
**Matthew Taylor Review
on Rural Economy and
Affordable Housing**

Analysis of Responses to
the Call for Evidence

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June 2008

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Call for Evidence Questionnaire

1 Introduction

1.1 Report context

In September 2007, the Prime Minister asked Matthew Taylor, MP for Truro and St Austell, to conduct a review on how land use and planning can better support rural business and deliver affordable housing.

The Taylor review was set up to advise and assist the Minister of State for Housing and the Secretary of State for the Environment, Food and Rural Affairs - within the context of existing protection for the rural environment - on the application of land use planning policy to facilitate the provision of land for greater economic and social sustainability within rural communities, including land for enterprise and provision of affordable rural homes.

As part of this review, a Call for Evidence was launched seeking the views from a wide range of stakeholders, and ran for 12 weeks from 17 December 2007 to 7 March 2008.

This report was commissioned to analyse responses to the Call for Evidence, draw out key themes, and reflect the balance of views expressed to inform the work and findings of the Taylor review.

The Call for Evidence generated a wide variety of responses from a wide range of organisations and individuals, with 278 responses received in total. Some respondents attached supporting documents. Chapter 2 of this report includes further details about the characteristics of the respondents. It must be noted however that this is a self-selecting survey: respondents are likely to have only submitted evidence if they felt strongly about the issues covered by the review.

1.2 Report structure

This report analyses the 278 responses that were received. The aim is to draw out the main themes in the evidence that has been submitted, and to present specific information from respondents where this is of value in illustrating the main points made. There were overlaps between some of the questions in the Call for Evidence, which means that discussing the **emerging themes** is a more appropriate approach than analysing the responses on a more mechanical 'question by question' basis, although references back to the original questions are provided where applicable.

The Call for Evidence also requested the submission of examples of **good practice** and specific **barriers to progress**; these have been included in the main text where they add value to the general discussion. A full list of **case studies** is presented in Appendix A.

Chapter 2 provides an overview of the level and nature of the response to the Call for Evidence.

Chapter 3 sets out a summary of overarching issues pertaining to both the rural economy and issues of rural housing as well as providing some headline analysis of individual questions relating to these issues. The detailed analysis is built on subsequent chapters.

Chapter 4 discusses the issues relating to the rural economy and the responses which related to section A of the Call for Evidence.

Chapter 5 considers the issues surrounding planning policy for rural affordable housing, including the role of regional planning and the establishment of Local Development Frameworks (LDFs).

Chapter 6 considers in further detail the themes surrounding the delivery of affordable housing schemes, plan led allocation and implementation of rural exceptions policies.

Chapter 7 explores the themes and main points made by respondents in relation to improving delivery of affordable housing, including issues of the planning policy framework, community engagement, and land supply.

Chapter 8 considers themes which emerged from the Call for Evidence responses surrounding the impacts on rural housing of holiday and second homes and the potential for their control within the planning system.

Appendix A includes a brief précis of the case studies submitted as evidence to the review and Appendix B contains a list of respondents (unless respondents expressly stated they did not wish their details to be published). Appendix C presents a blank copy of the Call for Evidence proforma.

2 Respondent Characteristics

2.1 Type of organisation

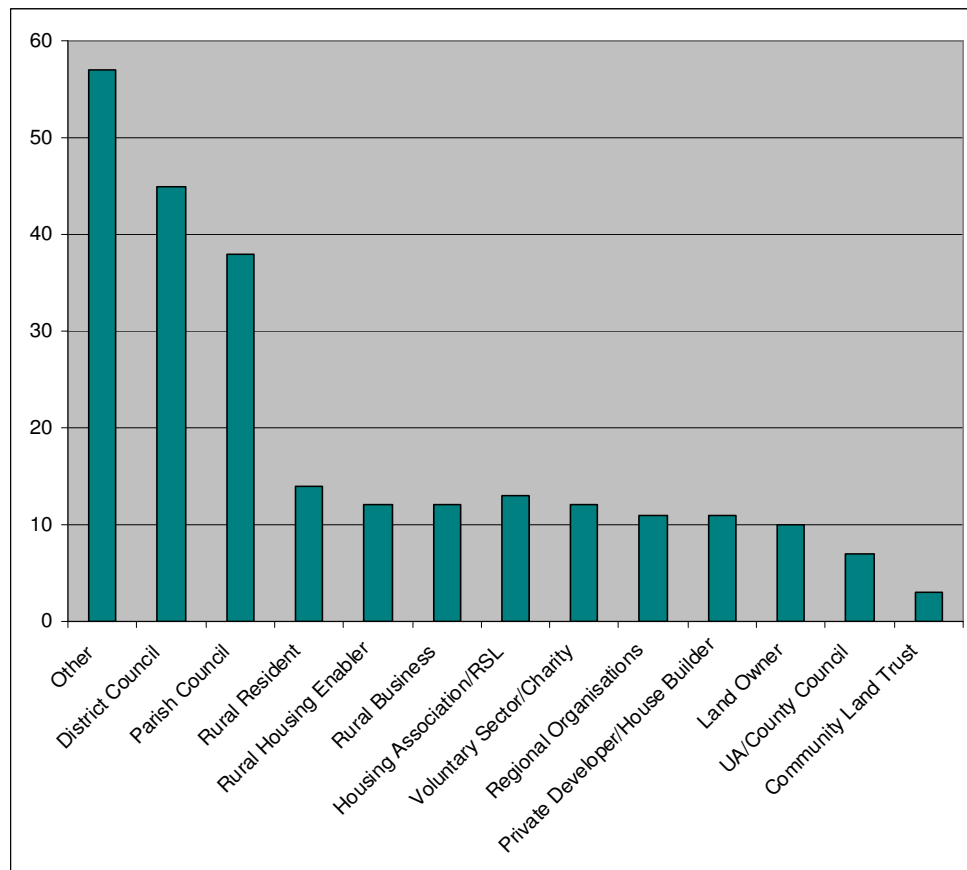
The Call for Evidence yielded 278 responses from a wide variety of organisations and members of the general public. Respondents were asked to state whether they were responding in a personal capacity or representing the views of an organisation.

Specific respondent groups included:

- regional development agencies and regional assemblies;
- local government: county, unitary, district, town and parish councils;
- those involved in the development of community land trusts;
- rural development consultants;
- housing associations, registered social landlords and rural housing enablers;
- private developers, land owners and rural businesses;
- the voluntary sector; and
- residents of rural areas.

Of those who a specific response type was attributable to, the majority of responses (143) came from organisations; there were also 96 responses from individuals. A small number of respondents (7) considered that they were representing both personal and organisational interests. Figure 2.1 below shows the breakdown of respondents by type.

Figure 2.1: Stakeholder Group (Number of respondents)²



² Other category includes specified sub-regional areas and areas outside of England

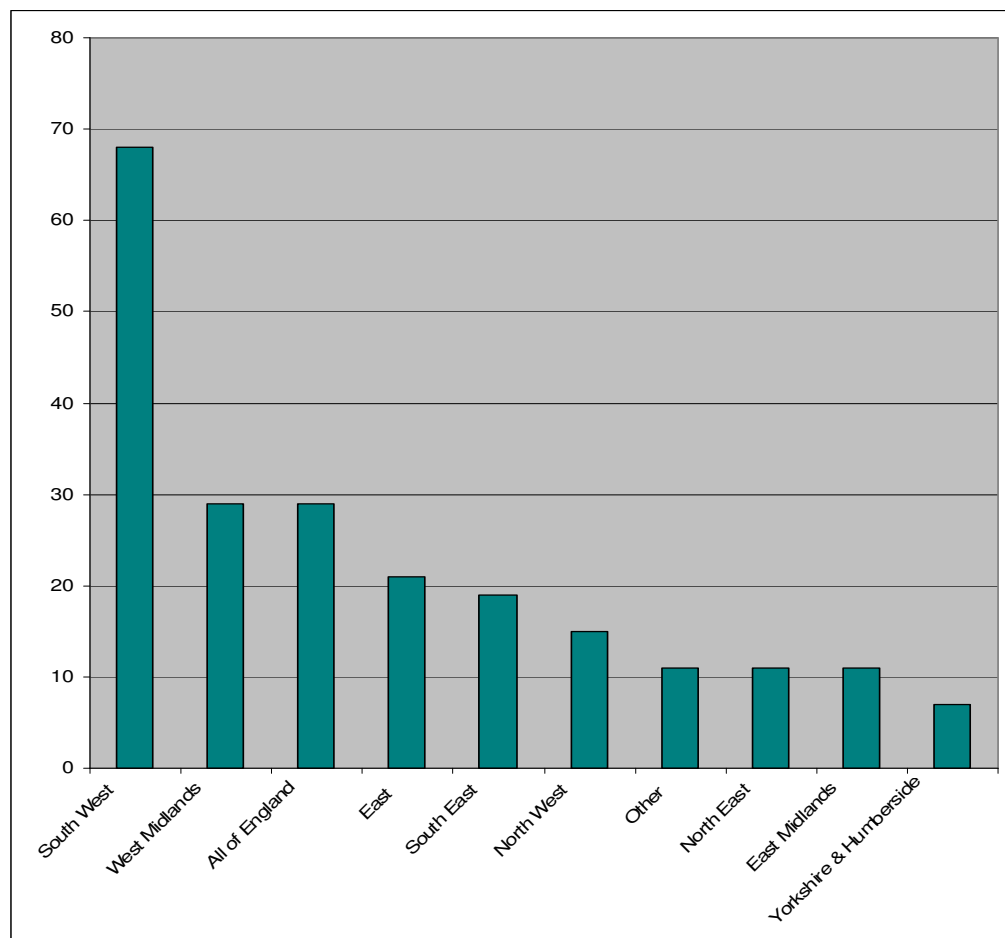
The stakeholders falling within the 'other' category included a wide variety of nationwide and umbrella organisations, including *Commission for Architecture and the Built Environment (CABE)*, *Campaign to Protect Rural England (CPRE)*, *Association of Second Homeowners*, *the Planning Inspectorate* and *the English National Park Authorities Association (ENPAA)*.

2.2 Regional distribution

Respondents were asked to include their address and specify whether their interest related to particular region. Of those who provided this information, there was a wide geographical spread. A large proportion of responses were from the South West and the West Midlands. There were also a large number of responses from umbrella organisations representing views of people and organisations from across the country.

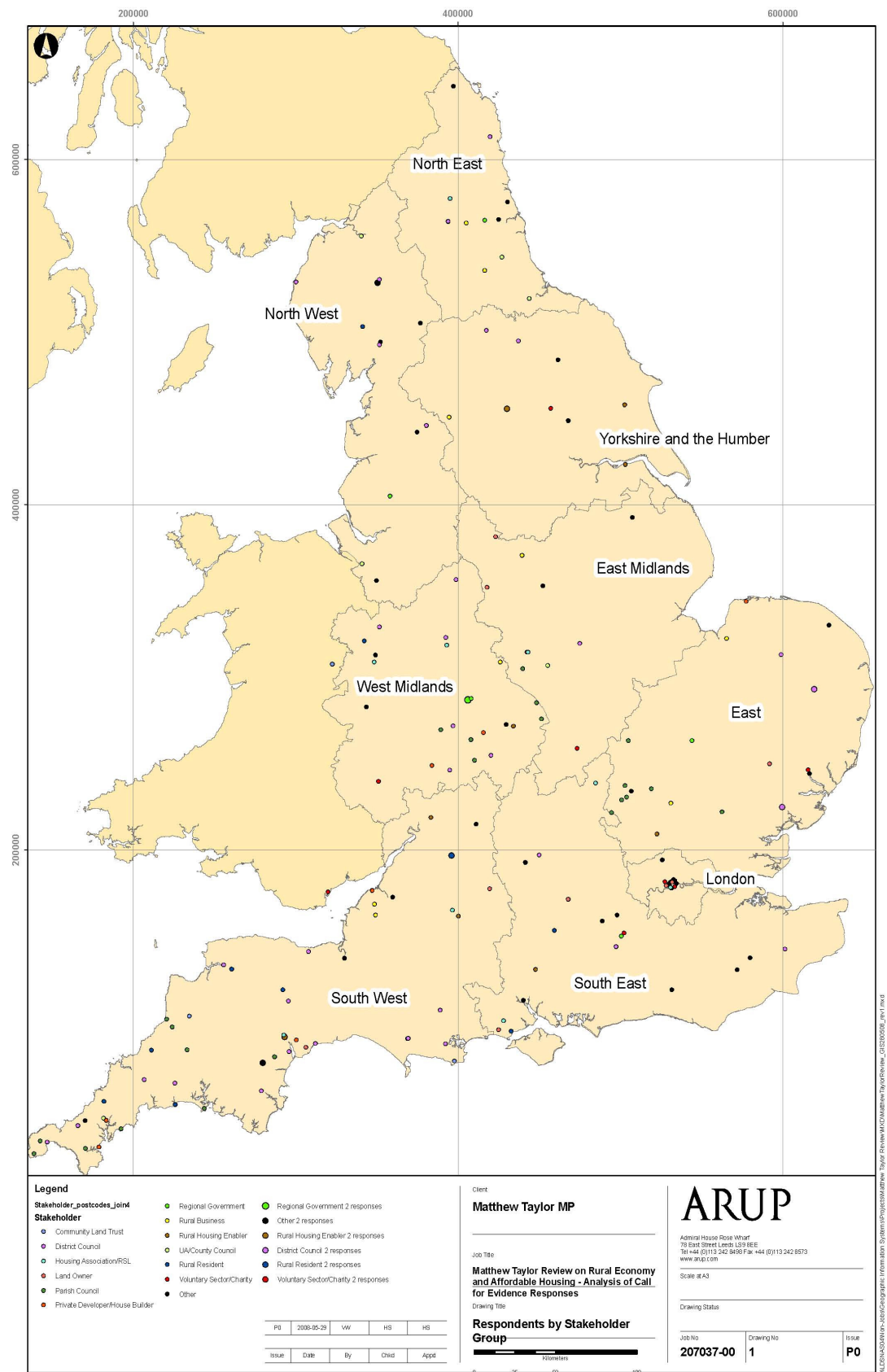
Figure 2.2 below shows the regional distribution of respondents who reported their area of interest (relating to regions). Figure 2.3 shows these in map form, by type of respondent.

Figure 2.2: Regional Distribution of Respondents (Number of respondents)³



³ Other category includes Umbrella Organisations e.g. Commission for Architecture and the Built Environment (CABE)

Figure 2.3: Distribution of respondents by type⁴



⁴ Responses indicated on the map are from respondents who provided a full UK postcode and did not indicate that responses should not be published

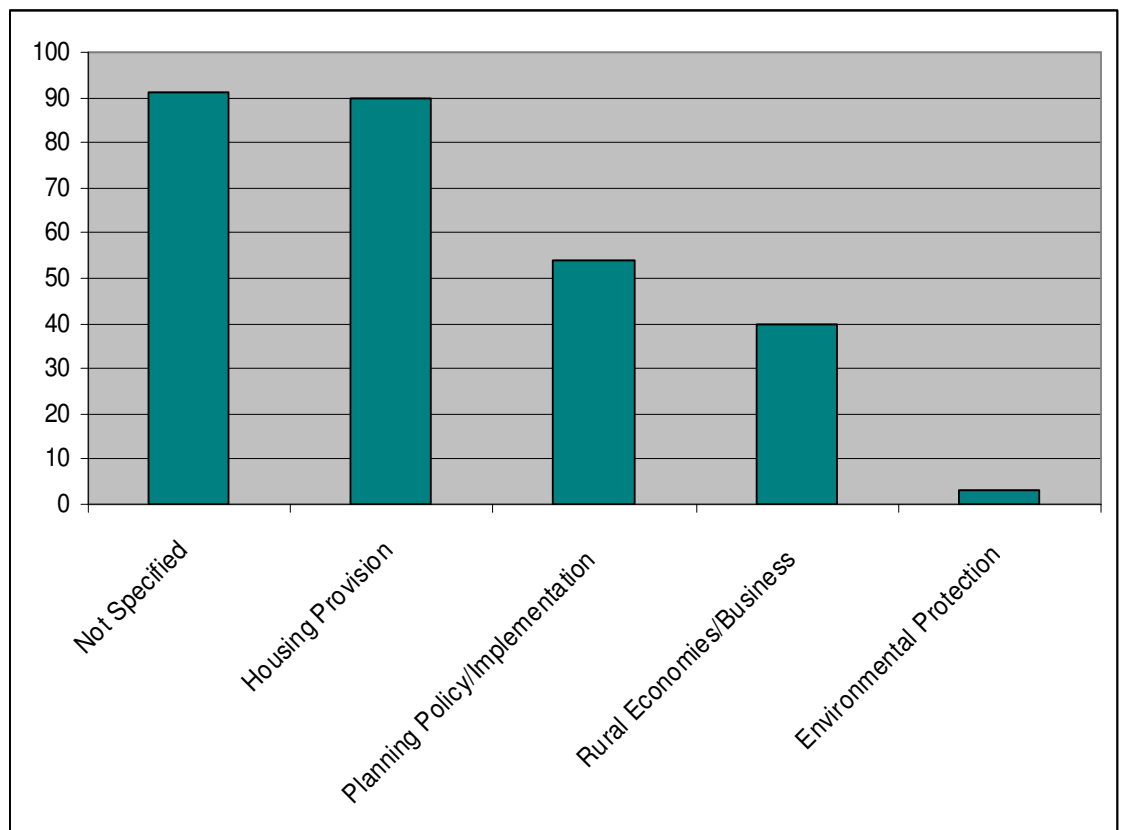
2.3 Main interests

Respondents were asked to identify their main area of expertise or interest, with four categories specified within the Call for Evidence:

- housing provision;
- rural economies/business;
- planning policy/implementation; and
- environmental protection.

The majority of respondents opted for 'housing provision' – almost twice as many as each of the other most popular options, 'planning policy/implementation' and 'rural economies/business'. A very small number stated that their main interest was 'environmental protection'; the remainder declined to declare or did not specify one particular area of interest.

Figure 2.4: Primary interest of respondents (Number of respondents)



3 Challenges for Rural Areas

3.1 Introduction

This chapter provides an overview of the issues arising from the responses to the Call for Evidence relating to the future of rural communities in general, including the relationships between employment and housing. It also includes general feedback on how well the planning system is working for rural areas – in terms of national planning policy and its interpretation at the regional level and in local decision making. The themes discussed in this chapter arise from the responses to the following questions:

A1) How is the application of planning policies to develop and support rural business practically taking place on the ground: What is working well? What are the barriers and blockages? How might the barriers and blockages be overcome?

A2) Are there specific issues in the planning system (at national, regional, or local level – see Annex B of the Call for Evidence) unnecessarily restricting business start-ups or expansion in rural communities? If possible give examples.

A7) Is the balance right in the planning system at present when considering the use of public transport/private car usage in relation to economic development in rural areas? Is there a need for greater flexibility to allow appropriate scale growth of rural business in communities with limited access to public transport?

B1) How is the application of planning policies to develop and support rural affordable housing practically taking place on the ground: What is working well? What are the barriers and blockages? How might any barriers or blockages be overcome?

B2) The flow chart at Annex B (of the Call for Evidence) describes how the planning process works at the national, regional and local level. Which aspects (and at what level) of the planning policy framework do you think need attention to better deliver affordable homes for rural areas?

B10) How is the role of regional planning impacting on the delivery of affordable housing in rural areas? How could it be improved?

3.2 Policy and institutional framework

3.2.1 Introduction

Questions about planning policy and the planning system drew responses from a wide variety of respondents. Almost all responses commented in relation to rural housing, with just over half of the respondents commenting on the rural economy.

3.2.2 National planning policy

Specific comment relating to the wording of national Planning Policy Statements (PPS) was limited. Instead responses to the Call for Evidence focused mainly on the local and regional implementation of policy.

There was little specific comment on the wording of the main statement of rural planning policy, PPS 7⁵. However there was unease among many respondents about the implications of the policy limiting development “in villages that are remote from, and have for

⁵ PPS 7: Sustainable Development in Rural Areas, Published by the Office of the Deputy Prime Minister (ODPM) August 2004

public transport links with, service centres” (paragraph 4 of PPS 7). This is discussed further in sections 3.3.4 and 4.6.

A number of respondents commented on the wording of draft PPS 4⁶ on economic development, which had been published shortly before the Call for Evidence. Some identified a changing direction of national policy, with a greater degree of flexibility in planning for economic development, particularly in relation to areas where public transport accessibility is poor. This issue drew comment from local authorities, rural businesses and organisations including the *National Farmers Union*.

Figure 3.1: Guidance on Rural Economic Development in draft PPS 4

The consultation draft of PPS 4 sets out in rural areas that accessibility – whether by private transport, public transport, walking and cycling – is a key consideration, local planning authorities should:

- support farm diversification schemes for business purposes that help to sustain agricultural enterprise and are consistent in their scale with their rural location and environmental impact;
- recognise that a site may be an acceptable location for development even though it may not be readily accessible by public transport;
- support sustainable rural tourism and leisure developments that benefit rural businesses, communities and visitors; and
- support small-scale economic development where it provides the most sustainable option in villages that are remote from, and have poor transport links with, local service centres.

Several local authorities saw this reference to planning for rural economic development as positive. The emerging direction of draft PPS 4 was also welcomed by rural issue groups such as the *Rural Affairs Forum* and the *Rural Economy Task Group (Hampshire Economic Partnership)*. However a minority of respondents had concerns regarding this guidance advocating the consideration of sites for economic development which would previously have been considered unacceptable due to lack of public transport access. Some respondents said that this could lead to local authorities being unable to resist the re-location of business uses to areas which would lead to patterns of commuting by car.

