision of the infrastructure necessary to deliver an extension to an existing settlement. But CIL will not be used to remedy pre-existing deficiencies in infrastructure – unless these are being exacerbated by new development – or to fund general local authority expenditure.

Smaller communities and affordable housing

Recommendation 3:

The Government should initiate a review assessing the unintended impacts on amenity, wellbeing and bio-diversity of the policy directing development to Brownfield land and how this policy should be developed in the period to 2020.

Recommendation 11:

The Government should review with the Housing Corporation / Homes and Communities Agency the appropriateness of the national target for rural affordable housing in terms of both the numbers required and whether this target is set at the right spatial level to address rural need, in time to inform the next Comprehensive Spending Review.

Recommendation 12:

The Government and the Housing Corporation / Homes and Communities Agency should commit to providing advice and support to local authorities and affordable housing providers to ensure that sufficient numbers of high-quality bids to develop affordable housing are coming forward to achieve the national target for rural affordable housing.

Recommendation 13:

The Government's planning policies should require local planning authorities to work with local communities to consider how the needs (environmental, social and economic) of every settlement or parish in their area can be addressed through the Local Development Framework as it is developed over time, working towards a clear vision of the future for each settlement built on consultation with the people who live there.

Recommendation 14:

The Government should make it clearer that whilst the Local Development Framework (LDF) process may not allocate sites for development in every community, local planning authorities must still address the short and long term needs and vision for each village or parish including for affordable housing, and as appropriate use proactive engagement with the local community in the absence of allocated development to bring forward Community- Led Affordable Housing on Exception Sites to meet identified local needs, supported by clear criteria set out in the LDF.

Recommendation 15:

The Government and the Housing Corporation / Homes and Communities Agency should develop options for working with local partners (for example Local Strategic Partnerships and Registered Social Landlords) to explore the potential to grant aid (paid against delivery) programmes of affordable housing delivery, including Community Led Affordable Housing on Exception Sites.

Recommendation 19:

The Government should review, with the Housing Corporation / Homes and Communities Agency, whether non-subsidised models of affordable housing should be more formally recognised and promoted as a method of delivering part of the affordable housing mix.

41. The Homes and Communities Agency (HCA) has been set a national target to provide 10,300 affordable homes in smaller rural communities from 2008-09 to 2010-11, for both social rent and low cost home ownership. Grant will be allocated to those schemes which meet the needs of local people, comply with the regional strategy and demonstrate strong value for money from the £8bn National Affordable Housing Programme which we are investing in affordable housing over the three years, 2008-11. The target itself is a considerable increase compared with its predecessor and represents a significant challenge, because of its focus on completions not allocations. However, given current market conditions, it is too early to predict outputs with certainty over the period 2008-09 to 2010-11.

42. We accept the Review's recommendation that we should look again at the HCA target to confirm its continued relevance in the rural context, in terms both of the numbers required and of the distribution spatially when set against known rural need. The Government will therefore work with stakeholders to review the targets to inform the next spending review. The HCA has already undertaken a review of the numbers of houses built in communities with populations from 3,000 to 10,000 and this will be a useful starting point for the analysis.

43. In response to this recommendation, the Government is jointly supporting a good practice project until 2010 which will enable the HCA (who are leading the project) to:

- identify, contact and encourage poorly-performing local authorities to 'up their game' on delivery of rural housing
- encourage high performing LAs to maintain performance and deliver even more quickly
- identify gaps in knowledge and commission research / carry out work to fill these; and
- identify, evaluate and disseminate good practice relating to rural delivery.

44. The first phase has been intended to bring together the new regional rural champions within the HCA with key national, regional and local policy / delivery partners. The main work, beginning in the summer of 2009, will be with the selected local authorities and other stakeholders and delivery partners and may include helping the authorities to produce rural housing strategies, identify partners or help facilitate coordinating the various partners necessary to deliver affordable housing in rural areas. Finally, the project will be evaluated, and lessons and good practice disseminated: a number of regional or sub-regional seminars, and a closing conference / event are envisaged at present.

45. PPS 3 highlights the need to provide market and affordable housing in all areas, including rural areas. The delivery of housing in rural areas, as elsewhere, should respect the key principle underpinning PPS 3 that the provision of high quality housing contributes to the creation and maintenance of sustainable communities in market towns and villages.

46. We have given local authorities greater flexibility to determine how and where new homes should be built in their areas, but we have also given them a greater responsibility to ensure those new homes are built: we want them to be proactive in identifying suitable sites that can be brought into development.

47. We have given local planning authorities responsibility to decide, taking into account such issues as housing need and demand in their areas, whether or not a site is in a suitable location to contribute to the creation or maintenance of a sustainable mixed community, even in very small villages.

48. The Review recommends that local planning authorities should be required to work with local communities to consider how the needs of each settlement in their areas can be addressed through the local development framework. We agree with this idea in principle, and the empowering communities white paper outlines our thinking about giving local people and local communities more influence and power to improve their lives. But local planning authorities will need to balance any demand for parish or community plans for each individual settlement with the need to take a strategic view of their area through their LDFs: core strategies need to cover the whole area supported with area action plans and supplementary planning documents as necessary.

49. At the end of 2008, English Partnerships (now part of the Homes and Communities Agency) were working with over 70 local authorities on a range of detailed brownfield strategies. The intention was that these would be assessed, and proposals brought forward for further consideration. However, we accept the Review's analysis that the national requirement to make the best possible re-use of previously developed land can have unexpected and unwanted effects in very small settlements, when applied too rigidly in pursuit of housing 'targets'. The Government will not normally wish to encourage the development of greenfield sites if other alternatives are available, as PPS 3 makes clear, and there is no change in our policy in this respect: PPS 3¹⁷ says plainly that a key Government objective is that local planning authorities should continue to make effective use of land by re-using land that has previously been developed. However, we acknowledge the Review's point (*Living Working Countryside*, page 31, paragraph 19) that while "open countryside clearly has landscape value it is not always of greater environmental and community value". That is, and taking the Review's wider point on board, that sustainability should not be too narrowly interpreted, the Government accepts that there may be circumstances in which a rural community may decide through the LDF process that a small brownfield site is best left alone, and necessary new development directed elsewhere.