There was minimal comment on the overarching policy framework on housing within PPS 3⁷ (Housing). Some local authorities considered that, whilst the aims of the statement were seen as positive, the aspirations for significant levels of housing growth were leading to high hope values for land. A concern was also raised about the focus of PPS 3 on housing delivery through the LDF process, which was leading to delays. It was recognised clearly that there was some way to go in translating the aims of PPS 3 into workable procedures. The responses relating to implementing PPS 3 policies on rural affordable housing at a local level are considered further in later stages of this report.

In relation to national policy for rural economic development, a number of respondents, including two regional assemblies, stated that the existing PPSs are not aligned sufficiently, with insufficient support for the aims of PPS 7 being reflected within other more recent planning policy statements. They contend that this leads to a degree of inconsistency between the statements and contradictions relating to the acceptability of development in rural areas.

⁶ Consultation draft PPS 4: Planning for Sustainable Economic Development, the consultation draft was published by Communities and Local Government (CLG) in December 2007

⁷ PPS 3: Housing, published by CLG November 2006

The *National Housing Federation* was concerned that policy on climate change⁸ could be used to prevent housing development in rural areas.

National Housing Federation Response to the Call for Evidence

The National Housing Federation considered as part of their response the need to consider sustainability in wider environmental terms:

The “ new PPS 1 on Climate Change potentially provides a policy lever to prevent development of much needed new homes in rural areas; particularly in National Parks and Areas of Outstanding Natural Beauty by limiting the definition of ‘sustainability’. We recommend that the Review ensures that PPS 1 on Climate Change explicitly supports the development of affordable homes in rural areas that are well designed and environmentally sustainable.”

Advantage West Midlands highlighted the perceived difficulties in justifying rural economic development:

Advantage West Midlands Response to the Call for Evidence

“Application of conservation-led rural planning policies can hamper rural areas and enterprises’ capacity to meet their economic needs and develop their economic potential. It is particularly challenging to meet the government’s objective of a thriving countryside and that of “Promoting the development of the English regions by improving their economic performance so that all are able to reach their full potential – by developing competitive, diverse and thriving rural enterprise that provides a range of jobs and underpins strong economies. (PPS7)”

The response refers to the myths on which rural planning policy is often founded, as identified in a report of The Commission for Rural Communities⁹. These ‘myths’ often form the basis of policy which considers rural communities to be inherently unsustainable.

The response also states that the PPS1 statement that development should be in places that reduce the need for travel should not be interpreted as an assumption that rural development is necessarily in the wrong place.”

Several respondents, especially the business community (but also a county council), suggested that the current policy distinction between ‘rural’ and other forms of economic development (inferred from PPS 7 and the draft PPS 4) is unhelpful, because it places undue restrictions on ‘rural’ development. This is because the term rural has specific connotations of a peaceful and scenic area of high landscape quality. It was suggested that the distinction should be dropped, in order to help farmers and other rural landowners to diversify their economic activities and support the development and growth of rural businesses. Alternatively, other respondents pointed out the need for a *greater* distinction between different types of ‘rural’ context, reflecting the diversity of rural areas. For instance, including the differentiations between rural areas within city commuter belts (e.g. areas of the Metropolitan Green Belt surrounding London) and remote rural areas (including rural areas in the North West and the North East) to reflect the varying pressures on different areas.

Several local authorities identified a significant tension in relation to Government policy support for brownfield regeneration, which can prejudice the chance for new, particularly business, development in rural areas. In part this is due to a lack of brownfield sites in rural areas compared to larger urban areas. Concerns were also raised about a loss of

⁸ Supplement to PPS1: Planning and Climate Change, December 2007

⁹ Supplement to PPS1: Planning and Climate Change, December 2007

employment land to residential use, as discussed in Chapter 4, with several respondents referring to the current agenda for significant housing growth¹⁰.

Other concerns regarding the national policy framework with regards to its application in rural areas included:

- delays within the subsequent development plan system;
- the need for clarity about what constitutes a sound evidence base for identifying need for affordable housing and supporting its delivery; and
- issues of decision-making, capacity and funding, as examined in subsequent chapters of this report.

3.3 Regional planning policy

Question B10 sought views on how regional planning was impacting on the ability to deliver rural affordable housing. The responses suggest that, while the tone of Regional Spatial Strategy (RSS) policy is generally highly supportive of rural affordable housing, as acknowledged by the *Planning Inspectorate*, other aspects of the RSS may be constraining its implementation. Many district authorities considered that RSSs were overly focused on urban areas in terms of guiding the future housing growth of the regions, and in setting out guidance on the location of new development, e.g. through settlement hierarchies. Whilst commented upon from across the regions, the bias of the RSS towards urban housing growth is highlighted most prominently in the responses from the North West region, and also raised in a number of responses from the North East.

English Heritage indicate in their response that planning policy is perceived as a barrier to small-scale development particularly in remote rural areas with a scattered population pattern. Local authorities such as *South Lakeland* and *Alnwick* perceive that there is little in RSS policy that assists their development. These authorities perceive their need for particular types of business space can be disguised by a general overprovision of employment land in both the North West and North East regions; whilst their flexibility to meet the needs of smaller rural communities is constrained by the RSS policy of focusing new housing at larger rural settlements (identified in RSSs as Key Service Centres in the North West, and Rural Service Centres in the North East).

3.3.1 Changing institutional arrangements

Questions A2 and B2 sought to identify aspects of the current planning system that may be unnecessarily restricting rural business development and affordable housing provision respectively. Several answered this by discussing opportunities that would be created by changes in the institutional arrangements for both regional planning and local planning - particularly those organisations likely to receive new powers. A number of responses from local authorities and regional organisations highlighting the potential for sustainable rural development within the revised system, including:

- the scope for a more integrated approach to new development and service provision and funding through spatial planning rather than land-use planning (the opportunities of this having not so far been grasped according to *North Devon District Council*);
- the opportunity for a more pro-active and focused approach to the planning of rural areas through the coordination of skills and greater capacity of new unitary authorities in rural areas, e.g. Northumberland, Durham, although the move towards a single authority in Cornwall is said to be stalling progress on LDFs;
- the scope for greater integration of housing funding and delivery mechanisms, and an emphasis on high quality design through the new Homes and Communities Agency; and

¹⁰ Outlined in the Housing Green Paper: Homes for the future: more affordable, more sustainable published by CLG in July 2007 setting out the Governments aim to deliver 2 million homes by 2016 and 3 million homes by 2020

- greater opportunities for alignment between economic development and housing policy through the new Integrated Regional Strategies to be produced by the Regional Development Agencies (RDA) as a result of the recommendations of the Sub-National Review of Economic Development and Regeneration.

Further discussion regarding these issues is provided later in this report, including discussions regarding the delay in adoption of LDFs and issuing of RSSs.

3.4 Application of planning policies at local authority level

3.4.1 Perceptions of policies that are working well

Questions A1 and B1, amongst other things, asked for examples of what planning policies were working well in supporting rural businesses and affordable housing respectively. There was only a small direct response on this point. Examples of policies which are perceived, particularly by local authorities and partnership groups, as having a positive effect on rural communities, were:

- support for rural diversification, particularly on farms, although problems with farm buildings being treated as greenfield were noted by the *Chief Economic Development Officers Society* and *Cheshire County Council* in particular;
- support for the reuse of rural buildings, although noting potential viability issues when converting to employment uses; and
- generally restricting unsuitable development.

The pro-active way in which some planners engage with their communities was praised by several Parish and Town Councils.

3.4.2 Barriers and blockages

Questions A1 and B1 also asked about barriers and blockages to the support of rural business and affordable housing, and how these might be overcome. A much larger response was made on this aspect, with around three quarters of respondents commenting in relation to question B1. Business respondents perceived local authorities as having an overly bureaucratic approach to planning for rural areas. *Sussex Enterprise* cited research that showed 72% of Sussex based businesses described the planning process as slow and overly complex¹¹. Other comments on the planning system was that it is over reliant on rules, restrictive and too process driven, with local authorities too risk averse when taking development control decisions.

A small number of respondents reported that planning officers and/or planning committee members lack the necessary skills to appraise applications for rural economic development schemes. Respondents suggested that this results in delays to planning permission, excessively restrictive conditions and/or unrealistic section 106 agreements, all of which can render a scheme financially unviable.

The *Royal Agricultural Society of England* suggested that the planning system had not responded sufficiently to changing rural community needs in the context of structural change in the base of rural areas stemming from a decline in agricultural activity and employment. A Partnership group comprising the *Shropshire Hills Area of Outstanding Natural Beauty (AONB)*, *Clun Land, Life & Livelihoods Project* and *South Shropshire District Council* were of the opinion that the formal structure of the planning system is intimidating to end-users including the general public.

The following three issues which are relevant to both the economy and housing were the most frequently raised barriers to creating and maintaining vibrant rural communities:

- insufficient weight given to economic benefits of rural economic development as opposed to environmental impacts of proposals;

¹¹ Voice of Business Survey 2007, Sussex Enterprise

- definitions of sustainability, focused around public transport access rather than economic, social and environmental factors; and
- the balance between jobs and housing, promoting sufficient economic development to ensure balanced communities.

The *Chief Economic Development Officers Society* and *County Surveyors Society* response advances the argument that farm buildings should be classed as brownfield sites, perceiving the greenfield designation of these sites as being a barrier to further economic development (discussed further in Chapter 4 of this report):

Chief Economic Development Officers Society and County Surveyors Society Response to the Call for Evidence

“In terms of farms buildings, a barrier can result from their classification as greenfield land not brownfield. The fact is that farms were development that took place outside service centres and village cores and there should be no reason in principle why they cannot they be re-developed as new business centres in today’s rural economic climate.”

3.4.3 Weight given to economic considerations

Question A1 also asked about the issues arising from practical application of planning policies to support rural business on the ground. Some respondents said that individual planning application decisions gave insufficient weight to economic need in comparison to environmental protection. The suggestion was that the careful messages in PPS 7 (indicated below)¹² were not being implemented in the manner intended. This was raised as an issue in areas ranging from Hampshire and the East Midlands to the North East. The *National Farmers Union* raised concerns that policies of restraint appropriate to National Parks and Green Belt areas were now commonly applied over many parts of the country.

Figure 3.2: Guidance on Sustainable Development in Rural Areas, PPS 7

PPS 7 sets out that planning policies in RSSs and LDDs should facilitate and promote sustainable patterns of development and sustainable communities in rural areas. This should include policies to sustain, enhance and, where appropriate, revitalise country towns and villages (including through the provision of affordable housing) and for strong, diverse, economic activity, whilst maintaining local character and a high quality environment. To ensure these policies are relevant and effective, local planning authorities should be aware of the circumstances, needs and priorities of the rural communities and businesses in their area, and of the interdependence between urban and rural areas.

The tension between economic development and environmental considerations recurred throughout the responses in relation to section A: The Rural Economy. Responses from organisations such as the *English National Park Authorities Association* and the *Cotswolds Conservation Board* expressed a positive attitude to encouraging rural economic development, providing supporting initiatives such as business hubs and meeting space for small businesses to utilise.

3.4.4 Definition of sustainability

A number of respondents were concerned about the use of a narrow definition of sustainability within existing planning policy. The problem is that the concept of

¹² PPS 7: Sustainable Development in Rural Areas, published by the Office of the Deputy Prime Minister (ODPM) August 2004

sustainability is often in practice related primarily to accessibility, rather than taking account of the economic and social and environmental issues. Smaller settlements, with limited access to local services, are often seen as unsustainable, with an inherent bias in the planning system towards promoting development in 'more sustainable' urban areas (further consideration of the influence of public transport access on rural economic development is given in section 4.6)

The *Royal Institute of Chartered Surveyors (RICS)* was amongst those respondents who identified a lack of clarity regarding decisions based on sustainability and that definitions used were inconsistent between local authorities. The response from *Cumbria County Council* highlighted this concern over the fundamental definition of sustainability for rural communities, whilst also considering the extent to which controlled growth within rural areas can actually contribute to improving the sustainability of rural areas:

Cumbria County Council Response to the Call for Evidence

"communities should be able to sustain themselves over the long-term by having the opportunity to create additional facilities: be it schooling; housing; employment sites; improved IT communications; community health facilities; shops and post offices, etc. It is important that planning policies therefore do allow for a degree of growth in rural locations to support a range of activities within communities, and the level of development could be focused around a cluster of small hamlets centred upon their relationship with a defined, higher order Local Service Centre."

A small proportion of respondents, particularly from local authorities argued against any perception that lack of public transport was a key determinant in refusing planning applications, including *Cornwall County Council* and *Tunbridge Wells District Council*.

Tunbridge Wells District Council Response to the Call for Evidence

"In terms of policies relating to the Borough, large-scale employment uses are directed towards the settlements. There is already some flexibility to allow appropriate scale growth of rural businesses in communities with limited access to public transport. The issue is perhaps more to do with poor access and unsuitability of the highways network in some instances."

West Somerset District Council argued that the existing planning system had limited influence in controlling the use of private transport methods. Green travel plans, (a means of encouraging the use of walking, cycling and public transport) could only be sought when determining planning applications for larger employment sites.

3.4.5 Balance between jobs and housing

Comments on commuting patterns were given as a by-product in response to a number of questions. A number of respondents considered that current requirements for development to be easily accessible by public transport may be leading perversely to an increase in rural-urban commuting. Specific instances were cited where growing businesses were being forced into business parks in larger urban areas leading to their rural workforce having to commute to retain their jobs, and at the same time other rural workers being forced to live in urban areas due to insufficient housing at affordable prices close to their jobs leading to reverse commuting. *Agrarian Renaissance* particularly highlighted the necessity to provide rural communities with opportunities for a mix of employment and adequate housing provision:

Agrarian Renaissance Response to the Call for Evidence

“Reduced opportunities for rural communities to evolve and thrive, and to maintain a life (and economy) of their own, means rural areas are in danger of becoming mere dormitories, with reduced mutual interaction and potentially no reason for anyone to travel to those areas other than to go back home. This reduces the viability of public transport links, which in turn reduces the potential for a certain type of mutual interaction with other places, and a vicious cycle of steady isolation and decline is in place”.

Some local authorities, regional assemblies and a regional development agency highlighted pro-active approaches being undertaken to develop the rural economy, including in a small number of circumstances the development of policies that aimed to maintain a balance between jobs and housing in certain rural settlements. Also of importance was felt to be the role of Information Communications Technology in improving the competitiveness of rural businesses and reducing the need for rural based employers and employees to travel. Further consideration of the issues surrounding the supply of land and premises is considered in Chapter 4 of this report.

It was also indicated that rural settlements could adequately accommodate both businesses and affordable housing which could add to the sustainability of these communities, as indicated by the response of David Brettell (Director of Hands-on-Help for Communities):

David Brettell (Director of Hands-on-Help for Communities Response to the Call for Evidence

“The emphasis [on access to amenities and car dependency] needs reversing – if we are to have rural communities with the right balance of homes, workspaces and amenities, then we should be able to support development which will ADD to the rural sustainability of the community. We should be able to make decisions based on a proactive look forward rather than a restricted look backwards.”

4 The Rural Economy

4.1 Introduction

National guidance in relation to the rural economy is largely contained within PPS 7, with the draft PPS 4 setting out the emerging policy direction for economic development in both rural and urban areas. The Call for Evidence asked respondents to comment on the role of the planning system in the functioning of the rural economy. The themes discussed in this chapter relate to the responses to the following questions:

A1) How is the application of planning policies to develop and support rural business practically taking place on the ground: What is working well? What are the barriers and blockages? How might the barriers and blockages be overcome?

A2) Are there specific issues in the planning system (at national, regional, or local level – see Annex B of the Call for Evidence) unnecessarily restricting business start-ups or expansion in rural communities? If possible give examples.

A3) What scale and type of business should be encouraged or discouraged in rural communities, and is the planning system effective in doing so appropriately?

A4) Some suggest there is ongoing loss of workspace and employment in some rural communities, often to housing, or because expanding businesses are forced to relocate to industrial and business space in larger communities. What do you believe is working, or not working, in the planning system to facilitate and promote suitable rural economic development? Should rural workspace and employment be more strongly protected by the planning system to maintain and encourage appropriate employment and business opportunities in rural communities – and if so how?

A5) What is the potential for more live/work units, and mixed use schemes including housing and employment space, to support rural business and housing needs in rural communities?

A6) What impact is regional and local planning having on the supply of land and premises for employment in rural areas? Is there a need for provision of new sites for business in rural communities to be increased – and if so, how could this be done?

A7) Is the balance right in the planning system at present when considering the use of public transport/private car usage in relation to economic development in rural areas? Is there a need for greater flexibility to allow appropriate scale growth of rural business in communities with limited access to public transport

A8) Do you think planning policies support the conversion of redundant properties, including agricultural buildings, into premises for employment? If not, is there scope to increase the number and type of properties/sites that could be used in this way?

4.2 Implementation of national and local policy

4.2.1 Policies that are working well

Around a third of respondents commented on how the policy framework for the rural economy was functioning (question A1).

A small number of respondents were optimistic that recent changes to national guidance would allow for rural development outside larger villages. They noted however that in relation to the introduction of PPS 1a and PPS 3 that it is too early to tell whether the direction of these documents will influence rural planning at the local level.

A small proportion of respondents saw local policy as supporting opportunities for diversification and conversion of redundant buildings in rural areas with good partnership working facilitated between local authorities and rural stakeholders. Respondents who considered policy to be working well included a number of district, county, and unitary parish councils.

4.2.2 Barriers and blockages

Most of the comments on how well the planning system is supporting rural economic development (question A1) focused on barriers and blockages and ways of improving the system. A number of responses (including the response from *South Norfolk District Council*, outlined below) suggested that the application of national and local policy has led to some 'perverse' situations. For example, a farm shop in South Norfolk was prevented from expanding further because it is considered to be 'out of town retail', which is restricted under PPS6:

South Norfolk District Council Response to the Call for Evidence

"A local farmer was granted planning permission some five years ago to open a Farm Shop. This business is thriving and sells a lot of local produce. Due to their success they are looking to expand.

During informal discussions it has become clear that policy EMP4; 'Employment Development Outside Development Limits...' will prove a significant hurdle for this business to overcome. The argument being that as this business is approximately 1 mile from Long Stratton it could have a detrimental effect on the local shops in this settlement area, but also may encourage car traffic to a more rural location.

This is admirable in principle until you realise that the main competition would be with a local supermarket.... It is unfortunate that a policy designed to directly support local employment and businesses is unintentionally restricting the growth of a fundamental business for local producers."

A number of responses to question A1 indicated that the following issues were also perceived as negatively affecting the development and growth of the rural economy:

- planning policy focusing on restricting development and the types of uses which are acceptable on employment sites rather than supporting rural business;
- landscape designations restricting the level of development allowed in areas such as AONB;
- complexity of the planning system making engagement with local authorities difficult for rural business and the often inflexible nature of statutory consultees such as Highway Authorities and the Environment Agency; and
- local authority planners lacking understanding of the rural economy and its contribution to sustaining rural communities.

A rural business gave the following example of practical issues raised by recent planning application for expansion of their facilities.

Vitacress Salads Ltd Response to the Call for Evidence

Vitacress Salads Ltd have responded to say that the planning system is inflexible and does not take account of the needs of businesses, and that

“rural planning is too important to be treated as an adjunct to urban planning [...] planners should not be allowed to get away with providing urban solutions that are inappropriate in the rural context”.

They point out that single interest groups can too easily block applications with broader conservation benefits. They raise the issue that if farms are to continue to diversify this is likely to entail more food processing and value-added work on site:

“Government needs to ensure that the planning system does not inhibit such developments”.

The response from Vitacress also highlighted their perceptions of delay in the system caused by the inflexible approach of statutory consultees which has delayed the grant of permission and forced the company to develop food production facilities abroad rather than in the UK.

Respondents proposed that such barriers could be addressed by a number of means, including:

- ensuring local authority planners receive specific information regarding the nature of rural areas as part of their initial planning professional education rather than relying upon ‘on the job’ training;
- encouraging design which is sensitive to the character and nature of its proposed location; and
- closer cross-departmental working for local authorities, ensuring planners are aware of the economic circumstances of their areas and key businesses, as well as promoting and developing effective community engagement.

As discussed in Chapter 3, there is a strong link between the ability of rural enterprises to flourish and the availability of suitable housing for their workforce. Of those who commented on the planning policy framework for rural economic development (question A1) a number highlighted the importance of providing sufficient housing to enable rural businesses to prosper - this inter-relationship between jobs and housing is at the heart of creating sustainable rural settlements.

Cumbria Rural Housing Trust Response to the Call for Evidence

The response from the Cumbria Rural Housing Trust refers to a study by Invest in Cumbria showing that many businesses in rural Cumbria felt that they could not develop further due to the problem of lack of affordable housing in the area... The response sets out the aspiration to ensure suitable levels of development are encouraged in settlements to ensure they remain or become sustainable.