Exceptions sites

50. Where there is no allocated development land for housing in any village, the Review recommends that local planning authorities must nevertheless engage with the community to bring forward exception sites for residential development, and we certainly agree with this. PPS 3 makes it clear that local planning authorities are expected to be active housing enablers, and where it is inappropriate to allocate land for development in or close to an existing settlement then seeking out exceptions sites is the alternative way forward. "Doing nothing" is not initially an option: we acknowledge that there may be some very small settlements where it might on examination be inappropriate to add even one or two new houses, but we nevertheless expect authorities to look hard at that possibility and consider proposals from the local community for additional housing rather than rejecting it out of hand. We are discussing with the National Association of Local Councils the ways in which the skills for developing affordable housing could be included in their training programmes. PPS 3 is deliberately flexible to allow local planning authorities to try out new approaches, and these could certainly include any opportunities that might be discovered for non-subsidised affordable housing. Some good examples of this approach already exist, as the Review makes clear (*Living Working Countryside*, page 111, paragraph 85 onwards) and some councils have already amended their planning policies to accommodate and encourage this possibility. CIL includes affordable housing in the definition of "infrastructure" if it complies with the definition of "social housing" set out in the Housing and Regeneration Act 2008.

51. We recognise the importance of exception sites in delivering affordable housing in rural areas. They have worked well when there is strong partnership working between local councils, landowners and local planning authorities with a shared vision of the importance of delivering affordable rural housing.

¹⁷ *Planning Policy Statement 3: Housing*, DCLG, November 2006, para. 40

52. The HCA will have a key role in delivering growth and renewal in rural areas, and is committed to moving to a place-based rather than a programme-based approach to delivering its business. One of the key ways in which it will achieve that is by developing and introducing a new approach to working with local partners: the ‘single conversation’, which will be the key business process to deliver local ambitions. The basis of the single conversation will be to understand the entirety of an area’s growth and renewal requirements, and to come to a mutually agreed set of objectives with underpinning priorities and interventions to deliver these. The single conversation could include discussion about any need for an enabling resource, perhaps through the HCA, or housing associations, or through some other method, including local authorities acting as partners. The key would be to agree what works best for each local area to reflect differing local requirements.

S106 agreements

Recommendation 16:

To assist local planning authorities in drawing up planning obligations the Government should review and update its model for Section 106 agreements with particular reference to the delivery of affordable housing on Exception Sites and local connection / affordability requirements, so that the standard terms set out in the model can be used wherever possible to minimise the need to draft new clauses.

53. We agree with this recommendation. We are therefore reviewing the Government’s existing model s106 agreement and are working with the Planning Inspectorate so that they can publish on their website a planning obligations checklist designed to assist Inspectors, and which would also assist anyone preparing such an obligation.

Securing more sites for affordable housing: community land trusts

Recommendation 20:

The Government should anticipate increased interest in Community Land Trusts (CLTs) as a model for affordable housing delivery and draw up guidance on how best to implement this model following the recent review of the CLT pilots, in particular addressing the need for a clear definition of what CLTs are, and broad rules on how they operate, without removing the structural flexibility that they currently enjoy which allows specific arrangements to be responsive to the needs of particular areas.

54. Like the Review, we see an enhanced role for community land trusts, and a definition was included in the Housing and Regeneration Act 2008. We are currently considering the responses to our consultations last year, on CLTs generally, and on shared ownership and leasehold enfranchisement and the designation of ‘protected areas’. In general, we note that the concept of community land trusts as a means of acquiring community assets, and managing them in perpetuity, appears to have very widespread support.

Securing more sites for affordable housing: affordable housing and site-size thresholds

Recommendation 37:

The Government should introduce an element in Housing Planning Delivery Grant specifically to incentivise the delivery of affordable housing, which the Government has already committed to consult on later this year.

Recommendation 38:

The Government should clarify the flexible approach in PPS3: Housing concerning the development site size threshold at which a percentage of affordable housing may be required (“The national indicative minimum site size threshold is 15 dwellings”) to make clear that the driver in deciding thresholds and percentages must be evidence of local need and viability, and not the indicative minimum, especially in those areas where many or most developments may be on sites below 15 and good opportunities for affordable housing otherwise lost.

Recommendation 39:

The Government should update its best practice guidance in relation to setting thresholds and affordable housing percentages and negotiating these with developers.

55. PPS 3 makes tools available to rural local planning authorities to enable them to secure affordable housing: they can set site-size thresholds lower than the indicative national minimum threshold of 15, above which they can then seek affordable housing; and they can make more use of rural exceptions site policies. We reaffirmed in PPS 3 the scope for local authorities, where practical and economically viable, to grant permission for 100 per cent affordable housing on small sites, within and adjoining villages on sites subject to policies of restraint, such as green belt, that would not normally be released for housing. This is an important means of providing affordable housing in perpetuity to meet the needs of local rural communities, and we have also confirmed our intention to create ‘protected areas’¹⁸ where shared ownership homes will need to be retained for future purchasers. The Government will be consulting shortly on an element in the Housing and Planning Delivery Grant to incentivise the delivery of affordable housing.