4.2.3 Non-planning factors

The response from the *Chief Economic Development Officers Society* and *County Surveyors Society* pointed out that acceptance of economic development in rural areas did not necessarily translate into increased economic growth:

Chief Economic Development Officers Society (CEDOS) and County Surveyors Society (CSS) Response to the Call for Evidence

“Recent trends in national and regional policy have resulted in a reduced profile for rural business issues. Examples include the fact that there is now no specific Rural PSA [Public Service Agreement] target and that much formerly specialised rural funding has been passed to the Regional Development Agencies, whose focus tends to be on larger schemes mainly in the major urban centres. Funding to assist with rural business space schemes is essential to persuade land owners and building owners that employment use is a viable option but in practice, in most areas, major rural funding only becomes available following a major crisis e.g. foot and mouth disease outbreaks.”

Other respondents recognised that there are a wide range of additional factors outside the planning system that influence the success or failure of elements of the economy in rural areas. This was summed up by one respondent who concluded that *“the planning system can’t develop and support rural business on its own”*. These additional factors include skills, training, funding and business support, as identified in the response by *North Dorset District Council*.

North Dorset District Council Response to the Call for Evidence

“Whilst it is recognised that such measures [restrictions on sites to specific named organisations] could potentially protect certain firms against fair competition, it is difficult to see how planning policies, in themselves, can have a significant influence on the scale and type of businesses in an area with such a flexible national planning regime.

It would appear that the key function of the planning system in economic development is to ensure that an adequate supply of land is made available. It is the actions taken in relation to skills, training, funding, business support and the promotion of areas such as Dorset as ‘places to do business’ that are going to influence the scale and type of firms that are attracted to an area. “

A number of respondents also highlighted the need to ensure supporting infrastructure is also provided (including Information Technology and an adequate transport network). *Andy Plant (Chase Midland PLC’s Planning Director)* considered that rural economic policy implementation is being hampered by a lack of the necessary supporting infrastructure. This view was supported by several other respondents who suggested that there should be a requirement upon rural local authorities to facilitate the necessary infrastructure improvements. It was suggested that there should be more flexibility in how the funding that is available to these authorities can be used. However, this view was not shared universally by respondents. The alternate view was also expressed, that there is ‘too much’ emphasis on support and subsidies for rural business.

The remainder of this chapter focuses on the issues important to the rural economy which are within the remit of the planning system.

4.3 Supply of land and premises

4.3.1 Introduction

Question A4 sought views on the adequacy of provision of rural workspace, and whether there was a case for stronger protection of existing premises. This was answered by about

half of the respondents. Question A6 asked more generally about the supply of land and premises and whether there was a need for an increase in new site provision.

4.3.2 Competition for residential use

Of those commenting on existing rural workspace, about half saw demand for housing adding pressure on the supply of land for employment. This arises because of the high comparative value of residential land compared to employment land.

Local authorities can come under pressure to grant permission for residential applications, particularly where land has been allocated for employment uses, but no potential occupants have come either through lack of demand or business support, or too onerous planning requirements for development. It was noted that this pressure to meet housing policy targets is especially prevalent in areas where there is limited potential for housing development, including rural areas with a limited supply of brownfield sites. This can constrain not only the total area of allocated employment land but also the choice of locations.

Not all respondents agreed with this view however. *Launceston Town Council* suggested that *"it is easier to get planning permission for businesses and holiday lets than it is for residential"*, especially in small rural settlements.

A few respondents suggested that business developers are unwilling to invest in rural sites because the potential rent return on rural business units may be uncertain, coupled with higher investment costs. In addition, the prospect of high returns from housing development can impair or delay land coming forward for economic development.

Just over a third of respondents expressed the view that greater protection should be given in the planning system to protect existing employment uses. Potential solutions offered to address loss of land to residential included:

- local authorities to be provided with best practice and guidance to deal with proposals which would result in the loss of employment land, e.g. that such sites should be advertised for employment uses for sale or lease, perhaps for a definitive time period, prior to change of use being granted for residential purposes;
- planning permission should only be granted for change of use to residential in the light of a clear workspace strategy for the locality; and
- mixed use for employment and housing development to be considered to ensure a level of workspace is retained on employment sites.

Rural business respondents commented that local authorities often lack understanding of the financial feasibility of rural schemes, suggesting that planning officers and members should undergo training in relation to assessing the economic feasibility of schemes and to enable a better level of understanding of the circumstances and needs of their localities. The response by *RICS* illustrates the need for better skills:

Royal Institute of Chartered Surveyors (RICS) Response to the Call for Evidence

"Planners working in local authorities need additional training in development economics as they often do not have an understanding of these issues. To further boost local authorities, planning and economic development departments should be encouraged to work together more closely and there should be skilled rural economic development staff in each authority. Planners in local authorities must have the necessary skills and mechanisms should be put in place to ensure that the most qualified planners deal with the most complex cases."

Examples were given of local authorities seeking to apply standard levels of developer contributions under the terms of Section 106 agreements. These may be unfeasibly high for

the lower density and larger building size of rural businesses, and in some cases have rendered schemes (such as barn conversions) unviable.

To increase the supply of premises, one respondent suggested that farmers should be allowed to let up to 1,000 square feet of their premises to other businesses without requiring planning approval. Similarly, another suggested that a 'light touch' would be appropriate for micro business start-ups.

4.3.3 The need for additional employment sites

Just under one third of respondents commented on the need for additional employment sites and how this could be provided (question A6). Of those who commented on the supply of land and premises, about a quarter saw no need for additional site provision or felt that this was an issue for individual local authorities to decide or be informed by relevant evidence.

A sizeable minority felt strongly that additional employment sites should be provided in rural areas. A variety of potential ways were put forward in relation to bringing forward or allocating sites, including:

- greater flexibility in permitting conversion of agricultural buildings to workspace and utilising farm yards for employment space (considering changing brownfield definitions to incorporate farmyards);
- encouraging diversification, utilising existing farm buildings for additional employment uses or encouraging activities such as tourism;
- developing 'exceptions' policies on a similar basis as affordable housing exceptions whereby in rural areas with a proven need for economic development, proposals may be allowed on land which would otherwise not be developed for employment uses;
- flexibility with regards to settlement boundaries, considering a less rigid approach to development of sites outside of existing settlement boundaries; and
- local authorities to encourage and facilitate community engagement to identify suitable sites.

4.3.4 Redundant buildings in the countryside

Question A8 asked whether planning policies currently support the conversion of redundant rural properties, including agricultural buildings, into employment. Just under half of the respondents to the Call for Evidence answered this question directly.

Many respondents were concerned that current policies, while supporting the principle of conversion to employment uses, are not supported by the financial grants that they suggest are essential in order to make conversion financially viable. One noted that the DEFRA Rural Enterprise Scheme was useful in this regard but it had ended. Several respondents stated that the residential value of converted properties is much higher than their value for employment use, which increases the pressure for residential conversions in preference to employment.

Many respondents opposed the current definition of farms as greenfield sites in policy terms. This is considered to place undue restrictions on rural economic development and farm diversification in particular. Some respondents provided case study examples where the greenfield definition had led to delays or refusals of planning permission for relatively minor changes of use (e.g. the installation of a blacksmith's forge in a working farm complex).

Hampshire Economic Partnership Response to the Call for Evidence

Hampshire Economic Partnership provided two examples of rural employment opportunities which had been refused for apparently minor reasons:

“A farmer’s son was refused permission to set up a blacksmith’s forge in his father’s yard. Only the principal would have worked there. Reasons for refusal were; contrary to countryside policy and inadequate visibility splay.

A substantial horticultural business, established 40 years, has been refused permission to expand and modernise, following intensive lobbying from single interest groups, while the broader community was not against the development.”

Where development has been given permission in Green Belt areas, some respondents reported that the Green Belt designation prevents them from growing beyond their initial size. This forces the more successful start-ups to seek alternative accommodation after a few years. However, a small number of other respondents supported the principle that the character and scale of businesses should not change or grow beyond the limits defined in the original planning permission, due to concerns about incremental development of the countryside.

Respondents reported that local authorities are interpreting national policy on rural conversions in different ways. Some suggested that their local authorities have taken an inflexible approach, such approaches including:

- allowing only a very small range of employment types on redundant agricultural sites;
- insisting that the redundant building must be structurally sound in order for conversion to be permissible; or
- applying conditions on issues such as signage, highway access or design that add substantially to the development costs.

Consequently, these respondents suggested that more flexibility should be introduced to conversion policy.

Some respondents considered that the needs of modern businesses are not well suited to the types of redundant properties which are found in rural areas, that modern agricultural buildings cannot be readily converted to suit business needs compared to traditional type barn conversions, or argued that the conversion costs are much higher than the cost of demolition and rebuilding. They felt that the current policy focus on ‘conversion only’ should be widened to permit the redevelopment of redundant sites and buildings. It was suggested that this would bring more sites forward for re-use, thereby bringing more choice to the market.

Rural Solutions Response to the Call for Evidence

Rural Solutions highlighted their understanding and perception of the planning system in relation to the conversion of existing buildings and redevelopment of redundant sites, indicating it is:

“Perverse an authority will be prepared to allow the complete demolition and replacement of a building (under PPS7 paragraph 19) that is fit and capable of conversion, but not one which requires material physical works to render it useful again.

This leads to a significant waste of otherwise viable buildings that can be perfectly easily replaced (like for like if absolutely necessary) but for the fact that they are too far gone (in the opinion of the local authority) to permit re-use.”

Other respondents considered that policies *should* be very restrictive, in order to prevent the loss of potential employment sites to residential use. They reported that some authorities consider ‘employment uses’ to include holiday accommodation. Several of them viewed this as an inappropriate interpretation, removing potential employment properties from the

market, although one respondent considered that holiday lets represented the 'middle ground' and this was not necessarily a negative outcome.

4.4 Live/work space

Question A5 asked respondents to consider the potential for more live/work units, or mixed use schemes in general, to support rural business and housing needs in rural areas. This issue generated a high volume of response.

Respondents were almost unanimous in their support for the principle of mixed use rural development, on the grounds that sustainable communities must enable people to live and work without the need for a long commute.

English Rural Housing Association Response to the Call for Evidence

"Targeted provision of work units connected to affordable housing provision if a need is identified might help improve the local economy and increase sustainability of the village"

There was less agreement about the value of live/work units: over half of responses to this question said that there was at least some modest potential for live/work units to make a positive contribution to the rural economy, while a sizeable minority thought that there are more appropriate and effective ways to ensure that economic development takes place in rural areas.

Supporters of live/work units pointed to the following benefits:

- they offer the potential to re-use existing rural buildings;
- they may be especially appropriate for service or knowledge-based employment, which are relatively high-value activities; and
- they can offer additional economic development opportunities in rural areas, especially those which may be limited by other policy constraints.

Those reporting their concerns, especially with regard to the practicality of implementing live/work schemes, presented the following views:

- perceived developer unwillingness to build mixed use units while residential values are relatively high. It was suggested that there is a limited market for live/work units and they have a lower resale value than single-use properties. A developer reported that demand was not very high for a scheme of live/work units that it built: potential buyers were put off by the perceived tax status of live/work units (e.g. concerned that they would be taxed at business rates, and be liable for Capital Gains Tax at the point of resale);
- difficulty in applying planning policy, especially in authorities where there is currently no specific policy on live/work units: does residential or employment policy have greater weight?;
- perceived danger that live/work units can be a 'Trojan Horse', allowing 'residential development by the back door', creating relatively large units which would be purchased by affluent incomers, with detrimental impacts on the supply of rural affordable housing. It was reported that the 'work' element tends to diminish over time;
- Perceived inflexibility of live/work units: if a new business grows, it will need space to expand; if it fails, the 'work' element of the unit would no longer take place. Either of these outcomes could potentially require the owner to move out of their home. One respondent suggested a 'modular design' approach could enable small businesses to

expand without needing to relocate, although others were concerned that an increased intensity of use would adversely affect the rural setting of these units; and

- difficulty in enforcing the conditions that are required to ensure that occupants are working as well as living in the property: it is time-consuming to monitor a requirement that the business element of the unit remains operational in perpetuity and the need for such enforcement to be supported by agencies such as the Planning Inspectorate.

Graham Townsend (Planning Policy Officer) Response to the Call for Evidence

“the willingness of Local Planning Authorities to consider live/work units will depend on likely support from the Planning Inspectorate when action is taken against abuses. A robust legal framework is needed”

Many respondents consequently felt that a combination of employment units and residential units would be a more flexible configuration for new development in rural areas than live/work units.

4.5 Appropriate type and scale of rural enterprise

4.5.1 General Comments

Question A3 focused on the scale and type of business which should be considered appropriate in rural areas. About half of respondents gave views on this. Almost all of these commented on the scale and type of employment use which would be appropriate, while others commented on the reverse and focused on those business types that would be inappropriate. *Cotswold Conservation Board* discussed appropriate business uses within an AONB, concluding that even areas subject to landscape protection designations could be suitable for a wide range of business types:

Cotswolds Conservation Board Response to the Call for Evidence

The response highlighted the different types of business use the board consider appropriate and compatible within the most rural areas of the AONB:

- Tourist facilities. These should include accommodation for the staff;
- Land based jobs including conservation and specialist environmental skills;
- Food or agricultural related businesses;
- Micro businesses and home based working using IT and other high tech design and communication tools;
- Craft based workshops;
- Retailing focussed on local produce or crafts. Major retail centres are inappropriate both because of the scale of the buildings and the amount of traffic generated;
- Quiet recreational facilities focussing on enjoying the countryside not exploiting it or polluting it with light and noise; and

Within the larger settlements of the Cotswolds, the response highlights the potential for “larger scale industrial/business parks (large by Cotswolds standards) sited to be inconspicuous in the landscape. This means ensuring the buildings are of an appropriate scale, are relatively low, have non-reflective roofs and any sky line positions are avoided. These larger settlements can accommodate a wider range of commercial enterprises than the smaller more rural settlements”.

A sizeable proportion of respondents were of the view that the planning system should not prescribe an appropriate type and scale of businesses for rural areas. Others stated that appropriate scale and mix of business uses should be defined in relation to the specific nature of each area and the characteristics of particular settlements. Sectors other than traditional land-based industries that some saw as being suitable were:

- small to medium business; as well as
- high-tech and knowledge industries if suitable infrastructure (such as information technology network and capacity) is available.

A small number saw the need to favour existing business over urban companies in-migrating. *Lancashire Rural Futures* highlighted the potential need for developing incubator space in rural areas, building on the diversification of rural areas and the potential for the development of niche and high-skilled businesses.

Lancashire Rural Futures Response to the Call for Evidence

Lancashire Rural Futures argue that there should be no distinction between suitable and unsuitable businesses in rural areas (“would we ask the same question in an urban context?”). Whilst they – along with the majority of other respondents – felt that small to medium enterprises were most likely to be suited to rural areas, they argue that large-scale businesses should not be ruled out categorically. They use the example of anaerobic digestion proposals which have encountered opposition due to their perceived status as ‘industrial’ despite being based on agricultural crops and waste.

The response also highlighted a number of small scale rural business spaces which they have helped to facilitate and guide through the planning system. These workspaces are predominantly developed for small and expanding business focusing on opportunities for diversification in rural areas.

A small minority of respondents, primarily consisting of parish councils, suggested that it was not helpful to overemphasise the role of tourism as an economic driver in rural areas. These respondents claimed that tourism only brings low-paid seasonal work, rather than high value employment that is required to stimulate truly sustainable economic development.

Harlington Parish Council Response to the Call for Evidence

The response from Harlington Parish Council cited the development of a partnership between the local planning authority and a diverse group of local landowners led to the creation a quality rural business park.

Priority Sites (a Public Private Joint Venture developing speculative workspace and based in the South West region) suggested that the Use Classes Order should be revised, to enable greater flexibility in the types of business that can be conducted in rural premises. They cited the example of a typical small to medium enterprise (SME) which may combine B1 (Light Industrial, Office and Research and Development) B2 (General Industrial) and B8 (Storage and Distribution) functions but commonly have difficulty finding rural premises where all of these characteristics can be satisfactorily accommodated.

Those who attempted to define inappropriate rural businesses focused on industrial or warehousing uses. These businesses were perceived as having a significant impact in

terms of character and disruption to rural areas. However, a small proportion of respondents felt that the planning system should not be so specific.

A small number of respondents were of the opinion that the current restrictions on the forms of economic development acceptable in rural areas are appropriate, and they would not wish to see any change. These responses highlighted the encouragement within PPS 7 and the draft PPS 4 towards economic development in rural areas.

4.6 Rural economic development and access to public transport

Question A7 sought views on the way in which transport issues influence economic development in rural areas.

Overwhelmingly the respondents to question A7 indicated that the balance in the planning system was heavily biased towards promoting public transport use, and that there was a need to recognise that this was not always viable in rural areas. This view was shared by a number of respondents including local government respondents. A small number indicated that they felt the issues surrounding public transport access would be addressed further within the finalised PPS 4.

East Midlands Rural Affairs Forum Response to the Call for Evidence

The response from the East Midlands Rural Affairs forum summarised a widely held view amongst the respondents that lack of public transport accessibility was stifling development proposals in rural areas:

“There is often too much emphasis at present on accessibility by public transport, which effectively ‘sterilises’ the many rural areas and communities poorly served by public transport. The greater degree of flexibility in this regard as proposed in the new PPS4 is strongly supported.”

One respondent pointed out that the supplement to PPS 1, published in December 2007, seeks to explicitly address the problem, as shown in the box below, although in some areas this policy does not yet seem to have filtered through to decision-makers.

Figure 4.1: Guidance on transport in rural areas, PPS 1 Supplement

Paragraph 25 in the supplement to PPS 1 states that "When considering the need to secure sustainable rural development, including employment and affordable housing opportunities to meet the needs of local people, planning authorities should recognise that a site may be acceptable even though it may not be readily accessible other than by the private car".

Suggestions for putting less emphasis on public transport provision were to determine the acceptability of planning proposals using a wider method transport assessment including community and demand responsive transport, as well as giving greater weight to the viability and sustainability of overall communities rather than their public transport provision.

Eden District Council Response to the Call for Evidence

Eden District Council particularly highlighted barriers to sustainable rural development, through the insistence of accessibility by public transport:

“The mantra of less reliance on the private car creates a nonsensical situation when public transport is non-existent in rural areas.”

A large proportion of district council and business respondents were of the opinion that there was a case for a more flexible approach to rural economic development in areas with limited public transport provision. Arguments put forward to support a more flexible attitude towards sustainability were that the nature of the rural economy was changing, including greater levels of home-working and greater expansion of broadband networks.

5 Planning Policy for Affordable Housing

5.1 Introduction

National planning policy for housing growth in rural areas is generally contained within PPS 3 (Housing), with PPS 7 (Sustainable Development in Rural Areas) providing a policy framework relating specifically to development in rural areas. National policy in relation to the delivery of affordable housing in rural areas is generally supportive provided it is for local needs. However, there is a presumption (particularly prevalent in PPS 7) that development will predominantly be directed towards the larger settlements and towns within an area. The themes discussed in this chapter relate to the responses to the following questions:

B1) How is the application of planning policies to develop and support rural affordable housing practically taking place on the ground: What is working well? What are the barriers and blockages? How might any barriers or blockages be overcome?

B2) The flow chart at Annex B (of the Call for Evidence) describes how the planning process works at the national, regional and local level. Which aspects (and at what level) of the planning policy framework do you think need attention to better deliver affordable homes for rural areas?

B3) Is there sufficient alignment between priorities set out in Sustainable Community Strategies and planning policies for rural affordable housing in Local Development Frameworks?

B4) How are planning policies for rural housing, as set out in Planning Policy Statement 3: Housing (PPS 3), being implemented locally on the ground in rural areas following the recommendations of the Affordable Rural Housing Commission?

B5) Are there any skills or resource gaps within local authorities that hinder the adoption of PPS 3 based rural affordable housing policies? For example, (i) with regards to testing economic viability, (ii) adoption, maintenance and use of Strategic Housing Market Assessments, (iii) supporting community engagement, and (iv) use of Strategic Housing Land Availability Assessments. How might these gaps be filled?

B6) While plan led allocation of sites for development is the main process for new housing delivery, for very small rural communities, rural exception sites are the most likely avenue for affordable housing, but relatively few come forward. How could or should local communities be encouraged to bring forward suitable exception sites – what is the role of the community (including the parish council), the local authority (officers and members), rural housing enablers, or others? And what should the balance between plan led allocation of sites and exception sites be?

B7) PPS 3 allows local authorities to set their own threshold on the size of development above which they will seek a proportion of affordable housing, rather than the national indicative minimum threshold of development of 15 units (and to set different thresholds across communities in a local area based upon their local circumstances). To what degree are local authorities setting their own thresholds? How is this policy being used locally – what are the blockages to its effective use? How could local authorities' ability to negotiate with developers/landowners be improved?

B8) What is the role of the planning appeals system – how is it influencing decisions in practice? Are there changes that would be appropriate to guide planners and developers as to what evidence inspectors need, and their likely approach?

B9) How has advice and reports from the Planning Inspectorate (PINs) affected policies for the

provision of affordable housing in rural areas? How have local authorities responded to this?

B10) How is the role of regional planning impacting on the delivery of affordable housing in rural areas? How could it be improved?

B11) The planning system requires evidence based decisions – how is the need for evidence effecting outcomes, and could the process for obtaining appropriate evidence be clarified or simplified?

B13) What is the impact so far of the new system of Local Development Frameworks – getting them prepared, approved, and then using them in the delivery of affordable housing in rural areas?

B14) Are there any difficulties in delivering rural affordable housing while Local Development Frameworks are under preparation? For example, does it affect where and how much affordable housing can be negotiated in a rural community or affecting the supply of rural exception sites?

B17) What might the benefits or disadvantages be in using a Community Land Trust model for the development of affordable rural housing?

B19) What might encourage landowners to offer land at low cost for affordable housing in rural communities, especially for exception sites?

5.2 Adequacy of planning policy framework

5.2.1 National Policy Framework

Approximately 80% of respondents discussed the role of the existing planning policy framework in the delivery of rural housing (at the national, regional and local context). Of these responses, over half considered that alterations to national policy should relate predominantly to issues of clarification or strengthening of national guidance to ensure its local implementation. Such issues for alteration included creating a degree of consistency for Appeal decisions and decisions made as a result of applications being ‘called in’ for determination by the Secretary of State. The speed and number of alterations to national guidance was also highlighted as an area for concern.

A small number of responses (less than one quarter of those who commented on the policy framework) highlighted issues surrounding the development of Section 106 agreements for affordable housing provision. The respondents who identified this as an issue, referred mainly to previous guidance and the model document issued by Communities and Local Government (CLG).¹³ Several of these respondents stated that a specifically tailored model for affordable housing provision was a needed. A small proportion of these respondents highlighted the problems caused by the wording of Section 106 agreements and issues, particularly ‘in-perpetuity’ clauses resulting in problems for purchasers experiencing difficulties in arranging mortgages.

Alnwick District Council Response to the Call for Evidence

“In ADC we have developed a model that seeks to restrict future re-sale price values by way setting the original price as a multiple of local household incomes and in future sales indexing the original price to movements in the land registry prices. We are now considering a subtle move to one where we fix the original price in the same manner but immediately convert this into a

¹³ Planning Obligations: Good Practice Guidance, published by CLG August 2006

percentage of Open Market Value which seems to be a method more agreeable to the lenders but which retains the essential link to wages at least in the first instance. We accept that the dwelling may rise above truly affordable levels over time and enter an intermediate market. This is acceptable so long as we have a pipeline of new affordable units priced at the multiple of local incomes. The Council, landowners and developers are now working within this type of framework but we see a role for central government to bring the financial sector to the table and promote their active involvement in the provision of affordable homes. “

A minority of the respondents identified issues surrounding the role of the Housing Corporation and associated funding mechanisms as particularly affecting the delivery of rural affordable housing. A re-occurring perception was that Housing Corporation policies favour development on urban and brownfield sites, whilst not appreciating the additional development costs incurred by rural development (both on allocated and exception sites). A small number of these respondents also highlighted the uncertainty relating to the definition of ‘rural’ (for implementing exception policies) including issues around the size of population of ‘rural’ settlements.

5.2.2 Regional Policy Framework

Approximately one quarter of respondents who considered the policy framework in relation to affordable housing commented directly on the role of the RSS. The over-riding theme occurring within these responses is that the RSSs do not address appropriately the challenge of planning for rural affordable housing.

In general, the RSSs set out a settlement hierarchy which dictates the pattern of development. Almost one third of responses to this issue considered that these hierarchies (and in the majority of cases the RSS) had an inherent urban focus or bias which restricted development in rural areas. Understandably these responses were dominated by local authorities and also rural housing enablers; however this opinion did also draw some response from the business community, including house builders. Local authority responses indicated that this urban bias was in some cases was leading to a situation whereby housing numbers allocated in the RSS were below the requirements for affordable housing set out in housing needs surveys.

Hambleton District Council Response to the Call for Evidence

Hambleton District Council, North Yorkshire identified in the response that due to high land values, affordable housing was only realistic deliverable through market housing development and section 106 agreements to guarantee affordable housing supply. The reduction in Housing Numbers in the Secretary of States Proposed Changes to the Yorkshire and Humber RSS 2007 highlight the perceived vulnerability in delivery of affordable housing through this mechanism

Respondents highlighted the difficult position many rural authorities find themselves in, often being areas with severe affordability issues and high demand for affordable housing but with low levels of housing growth allocated by the RSS. This has a knock on effect in relation to both the total number of affordable houses delivered and the potential headroom for delivering either exception sites or allocating sites for 100% affordable housing.

A small number of responses have highlighted benefits of cross boundary working between local authorities as a result of joined up regional planning. This could lead potentially to a more strategic, spatial policy approach, recognising that housing affordability issues and opportunities to address them through supply of affordable housing can cut across local authority boundaries.

5.2.3 Local policy framework and creating Local Development Frameworks

The Call for Evidence specifically asked respondents to comment on the impact of LDFs on delivery of affordable housing. The vast majority of respondents who considered the issues relating to rural housing provided comments on the planning policy and the planning system at the local level. Comments were received from a wide variety of stakeholders ranging from rural residents commenting on their particular experiences to regional and national organisations as well as all levels of local and regional government.

The majority of respondents who commented on the local policy context (save for local authorities) highlighted significant frustration with the system, encompassing delays and citing local planners as not understanding fully, or not having sufficient regard to national policy. End-users of the system such as the business community generally highlighted the negative aspects of the system, whilst stakeholders such as regional organisations highlighted potential pitfalls and suggestions for improvement, including increasing use of Section 106 agreements. Parish councils focused mainly on the role of the developer at the local level and the problems of piecemeal development.

Rosemullion Homes Response to the Call for Evidence

Rosemullion Homes set out the frustration from this house builder in relation to the planning system and the local policy framework:

“Barriers and blockages include a slavish adherence to sustainability e.g., not permitting housing in rural communities due to reliance on car transport, even when the need for affordable housing is desperate and the community is in danger of dying. Exception site policies are not working and PPS 3: Housing discourages the delivery of affordable housing through cross subsidy schemes.

However, the main blockage is the negative and unimaginative response from Local Authority planning teams and legal teams with seemingly no urgency and no passion to do anything to fast track good schemes through the system. The culture is all too often nit-picking and “going through the motions”.

The majority of district council respondents indicated that they were generally supportive of rural exceptions policies but the ability to bring forward such sites for development was constrained by a range of issues; including a lack of funding, onerous design requirements, and landowners reluctant to release sites for affordable housing given the potential for greater financial return should sites be developed for market housing.

Around half of the respondents who commented on the policy framework for affordable housing delivery made specific reference to the impact of the LDF on the delivery of affordable housing. Almost all of these responses made reference to the delays in progressing LDFs (either referring to specific authorities or referring to the system as generally being slow and cumbersome). Respondents commenting on the issue of delays within the LDF production indicated that there were (or could potentially) be problems in relation to the delivery of affordable housing, particularly where allocations in the previous local plan had been exhausted. However, there was also a strong assertion from the remaining respondents that Councils with relatively up to date local plans would be able to deliver affordable housing, whilst others would be able to establish interim guidance on affordable housing provision.

North West Regional Assembly Response to the Call for Evidence

“In the North West progress on the preparation and approval of Core Strategies and other Local Development Documents as part of the Local Development Framework has been relatively slow in

comparison to other regions. At the current time we only have one Core Strategy which has reached the Examination in Public stage. To some extent this reflects the number of authorities who were in the final stages of agreeing their Unitary Development Plan or Local Plan when the new planning system was implemented. “

Further discussion regarding the delivery of affordable housing whilst LDFs are under preparation is contained at section 6.3 of this report.

In relation to the delivery of new housing development through the LDF, whilst most respondents did not comment on the scope for a plan-led approach, the response from the *Town and County Planning Association (TCPA)* advocates strongly the encouragement of the development of new “garden suburbs” for rural towns, and even new “eco-villages”. The *TCPA* make the case that by delivering new development of a high quality, incorporating green spaces and homes with gardens into developments that people can be attracted and retained in these locations who would otherwise out-migrate to more remote rural locations. The *TCPA* state that the incorporation of green spaces could also improve the environmental performance of these new developments in terms of adaptation to the effects of, and mitigation of the causes of climate change.

5.3 Funding delivery of affordable housing

Reduced grant aid from the Housing Corporation was mentioned by a small proportion of respondents as a constraint to the provision of rural affordable housing through housing associations. Some of these noted that Housing Corporation funding was being squeezed to achieve internal efficiency savings. Others were more concerned with the inflexibility of Housing Corporation grant for rural areas noting that the traditional model does not fit well where sites are small with no opportunities for cross subsidy. The *West Midlands Regional Assembly* suggested that the financing of rural schemes should be considered at a national level.

The Housing and Planning Delivery Grant is intended to incentivise the delivery of additional housing. A few local authority respondents however were concerned that this would favour urban focused authorities where larger volumes of housing could be delivered. One rural district council noted that this Delivery Grant would be counterproductive if affordable housing targets were lowered to ensure that they were met.

Mechanisms that local authorities have been so far able to use to pump prime schemes in rural areas have been to use their own land, to recycle capital receipts from sale of council housing under Right to Buy provisions, and to use community tax levied on second homes. These mechanisms have been actively used in Cornwall, although *Penwith District Council* reported that resources from the first two mechanisms were now drying up.

A few respondents identified a lack of capacity within the development sector as an additional constraint. Most developers involved in this sector are small to medium-sized, with only one of the national house builders reported to be active, but with another two interested in expanding their work. It also tends to be smaller and more locally based housing associations that are most involved in these types of schemes, and one respondent suggested that some of the larger urban-based housing associations should be encouraged to show more interest.

5.4 Implementing the guidance in PPS 3 at a local level

Around two thirds of the respondents commented on issues surrounding local implementation of PPS 3. In a number of circumstances respondents addressed this issue alongside that of reduced thresholds building on the guidance in PPS 3. In respect of affordable housing in rural communities, PPS 3 indicates: “*the aim should be to deliver high quality housing that contributes to the creation and maintenance of sustainable rural communities in market towns and villages. This requires planning at local and regional level*”

*adopting a positive and pro-active approach which is informed by evidence, with clear targets for the delivery of rural affordable housing. Where viable and practical, Local Planning Authorities should consider allocating and releasing sites solely for affordable housing, including using a Rural Exception Site Policy.”*¹⁴ Further discussion regarding thresholds is contained in section 5.5 of this report.

About a third of the respondents who commented directly on the local implementation of PPS 3 felt that it was not generally being implemented fully or that there had been insufficient time between the publication of PPS 3 (November 2006) to assess the implications of the statement on rural housing development. Amongst the opinions from this group, it was indicated that the implementation of PPS 3 was difficult within a system which inherently promotes development on brownfield sites or within the larger settlements of a region. This particular response group was comprised mainly of end-users of the planning system including rural residents and business, as well as parish councils (who may represent the views of the local community).

About a third of the respondents highlighted the use of exceptions policies and sites allocated for 100% affordable housing. The consensus amongst this group was that rural exceptions policies were more viable options at present, but allocated sites may be forthcoming as local authorities progress further with the LDF process. Issues of allocated sites were discussed by a small minority of respondents, asserting that 100% affordable housing provision could be achieved on allocated sites; some of these responses cited the example of the accepted policy approach in National Parks that any development should be for local needs only.

Mid Devon District Council Response to the Call for Evidence

“In Mid Devon we take the following approach.

- 1) No allocations for market housing in rural areas; market housing is limited to infilling/brownfield sites within rural settlements.
- 2) Allocations are being made for 100% affordable housing sites in our emerging DPDs.
- 3) Exceptions policy included in Local Plan.
- 4) Threshold of 6 dwellings in rural areas for inclusion of affordable housing (following Inspector’s recommendation after we had proposed a threshold of 2).”

5.5 Reducing thresholds for affordable housing

Thresholds are the level of development at which affordable housing is required to be delivered on market housing schemes. PPS 3 provides the policy framework for delivery of both market and affordable housing, setting out the national indicative minimum threshold for affordable housing delivery as 15 dwellings. PPS 3 does however, allow local authorities to set lower minimum thresholds, where viable and practicable, specifically highlighting the applicability of this for rural areas as well as the potential for: *“setting different proportions of affordable housing to be sought for a series of site-size thresholds over the plan area.”*¹⁵

Responses on this issue were dominated by stakeholders engaged actively in the planning of affordable housing at local levels, with a strong level of response from district councils, rural housing enablers and housing associations/registered social landlords. Whilst a number of responses discussed local thresholds (less than 15 dwellings), there was minimal comment on whether the national indicative threshold should be altered. Parish council responses focused mainly on the necessity to ensure delivery of affordable housing on

¹⁴ Page 11 (Paragraph 30) of PPS 3 Housing, published by CLG November 2006

¹⁵ Page 11 (Paragraph 29) of PPS 3 Housing, published by CLG November 2006

small rural schemes. A number of responses from private developers/house builders (in relation to questions B4 and B7) highlighted that relying solely on lower thresholds will not necessarily deliver housing, as lower thresholds could potentially endanger the economic viability of schemes. Private developers/housebuilders also cited the need for flexibility in the application of thresholds and consistency of approach to thresholds between neighbouring local authorities.

Less than a quarter of the responses provided direct comments on the question of how local authorities can improve negotiations on affordable housing provision. Suggestions were made around:

- improving awareness of economic viability issues and utilising specialist skills; district councils particularly identifying skills gaps in negotiation, whilst respondents highlighted the scope for utilising existing economic viability toolkits to aid in such negotiations; and
- a small group of stakeholders including private developers/house builders, parish councils and district councils raised the issue of potentially utilising consultants (potentially on an accredited database run by Government) to assist local authorities in such negotiations.

A limited number of responses raised the issue that developers may deliberately submit applications just under thresholds to avoid providing affordable housing. It was suggested that national indicative minimum densities could be utilised to assess the potential of the site to deliver an appropriate number of housing units and form the basis for negotiating a proportion of affordable housing delivery.

Devon County Council Response to the Call for Evidence

“In the South West, because of its rurality, a significant proportion of development occurs on sites that fall below threshold levels. The current round of LDFs are addressing this issue by driving down thresholds in accordance with the evidence, to capture as much development value as possible for community benefit.

Thresholds need to relate to the nature of the land coming forward for development [identified in strategic housing land availability studies]; the pattern of past provision and information from strategic viability assessment.

Developers often make planning applications for numbers of dwellings that fall just below the threshold level. Where this device is employed by developers, contributions could be sought based on the theoretical level of delivery if national indicative minimum densities are used. “

5.6 Building an evidence base for planning for affordable housing

The responses to the Call for Evidence highlighted a general perception that the planning system has become over-reliant on seeking to prove evidence of housing need, through a plethora of assessments and surveys in order to ‘achieve’ soundness. Both the LDF process and the development control process rely on the establishment of evidence to support decisions and inform policy development.

This section focuses on the evidence gathering exercise in relation to the LDF process, incorporating a brief overview of skills issues, the impact of the planning appeals process on the further development of the evidence base and touching upon how the need for evidence is affecting outcomes in the planning system (further discussion regarding the influence of the appeals process and the role of the evidence base in relation to the delivery of affordable housing on exception sites is discussed at Chapter 6 of this report).

The respondents who commented on these issues came from a wide variety of stakeholder groups, the greatest proportion of responses was from district councils, closely followed by a number of umbrella organisations, including the *National Housing Forum* and *Planning Officers Society* (of which local authority input is apparent). Of these respondents, there was a clear consensus that the quality of evidence was affecting outcomes and the process did need simplifying; with the process for collating an evidence base being seen as time consuming and in need of updating regularly.

Just under two thirds of respondents commented on the role of the evidence base in the planning system, including the skills necessary for developing the evidence base. Overall, skills and resource issues for local authorities were discussed by around half of the respondents. There was a limited response to questions asking for comments on the role of the Planning Inspectorate in affecting policies for the provision of affordable housing, with a fifth of the respondents raising issues relating to this area of the planning system.

The relatively high response rate surrounding skills for planning and the need for evidence on affordable housing needs demonstrates the degree to which these issues are at the forefront of the system. This issue affects both those stakeholders directly involved in the system and developers or rural residents who may submit applications for rural housing schemes. In relation to skills and resources of local authorities, the respondents consisted of both local authority respondents and other stakeholders. Those that provided information relating to this issue made three main points:

- substantial local authority staff shortages are affecting both policy development and implementation,;
- local authorities do not have the skills capacity for testing the economic viability of schemes (discussed further in Chapter 7 and encompassing issues of joint working); and
- local authorities do not have the skills or experience to carry out Strategic Housing Market Assessments, Strategic Housing Land Availability Assessments or Housing needs surveys, indeed a number of district councils utilised this question to comment on the progress of their Strategic Housing Market Assessment or Strategic Housing Land Availability Assessment.

Some respondents discussed the skills issues relating to local authorities considered the impact on Strategic Housing Market Assessments, Strategic Housing Land Availability Assessments and Housing needs surveys. Respondents emphasised that alongside the skills necessary to deliver such assessments, there is also either a financial or time cost implication as staff are diverted from other tasks to either undertake the work or manage external consultants. This view was shared by a mixture of district councils, rural residents and rural housing enablers, as well as the *Campaign to Protect Rural England (CPRE)* in relation to carrying out Housing needs surveys. A minority of respondents perceive there is a problem of staff shortages within relevant departments of local authorities. .

Cumbria County Council and Cumbria Sub-Regional Housing Group Response to the Call for Evidence

“There is no doubt however that there is a current shortage of planning and housing professionals in Local Government in Cumbria, and this is impeding the delivery of the Government’s housing policies in PPS 3. At Copeland Borough and Barrow Borough for example, the planning staff complement is limited to between 1-3 staff only, to prepare their Local development Frameworks. Likewise the professional housing staff is equally limited in most Authorities in Cumbria. It is considered that there is opportunity for increased efforts towards encouraging the appointment of trainee staff, and for possible sharing of staff resources within the County, and for a strategic overview at the local level.

It is considered that these gaps should be filled by making more resources available at national level to better finance, attract and maintain quality professional housing and planning staff to the area, whilst ensuring that planning and housing functions are given a higher priority in Local Government. The proposals in the Planning Green Paper and the Planning Bill are therefore welcomed and supported, but they could go much further.”

The role and implications of the LDF examination (to assess the soundness of LDF policies) was raised by some respondents that had direct experience of the system, including private developers/house builders, parish, district and county councils/unitary authorities, National Park Authorities, housing associations/registered social landlords, local authority bodies and regional organisations. Further discussion in relation to the affect of the appeals procedure in the development control process is considered in Chapter 8.

The LDF system was brought into being through the Planning and Compulsory Purchase Act¹⁶, which resulted in the RSS and LDF being established as the statutory development plan. The revised development plan sought to embrace the concepts of spatial planning and “*intended to streamline the local planning process and promote a proactive, positive approach to managing development*”¹⁷. The evidence base for the LDF, in some circumstances, being utilised to develop interim policies (in the absence of an up to date local plan); some respondents indicated that such interim policies were often not being supported by the Inspectorate (including *Roger Hopcraft/Anne Rogers, Planning Policy Manager/Principal Housing Officer, Eden District Council*), such lack of support leading to a greater degree of concern regarding the soundness or otherwise of emerging LDF policies.

The general consensus within the responses was that the Planning Inspectorate have affected the development of the LDF and specific policies within Core Strategies and provided a strong indication that a sound evidence base was needed to support policy choices in the LDF.

Approximately one fifth of the respondents who considered issues around the evidence base and its need for simplification put forward suggestions for improving the situation. Such suggestions included:

- automatic assumption of the need for affordable housing or Ministerial guidance on the need for affordable housing;
- national guidance on the need for rural economic evidence and the carrying out of housing needs surveys, Strategic Housing Market Assessments and Strategic Housing Land Availability Assessments, including simplifying the process;
- utilising rural housing enablers to gather evidence base (suggested by a National Park Authority as well as a rural housing enabler);
- utilising the Parish Plan and Village Design Statement alongside the housing needs survey (parish council suggestion);
- assessing affordable housing need using indicative figures or Housing Registers alongside a Housing needs survey;
- establishing a central database of evidence for rural areas (such as the Housing Intelligence scheme run in the East Midlands as an example);
- partnership working with other relevant stakeholders to provide a robust evidence base (highlighted by *CABE*); and
- clearer guidance on the evidence requirements for the LDF and Core Strategy.

¹⁶ Planning and Compulsory Purchase Act 2004, received Royal Assent on 13th May 2004

¹⁷ Page 1, PPS 12 Local Development Frameworks, published by ODPM September 2004 now superseded by PPS 12 Local Spatial Planning, published by CLG June 2008

5.7 Alignment with Sustainable Communities Strategies

Sustainable Communities Strategies seek to identify the strategy for a community with the aim to make such communities more sustainable encompassing a focus on integrating social, economic and environmental issues and in tackling the area's longer-term and more global impacts. Sustainable Communities Strategies are produced by Local Strategic Partnerships which bring together a range of stakeholders at local authority level.

A number of respondents commented on delay in either the production of the LDF or the Sustainable Community Strategy, including the lack of alignment between timescales and the potential to amend strategies more expediently than Core Strategy policies.

The responses did not indicate that mis-alignment between the LDF and Sustainable Communities Strategies was a particularly prevalent issue. Responses included suggestions as to how the alignment (of the LDF and Sustainable Communities Strategy) could be improved or comments regarding the inherent unsuitability of such strategies with the practicalities of rural life.

Cornwall County Council Response to the Call for Evidence

The response from Cornwall County Council provided an oversight into the relationship of the Local Development Framework with the Sustainable Community Strategy and the opportunities the planning system affords in relation to spatial planning, particularly as Cornwall moves towards the development of a unitary authority (One Cornwall).