Securing more sites for affordable housing: landowners’ interests

Recommendation 17:

The Government and the Housing Corporation / Homes and Communities Agency should explore options to help bring forward significantly more affordable homes to meet local need through schemes which allow landowners to nominate someone such as a family member or employee (who meet the local connections and housing need criteria for initial occupation), providing the property is subject to the same Section 106 criteria as the development’s other affordable homes, to be affordable in perpetuity to meet local needs.

¹⁸ Housing and Regeneration Act 2008, Sns 300 – 302

Recommendation 18:

The Government and the Housing Corporation / Homes and Communities Agency should look at how schemes in which landowners retain some interest / income can be part of the range of solutions to secure increased release of land for affordable housing in perpetuity – providing the terms (for example, rate of ground rent etc.) are acceptable to the local community to be housed, and do not undermine affordability.

56. It is important to clarify that the Government has no intention of allowing market housing to be built on rural exception sites as this would undermine their very purpose. However, we think that now is the time to show a degree of flexibility to encourage and incentivise landowners to come forward to provide land for rural exception sites. We therefore are going to set up a practitioners' Working Group which will examine Matthew Taylor's proposals for landowners to have nomination rights for affordable housing units while retaining an interest in their land.

57. The working group will be established in April and will provide a guidance note for local authorities and housing associations in the autumn on the practical implications of making these changes work.

s106 agreements and the community infrastructure levy

Recommendation 40:

The Government should update its model Section 106 agreement for affordable housing to assist local authorities negotiate affordable housing contributions and to avoid unnecessary and expensive local variation.

Recommendation 42:

The Government should urgently clarify the relationship between the Community Infrastructure Levy and affordable housing, especially in relation to private developments with Section 106 obligations for affordable housing.

Recommendation 43:

To maximise affordable housing delivery the Government should exempt affordable housing from the Community Infrastructure Levy.

58. The Government's model planning obligation (section 106) agreement has proved to be a useful tool for local planning authorities¹⁹. The model agreement is intended to be a 'living' document. We will work with the Law Society to update the agreement to reflect the latest good practice.

59. Planning obligations will remain available to local planning authorities after the CIL regulations come into force. This will ensure that developer contributions towards matters such as affordable housing will continue to be made through planning obligations, even where an authority introduces CIL.

¹⁹ See: <http://www.communities.gov.uk/planningandbuilding/planning/planningpolicyimplementation/planning-obligations/modelplanningobligation/>

60. Registered social landlords (RSLs) which are charities will be covered by an exemption from CIL, where a development will be used for their charitable purposes. In addition, we have committed to explore with the social housing sector how a significantly reduced rate of CIL for social housing development might be specified in regulations. An important aspect of this will be to establish a clear definition of what is meant by 'social housing' for these purposes. Draft CIL regulations will be subject to full public consultation later in the year.

Building regulations and sustainability

Recommendation 48:

The Government should re-examine the applicability of the present Code for Sustainable Homes Building Regulations for affordable housing in locations where there is not mains gas availability. To ensure they do not make such schemes inappropriately expensive to deliver.

61. The Review recommended that we should re-examine the applicability of the present Building Regulations and the Code for Sustainable Homes for affordable housing in locations where there is no mains gas available, to ensure they do not make such schemes inappropriately expensive to meet new eco-standards.

62. Improving standards of energy efficiency of homes and innovations in heating and hot water delivery as promoted by the Code (and strengthened Building Regulations) should mean that less fuel is required for heating and hot water. This can help to offset any increased costs that may be associated with building to higher sustainability standards. However, we will be considering the applicability of standards to affordable rural housing when we consult this year on planned amendments to the Building Regulations and the Code for Sustainable Homes to be introduced in 2010.

Planning for economic recovery: streamlining planning and unblocking the system

63. The Review makes many recommendations to help improve the planning system, and make it easier for all to use. The Government sees these recommendations as all supporting its own efforts to streamline the system, particularly at a time when the current economic downturn gives both a chance to review present practice and also ensure that there are no blockages in the system which might hinder recovery.

Streamlining planning

Recommendation 5:

The Government should review the regulatory burdens and incentives placed upon local planning authorities which focus planning departments on short term delivery targets and development control, to ensure that addressing these short term requirements is more strongly supplemented by support for planning for communities in the longer term.

64. We have taken significant steps to reform the planning system, and are now looking to streamline it further: our acceptance of many of the Killian Pretty proposals, and our identification of priorities for action arising from it, is a recent case in point. For example, the national 13 week target for local planning authorities to deal with major applications remains for the moment, but we broadly agree with the Killian Pretty conclusion that it might now be more appropriate to focus instead on an indicator which looks at outcomes and experience rather than process, not least because it has largely achieved its purpose. We see many of the Taylor Review's recommendations in much the same light, contributing to further improvements to the speed, responsiveness and efficiency of the planning system which will increase in importance as we recover from the current economic downturn.

65. The Killian Pretty report was published on 24 November last year. We have now published our response, and are of the view that, generally speaking, the proposals offer the opportunity to make many valuable improvements to the planning application process, and in that way contribute to the streamlining of the whole system. The Taylor Review recommended that we should review the *“regulatory burdens and incentives placed upon local planning authorities which focus planning departments on short term delivery targets and development control”* and, while we would not wish to see authorities relaxing their focus on dealing with applications, we accept the general point the Review is making that a more holistic approach to spatial planning is needed. The next round of housing and planning delivery grant, and the introduction of planning performance agreements, as well as the whole thrust of PPS 3, are examples of the way we are directing local planning authorities to this broader approach.

The rural / urban definition

Recommendation 30:

The Government should promote the consistent use by regional and local planning bodies of the standard 'Rural / Urban Definition' in the collection and research of housing and economic data – to ensure consideration of rural circumstances; to better identify their needs; and to set and monitor the delivery of housing and economic development targets.