“Bringing the planning and regeneration functions of Cornwall's seven local authorities together into 'One Cornwall' is well advanced. This will aid the move toward 'spatial planning' and a multi-disciplinary approach, particularly through the community consultation and pre planning experience of those with a regeneration background. The Local Area Agreement and Sustainable Community Strategy processes also aid this approach, providing a forum for cross professional working and influence but tempered by a range of pressures.

Recruitment and retention have been particular challenges for planning and regeneration departments across Cornwall. One Cornwall is an opportunity to be able to address these issues and promote more cross sector working.”

6 Delivery of Affordable Housing

6.1 Introduction

Methods for the delivery of affordable housing are set out within national policy guidance contained in PPS 3, with three main delivery methods:

- providing affordable housing as a percentage of a wider development including market housing;
- the allocation of sites for 100% affordable housing; and
- the implementation of rural exceptions policies to allow sites to be brought forward for 100% affordable housing where there is evidence of specific local need (these sites not having been previously allocated for housing within the development plan).

This chapter seeks to explore the issues around sites allocated for affordable housing and sites brought forward through rural exceptions policies, as well as addressing the role of the Planning Appeals process in affecting delivery. The chapter also discusses the potential for bringing forward delivery through stronger community engagement and in particular the role of Community Land Trusts. The themes discussed in this chapter relate to the responses to the following questions:

B6) While plan led allocation of sites for development is the main process for new housing delivery, for very small rural communities, rural exception sites are the most likely avenue for affordable housing, but relatively few come forward. How could or should local communities be encouraged to bring forward suitable exception sites – what is the role of the community (including the parish council), the local authority (officers and members), rural housing enablers, or others? And what should the balance between plan led allocation of sites and exception sites be?

B8) What is the role of the planning appeals system – how is it influencing decisions in practice? Are there changes that would be appropriate to guide planners and developers as to what evidence inspectors need, and their likely approach?

B9) How has advice and reports from the Planning Inspectorate (PINs) affected policies for the provision of affordable housing in rural areas? How have local authorities responded to this?

B11) The planning system requires evidence based decisions – how is the need for evidence effecting outcomes, and could the process for obtaining appropriate evidence be clarified or simplified?

B14) Are there any difficulties in delivering rural affordable housing while Local Development Frameworks are under preparation? For example, does it affect where and how much affordable housing can be negotiated in a rural community or affecting the supply of rural exception sites?

B17) What might the benefits or disadvantages be in using a Community Land Trust model for the development of affordable rural housing?

B19) What might encourage landowners to offer land at low cost for affordable housing in rural communities, especially for exception sites?

6.2 Delivering rural exception sites

6.2.1 Introduction

Where a rural exceptions policy is included in a Development Plan (see Chapter 5), it enables the authority to grant planning permission for small sites, within and adjoining existing villages, which may be subject to policies of restraint, and which the development plan would not otherwise release the housing. Such affordable housing should meet local needs in perpetuity, by using either or both of planning conditions and planning obligations. Issues surrounding the delivery of affordable housing on exception sites were raised by question B6, considering the role of stakeholders in the delivery of such sites and the balance between exception sites and housing sites allocated through the Development Plan.

6.2.2 Delivering exception sites

Almost two thirds of the respondents to the Call for Evidence considered the issues surrounding the delivery of exception sites. However, a small proportion refuted the tone of question B6 that relatively few rural exception sites were coming forward (question B6 states: while plan led allocation of sites for development is the main process for new housing delivery, for very small rural communities, rural exception sites are the most likely avenue for affordable housing, but relatively few come forward). *Penwith District Council* in Cornwall said that 90% of its affordable housing provision in 2007/08 was from rural exception sites.

The *Housing Corporation* provided evidence to support its assertions that significant levels of affordable housing were being delivered on rural exception sites. For settlements under 3,000 population the Housing Corporation asserts that exception sites provide around 40% of the total affordable housing development:

Figure 6.1 Exception site developments in rural settlements by region (Source: Housing Corporation)¹⁸

Region	Exception Site development as percentage of overall development in settlements with less than 3000 population
North West	38%
North East	24%
Yorkshire & Humberside	40%
West Midlands	44%
East Midlands	39%
East	36%
South East	32%
South West	40%

Devon and Cornwall Housing Group focused on what they perceived to be a strong level of co-operation between local authorities and registered social landlords through the Cornwall Housing Partnership and their understanding of a universal commitment to rural housing there. *Shropshire Hills AONB* highlighted a potential pathway for the delivery of rural exception sites:

¹⁸ Housing Corporation Affordable Housing Programme Exception Sites 06/08

Shropshire Hills AONB Response to the Call for Evidence

“South Shropshire is a little different. Because of its very rural nature, the approach has been to develop exception sites.

The Clun Life & Livelihoods approach involves communities at the grass roots and helps them to help themselves. This is one way forward. Another is to use the Parish Plan process to encourage communities to identify both the numbers and potential locations for new affordable housing. If this approach is facilitated by planning officers it should produce a less adversarial situation and speed up provision linked to genuine local need. It is resource hungry at the beginning but may prove to be more effective and efficient in the long run.”

It was acknowledged however by several regional and local government respondents that delivery on rural exception sites was time-consuming and resource intensive (comprising approximately one quarter of the responses on this question). Some considered the effort in co-ordinating the delivery of exception sites worthwhile, whilst others saw delivery through other means such as percentage provision on market housing sites as being easier to deliver.

6.2.3 Engaging the community in delivering affordable housing

A main factor influencing success was seen as the extent of community "buy in" to affordable housing schemes and exception sites. Many respondents advocated a bottom up approach to the identification of local need and of possible sites, including the importance of a partnership between the local community, the parish council and the district council.

The important role of parish councils was recognised by the majority of respondents who focused on the role of the community in bringing forward such sites. The general perception was that parish councils provided a positive stimulus to local involvement in assessing the need for affordable housing and identifying potential sites (landowners often sit on the parish council). However, a small proportion of respondents pointed out that in some locations parish councils may not adequately represent the voice of the neediest and may resist any form of development due to pressures from those opposed to housing development. A number of community organisations and a national housing association operating in rural areas suggested that parish councils should have a statutory duty to assess housing need regularly and to support delivery where a housing need is established.

A number of respondents who commented on the roles of stakeholders in bringing forward rural exception sites (Question B6) praised the independent role formed by rural housing enablers; these respondents particularly mentioned the role of the rural housing enabler in supporting local communities to identify housing need, helping to identify sites, and acting as a mediator if necessary between district councils and parish councils; also prevalent within this group being an appreciation of the fact that such enablers were independent of local government allow to them to develop trust between local communities, landowners and registered social landlords/the Housing Corporation. Local authorities and registered social landlords themselves were concerned about uncertain sources of funding to enable this role to continue. Only a minority of respondents expressed any doubts about the role of rural housing enablers, including that they should have a better grasp of planning issues.

Just over a quarter of the respondents to this question (B6) made reference to the role of the local authority in developing exception sites, setting out the desire for a strong and proactive leadership role in terms of raising awareness of the process, encouraging engagement from all sections of the community and assessing sites offered by landowners and/or community interests. *North Shropshire District Council* in particular set out their

approach to engaging in the delivery of affordable housing through the development of a Community Asset Trust to manage land for affordable housing development:

North Shropshire District Council Response to the Call for Evidence

North Shropshire's response focused on their recently established Community Asset Trust (CAT) to be managed by a partnership including council nominees, business stakeholders and the local community. The CAT is a delivery vehicle in which the Council have invested their land for affordable housing development and wish to encourage private individuals and companies to do the same, or offer land for less than market value and investigate the potential for land contributions under Section 106 agreements.

A small number of respondents identified a need for local authorities to play a stronger role in actually identifying sites. Some district councils in Cornwall advertise for land, and *Devon and Cornwall Housing Association* suggested the creation of registers of sites. The issue of how to improve the role of local authorities in delivering affordable housing through capacity building and skills development is addressed in Chapter 7 of this report.

6.2.4 Balancing delivery of exception sites and allocated affordable housing

Question A6 raised the issues surrounding the supply of land for employment purposes and whether there is a need for new sites for business in rural communities. A number of respondents commented on the availability of land and its potential for obstructing the delivery of adequate levels of affordable housing.

A small proportion of the respondents commenting on this issue considered land availability would be a major constraint in defining the balance between exception sites and sites allocated for affordable housing. Other constraints on the delivery of exception sites were identified as problems in making schemes viable, shortage of resources within registered social landlords, and a general lack of understanding of the process of delivering both exception sites and lack of clarity as to how sites could be allocated for 100% affordable housing through the LDF process.

A small number of respondents indicated that exception sites could be particularly useful in the short term in bringing forward affordable housing development in the absence of the LDF Core Strategy and Development Plan Documents.

6.3 Local Development Frameworks

Question B14 encompassed the issues around delivering affordable housing whilst LDFs are under preparation, often in the absence of a comprehensive development plan and where existing housing allocations (in the previous development plan) are likely to have been delivered. Issues with the preparation of LDFs are considered at section 5.2.3 of this report.

Approximately half of the respondents commenting on affordable housing delivery in the absence of an LDF observed that landowners were holding back on possible exception sites in the hope that the land might be included in the future as an allocated site, allowing some market housing in a development plan document as part of the LDF. This view was widespread across the country. The remaining respondents perceived that where local authorities were relying on the wording of saved policies from the old local plan this was constraining the ability of the local authority to negotiate on affordable housing provision.

6.4 Evidence to support rural exception sites

Approximately half of the respondents commented on the evidence needed to justify a rural exception site. Suggestions were put forward by respondents in relation to the evidence needed to support the case for justifying a rural exception site, including:

- Utilising Parish level evidence including the Parish Plan, village appraisals and design statements, and the Parish housing needs survey (suggested by a number of parish councils); and
- a role for Strategic Housing Market Assessments to assist in the developing the evidence base in the future (suggested by regional organisations).

A small proportion of rural business respondents felt that the onus of proving need should rest more squarely on the shoulders of local authorities with a greater focus on improving the evidence base.

6.5 Community Land Trusts

The Call for Evidence asked respondents for their opinion on the advantages or disadvantages of using a Community Land Trust (CLT) to deliver affordable rural housing (question B17). A CLT involves a landowner vesting land in a trust (by gifting, leasing or a reduced cost sale) and the community devising a small scale scheme that meets community needs (can be mixed tenure housing, business premises and/or local facilities), organising its construction, setting nominations policy, and taking responsibility for on-going maintenance.

Holsworthy Community Property Trust Response to the Call for Evidence

Holsworthy Community Property Trust response focused on the schemes they are developing to provide affordable housing for local needs in the local area. The trust has funded the purchase of five flats which have been sold on a shared equity basis for local affordable housing. The trust are now developing a 'Do It Yourself' shared equity scheme whereby the Trust funds potential mortgage shortfalls of purchasers utilising their equity share in the property.

Respondents were generally very positive about the potential of CLTs. However some respondents highlighted disadvantages of CLTs. The most frequently cited advantages of CLTs were identified as:

- local control, community empowerment, active citizenship;
- ability to maintain affordability of the houses in perpetuity (locking in the benefits of any subsidy received e.g. from the Housing Corporation);
- encouraging land to come forward that would not otherwise have been available;
- reducing local opposition to new development;
- ability to ensure that the housing benefits local people; and
- creating a community asset that increases in value, and generates a revenue stream for reinvestment in the local community.

Other benefits mentioned by those respondents involved in the processes included:

- scope for innovative financing solutions, including the ability to bring European Social Fund and European Regional Development Fund funding streams together in qualifying parts of the country;

- opportunity to bring forward mixed schemes including intermediate as well as social rented housing, and affordable workspace; and
- freedom to use local builders hence keeping the benefits of construction spending in the locality.

The relative optimism summarised above was tempered, often from the same respondents, by a sense of realism about the scale of affordable housing that could be delivered by this means, and the practical challenges in using this model. The most frequently mentioned constraints were:

- the long timescale and complexity involved in setting up a CLT requiring dedication and skill from local people;
- the challenge of maintaining interest from the Trustees and longer term commitment in order to manage the housing asset; and
- the risk of bias in housing nominations favouring those known to the Trustees and/or the type of residents perceived to be compatible with the village. A few respondents particularly housing associations also raised fears about maintaining confidentiality of tenant information.

Several respondents also identified constraints on:

- the capacity of local authorities to support community efforts in this direction;
- the availability of suitable land; and
- difficulties of financing such ventures.

Some respondents identified scope for good practice to be shared from the seven pilot schemes which are currently being supported by the Housing Corporation and that the offer of more support to communities might increase take-up, citing examples such as the employment of a coordinator to work alongside the rural housing enabler in Cumbria to progress CLTs.

6.6 Planning Appeals

6.6.1 Introduction

Applicants are able to appeal to the Planning Inspectorate in the event of a planning application being refused or its non-determination within the time period set by national guidelines. The appeal will be determined by a Planning Inspector. Questions B8 and B9 related to the role of the Planning Inspectorate influencing the delivery of affordable housing both in the appeals system and the development of policy. Responses concerning the influence of the Inspectorate on LDF policy are provided at Chapter 5 of this report, whilst this section focuses on the influence of the Inspectorate on the practical delivery of affordable housing schemes (question B8).

6.6.2 Main issues

Many respondents commented on issues pertaining to the role of the Inspectorate. A handful of respondents considered that appeals have little bearing on the delivery of rural affordable housing given their relative infrequency on small scale schemes of this nature. Housing associations indicated predominantly that such schemes rarely go to appeal. Several respondents considered that this route should be a last resort, with maximum effort being put into negotiations between planners, developers/housing associations, and the local community.

Of those who responded to this question, about one third considered that the current appeals system is largely working well, representing an opportunity for an independent assessment of the case. The majority expressed concerns regarding the appeal system, falling into five broad categories:

- respondents concerned about consistency in decisions;

- respondents who felt the threat of costs was forcing local authorities to back down from demanding high levels of affordable housing on market developments;
- respondents concerned about the influence of developers on appeals;
- respondents concerned about the rigidity, complexity and cost of the appeal process; and
- in two cases, respondents who were in favour of third party right of appeals, allowing other parties (such as members of the public) to challenge local authority decisions other than through judicial review.

The largest group concerned about decisions made by the Planning Inspectorate suggested that some decisions on rural affordable housing were inconsistent. In addition it was regretted that some Inspectors did not, or felt they could not, give adequate weight to local policy until it was adopted formally. Several instances were cited where interim guidance on the size of site where affordable housing would be expected (site thresholds) was not influential on the outcome. This gave rise to the statement by the *Country Land and Business Association* and *Business in the Community* that Inspectors did not fully understand the needs of rural areas - both quoting a case in High Bickington to illustrate this point, considered below in the response from *Community Finance Solutions, University of Salford*:

Community Finance Solutions, University of Salford Response to the Call for Evidence

“In High Bickington (Devon) a community-based group was set up to identify the needs of the parish and developed proposals for its regeneration over the next 20 years. A proposal was then submitted, supported with a pump priming grant from DEFRA, for 36 affordable houses, private homes, workspace, community facilities and woodland, to be managed by a Community Property Trust. In addition, a new primary school (closely integrated with the above development) would be the responsibility of the County Council, and it was proposed that a new playing field, pavilion and changing facilities would be run by the High Bickington Playing Field Association, involving a 'land swap' with the existing playing field. However the outline planning application was refused, following a Local Public Inquiry, in spite of overwhelming support from local residents and public authorities. The reasons given were that it conflicted with the local development plan and lead to an oversupply of housing land.”

Another case at Tynedale was also quoted twice where affordable housing had been refused apparently because the village was not sustainable in the Inspector's eyes which in this case meant not having a village shop.

Country Land and Business Association Response to the Call for Evidence

“If the recent Tynedale appeal is anything to go by, the Planning Inspectorate would appear to have its own definition of sustainability which includes the need for there to be a village shop in each village in order for a village to be declared “sustainable” and therefore able to take new affordable housing development. This runs counter to PPS 3 – it would appear that PINS haven't taken on board the messages in PPS 3 either.”

The *Planning Inspectorate* submitted several appeal decisions to illustrate the complexity of local factors that have to be taken into account not just the need for affordable housing. They stressed that each case has to be taken on its merits. Nevertheless a few

respondents suggested that local authorities could make more use of PPS 3 in defending the need for affordable housing, given that national policy is an important material consideration particularly if local policy is not up-to-date.

Planning Inspectorate Response to the Call for Evidence

The Planning Inspectorate commented on the need to consider each case on its individual merits indicating that in many circumstances affordable housing schemes have been unacceptable for other reasons which are not outweighed by the need for affordable housing:

“The schemes which come before us have already been deemed to be “inappropriate” for one reason or another by the LPA. In this context, we have found that common stumbling blocks for schemes at the application and appeal stage often relate to the following issues:

Insufficient evidence of need in the area.

The proposal being out of scale to the identified need or size of the existing settlement (eg the case of land at Little Bickington Farm, High Bickington, Umberleigh, Devon, which was refused planning permission by the Secretary of State in May 2006, which we understand you are aware of).

The size/type/tenure of the proposed housing failing to match the identified need.

Insufficient evidence that the proposal would provide genuinely ‘affordable’ housing, (ie in accordance with the definition found in Annex B of PPS 3) and that it will remain affordable in perpetuity (see annexed decision dismissing an appeal in Mary Tavy, Devon).

The proposal being in an unsustainable location, (i.e. poorly related to community services and facilities).

The availability of more suitable alternative sites which have the prospect of delivering the identified need for affordable housing.

The proposal being of an unsuitable design or inappropriate density.

We believe these are all important considerations which must be addressed in order to ensure a development proposal would constitute sustainable development. Clearly, the publication of Best Practice Guidance, which could cover the issue of suitable evidence, may help all involved in the process.”

Another set of respondents perceived that local authorities were backing down from the prospect of an appeal because they feared that the Inspector would award costs against them if their case was not watertight. Some saw this as resulting in schemes which did not achieve as high a proportion of affordable housing as they might have. Respondents' views on the way in which Inspectors are examining affordable housing policies in LDFs is given in Chapter 5.

6.6.3 Scope for improvements

Question B8 also asked for comments around the evidence necessary to support affordable housing policies. Approximately one third of the respondents to this question provided comment on this matter, suggesting changes and the publication of best practice guidance on the appeals process. It was also suggested that such guidance could include information as to the approach taken by Inspectors in relation to determining appeals where the level of affordable housing proposed is not acceptable to the local authority, (particularly suggested by Housing Associations and parish councils).

Within the responses from local authorities it was suggested that the evidence needed to support rural affordable housing schemes should be clarified and possibly simplified to reduce delays in delivery. Suggestions included a standard evidence template, a standardised approach to housing needs surveys, and a specialised database of appeal decisions and contacts. A need for top up skills training for Inspectors on rural issues was

suggested by two respondents, whilst *West Midlands Regional Assembly* would welcome better strategic intelligence on the way that policy is working in order to target support and incentives to particular areas of need.

Other stakeholders predominantly suggested that greater weight should be given to the need for affordable housing in decisions. For example, making the burden of proof closer to that in an appeal to the ombudsman, such as some form of maladministration, or making the developer prove that there is no affordable housing need. This position would give greater freedom for local communities to identify and meet needs, as expressed below by *Somerset Strategic Planning Conference and Somerset Strategic Housing Officers Group*:

**Somerset Strategic Planning Conference and Somerset Strategic Housing Officers Group
Response to the Call for Evidence**

“In accordance with PPS 3, Somerset authorities promote a needs led approach. They start with the analysis of need, engage the community in the reasons for and the desirability of meeting that need and then identify sites that meet need, even if the sites are outside current development boundaries. The rules around this need to be totally transparent and applied to all levels of the planning process including the planning appeals system. The planning appeals process, in particular, seems to be unpredictable in terms of the outcome of an appeal. Often there doesn't appear to be a methodology or likely approach of the inspectorate involved in the process. The process should include some freedom for communities to work out their own approach to meeting demand and build schemes that work for their community and particular settlement.”

7 Facilitating Better Decision-Making

7.1 Introduction

The Call for Evidence asked respondents to consider issues surrounding the resourcing of local authorities and whether there were any significant skills gaps relating to the local implementation of guidance in PPS 3. Alongside this respondents were also asked to give views relating to the extent PPS 3 was being implemented at the local level and how the decision making process (and role of Councillors, local authorities and communities) could be improved in relation to delivering affordable housing.

The themes discussed in this chapter relate to the responses to the following questions:

B5) Are there any skills or resource gaps within local authorities that hinder the adoption of PPS 3 based rural affordable housing policies? For example, (i) with regards to testing economic viability, (ii) adoption, maintenance and use of Strategic Housing Market Assessments, (iii) supporting community engagement, and (iv) use of Strategic Housing Land Availability Assessments. How might these gaps be filled?

B6) While plan led allocation of sites for development is the main process for new housing delivery, for very small rural communities, rural exception sites are the most likely avenue for affordable housing, but relatively few come forward. How could or should local communities be encouraged to bring forward suitable exception sites – what is the role of the community (including the parish council), the local authority (officers and members), rural housing enablers, or others? And what should the balance between plan led allocation of sites and exception sites be?

B7) PPS 3 allows local authorities to set their own threshold on the size of development above which they will seek a proportion of affordable housing, rather than the national indicative minimum threshold of development of 15 units (and to set different thresholds across communities in a local area based upon their local circumstances). To what degree are local authorities setting their own thresholds? How is this policy being used locally – what are the blockages to its effective use? How could local authorities' ability to negotiate with developers/landowners be improved?

B12) What role do local councillors have in the provision of rural affordable housing? Could they be better supported (and if so how?) to take a positive leadership role that would encourage increased delivery?

B15) How do local communities currently affect the delivery of rural affordable housing and what steps/support might encourage them to engage more positively?

B16) What might best reduce local opposition to new affordable housing development in rural communities?

B19) What might encourage landowners to offer land at low cost for affordable housing in rural communities, especially for exception sites?

7.2 Planning officer skills and capacity

Question B5 asked for comments on the skills base and resource management of local authorities, whilst B7 asked respondents to comment on the local implementation of PPS 3; with the respondents highlighting skills shortages suffered by local authorities as a key barrier to this local implementation. Whilst Chapter 5 of this report considered issues

surrounding skills in the delivery of planning policy and the LDF, this section focuses on how the perceived skills gap and resource issues faced by local authorities are affecting the grass roots delivery of affordable housing.

Many respondents commented on the skills and capacity of local authorities and its impact on the delivery of affordable housing, relating specifically to the skills areas identified in question B5, (testing economic viability, adoption, maintenance and use of Strategic Housing Market Assessments, supporting community engagement, and use of Strategic Housing Land Availability Assessments). Primary considerations regarding skills in the development control process related predominantly to economic viability assessments on proposals for individual sites. A limited number of respondents used this question to directly highlight the role that rural housing enablers could provide to facilitate delivery and assist in addressing the skills gap.

Respondents who focused on issues of local authority skills and capacity comprised a wide variety of stakeholders (including all levels of authorities, rural business, private developers, rural housing enablers, umbrella organisations and to a lesser degree of parish councils). The consensus was that economic viability assessments provided a challenge to local authorities for delivering affordable housing with local authorities having an inadequate skills base to sufficiently appraise schemes. A small proportion of stakeholders also highlighted this in relation to the recruitment shortages widely expressed by local authorities (incorporating concerns from the business community as well as local authorities).

The majority of respondents who commented on the reported skills gap for local authorities in rural areas also identified on potential solutions to the problem. A quarter of these respondents considered that greater partnership working could address the skills gap, incorporating joint working within local authorities, cross-authority working and taking advantage of the IDeA mentoring programme¹⁹ to facilitate the spread of best practice methods amongst local authorities in rural areas.

The Prince of Wales' Affordable Rural Housing Initiative Response to the Call for Evidence

“There is generally a problem of lack of capacity in local authorities, particularly smaller rural district councils. They are expected to deal with an increasing range of complex issues and policies without the staff and expertise to do so (particularly in relation to housing, where many councils no longer have any housing stock in direct control, but still have to meet a range of requirements and statutory duties). It is not surprising that some councils become risk averse or inhibited about being more proactive and imaginative. There are a number of proposals for providing support for local authorities in discussion eg the work of IDeA. But consideration should be given to the sharing of resources, including staff, mentoring by larger authorities, including urban authorities and also the possibility for using private sector support, perhaps through similar schemes as those developed by BITC [Business in the Community]. “

Some respondents put forward suggestions as to how local authorities could improve negotiations with developers through the development control process. A few respondents felt that greater understanding of economic viability assessments, including additional training for officers would help with the assessment of such schemes. A small number of responses put forward the case for more joint working across local authority boundaries, with closer partnerships between local authorities, so that developers would not be able to 'play' one authority off against their neighbour.

¹⁹ IDeA Rural Excellence Mentoring Programme helping rural authorities to build capacity and improve services. The mentors are politicians and senior officers from rural councils who have been accredited as IDeA peers. The teams also include mentors with experience of working with rural communities and of regional government including Rural Development Agencies and Government Offices.

Forest of Dean District Council Response to the Call for Evidence

“With regards to testing economic viability many small local authorities lack the capacity and expertise to carry out such viability assessments. This is coupled with an uncoordinated approach at a national level which produced the requirement within PPS 3 without very little guidance or support for the actual implementation of such testing, which has resulted in consultants being employed to conduct numerous assessments and thus diverting valuable funding.

The implementation of a proper recognised accreditation course or scheme that led to local authority officers being sufficiently equipped to undertake such assessments would be advantageous and help strengthen local authority negotiating abilities.”

7.3 Supporting local authority councillors

Just over half of the respondents reported how local Councillors could affect the delivery of affordable housing and how they could be supported better in improving delivery. Understandably, district councils provided the greatest level of response to this issue, with parish councils providing the second highest number of respondents.

Half of the respondents commenting on this issue considered Councillors had a positive role to play in the delivery of affordable housing, providing leadership and potentially playing a role as Affordable Rural Housing Champions. Councillors were also portrayed as having a role in communicating with local residents as well as providing a link between the Parish and the local authority, as well as utilising local knowledge to help facilitate delivery. A small minority of responses commented that Councillors did not influence affordable housing delivery or were likely to frustrate such delivery.

Sue Hitchcock (Rural Housing Enabler) Response to the Call for Evidence

“Strong leadership and persistence from local councillors is crucial in the provision of rural affordable housing. RHEs need to support local leaders in this role. Parish councillors find it difficult to understand why the process takes so long. Good information and communication is the key to keeping them motivated in the task and needs to be supplied by all partners. “

Some respondents suggested that Councillors should undergo specific training regarding affordable housing provision. Some responses highlighted the potential for member forums to allow members to have a greater influence in the delivery and understanding of the process, as well as the concept of an IDeA style programme for member leadership was also raised.

7.4 Joined up delivery and engaging with local communities

Question B6 focused on the roles stakeholders should play in the delivery of rural exception sites and encouraging community engagement, as well as asking for comments on the balance between delivery of exception sites and plan led allocation. Whilst the themes in this question relate predominantly to delivery of exception sites, they also relate to wider partnership working to deliver affordable housing on both allocated and exception sites.

A number of respondents took the opportunity to comment more generally on the exception site process, indicating the success or otherwise they had in bringing forward sites or commenting on whether exception sites should be encouraged (further discussion regarding rural exception sites is provided in Chapter 6 of this report). A number of respondents

indicated that a form of partnership approach with the local community helps with delivery, suggestions including:

- the use of front line community workers or rural housing enablers;
- engagement with the community, encompassing the district and parish council;
- use of Parish Plans and Village Design Statements to improve community engagement; and
- land supply options being identified by a partnership of registered social landlords and parish councils in conjunction with the rural housing enabler.

Respondents highlighted that the local authority has a dual role to play: both in the identification of potential exception sites, working with the local community and a partnership of stakeholders to bring the sites forward; but also as the determining authority. Respondents gave substantial weight to the role of the community in driving forward the delivery of exception sites, with approximately a third of the respondents to question B6 commenting on the crucial role of the community in the delivery of such housing schemes.

Long Compton Parish Council Response to the Call for Evidence

Long Compton Parish Council submitted their village as a case study of the issues and challenges facing a small village, demonstrating techniques to involve and engage the local community including the adoption of a Village Design Statement adopted as supplementary planning guidance by the LPA and the development of a Parish Plan. The village is in a conservation area and AONB, has very high housing prices, an “air of affluence” and yet a number of local households in significant housing need. Affordable housing is one of their highest priorities. Having undertaken a detailed housing needs investigation, the Warwickshire Rural Housing Association (on behalf of the parish council) identified need for 11 affordable units to meet existing demand and 5 units of future requirement.

Four two-bedroomed units were the first to be granted planning permission under Stratford District Council’s “Local Choice” policy. The units were completed in 2005, and serve as a model of best practice for small rural communities in need of local affordable housing:

“The combination of SDC policy for building small communities through Local Choice and the identification of the local need have worked extremely well for Long Compton. Firstly, the tool is available to gain planning consent, and, secondly but by means no less important, involvement of the community overcomes local opposition. “

Around one third of the respondents commented on the role of rural housing enablers, with funding for rural housing enablers being a critical concern amongst these respondents (including parish, district and unitary/county councils as well as rural housing enablers themselves). The enablers were universally seen as facilitating partnership working and community engagement. Some respondents indicated that the independence of the enabler from district councils helped communities to accept their role in bringing sites forward for development.

Some respondents highlighted the role of other groups (stakeholders) in relation to the delivery of exception sites, and the potential for improving community engagement through their involvement in the development of rural exception sites. Suggestions for the inclusion of other stakeholders within partnership working included:

- landowners and private sector professionals, including private developers and property professionals; and

- involving local authority affordable housing officers in developing and bringing forward exception sites.

7.5 Release of land for housing

7.5.1 Overview

Around half of the respondents provided comments and suggestions regarding the release of land, particularly for exception sites, with a significant proportion of the responses from district councils.

These responses included a number of suggestions to encourage landowners to release land for the delivery of affordable housing (the responses did not differentiate between delivery of exception sites or allocated sites for affordable housing). Four options for encouraging the release of land were identified:

- addressing the value which can be paid for the site, potentially through increasing Housing Corporation restrictions on plot values;
- allowing a proportion of cross subsidy or allowing the landowner to build a dwelling for family or employee occupation on the land;
- guaranteeing housing is retained in perpetuity and cannot be sold as market housing in the future, which would ease landowners fears that subsequent owners would profit sufficiently from the increase in value from affordable to market housing; and
- providing a clear policy direction that no market housing will be allowed on the site, thus negating any hope value.

7.5.2 Addressing land value

A large number of responses provided comment around the issue of land value. A number of respondents suggested that there was a need to erode hope value (whereby landowners refuse to release land for affordable housing in the hope that they may be able to sell it for market housing development). Most put the onus on planners to increase awareness that affordable housing was the only option for the land in question, including confirming that village boundaries would not be extended. A few respondents recognised the difficulty in guaranteeing the position in the longer term, and one considered that cross party political support was needed to reinforce this message. A small number of respondents considered that local authorities should be more prepared to use or threaten the use of compulsory purchase order powers. A few considered land agents should be more realistic in the advice that they offer, with a localised problem in Northamptonshire being cited, whilst a small proportion of respondents considered that a more realistic land price should be offered.

A number of respondents considered that the prices paid for land for affordable housing were now too low given the increases in agricultural land values. One respondent suggested that a standard plot value should be established consistently across an area, citing the partnership approach of the Hampshire Alliance for Rural Affordable Housing arrangement (a partnership between the Hampshire district councils and rural housing enablers), which led to consistency between the approach of neighbouring authorities towards delivering affordable housing.

7.5.3 Incentives for landowner release

A minority of respondents (comprising some district and parish councils, rural housing enablers and housing associations/registered social landlords) stated that the answer to securing land release for affordable housing lay in giving the landowner a greater incentive for making their land available. About half these responses offered suggestions that included allowing the landowner to have nomination rights over all or part of the houses either for themselves, their family or their employees; whilst the other half of responses suggested proposals focused on financial incentives, either through exemption from or

reduced liability to Capital Gains Tax, Inheritance Tax, Council Tax or business rates, tax relief on company profits or some other form of tax incentive.

The challenge of ensuring rural affordable housing will remain affordable in perpetuity was raised by a number of respondents. Some form of community-based landownership was often suggested as a mechanism for this. An alternative identified the opportunity for the landowner to retain ownership of the site but make their land available on leasehold, hence giving them a long-term revenue stream through rentals. The *South West Regional Development Agency* stated that this latter mechanism was built into their established model:

South West Regional Development Agency Response to the Call for Evidence

“The model [for bringing forward the release of land for affordable housing] enables a number of blockages to land coming forward to be removed:

1. By allowing the land-owner to retain free-hold it enables land held in trust to come forward.
2. It enables the land owner to realise a long-term revenue stream that is far more attractive to them than the one off, small capital payment that they receive through the traditional delivery route.
3. The land-owner can have far more control over design issues - most are put off traditional exception site delivery by the poor design of the units that will then sit within or at the edge of their land.
4. The landowner, also likely to be a local employer, can retain some interest in who the properties are let/sold to.”

Other suggestions also made reference to ensuring any future sale as market housing would also benefit the previous owner of the site. The resultant uplift in land prices, should affordable housing be sold as open market housing, being shared between the housing provider, the landowner and the previous property owner. One district council suggested a possible need for a standard agreement on uplift in existing use value.

A minority of respondents, both from the private and public sector, were in favour of allowing a small amount of market housing on exception sites, or other mixed uses such as employment, in order to cross subsidise the provision of affordable housing.

7.5.4 Engaging and negotiating with landowners

Another group of respondents commented on the way in which local authorities engaged with landowners in an attempt to release land for affordable housing. A number of respondents indicated that local authorities could adopt a more proactive enabling role, targeting landowners, developing a long-term relationship with some, or setting up a landowners forum to work in partnership to identify and deliver sites. One respondent stressed that negotiations should be handled sensitively given that landowners view their land as a family legacy.

Respondents suggested that the positive benefits to the local community should be stressed in any negotiations with landowners for example; maintaining the viability of village services and shops, guaranteeing the housing would be for local people through the use of local occupancy conditions. Giving landowners recognition for their action by allowing them to name or dedicate a scheme might also be helpful. Involving landowners to a greater extent in the subsequent development process, through design influence, making transactions between local authorities and registered social landlords transparent, open book accounting, were also mentioned. The role of parish councils and rural housing enablers in facilitating the process was also generally encouraged, with their input generally seen as a positive measure in securing the release of land.

South Hams District Council Response to the Call for Evidence

South Hams response set out the main ways of enabling the release of land for affordable housing:

“The most significant elements that could help to encourage landowners to offer land are unchanged:

- Assurance that the affordable homes built will remain affordable and will truly meet local needs
- A clear adopted policy framework that establishes the likely land value they might hope to attain in the foreseeable future

Changes to the tax system could be made, to encourage landowners to bring forward land for affordable housing. “

8 Second and Holiday Homes

8.1 Introduction

Approximately half of the respondents addressed directly the issue of second and holiday homes and their impact on the availability and price of housing in rural communities. This issue was considered in the following question:

B18) There are representations from some rural communities that purchase of homes as second homes and holiday-lets is having a significant impact upon the availability and price of local housing. Others argue they have a modest impact in the context of wider housing supply issues and trends for migration from urban to rural areas. The Affordable Rural Housing Commission recommended that a new Use Class for second homes be introduced to allow such uses to be subject to local planning control. Do you have evidence that second homes and holiday-lets are having a significant impact (or otherwise) on rural housing supply generally, or in specific communities? And if so could this be practically addressed through the planning system, taking into account which communities may be affected and how any planning controls could be reasonably enforced?

8.2 Evidence of impact

Whilst almost all of the respondents who commented on second and holiday homes, made reference to the impact on rural communities, few respondents provided evidence (e.g. the percentage of holiday and second homes in rural communities, or other research which had been undertaken to prove the extent of their impact) to prove the extent of their impact. Generally the respondents asserted that second and holiday homes were having a negative effect in areas with a high proportion of holiday homes leading to a stagnation of rural villages and communities. Overall, just under half of the respondents who commented on the impact of second and holiday homes felt that these uses had significant impacts on the availability of housing in some rural areas, with many of the respondents commenting on the impact within their own particular locality.

Almost a quarter of those commenting on this issue however, felt that they could not directly attribute second/holiday homes as impacting on housing provision or did not feel that this was an issue in their area. The respondents who shared this opinion incorporated a number of parish councils; however, a number of the responses in this category indicated that whilst it was not a particular problem within their locality, they were aware that it could be an issue for other areas.

Commission for Rural Communities Response to the Call for Evidence

“Research by the Countryside Agency and subsequent work by the CRC demonstrates that in general second homes are not significant in rural areas and do not have a significant impact on the housing market. However, there are areas, primarily around the coast and designated high landscape areas where they have reached such high levels that they distort the local housing market and threaten the viability of rural communities.

The ARHC [Affordable Rural Housing Commission] proposal, which relies on the use of a Local Development Order may offer one way forward and is worthy of further investigation. The difficulty, as with all planning measures, will be identifying second homes and enforcing the policy. Although closer cooperation with HM Customs and Revenue may help as CGT [Capital Gains Tax] is payable on non primary residencies.”

The respondents that highlighted second and holiday homes as a particular issue were overwhelmingly located within the South-West (approximately one third of this group), with the East of England being the second most represented area.

This question was answered by a range of respondents, including district council respondents and a number of umbrella organisations encompassing local authorities as partners (including *Chief Economic Development Officers Society/County Surveyors Society, English National Park Authorities Association, Regional Rural Affairs Forum and the South West Regional Assembly*).

8.3 Controlling second and holiday homes through the planning system

In the region of one third of the respondents provided comments regarding the potential for the control or restriction of second/holiday homes in rural areas. Just over half of these respondents agreed that the issue of second/holiday homes should be tackled through the planning system, with particular reference and support for the idea of introducing a new Use Class Order. Alongside the introduction of a new use class, specific measures for tackling second/holiday homes through the planning system included:

- new homes built to address affordability should be designated for local occupancy;
- restrictions to require fulltime occupancy for homes in the National Parks; and
- designating in areas with high percentage of second homes, that smaller homes (those most likely to be otherwise purchased by first time buyers) may not be purchased as second homes.

A quarter of respondents commenting on the control of second/holiday homes felt however that there would potentially be significant barriers to planning restrictions; in that changes of use would not affect existing second/holiday homes and that the planning system would need a dramatic overhaul of the existing system. Respondents raised issues regarding the enforceability of such an alteration to the use classes or the practicality of interference in how people spend their money, as well as impact on the functioning of the local property market.

The *Association of Second Home Owners* argued that the extent of second home provision in England was limited in proportion to the overall housing stock; the Association also argued in their response for a clear differentiation between the impact of second and holiday homes:

Association of Second Home Owners Response to the Call for Evidence

“It is important to differentiate between second homes and holiday lets. Holiday lets service the tourist industry, and provide employment for local people in tourist areas. They are no different to bed and breakfast establishments and hotels, and they pay business rates in the same way.

There are, in fact, only 166,000 second homes in England, 40,000 of which are in London. That is less than 1% of housing stocks. These are the latest Government statistics based on local authority returns, not research estimates. They include properties temporarily owned by one family in the course of moving house, holiday chalets, and those dwellings that were never built to be affordable or intended for local occupancy. The figures do not include the aforementioned holiday lets which often blur the picture.”

Whilst not specifically falling within the remit of this review or raised by the Call for Evidence, in relation to question B18 (concerning the impact of holiday and second homes, and their

potential control thought the planning system), a number of respondents (in the region of one fifth of those who responded to B18) highlighted the potential for utilising fiscal measures such as increased council tax on second homes (which could then be ring-fenced for utilising in the provision of affordable housing) and increasing stamp duty for second homes.

9 Next Steps

9.1 Next Steps

The evidence from this report as well as individual Call for Evidence submissions will inform the findings of the Matthew Taylor review. This is due to be presented to Government in July 2008.

Appendix A

**Case Studies of Local
Good Practice and
Barriers/Blockages**

Respondent	Case Study Example	Key Issues Covered
Andrew Pratt (Rural Resident)	Tinkers' Bubble and Kingshill in Somerset, two schemes designed to be environmentally low-impact communities, the schemes have been granted temporary permission for temporary homes to be built, enriching village life and encouraging levels of food self-sustainability. Delivering affordable housing through sustainable development.	Development of environmentally and economically sustainable communities
John Stapleton (CABE)	The Village Carlyon Road, St Austell 14 acre award winning brownfield mixed use development (incorporating housing and employment development) including market housing and affordable housing delivered by a wide mixed public/private partnership.	Utilising partnership working between public and private sector to provide appropriate development addressing the needs of local communities.
John Stapleton (CABE)	The Russels, Broadway, Worcestershire, legacy site for furniture company. Worked in partnership with Wychavon District Council to create design brief for mixed use development, with the emphasis on quality design and stimulating local employment. Incorporated community engagement within proposals and incorporated special needs housing within overall development.	Ensuring the retention of appropriate workspace and adapting to the loss of existing business.
The Prince of Wales's Affordable Rural Housing Initiative	Development of 12 affordable homes, 8 for rent and 4 shared ownership, by Oxford Citizens' Housing Association at Bletchingdon, Oxfordshire, on land provided by the Duchy of Cornwall.	Partnership working between landowner and housing association.
Bill Tebay (Milecastle Housing Limited)	The Chains, Corbridge. Tripartite relationship between Duke of Northumberland and Charles Church, properties purchased for £50K each and providing 27 affordable units in mixed use, cluster development (2002).	Partnership working between landowner and housing association.
Building and Social Housing Foundation	Stonesfield Community Trust, development led by local activist who donated the site and provided funding for the development, provided 14 affordable housing units for local residents and workspace.	Community led delivery of affordable housing.
Building and Social Housing Foundation	Ibstock Community Enterprise Ltd, a village based development trust developed to address local economic decline; development enabled the reintroduction of a Building Society to the community.	Community led regeneration and economic development.