66. We agree with the Review that regional and local planning bodies should use the Government's 'rural / urban definition' (which is a National Statistic). The rural / urban definition was introduced in 2004 as a joint project between the Commission for Rural Communities (CRC – formerly the Countryside Agency), the Department for Environment, Food and Rural Affairs (Defra), ONS, the then Office of the Deputy Prime Minister (ODPM) and the Welsh Assembly. The rural / urban definition is augmented by the rural / urban local authority classification, a tool for the purposes of presenting and analysing data that are only available at local authority district level.

67. An important feature of both the definition and the classification is that they can be used with a very wide range of data sources without the need for data collectors to change these sources. The definition can be used with any data source that can produce results at the Output Area, Super Output Area or ward level. If a data source is based on unit postcodes or map references then it can also be linked with the definition. Both Defra and CRC proactively support and promote the use of the rural / urban definition and local authority classification by policy makers and delivery bodies at all levels.²⁰

Regional planning and collaborative working

Recommendation 31:

The Government should conduct a review of the Regional Spatial Strategies' (RSS) rural impacts, to draw lessons regarding the impact of mainstreaming rural policy and how the RSSs have addressed rural policy issues and needs, to inform the development of the new Single Regional Strategies.

Recommendation 33:

The Government should continue to work with its partners, including The Planning Inspectorate, to improve dissemination of best practice and provide more detailed guidance on evidence gathering to support both plan making and decisions on planning applications, including greater clarity over what constitutes an appropriate evidence base.

Recommendation 35:

The Government should encourage regional planning bodies and local planning authorities to work together to underpin their decisions on housing and economic development in both their development plans and planning applications with a clear and robust evidence base.

²⁰ See: <http://www.ruralcommunities.gov.uk/projects/ruralandurbandefinition/overview>

Recommendation 36:

The Government should explore ways to build on the position it has taken in the latest PPS12 (paragraph 4.16 “local authorities should explore and exploit opportunities for joint working on core strategies”) to encourage joint working / joint appointments between local planning authorities (perhaps within housing market areas) to share costs of specialist staff, expertise and capacity.

68. We also agree with the Review that it will be important to maintain an overview of the rural impacts of the regional spatial strategies as they come into force, to compare and contrast how they have addressed rural policy issues and to inform the development of the new regional planning and economic development strategies²¹. We agree too that it is important to share good ideas and practice wherever possible.

69. We issued advice last year²², following work by the National Housing and Planning Advice Unit, about future reviews of regional strategies, and the Planning Inspectorate also continues to share good practice with the Planning Officers’ Society, the Planning Advisory Service, Government Offices and others. The Planning Advisory Service is giving us valuable support as we develop the *Plan-making Manual*²³.

70. We will continue to support and encourage collaborative working wherever possible (there is provision for this within the housing and planning delivery grant arrangements). For example, the Planning Advisory Service has developed a range of projects and tools to assist local authorities generally and the RTPI has established Collaborative Working Groups to help share best practice at professional level across authority boundaries.

Development plan documents

Recommendation 32:

The Government should clarify the legal position regarding the weight to be given to emerging Development Plan Documents.

71. We agree with the Review that we need urgently to clarify and publicise the weight which can be given to emerging development plan documents.

72. *The Planning System – General Principles* (2004) sets out the overarching policy position that weight to be attached to emerging Development Plan Document (DPD) policies will depend upon the stage of preparation or review, increasing as successive stages are reached. This overarching policy position remains unchanged, however the details under paragraph 18 of this advice will need to be updated.

73. The weight to be attached to emerging policies will be dependent upon the circumstances surrounding the plan and application in question, therefore the local planning authority will need to assess the weight attached to emerging policies on a case by case basis.

21 See *Planning Together*, DCLG, January 2007 / *Planning Together 2*, DCLG, March 2009.

22 Meeting the housing requirements of an aspiring and growing nation: taking the medium and long term view, NHPAU, June 2008

<http://www.communities.gov.uk/nhpau/keypublications/reports/meetinghousingrequirements/>

23 <http://www.pas.gov.uk/pas/core/page.do?pageld=51391>

74. In order to clarify and publicise our position, we will provide further information in addition to that set out in *The Planning System – General Principles* document and we will provide further accompanying advice on the on-line Plan Making Manual.

Local housing markets

Recommendation 34:

The Government should investigate the viability of establishing an agreed national database of local housing markets / affordability, possibly funded through local planning authority (and potentially developer) subscriptions, and examine the potential for adding local authority data on housing need.

75. We have considered the Review's recommendation that there should be a national database of local housing markets and affordability, possibly also including local authority data on housing need, but are not convinced that the exercise would be cost-effective or beneficial, even in more stable market conditions. The National Housing and Planning Advice Unit are commissioning research to identify housing market areas, and to assess functional housing market areas against any current definitions used in regional and sub regional planning. (These are likely to be sub- or cross-regional, and probably akin to the size of travel to work areas.) In addition, we commissioned research from the Housing Corporation to establish an area-based economic toolkit, which would assist authorities in predicting the number of affordable housing units that might be supported through s106 agreements in any local authority or housing market area, by reference to the underlying economics (such as land values) in that area. This will also inform authorities as they consider whether or not to introduce any community infrastructure levy.

76. We will discuss with the regional planning boards in due course how we can share best practice on strategic housing market and strategic housing land availability assessments; and they in turn will be sharing their evidence with their constituent local authorities. We agree with the Review's recommendation that regional planning bodies and local planning authorities should work together to develop a clear evidence base for their plan-making, and have commissioned work to identify best practice on the acquisition of land supply data, which we will disseminate.

Second homes

Recommendation 21:

The Government should examine the options for trialling planning rules limiting change of use of full time homes to part time occupation (as second homes or holiday lets), in one or more of the National Parks.

77. The Review says (page 114, paragraph 97) that "concern about the impact of second homes in some rural areas was raised repeatedly..." in relation to the impact on local house prices and the sustainability of communities which were left with less demand for local services than would be the case if all their houses were occupied all year round. The Review acknowledges that "this is a particularly emotive issue".

78. The Review considered the available statistics on second home ownership, noting that census data suggested that second homes in England represent only one per cent of the housing stock, but that such ward data as exists (based on Council Tax information, but to be treated with “some caution”) suggests that about one per cent of English wards had more than 20 per cent of their housing stock as second homes, and more than 40 per cent in some particularly attractive rural areas.

79. The Review concluded that there was no clear evidence that second homes or holiday lets greatly affected affordability for local people, given other market pressures and socio-economic drivers (such as permanent migration from the town to the country), but it also concluded that, on balance, there was “...a case for controls in certain localities aimed at limiting the rise in (the) proportion of homes not in use full time in the most affected communities”.

80. The Review thought the Government should examine the options, possibly with a trial “in one or more of the communities most affected”, for changes in secondary planning legislation to limit changes of use for full-time homes to be used instead for holiday lets, or as second homes. The Review was particularly thinking of the National Parks, and acknowledges the “real issues of practicality” (exemptions, for example, “when someone has a time-limited contract to work elsewhere, and so is away from their home for an extended period”.)

81. We well understand that the issue arouses strong feelings, for and against, but are not persuaded that the ‘problem’, such as it is, could be tackled effectively through the planning system. We do not think it would be appropriate to have, even for a trial period as the Review suggests, different Use Classes in operation in different parts of the country. In particular, in addition, it would be very difficult, in terms of effective enforcement proceedings, to prove the use of a dwelling as a second home or holiday let, given the wide range of contemporary lifestyles and family circumstances. Whether or not a person purchasing a property already owns other property elsewhere is not a material consideration in land-use planning; and it is likely that the implied requirement for the individuals concerned to submit details about their living arrangements would engage Article 8 of the European Convention on Human Rights, with its right of respect for private and family life. We think, in short, that there are more innovative ways of providing the affordable homes rural communities need without interfering with the rights of second home owners.

Pre-application etc discussions

Recommendation 41:

The Government should clarify what is appropriate and communicate the importance of a strong pre-application partnership between developers / business and local planning authorities – and re-examine the framework of incentives and requirements for local planning authorities to encourage pre-application discussion.

Recommendation 44:

Following recent changes to planning fee structures for larger developments, the Government should examine further use of enhanced fees for an enhanced service and further use of developer contributions for the costs of negotiating Section 106 agreements and drafting legal agreements – some local planning authority Section 106 officers are already entirely financed this way.

82. We agree with these recommendations which overlap with a recommendation in the Killian Pretty Review that, among other things, a more consistent approach to charging for pre-application discussions and negotiations by local authorities would be helpful. We intend, therefore, to give more guidance generally to authorities about this aspect of their work to help spread best practice, in the context also of clarifying for them how the community infrastructure levy and s106 do and do not overlap.

The Planning Inspectorate

Recommendation 45:

The Planning Inspectorate should make their Inspectors' Handbook and updates readily available on the internet (on the Planning Inspectorate website and on the Planning Portal).

Recommendation 46:

The Planning Inspectorate's internal systems should be updated to allow much simpler cross referencing by Inspectors of similar cases to aid consistent decision taking, and this search facility extended to the public.

Recommendation 47:

The Advisory Panel on Standards should be asked to look specifically at Inspector training to ensure appropriate measures are being taken to keep Inspectors sufficiently up to date with both policy and practice.

83. The Planning Inspectorate have already published some of this advice on their website to assist appellants and local planning authorities. We are actively discussing with the Planning Inspectorate the publication of further chapters, and devising a new format.

84. Consistency in Inspectors' decisions is crucial to the appeal system and to the maintenance of the Planning Inspectorate's reputation for quality. To achieve this, the Planning Inspectorate recognises the importance of the information contained within Inspectors' decisions. Accordingly, the Planning Inspectorate is investigating the use of information arising from geographical plotting of related casework to aid consistency, and examining the possibility of delivering a 'search by topic or policy theme' function either through its existing electronic casework system or, more likely, by being built into the requirements for any replacement system.

85. The Review recommended that the Advisory Panel on Standards should be asked to look specifically at Inspector training to ensure appropriate measures are being taken to keep Inspectors sufficiently up to date with both policy and practice. The Review recommended that the Advisory Panel on Standards should be asked to look specifically at Inspector training to ensure appropriate measures are being taken to keep Inspectors sufficiently up to date with both policy and practice. Each year the Panel assess whether the Planning Inspectorate's training systems are functioning properly. Their latest report, the 14th Annual Report²⁴, was published in September 2008 for the period 2007-08. This confirms the positive progress in the quality of the training programme and that the Panel will continue to monitor training.