Respondent	Case Study Example	Key Issues Covered
Rosemullion Homes	St Breward, local authority land utilised in District with affordable housing need. Collaborative partnership between local authority and housing association to provide mixed development with market and affordable.	Partnership working between landowner (local authority) and housing association.
Rosemullion Homes	Swanpool, Falmouth, area of high affordable housing need where local authority delivery has been poor. Unallocated site identified with potential officer support if substantial delivery of affordable housing, decision on application currently pending.	Development of affordable housing on windfall sites.
Lancashire Rural Futures	<p>Poorland buildings, Slaidburn – conversion to business units which are let by trustees to locals in an attempt to encourage business start up;</p> <p>Foxhill language school, Gisburn – conversion of barn on existing farmstead for language school;</p> <p>Willow Farm, Wrea Green – relocation of existing business from elsewhere in the north west; and</p> <p>Halton Mill, Lancaster development for mixed use including live-work units.</p>	Enabling rural development through farm diversification and conversion of rural buildings, ensuring development is commensurate with size and scale of settlement.
East Midlands Rural Affairs Forum	S Lincolnshire near Swineshead, conversion of bungalow into range of office units, elsewhere a redundant church and former public house was converted to practical business workspace; redundant glasshouses have also been converted to provide an equestrian unit and shop.	Conversion of existing buildings to provide space for appropriate rural uses.
East Midlands Rural Affairs Forum	Northamptonshire farm development, provides accommodation for a range of small businesses, over half of whom are trading internationally. The farm is still operated in such a way as to provide a green envelope around the village, and was recently a regional runner up in Natural England Farm Awards.	Conversion of existing buildings to provide space for appropriate rural uses and diversification of farmstead.
Graham Parrott (Waverley Borough Council)	Queensmead, Chiddingfold. Local authority is supporting development of affordable housing in rural areas by transferring land to a housing association in exchange for nomination rights.	Partnership working between landowner (local authority) and housing association.

Respondent	Case Study Example	Key Issues Covered
Studley Parish	Studley Parish, Jephson homes development wherein land donated by parish council for affordable housing, but with conditions relating to who could occupy them.	Partnership working between landowner (parish council) and housing association to provide for local needs.
Roger Hopcraft/Anne Rogers (Eden District council) Cumbria Rural Housing Trust	Eden District - Local employer & registered social landlord carried out housing needs survey which established lack of affordable housing was a barrier to business. Employer donated land for 5 affordable housing units, of which 3 were reserved for their employees travelling excessive distances to work. Local shops/services benefitted from new custom.	Partnership working to establish local housing needs leading to delivery of appropriate affordable housing, incorporating engagement of local business community.
Howard Thomas (Member, South West Regional assembly)	Bridport, Dorset (Market Town) - Urban concentration policies promote good affordable housing and tasteful adaptation in keeping with town's rope making history. Sustainable rural housing through urban concentration policies in market towns.	Strong policy framework ensuring development in rural areas is appropriate to the scale and character of the settlement.
Herriard Estates	Manor Court Herriard, conversion of older buildings to housing to finance conversion of newer buildings for offices and new farm buildings.	Farm diversification and enabling development through appropriate conversion.
SPARSE/Rural Services Network	Dunsop Bridge, considering options for re-use of redundant buildings with active community engagement, including considering needs of the community.	Conversion of existing buildings to provide space for appropriate rural uses and ensuring the needs of the community are sufficiently met.
South East Regional Housing Board	East Meon, Hants. Site brought forward through open market in AONB, development of attractive market housing led to contributions for affordable housing and other community facilities within the village.	Provision of affordable housing through market housing development. Ensuring quality of design in new development.
Surrey Rural Partnership	Village of Peaslake - departure from Local Planning policy to meet local needs in one village. Local Planning Authority allowed one market house on a brownfield site that was not directly adjacent to village settlement to make wider affordable housing scheme financially viable.	Local authority departure from policy to financially facilitate development of affordable housing scheme.

Respondent	Case Study Example	Key Issues Covered
Sue Southwell (Rural Resident)	Hawkchurch, Devon, work between parish council, Rural Housing Enabler, Registered social landlord and local authority. Parish council concerned regarding affordability, Rural housing enabler carried out housing needs survey which showed support for a small development of affordable housing. Discussions were held with stakeholders and suitable exception sites identified, construction phase of the development is soon to complete.	Development of effective partnership working between stakeholders and local community to develop affordable housing on rural exception sites.
Caddington Parish council	BTR Automotive site, on A5, Dunstable North. Planning application originally submitted for housing but community and parish engagement with local authority has led to proposals for business use on part of the site.	Community engagement influencing delivery of economic development appropriate to local needs.
Cheshire County council	Cheshire's enterprise gateway at Reaseheath College near Nantwich. A one stop approach to business support providing rural small buildings grants and a rural planning facilitation service to those who wish to set up/expand a business in rural Cheshire.	Local authority engagement with business community to provide appropriate support for rural economic development.
Brian Berman (Member Teignbridge District council)	East St, Newton Abbot, planning application for 14 dwellings refused due to lack of affordable housing. Appeal Inspector gave weight to the affordable housing requirements in the emerging LDF Core Strategy and took into account the guidance in PPS 3. The developer subsequently revised the scheme to provide 50% affordable housing before subsequently agreeing with the Housing Association to develop the whole site as affordable housing.	Planning Inspectorate support for local authority emerging policy leading to the development of additional affordable housing.
Northumberland Housing Board	Embleton, landowner agreed to sell below open market value, with contribution from local authority, Registered social landlord and Housing Corporation. Robust housing needs survey and parish council was supportive to concept of development for affordable housing.	Partnership working between local authority, registered social landlord and landowner to deliver affordable housing.
Rural Solutions	Broughton Hall, Skipton redevelopment of the redundant farm and mill buildings on the Broughton Hall Estate into a rural workspace centre, provides accommodation for 40 companies employing over 500 people, providing incubator space.	Conversion of existing redundant farm buildings to provide business space including incubator space.

Respondent	Case Study Example	Key Issues Covered
Fiona Bryant (EEDA)	Barnard Castle Vision 20 year vision for regeneration and dev of market town into a leading rural service centre, heritage centre, entrepreneur hotbed & preferred location for value added manufacturing. ONE has been working on master-planning exercises for the area and for Berwick to harness population growth and take advantage of its location between Edinburgh & Newcastle,	Development of Regional Planning and Masterplanning as a tool to plan for sustainable rural areas.
Keith Parry and Nigel Potter (Community First)	Elgar Housing Association owner of 16 dwellings at Suckley, Worcestershire, that required demolition and redevelopment. A working group was set up including representatives from the Association, Malvern Hills District Council, the parish council, tenants, and other local community representatives, with the outcome of a mixed housing development of rent, shared ownership, and open market housing.	Development of effective partnership working between stakeholders and local community to develop affordable housing on rural exception sites.
Yorkshire Rural Community Council	Danby North Yorkshire Moors, two schemes are being worked up as a direct result of the Parish Planning process. Parish Plan identified affordable housing provision as an issue, and parish council involvement is considered crucial. Rural housing enabler worked with group to identify potential sites, 2 schemes now have planning permission.	Development of effective partnership working between stakeholders and local community to develop affordable housing on rural exception sites.
Penwith District council	<p>Penwith District Council</p> <p>Use of Council land at Maldron to deliver exception site.</p> <p>Purchase of land by Council at Connor Downs to transfer to Registered social landlord to deliver affordable housing.</p> <p>Council development of schemes to rehouse applicants to more suitable premises (downsizing) to free up larger social housing premises.</p> <p>Penwith District pro-actively advertising for potential exception sites through the website, led to the development of affordable housing at Sennet.</p> <p>Set up Affordable Housing Task Force to provide joined up working incorporating Planning, Housing and Legal officers</p>	Pro-active approach by local authority to delivering affordable housing, aiming to deliver on rural exception sites and make the best use of the existing housing stock.

Respondent	Case Study Example	Key Issues Covered
Caroline Skelly (North York Moors National Park)	North York Moors National Park, the work of the Rural housing enabler has led to permission being granted for 26 new affordable units on exception sites in 4 different villages in the Park.	Rural housing enablers facilitating delivery of affordable housing.
Borders Housing Group	South Staffordshire Housing Association has taken a pro-active approach to developing rural exception sites. The Association engaged in funding a Rural Housing Enabler in 2006 and obtained funding from the Local Strategic Partnership for 2 years and further funding from an adjacent local authority.	Rural housing enablers facilitating delivery of affordable housing and pro-active engagement by housing associations in affordable housing delivery.
Fiona Bryant (EEDA)	Penrith, North West Development Agency has established a food hub which can be hired as and when required, providing workspace for number of businesses.	Public sector intervention to support rural SMEs.
Alnwick District Council	Alnwick District Council - Development of a corporate Affordable Housing officer based group to tackle issue cross department ally. Pro-active engagement by dedicated affordable housing officer. Utilising the home seekers register to consider affordable housing need and development of model section 106 agreements.	Pro-active approach by local authority to delivering affordable housing, incorporating joint working by officers.
Independent Land Acquisitions Ltd	Woking Borough Council – Established working practices and pooled funding for the provision of affordable housing, funded by developer contributions for off-site provision.	Making the best use of opportunities for funding and delivering affordable housing.
Somerset Strategic Planning Conference & Somerset Strategic Housing Officers Group	Somerset authorities have a history of working together; County council functions as a co-ordinator/lobbying role with district councils, Districts provide expertise and purchasing power. Various strategic partnerships enabled funding of joint posts (eg rural housing enabler), shared expertise, and cooperation on Strategic Housing Market Assessments which recognise county level issues.	Pro-active approach to delivering affordable housing, incorporating joint working by officers.
First Home UK Ltd	Positive approach adopted by Restormel District Council's affordable housing team. They have carried out survey of local affordable housing need but also of landowner willingness to release land. Restormel are also advertising for land for exception sites, First Homes SW are currently pursuing development of a site	Pro-active approach by local authority to delivering affordable housing.

Respondent	Case Study Example	Key Issues Covered
	which would provide over 100 affordable units without public subsidy.	
Keith Parry and Nigel Potter (Community First)	Malvern Hills - review of rural lettings policy led to agreement by the local authority that all new section 106 agreements for rural affordable housing will include local connection criteria with priority order.	Ensuring affordable housing remains affordable in perpetuity.
Glynn Bromley (Rural Resident)	Troutbeck, known need for delivery of affordable housing. Affordable housing group formed from within the village to take forward issue and work with Cumbria Rural Housing Trust to identify sites and approach landowners and engage with local authority.	Community engagement influencing delivery of affordable housing appropriate to local needs.
Clinton Devon Estates	Clinton Devon Estates currently working with local authority at developing affordable housing scheme with either no or little public funding, through a Community Land Trust model.	Public/private sector partnerships to deliver affordable housing without grant funding.
Shropshire Hills AONB/Clun Land, Life & Livelihoods Project/South Shropshire District Council	Clun Land, Life and Livelihoods Partnership connects 3 remote rural parishes (farmers/community) with AONB Partnership. Planning identified as major barrier to community viability. Facilitates workshops/1on1 sessions with development control planners to foster trust and communication in an attempt to improve the acceptability of development proposals to improve rural sustainability.	Public sector intervention to support rural SMEs and provide guidance on planning system.
Ashford Borough Council.	Ashford Borough Council has a programme of planned survey work with the rural housing enabler. 249 homes developed on exception sites since 1991. Facilitated by a bi- monthly round table meeting attended by Housing, Planning and Legal services, Registered social landlords, Rural Housing Enabler and Highways.	Pro-active approach to delivering affordable housing, incorporating joint working by officers.
Essex Association of Local Councils (EALC)	Great Bardfield Parish Council, Braintree has just started work with charity to develop a site, being led by the parish council. East Hanningfield has developed an affordable housing site, led by the parish council.	Community engagement influencing delivery of affordable housing appropriate to local needs.
Carlton Parish Council	Carlton Parish Council - 2 Parish appraisals, carried out 10 years apart, showed a marked shift of opinion in favour of local affordable housing. The parish council requested housing needs survey and helped to carry out the survey, with the resulting publicity leading to informal discussions with landowners, and several	Community engagement influencing delivery of affordable housing appropriate to local needs.

Respondent	Case Study Example	Key Issues Covered
	offers of potential sites.	
Collette Simpson & Purbeck District Council	Worth Community Property Trust (www.worthcpt.org.uk) – Delivering affordable housing (5 units) to meet the needs of local population of Worth Matravers, Purbeck District.	Community engagement influencing delivery and providing management of affordable housing appropriate to local needs.
Yorkshire Rural Community Council	Hebden Parish in the Yorkshire Dales National Park, potential exception site with local and district council support but poor ground conditions made it unsuitable. Infrastructure schemes and high cost of small schemes leads to potential sites having to be abandoned.	Financial constraints on delivery of exception sites often contribute to unviability of schemes in rural areas.
Brian Berman (Member Teignbridge District Council)	Jetty Marsh, Newton Abbot. 116 houses and 73 flats proposed as part of the development of the site. Local authority minded to refuse application due to insufficient affordable housing which does not match the need for affordable family accommodation. Appeal allowed, with the precedent often cited by developers in subsequent appeal hearings.	Appeal decisions often dictate future development through precedents, affecting long term delivery of affordable housing where policies not supported by Inspector.
The Prince of Wales's Affordable Rural Housing Initiative	Kettlewell, Yorkshire Dales National Park, illustrates the difficulties of securing even small scale development in an area of landscape protection and external demand for housing and second homes. Scheme took 13 yrs to achieve, through parish council leadership.	Landscape constraints affecting development and time to achieve delivery of affordable housing.
Central Borders Housing Group	Central Borders Housing Group considered a lack of understanding by planners and parish council of rural exception sites and the work of Rural Housing Enablers. To address this issue, the Association organised 2 seminars with the Rural Housing Enabler, local Councillors, planners and strategic housing staff. Led to approaches to undertake housing needs surveys from a number of parish councils.	Community engagement influencing delivery of affordable housing appropriate to local needs.
Surrey Rural Partnership	Appeal Ref: APP/Y3615/A/06/2016787 F E S Hayward & Sons Depot, Dorking Road, Chilworth, Guildford, Surrey, GU4 6NT. Inspectorate did not take PPS3 into account and overruled local authority's request for 4 units for social rent from 6 affordable housing provided from a scheme of 14 units. Inspector ruled that all homes should be for shared ownership, regardless of identified local need.	Local needs for affordable housing tenure not supported at appeal.

Respondent	Case Study Example	Key Issues Covered
Country Land & Business Association, Community Finance Solutions University of Salford, The Prince of Wales's Affordable Rural Housing Initiative, Building and Social Housing Foundation, CEDOS/CSS, Dorset Community Action & Devon County Council	High Bickington Community Property Trust a community-based group was set up to identify the needs of the parish and developed proposals for its regeneration over the next 20 years. A proposal was then submitted, supported with a pump priming grant from DEFRA. Development would comprise mixed development of housing, employment space, community woodland and a new school and was called in because of conflict with national policy. The Secretary of State considered the community commitment to the development and supporting Parish Plan did not outweigh the statutory development plan	Community and local authority support for development proposals not supported by Secretary of State, development plan as primary consideration despite local opinion.
Roy van de Poll (Honorary Member, Bedfordshire County Council's Planning Consortium (BCPC))	Mid-Bedfordshire District Council Supplementary Planning Guidance requires 44% new affordable housing for rent. On individual schemes the Council do not consider the evidence from the Registered social landlord on demand for shared ownership in comparison to rental. Insist on waiting for Strategic Housing Market Assessment to update SPG, despite regional evidence suggesting 70% figure required for rental.	Local authority not responding to local needs for affordable housing tenure, awaiting development of evidence base before altering policy stance.
Breckland District Council	Sporle: Development of sites in Donhead was refused because facilities were in Ludwell. Site in Landford turned down because access on a side road and there would be too much traffic but proposal was for 6 homes and an industrial site with large lorries uses the same entrance.	Planning decisions often based on policy without consideration of individual circumstances.
James Derounian (University of Gloucestershire)	Stroud, Gloucestershire. Development of major site by Gloucestershire Land for People - a community structure land trust - currently blocked by Government.	Community and local authority support for development proposals not supported by Secretary of State, development plan as primary consideration despite local opinion.
Maker with Rame Parish Council	Lack of space, public opinion against building outside development limits and lack of ability to ensure 100% affordable housing; leading to circumstances such as 2 speculative units built on former allotments in St Andrews St Cawsand which should have been affordable units. There is a lack of finance for schemes and a need for more focused resources including staff and capital.	Local authorities hampered by resource and financial constraints, affecting delivery of affordable housing.

Respondent	Case Study Example	Key Issues Covered
Rural Solutions	Dillington Estate, Somerset redundant mill & buildings converted to rural workspace overcoming issues regarding sustainability arguments.	Conversion of existing redundant farm buildings to provide business space
Ribble Valley Borough Council	Waddington, proposal to replace a redundant factory with affordable housing faced difficulties in negotiations of section 106 agreements, aiming to reconcile issues of local eligibility in the long term with maintaining affordability and the Housing Corporation standard lease.	Difficulty of ensuring affordable housing remains as such in perpetuity whilst enabling finance (both for development and purchase) to be secured.
Tynedale Council	Bardon Mill/Haining Croft, site purchased off local landowner, part rent, part sale. To make scheme “stack up” financially, section 106 agreement insisted that the proceeds of the sales were recycled in properties in the district.”	Ensuring market development contributes to affordable housing provision.
Laura Mills and Eyvonne Dight (Gloucestershire Rural Community Council)	Brockhampton, Cotswolds, survey carried out and need for affordable housing identified. A willing landowner was found and the planners were supportive but the scheme was not successful in getting funding from the Housing Corporation as it was deemed to be ‘too expensive’.	Difficulty of enabling development finance to be secured.
Royal Agricultural Society of England	In Basingstoke area a local horticulture business has been prevented from building new cold chain facilities and other investment (to reduce its environmental footprint) because local authorities have been unable to take a more holistic approach to the planning applications.	Allowing appropriate rural development which would contribute to environmentally sustainable economic development, in the face of landscape constraints.
John Grimes (Second Home Owner)	Section 106 agreement restrictions in the Cotswold Water Park forces owners of the homes to use as holiday homes preventing primary residences. Homes owners should be able to apply for change of use for property to be occupied for 12 months and used as prime residence.	Allowing appropriate use of existing housing stock.
Martin Page (First Step Homes (SW) Ltd)	Penwith District Council, Minded to approve scheme for affordable housing but specific conditions imposed would have meant it to be built at a loss, second scheme refused despite having workable section 106 agreement, officers recommended for approval but Committee overturned recommendation.	Political element of planning decisions affecting appropriate delivery of affordable housing.

Respondent	Case Study Example	Key Issues Covered
Christine Niddrie-David	Personal situation - attempted to obtain permission for 4 to 6 starter homes but advised only suitable for holiday homes whilst nearby neighbouring authority have granted permission for new development.	Local nature of planning decisions creating inconsistency between the approaches of neighbouring authorities.
Bidford-on-Avon Parish Council	Bidford-upon-Avon Parish Council. Following a survey the parish council identified a possible site. However, the landowner (county council) would not consider it. Neither would it consider another site also owned by them in another part of the village. The reason given was financial	Balancing the release of private sector land against ensuring reasonable financial return.
Penwith District Council	Affordable housing developments at Newlyn and Ludgvan Leaze, Alverton awaiting landowner's agreement, the main barrier being the unwillingness of landowners to sell their land at below housing market value.	Securing landowner consent to affordable housing development.
New Forest Villages Housing Association	Tiptoe, New Forest, proposal for 10-12 affordable units, however the County wide delivery mechanism is impeding the scheme and the fragmentation of responsibility between HARA's nominated Registered social landlord, the rural Registered social landlord, New Forest District Council, the National Park, Rural Housing Enablers and local Parishes is slowing process.	Problems of delivering affordable housing with a number of partners involved in the process.
Stafford Borough Council	Barlaston, Stafford Borough, proposal for 16 affordable homes on exception site in Green Belt with local needs survey to support proposal and officer recommendation for approval. Barrier of local opposition advancing arguments on loss of wildlife without evidence to support assertions. Appeal dismissed on insufficient need. Post-decision significance of affordable housing was proven, with the outcome of £300,000 pa from the authority to support Housing Cost investment and land assets worth £1m provided at nil costs to Registered social landlords.	Local influence in obstructing housing delivery, need to provide evidence to support need for affordable housing in appeal process.
Rosemullion Homes	St Agnes, Cornwall, application for mixed scheme refused due to sites perception as an area of informal open space, local authority have refused dialogue on developing the site.	Progressing affordable housing schemes in the absence of local authority dialogue.

Respondent	Case Study Example	Key Issues Covered
Rosemullion Homes	Grenville Meadows, as outside of settlement boundary there is no policy support to bring forward site on cross subsidy basis despite evidence of need, despite Town council support.	Settlement boundaries constraining potential delivery of affordable housing.
Community Action Hampshire	Swanmore, disagreement between the Parish council and Local Planning Authority over site selection for exception site. An exhibition was held to gather community comments; however the development control planner did not meet with the Registered social landlord to discuss the design. Since Site appraisal staff turnover has occurred, process of disagreement and delay.	Progressing affordable housing schemes in the absence of local authority dialogue.
Margaret Turner Warwick, Advisor to Thorverton Parish Council on affordable housing initiative	Thorverton, Parish Council trying to achieve delivery of affordable housing in area of high pressure. Local authority have indicated cannot accept any market housing on the site (which has been identified as an exception site) but the landowner (church commissioner) feels they must receive a degree of return.	Progressing affordable housing schemes in the absence of local authority agreement where market housing necessary to financially support delivery.
Holsworthy Community Property Trust & Community Finance Solutions, University of Salford	Holsworthy Community Property Trust. Development of DIY Shared Equity Scheme incorporating developer contributions to off-site provision of affordable housing to enable local people to purchase open market housing with equity shared with the Trust.	Community engagement influencing delivery and providing management of affordable housing appropriate to local needs.
North Shropshire District Council	North Shropshire District Council have established a Community Asset Trust as an innovative tool in affordable housing delivery, utilising the Councils land bank and seeking to encourage other landowners to donate land. The Council are also investigating the feasibility of land donations through section 106 agreements.	Local authority leading delivery and management of land for affordable housing.
Vitacress Salads Ltd	Vitacress wish to build new watercress beds in Dorset, after significant cost and 5 years still do not have planning permission. Development has been held up by Natural England and the Environment Agency failing to reach a consensus, delay caused by hypothetical concern over potential impact on SSSI.	Statutory consultees blocking rural economic development through inability to agree consensus.
Jennifer Hall (Rural Resident)	Holy Island Development Trust raised charitable money to build affordable housing and now looking at providing work space.	Community engagement influencing delivery and providing management of affordable housing appropriate to local needs.