²⁴ http://www.apos.gov.uk/annual_report/documents/14th_annual_report.pdf

Summary of responses

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 1:</i> Planning policy (the Planning Policy Statements) should be reviewed by the Government as a body to create a more coherent set, reducing apparent conflicts between interpretations of sustainability, and the means by which competing priorities are assessed, and by doing so aid consistent interpretation and application at the local and regional level.</p>	Generally agreed.	10 – 19
<p><i>Recommendation 2:</i> Planning policy (the Planning Policy Statements) should more clearly set out the requirement to take account of all three strands of sustainability in a balanced way, and to have a long term vision of the contribution that planning can make to enhancing sustainability economically, socially and environmentally in each and every community.</p>	Generally agreed.	10 – 19
<p><i>Recommendation 3:</i> The Government should initiate a review assessing the unintended impacts on amenity, wellbeing and bio-diversity of the policy directing development to Brownfield land and how this policy should be developed in the period to 2020.</p>	Generally agreed.	40 – 51, esp. 48
<p><i>Recommendation 4:</i> Rather than its proposed new Planning Policy Statement limited to eco-towns, or in addition to it, the Government should produce a wider Planning Policy Statement designed to address the practical planning issues concerning the sustainable growth of communities, including new neighbourhoods and community extensions as well as new towns. This should be accompanied by a new Design Guide to assist local authorities with best practice in neighbourhood / community design building on the Commission for Architecture and the Built Environment's work in this area.</p>	The Government does not agree to dispense with the forthcoming PPS on eco-towns, but wants to consult more widely on ways to promote Masterplanning.	30 – 33

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 5:</i></p> <p>The Government should review the regulatory burdens and incentives placed upon local planning authorities which focus planning departments on short term delivery targets and development control, to ensure that addressing these short term requirements is more strongly supplemented by support for planning for communities in the longer term.</p>	Generally agreed.	63 – 63
<p><i>Recommendation 6:</i></p> <p>The Government should continue the work it has already begun, along with partners such as the Commission for Architecture and the Built Environment, the Planning Advisory Service and the Planning Inspectorate, to publish guidance on best practice on Local Development Frameworks (LDF). Local Strategic Partnerships should be encouraged to develop a long term vision for their community which includes its physical shape and sets out plans for change and growth in their economic, environmental and social context. LDF Core Strategies should, as they are intended to do, set out this vision in more detail for the time period which they cover.</p>	Generally agreed.	34
<p><i>Recommendation 7:</i></p> <p>Guidance relating to a new Planning Policy Statement and the exemplar programme (Recommendations 4 and 10) should support best practice in community engagement in developing plans for new neighbourhoods and community extensions through processes like ‘Enquiry by Design’ and ‘Planning for Real’, building on the ideas set out in <i>Towards an Urban Renaissance</i> and more recent experience.</p>	Recommendation 4 is not fully supported but we have established an Empowerment Fund which includes a ‘Community Involvement in Planning’ theme which seeks to involve communities in housing delivery.	35 – 37

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 8:</i> Building on the pathfinder programme proposed in Recommendation 10 for master planning new neighbourhoods and community extensions, best practice guidance should be developed to support the necessary partnerships between local authorities, the private sector, Regional Development Agencies and the Housing Corporation / Homes and Communities Agency to deliver these new community developments.</p>	<p>Guidance will be issued independently of any exemplar programmes.</p>	<p>38</p>
<p><i>Recommendation 9:</i> The Government should review with the Housing Corporation / Homes and Communities Agency the role the proposed Community Infrastructure Levy (CIL) can have in supporting the development of community extensions. This might include forward-funding of infrastructure provision with costs recovered from CIL as development takes place, and creating community funds to underpin the long-term maintenance costs of public realm such as green spaces. These issues should be addressed by the Government as CIL is developed.</p>	<p>Generally agreed.</p>	<p>39</p>
<p><i>Recommendation 10:</i> A pathfinder / challenge fund for an exemplar programme should be set up to develop best practice for local planning authorities in master planning housing and economic growth to create new neighbourhoods and community extensions for their communities – with a focus on rural areas. A competition should be launched, with successful local planning authorities receiving the resources, support and mentoring to help deliver a master plan and create a best practice toolkit for other communities to follow and to inform national policy.</p>	<p>The Government does not agree to dispense with the forthcoming PPS on eco-towns, but wants to consult more widely on ways to promote Masterplanning.</p>	<p>30 – 33</p>

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 11:</i> The Government should review with the Housing Corporation / Homes and Communities Agency the appropriateness of the national target for rural affordable housing in terms of both the numbers required and whether this target is set at the right spatial level to address rural need, in time to inform the next Comprehensive Spending Review.</p>	Generally agreed.	40 – 51, esp. 41
<p><i>Recommendation 12:</i> The Government and the Housing Corporation / Homes and Communities Agency should commit to providing advice and support to local authorities and affordable housing providers to ensure that sufficient numbers of high-quality bids to develop affordable housing are coming forward to achieve the national target for rural affordable housing.</p>	Generally agreed.	40 – 51
<p><i>Recommendation 13:</i> The Government’s planning policies should require local planning authorities to work with local communities to consider how the needs (environmental, social and economic) of every settlement or parish in their area can be addressed through the Local Development Framework as it is developed over time, working towards a clear vision of the future for each settlement built on consultation with the people who live there.</p>	Generally agreed.	40 – 51, esp. 47
<p><i>Recommendation 14:</i> The Government should make it clearer that whilst the Local Development Framework (LDF) process may not allocate sites for development in every community, local planning authorities must still address the short and long term needs and vision for each village or parish including for affordable housing, and as appropriate use proactive engagement with the local community in the absence of allocated development to bring forward Community- Led Affordable Housing on Exception Sites to meet identified local needs, supported by clear criteria set out in the LDF.</p>	Generally agreed.	40 – 51

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 15:</i></p> <p>The Government and the Housing Corporation / Homes and Communities Agency should develop options for working with local partners (for example Local Strategic Partnerships and Registered Social Landlords) to explore the potential to grant aid (paid against delivery) programmes of affordable housing delivery, including Community Led Affordable Housing on Exception Sites.</p>	Generally agreed.	40 – 51
<p><i>Recommendation 16:</i></p> <p>To assist local planning authorities in drawing up planning obligations the Government should review and update its model for Section 106 agreements with particular reference to the delivery of affordable housing on Exception Sites and local connection / affordability requirements, so that the standard terms set out in the model can be used wherever possible to minimise the need to draft new clauses.</p>	Generally agreed.	52
<p><i>Recommendation 17:</i></p> <p>The Government and the Housing Corporation / Homes and Communities Agency should explore options to help bring forward significantly more affordable homes to meet local need through schemes which allow landowners to nominate someone such as a family member or employee (who meet the local connections and housing need criteria for initial occupation), providing the property is subject to the same Section 106 criteria as the developments other affordable homes to be affordable in perpetuity, to meet local needs.</p>	Practitioners' Working Group to be established, to examine Review's proposals for landowners to have nomination rights for affordable housing units while retaining an interest in their land.	55 – 56

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 18:</i> The Government and the Housing Corporation / Homes and Communities Agency should look at how schemes in which landowners retain some interest / income can be part of the range of solutions to secure increased release of land for affordable housing in perpetuity – providing the terms (for example, rate of ground rent etc.) are acceptable to the local community to be housed, and do not undermine affordability.</p>	<p>Practitioners' Working Group to be established, to examine Review's proposals for landowners to have nomination rights for affordable housing units while retaining an interest in their land.</p>	55 – 56
<p><i>Recommendation 19:</i> The Government should review, with the Housing Corporation / Homes and Communities Agency, whether non-subsidised models of affordable housing should be more formally recognised and promoted as a method of delivering part of the affordable housing mix.</p>	<p>Generally agreed.</p>	40 – 51, esp. 49
<p><i>Recommendation 20:</i> The Government should anticipate increased interest in Community Land Trusts (CLTs) as a model for affordable housing delivery and draw up guidance on how best to implement this model following the recent review of the CLT pilots, in particular addressing the need for a clear definition of what CLTs are, and broad rules on how they operate, without removing the structural flexibility that they currently enjoy which allows specific arrangements to be responsive to the needs of particular areas.</p>	<p>Generally agreed.</p>	53
<p><i>Recommendation 21:</i> The Government should examine the options for trialling planning rules limiting change of use of full time homes to part time occupation (as second homes or holiday lets), in one or more of the National Parks.</p>	<p>The Government does not agree that it is appropriate or desirable to seek to limit the occupation or ownership of second homes.</p>	73 – 77

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 22:</i> A clear message should be voiced, through the new <i>PPS4: Planning for Sustainable Economic Development</i> and a Government statement of intent, that rural economies have an important contribution to make to regional and national economies as well as urban economies and that all types of business and enterprise can be appropriate for rural areas, subject to assessment of impact based upon local circumstances and conditions (social, economic and environmental).</p>	Generally agreed.	20 – 26
<p><i>Recommendation 23:</i> The Government should undertake work to draw together, clarify and consolidate national policy to ensure consistency with regards to economic development, through the review of Planning Policy Statements and Planning Policy Guidance as a whole as proposed in Chapter 1 (Recommendation 1).</p>	Generally agreed.	20 – 26
<p><i>Recommendation 24:</i> The consultation paper on the new <i>PPS4: Planning for Sustainable Economic Development</i> recognised that not all development in rural areas can be accessed by public transport and should not be refused simply on this ground, a change in emphasis which this Review very much supports. This new message should be retained in the final Planning Policy Statement, and early action taken to ensure it is reinforced in the development and application of regional and local plans. This would help remove a significant barrier to rural economic development, including the re-use of disused farms or farm buildings, subject to proper assessment of the impact on economic, social and environmental sustainability.</p>	Generally agreed.	20 – 26

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 25:</i> The new <i>PPS4: Planning for Sustainable Economic Development</i> should make a clear statement that decisions involving the loss of existing employment sites in rural areas and the identification of new sites should be based on evidence addressing the supply of employment sites and premises in that community to ensure economic, social and environmental sustainability of the area is protected and enhanced.</p>	Generally agreed.	20 – 26
<p><i>Recommendation 26:</i> The final version of <i>PPS4: Planning for Sustainable Economic Development</i> should retain current policy advice to local planning authorities to “take account of the changing spatial working patterns that advances in information and communication technologies allow, such as live / work units or the use of residential properties for home working” and further encourage the collection of data on home workers to provide a local evidence base to inform business support.</p>	Generally agreed.	27 & 28
<p><i>Recommendation 27:</i> The new <i>PPS4: Planning for Sustainable Economic Development</i> should encourage local planning authorities to take a more supportive approach to planning applications for workspace extensions to the home (subject to impacts such as scale, noise and disturbance) and policy supporting home-based work should be incorporated into Local Development Frameworks.</p>	Generally agreed.	27 & 28
<p><i>Recommendation 28:</i> The Government should recognise and support the growing opportunities home-based work can provide for economic participation by affordable housing tenants and work with trade bodies such as the National Housing Federation, to promote with affordable housing providers the use of tenancy agreements that do not prohibit home-based working (subject to impacts such as noise and disturbance).</p>	Generally agreed.	27 & 28

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 29:</i></p> <p>The Regional Development Agencies and regional planning bodies should support the further development of both rural enterprise hubs and live / work units. An exemplar programme should be set up in one or more interested regions to identify best practice and further test the practical issues relating to these enterprise hubs and live / work units in rural areas.</p>	Generally agreed.	27 & 28
<p><i>Recommendation 30:</i></p> <p>The Government should promote the consistent use by regional and local planning bodies of the standard 'Rural / Urban Definition' in the collection and research of housing and economic data – to ensure consideration of rural circumstances; to better identify their needs; and to set and monitor the delivery of housing and economic development targets.</p>	Generally agreed.	65 & 66
<p><i>Recommendation 31:</i></p> <p>The Government should conduct a review of the Regional Spatial Strategies' (RSS) rural impacts, to draw lessons regarding the impact of mainstreaming rural policy and how the RSSs have addressed rural policy issues and needs, to inform the development of the new Single Regional Strategies.</p>	Generally agreed.	67 – 69
<p><i>Recommendation 32:</i></p> <p>The Government should clarify the legal position regarding the weight to be given to emerging Development Plan Documents.</p>	Generally agreed: more advice will be given shortly.	70
<p><i>Recommendation 33:</i></p> <p>The Government should continue to work with its partners, including The Planning Inspectorate, to improve dissemination of best practice and provide more detailed guidance on evidence gathering to support both plan making and decisions on planning applications, including greater clarity over what constitutes an appropriate evidence base.</p>	Generally agreed.	67 – 69

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 34:</i> The Government should investigate the viability of establishing an agreed national database of local housing markets / affordability, possibly funded through local planning authority (and potentially developer) subscriptions, and examine the potential for adding local authority data on housing need.</p>	<p>The Government does not fully agree with this recommendation, but the National Housing and Planning Advice Unit are commissioning research to identify housing market areas, and to assess functional housing market areas against any current definitions used in regional and sub regional planning.</p>	71 & 72
<p><i>Recommendation 35:</i> The Government should encourage regional planning bodies and local planning authorities to work together to underpin their decisions on housing and economic development in both their development plans and planning applications with a clear and robust evidence base.</p>	Generally agreed.	67 – 69
<p><i>Recommendation 36:</i> The Government should explore ways to build on the position it has taken in the latest PPS12 (paragraph 4.16 “local authorities should explore and exploit opportunities for joint working on core strategies”) to encourage joint working / joint appointments between local planning authorities (perhaps within housing market areas) to share costs of specialist staff, expertise and capacity.</p>	Generally agreed.	67 – 69

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 37:</i> The Government should introduce an element in Housing Planning Delivery Grant specifically to incentivise the delivery of affordable housing, which the Government has already committed to consult on later this year.</p>	<p>Will shortly be consulting on an element to incentivise affordable housing.</p>	<p>54</p>
<p><i>Recommendation 38:</i> The Government should clarify the flexible approach in <i>PPS3: Housing</i> concerning the development site size threshold at which a percentage of affordable housing may be required (“The national indicative minimum site size threshold is 15 dwellings”) to make clear that the driver in deciding thresholds and percentages must be evidence of local need and viability, and not the indicative minimum, especially in those areas where many or most developments may be on sites below 15 and good opportunities for affordable housing otherwise lost.</p>	<p>Generally agreed, although the Government also considers that local planning authorities are still discovering the full potential of their room for action within PPS 3.</p>	<p>54</p>
<p><i>Recommendation 39:</i> The Government should update its best practice guidance in relation to setting thresholds and affordable housing percentages and negotiating these with developers.</p>	<p>Generally agreed.</p>	<p>54</p>
<p><i>Recommendation 40:</i> The Government should update its model Section 106 agreement for affordable housing to assist local authorities negotiate affordable housing contributions and to avoid unnecessary and expensive local variation.</p>	<p>Generally agreed.</p>	<p>57 – 59</p>
<p><i>Recommendation 41:</i> The Government should clarify what is appropriate and communicate the importance of a strong pre-application partnership between developers / business and local planning authorities – and re-examine the framework of incentives and requirements for local planning authorities to encourage pre-application discussion.</p>	<p>Generally agreed.</p>	<p>78</p>

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 42:</i> The Government should urgently clarify the relationship between the Community Infrastructure Levy and affordable housing, especially in relation to private developments with Section 106 obligations for affordable housing.</p>	Generally agreed.	57 – 59
<p><i>Recommendation 43:</i> To maximise affordable housing delivery the Government should exempt affordable housing from the Community Infrastructure Levy.</p>	Generally agreed.	57 – 59
<p><i>Recommendation 44:</i> Following recent changes to planning fee structures for larger developments, the Government should examine further use of enhanced fees for an enhanced service and further use of developer contributions for the costs of negotiating Section 106 agreements and drafting legal agreements – some local planning authority Section 106 officers are already entirely financed this way.</p>	Generally agreed. Overlaps with Killian Pretty Review recommendations.	78
<p><i>Recommendation 45:</i> The Planning Inspectorate should make their Inspectors’ Handbook and updates readily available on the internet (on the Planning Inspectorate website and on the Planning Portal).</p>	The Planning Inspectorate has already published some of this advice on their website to assist appellants and local planning authorities. We are actively discussing with the Planning Inspectorate the publication of further chapters, and devising a new format.	79 – 81

Taylor Review Recommendations	Government Response Summarised	Paragraph Nos.
<p><i>Recommendation 46:</i> The Planning Inspectorate's internal systems should be updated to allow much simpler cross referencing by Inspectors of similar cases to aid consistent decision taking, and this search facility extended to the public.</p>	<p>The Planning Inspectorate have already published some of this advice on their website to assist appellants and local planning authorities. We are actively discussing with the Planning Inspectorate the publication of further chapters, and devising a new format.</p>	<p>79 – 81</p>
<p><i>Recommendation 47:</i> The Advisory Panel on Standards should be asked to look specifically at Inspector training to ensure appropriate measures are being taken to keep Inspectors sufficiently up to date with both policy and practice.</p>	<p>APS's most recent Annual Report confirms the positive progress in the quality of the training programme and that the Panel will continue to monitor training.</p>	<p>79 – 81</p>
<p><i>Recommendation 48:</i> The Government should re-examine the applicability of the present Code for Sustainable Homes Building Regulations for affordable housing in locations where there is not mains gas availability. To ensure they do not make such schemes inappropriately expensive to deliver.</p>	<p>Generally agreed, but we will be considering the applicability of standards to affordable rural housing when we consult this year on planned amendments to the Building Regulations and the Code for Sustainable Homes to be introduced in 2010.</p>	<p>60 & 61</p>

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