Respondent	Case Study Example	Key Issues Covered
Alnwick District Council	A proactive project led by the Federation of Northumberland Development Trusts, backed by the national Development Trust Association has provided direct delivery support for communities who are wishing to engage in the provision of community owned housing. The project provided a worker to focus on delivery, access technical support (often via a registered social landlord) and a development fund - all essential ingredients'.	Community engagement influencing delivery and providing management of affordable housing appropriate to local needs.
Land of People	Bishops Castle, Shropshire, the Parish Plan identified the need for more affordable homes. A small plot of land is being acquired within the town by the Community Land Trust and an initial scheme for just two units of housing being developed.	Community engagement influencing delivery and providing management of affordable housing appropriate to local needs.
Wiltshire Rural Housing Association	Wiltshire Rural Housing Association, working with Local Planning Authority to address housing needs but consider planners do not seem to take notice of parish level opinion. A well organised 'NIMBY' group delayed progress on a development, took parish council members to the Standards Board, organised in approaching the planning committee and threatened the local authority with Judicial Review, led to a year long delay on the project.	Housing association and local authority partnership working frustrated by community opposition.
John Stapleton (CABE)	Waters Edge, Shaldon, Devon, proposed housing development with intense local opposition, refused at appeal. The Inspector recognised the site as being suitable for housing but considered any development must recognise the character of Sheldon.	Importance of ensuring affordable housing development is appropriate in character and design to locality.
English Rural Housing Association	English Rural Housing Association work with Smarden Parish Council and Ashford Parish Council on exception sites. Initially a site was selected with full community support; however adjacent land owner began to have concerns. Consequently a new site was selected which continued good relations in area.	Ensuring community and land owner engagement leads to effective delivery with minimal opposition.
David Tanswell (Bolesworth Estate)	Bolesworth Estate, local registered social landlord was provided with funds to build 12 units, 3 possible sites offered by the estate who suggested parish council chose preferred site. NIMBY objection led to loss of allocation for development.	Ensuring affordable housing delivery in the face of local opposition.

Appendix B

List of Respondents

B1 List of respondents

A small proportion of the respondents who submitted evidence requested that their contribution should remain anonymous. The others are listed below.

B1.1 Organisational Respondents

Responses where no response type was indicated (with the response being identifiable to an organisation) or respondent specified both personal and organisational response are indicated with the name of the respondent in brackets.

Academy for Sustainable Communities
Advantage West Midlands
Affordable Housing Expert Group (Nicola Butcher)
Agrarian Renaissance
Allerdale Borough Council
Alnwick District Council
Arlesey Town Council
Ashford Borough Council
Association of Convenience Stores
Association of Second Homeowners
Bedfordshire County Council's Planning Consortium
Bidford-on-Avon Parish Council
Bishops Tachbrook Parish Council
Breckland Council
Budbrooke Parish Council
Building and Social Housing Foundation
Buckingham Town Council (Warren Whyte)
Caddington Parish council Planning Committee
Campaign to Protect Rural England (CPRE)
Caradon District Council (Christopher Lunn)
Carlton Parish Council
Chief Economic Development Officers Society/ County Surveyors Society
Central Borders Housing Group
Centre for Rural Economy
Chaddesley Corbett Parish Council
Cheshire County Council
Country Land and Business Association
Clinton Devon Estates
Coastline Housing Ltd (Michelle Foster)
Colchester Borough Council
Commission for Architecture & the Built Environment (CABE) (John Stapleton)
Commission for Rural Communities (CRC)

Community Action Hampshire
Community Finance Solutions, University of Salford
Community First
Community Housing Cymru
Cornwall County Council
Cotswolds Conservation Board
Countryside Alliance
Court Property Developers Ltd
Campaign to Protect Rural England (CPRE), North Yorkshire
Cumbria County council and Cumbria Sub-Regional Housing Group
Cumbria Rural Enterprise Agency
Cumbria Rural Enterprise Agency
Cumbria Rural Housing Trust
Dartmoor National Park Authority
Derbyshire Dales and High Peak Councils
Development Planning Solutions (Tom Woof)
Devon & Cornwall Housing Association
Devon & Cornwall Housing group
Devon County Council
Dorset Association of Parish Town Council
Dorset Community Action
Dorset County Council (Maxine Bodell)
East Midlands Rural Affairs Forum
East of England Development Agency (Fiona Bryant)
Eaton Bray Parish Council
Elveden Farms Ltd
English Heritage
English Rural Housing Association
English National Parks Authorities Association (ENPAA)
Essex Association of Local Councils (EALC)
Fenton Gollan Farm (Jim Hosking)
First Home UK Ltd
Forest of Dean District Council
Gloucestershire Land for People
Gravesham Borough Council
Gweek Parish Council
Haddon Estate (Andrew Thompson)
Hambleton District Council

Hampshire Economic Partnership, Rural Economy Task Group
Harborough Magna Parish Council
Harlington Parish Council
Heartmind (Leon Moore)
Herriard Estates
Highfields Farm & Highfields Farm Dairy (Mr J Bennett & Mrs P Alfrey Bennett)
High Weald AONB Unit
Holsworthy Community Property Trust
Housing Corporation
Housing Justice
Humber and Wolds Rural Community Council
Improvement and Development Agency for Local Government (IDeA)
Illogan Parish council (P.T. Holmes)
Impact Housing
Independent Land Acquisitions Ltd
Kerrier District Council
Kingsclere Parish Council (Peter Woodman)
Lancashire Rural Futures
Land of People
Lanivet Parish Council
Lapworth Parish Council
Launceston Town Council
Leicestershire County Council
Local Government Association Rural Commission
Long Compton Parish Council (Philip Boreham)
Megavissey Parish Council
Mid Devon District Council
Mid-Sussex District Council
Midlands Rural Housing
Monks Kirby Parish Council
MSDV Consulting (Marcell Venn)
National Farmers Union England and Wales
National Housing Federation
National Housing Forum
Natural England
North Cornwall District Council
North Dorset District Council
North East Assembly

North Shropshire District Council (Peter McHugh)
Northern Network of Rural Housing Enablers (Khyati Vaughan)
Northumberland Housing Board
North West Regional Assembly (Michael Gallagher)
North York Moors National Park Authority (Caroline Skelly)
Okeford Fitzpaine Parish council (Mike Burt)
Penwith District Council
Places for People
Planning Officers Society
Potton Town Council
Poundstock Parish Council
Priority Sites Ltd
Purbeck District Council
Lowena Homes
Regional Rural Affairs Forum
Restormel Borough Council
Richmondshire District Council
Rosemullion Homes
Royal Institution of Chartered Surveyors
Rural Action East
Rural Housing Trust
Rural Solutions (Ian P Butter)
Sancreed Parish Council
Shelter
Shropshire and Herefordshire Housing Officer's Group
Shropshire Hills AONB/Clun Land, Life & Livelihoods Project/South Shropshire District council
Shropshire Rural Housing Association Ltd
Somerset Strategic Planning Conf & Somerset Strategic Housing Officers Group
South East Regional Housing Board
South Hams District Council
South Hill Parish Council
South Lakeland District Council
South Norfolk Council
South West Regional Assembly
South West Regional Development Agency (Antony Corfield)
Sparsity Partnership for Authorities Delivering Rural services/Rural Services Network (Graham Biggs)
St Leval Parish Council

Strategic Land Partnerships
Stratford-on-Avon District Council
Studley Parish Council
Surrey Rural Housing Group
Surrey Rural Partnership
Sussex Enterprise
Sustainable Village Housing and Sustainable Village Enterprise
Swaffham Town Council
Teignbridge Association of Local Councils
The Empty Homes Agency
The Land Is Ours 'Diggers' list
The Planning Inspectorate
The Prince of Wales's Affordable Rural Housing Initiative
Toddington Parish Council
Town and Country Planning Association
Tunbridge Wells Borough Council (Jennifer Hudson)
Tynedale Council
Vitacress Salads Ltd
Week St. Mary Parish Council
West Dorset District Council
West Midlands Regional Assembly
Westoning Parish Council
Wiltshire Rural Housing Association Ltd
Worth Community Property Trust
Yorkshire Rural Community Council

B1.2 Individual Respondents

Responses where no response type was indicated (and the response was not directly attributable to an organisation or the respondent indicated it was a personal response.

Andrew Gell
Andrew Pratt
Andy Plant
Anthony Trollope-Bellew
Arthur Richardson
Bill Tebay
Brian Berman
Canon Graham Hedger
Charles Barlow
Chris France

Chris Rowbottom
Christine Niddrie-David
Christopher McCoy
Clarissa Kindred
Collette Simpson
David Brettell
David Poole
David Tanswell
David Vatcher
David William Coulson
Denise Duggan
Dick Harvey
Eddie Marsham
Geoff Brown
Geoffrey Sworder
Glenn Martin
Glynn Bromley
Graham Parrott
Graham Townsend
Howard Thomas
Hugh Oliver-Bellasis Esq
Ian Howie
Ian McMurray
Ian Young
Ivan Quince
J Williams
James Derounian
James Firth
Jean Richards
Jennifer Hall
Jeremy Wright
John Alvis
John Brown
John and Barbara Hodges
John Banham
John Grimes
John Symington
Jonathan Stephens

Kate Bailey
Keith Butler
Keith Parry and Nigel Potter
L. M. McCarthy
Laura Mills and Yvonne Dwight
M I Harvey
M Richards
Mac McCoig
Malcolm McAllister
Margaret Turner Warwick
Martin Harvey
Martin Page
Martin Wilsher
Maxwell Adams
Michael Shuttleworth
Mike Coverdale
Mr and Mrs Chammings
Mr CP & DA Hall
Mr James Godden
Mr. Jan F. Houston
Mrs Wendy Hopper
N. T. Quinney
Natalie Westland
ND Morgan
Neil Dunkin
Nick and Kate Plummer
Peter Michael
Peter Radcliffe
Peter Stockton
Phil Ward
Praveen Naidoo
Rachel Smith
Reginald Kenneth Watts
Richard Hall
Richard Matson
Richard Sherras
Robert Taylor
Roger Hopcraft/Anne Rogers

Sharon Donald
Sir Richard FitzHerbert
Stephen Killops
Sue Hitchcock
Sue Southwell
Susan Black
V Parnell
Zoe & David Greenwell

Appendix C

**Call for Evidence
Questionnaire**

C1 Call for Evidence Questionnaire

Matthew Taylor Review on Rural Economy and Affordable Housing

Planning and land use to support sustainable rural communities

A call for evidence

December 2007

Purpose of the Review

1. The Prime Minister has asked Matthew Taylor, MP for Truro & St Austell, to conduct an independent review into how land use and planning can better assist rural businesses and deliver affordable housing to support sustainable rural communities (terms of reference at **Annex A**).

2. Housing affordability is a national challenge. The scale of house price increases over recent years has led to a rapid deterioration in affordability across the country. But such problems can often be exacerbated in parts of rural England.

3. Rural areas face additional pressures in terms of a particularly high demand for housing as many people aspire to live in the countryside, a constrained supply of both market and affordable (social rent and low cost intermediate housing) homes and a need to balance environmental and landscape conservation.

4. Increases in house prices experienced across the country have frequently occurred at a faster rate in rural compared to urban areas, and many rural areas face a combination of higher than average house prices and lower than average local wages.

5. This means that for many rural areas, housing is unaffordable to people on low and even modest incomes.

6. A lack of affordable housing also has impacts upon rural economies, where the ability to attract and provide homes for employees engaged in local business or service provision is reduced. The review also seeks to investigate how planning policies can better maintain and encourage appropriate business development to provide jobs and services to help support the sustainability of rural communities.

7. This study seeks to examine ways to tackle these issues more effectively, building on the work and evidence of previous reviews, such as the Affordable Rural Housing Commission, and to look at rural economies and affordable housing together and the impact of planning policies on maintaining sustainable, inclusive and mixed rural communities.

8. The review will explore how land use planning policy can better facilitate the provision of land for local enterprise and affordable housing to achieve these aims, within the context of existing protection for the natural environment.

9. The review will be used to advise Government and will report to the Minister of State for Housing and the Secretary of State for the Environment, Food and Rural Affairs around July 2008.

10. For more information about the Matthew Taylor Review and for further copies of this call for evidence, please see the review website:
<http://www.communities.gov.uk/planningandbuilding/planning/planningpolicyimplementation/reformplanningsystem/matthewtaylorreview/>

Help formulate proposals for action

11. Matthew Taylor is seeking views and proposals from a wide range of people and organisations – such as regional and local government, parish councils, housing and planning professionals, social and private housing developers, land owners, rural businesses, rural communities and others with an interest in this work.

12. We would like to give you the opportunity to **have your say and help formulate proposals for action** about the application of land use and planning policy to facilitate the provision of strong rural economies and greater availability of affordable housing.

13. Of particular interest are real life local examples where planning is working well in your area – which could possibly be replicated elsewhere – or where there are barriers and blockages which are preventing progress, and what changes (if any) you would specifically suggest.

How to take part

14. There are a range of questions that are set out in the attached questionnaire. We would value your opinion on as many or as few questions as you can answer. You can choose that your information remain confidential should you wish.

15. We are seeking views from as many relevant organisations and people as possible. If you know someone who might have a view, we would be very grateful if you could bring this call for evidence to their attention.

16. Please email the completed survey to the review email address TaylorReview@communities.gsi.gov.uk or send to the Matthew Taylor Review Secretariat by post to:

Matthew Taylor Review Secretariat
Communities and Local Government
1/H3
Eland House
Bressenden Place
London
SW1E 5DU

17. Our preference is to receive evidence by email where possible. This call for evidence will run from the 17th of December to the 7th March 2008. In order to allow time to properly consider this evidence, **the deadline for submissions is Friday 7th March 2008.**

About you:

i) Your details:

Name:	
Position:	
Name of organisation (if applicable):	
Address:	
Email:	
Telephone number:	

ii) Are the views expressed in this survey an official response from the organisation you represent or your own personal views?

Organisational response
Personal views

iii) Please tick the box which best describes you:

District council
UA/County council
Parish council
Regional Government
Land Owner
Housing Association/RSL
Private Developer/house builder
Rural Business
Voluntary sector/charity
Community Land Trust
Rural Housing Enabler
Rural Resident
Other

(please comment):	
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iv) What is your main area of expertise or interest in this work (please tick one box)?

- Housing provision
- Rural economies/business
- Planning policy/implementation
- Environmental protection

v) Do your views/experiences mainly relate to one or more specific regions within England, or across the whole country?

- South West
- South East
- East
- East Midlands
- West Midlands
- North West
- Yorkshire & Humberside
- North East
- London
- All of England

Other

(please comment):	
Specific local area (please comment):	

vi) Data protection

Please note that it is our intention to publish responses to this call for evidence, except where respondents have specifically indicated that they do not wish us to do so.

- If you would prefer us not to give out your answers please tick this box:
- We also sometimes quote from the information we get in published reports. If you do not want us to quote your answers please tick this box:

Would you be happy for us to contact you again in relation to this questionnaire?

Yes No

Questionnaire

A) Rural Economy:

General:

A1) How is the application of planning policies to develop and support rural business practically taking place on the ground: What is working well? What are the barriers and blockages? How might the barriers and blockages be overcome?

Specific:

A2) Are there specific issues in the planning system (at national, regional, or local level – see **Annex B**) unnecessarily restricting business start-ups or expansion in rural communities? If possible give examples.

A3) What scale and type of business should be encouraged or discouraged in rural communities, and is the planning system effective in doing so appropriately?

A4) Some suggest there is ongoing loss of workspace and employment in some rural communities, often to housing, or because expanding businesses are forced to relocate to industrial and business space in larger communities. What do you believe is working, or not working, in the planning system to facilitate and promote suitable rural economic development? Should rural workspace and employment be more strongly protected by the planning system to maintain and encourage appropriate employment and business opportunities in rural communities – and if so how?

A5) What is the potential for more live/work units, and mixed use schemes including housing and employment space, to support rural business and housing needs in rural communities?

A6) What impact is regional and local planning having on the supply of land and premises for employment in rural areas? Is there a need for provision of new sites for business in rural communities to be increased – and if so, how could this be done?

A7) Is the balance right in the planning system at present when considering the use of public transport/private car usage in relation to economic development in rural areas? Is there a need for greater flexibility to allow appropriate scale growth of rural business in communities with limited access to public transport

A8) Do you think planning policies support the conversion of redundant properties, including agricultural buildings, into premises for employment? If not, is there scope to increase the number and type of properties/sites that could be used in this way?

B) Affordable Housing:

General:

B1) How is the application of planning policies to develop and support rural affordable housing practically taking place on the ground: What is working well? What are the barriers and blockages? How might any barriers or blockages be overcome?

B2) The flow chart at **Annex B** describes how the planning process works at the national, regional and local level. Which aspects (and at what level) of the planning policy framework do you think need attention to better deliver affordable homes for rural areas?

Specific:

B3) Is there sufficient alignment between priorities set out in Sustainable Community Strategies and planning policies for rural affordable housing in Local Development Frameworks?

B4) How are planning policies for rural housing, as set out in Planning Policy Statement 3: Housing (PPS3), being implemented locally on the ground in rural areas following the recommendations of the Affordable Rural Housing Commission?

B5) Are there any skills or resource gaps within local authorities that hinder the adoption of PPS3 based rural affordable housing policies? For example, (i) with regards to testing economic viability, (ii) adoption, maintenance and use of Strategic Housing Market Assessments, (iii) supporting community engagement, and (iv) use of Strategic Housing Land Availability Assessments. How might these gaps be filled?

B6) While plan led allocation of sites for development is the main process for new housing delivery, for very small rural communities, rural exception sites are the most likely avenue for affordable housing, but relatively few come forward. How could or should local communities be encouraged to bring forward suitable exception sites – what is the role of the community (including the parish council), the local authority (officers and members), rural housing enablers, or others? And what should the balance between plan led allocation of sites and exception sites be?

B7) PPS3 allows local authorities to set their own threshold on the size of development above which they will seek a proportion of affordable housing, rather than the national indicative minimum threshold of development of 15 units (and to set different thresholds across communities in a local area based upon their local circumstances). To what degree are local authorities setting their own thresholds? How is this policy being used locally – what are the blockages to its effective use? How could local authorities' ability to negotiate with developers/landowners be improved?

B8) What is the role of the planning appeals system – how is it influencing decisions in practice? Are there changes that would be appropriate to guide planners and developers as to what evidence inspectors need, and their likely approach?

B9) How has advice and reports from the Planning Inspectorate (PINs) affected policies for the provision of affordable housing in rural areas? How have local authorities responded to this?

B10) How is the role of regional planning impacting on the delivery of affordable housing in rural areas? How could it be improved?

B11) The planning system requires evidence based decisions – how is the need for evidence effecting outcomes, and could the process for obtaining appropriate evidence be clarified or simplified?

B12) What role do local councillors have in the provision of rural affordable housing? Could they be better supported (and if so how?) to take a positive leadership role that would encourage increased delivery?

B13) What is the impact so far of the new system of Local Development Frameworks – getting them prepared, approved, and then using them in the delivery of affordable housing in rural areas?

B14) Are there any difficulties in delivering rural affordable housing while Local Development Frameworks are under preparation? For example, does it affect where and how much affordable housing can be negotiated in a rural community or affecting the supply of rural exception sites?

B15) How do local communities currently affect the delivery of rural affordable housing and what steps/support might encourage them to engage more positively?

B16) What might best reduce local opposition to new affordable housing development in rural communities?

B17) What might the benefits or disadvantages be in using a Community Land Trust model for the development of affordable rural housing?

B18) There are representations from some rural communities that purchase of homes as second homes and holiday-lets is having a significant impact upon the availability and price of local housing. Others argue they have a modest impact in the context of wider housing supply issues and trends for migration from urban to rural areas. The Affordable Rural Housing Commission recommended that a new Use Class for second homes be introduced to allow such uses to be subject to local planning control. Do you have evidence that second homes and holiday-lets are having a significant impact (or otherwise) on rural housing supply generally, or in specific communities? And if so could this be practically addressed through the planning system, taking into account which communities may be affected and how any planning controls could be reasonably enforced?

B19) What might encourage landowners to offer land at low cost for affordable housing in rural communities, especially for exception sites?

C) Real life Examples/Case studies

The review team is particularly interested in real life examples and case studies of:

- (i) good practice and examples of where local housing and business needs are being met – which could possibly be replicated elsewhere, and,
- (ii) examples of where there are local barriers and blockages which are preventing progress.

We would also welcome any suggestions for visits to areas where good practice is taking place, or where progress has been prevented due to any particular barriers or blockages.

C1) Good practice examples. Please state what the local circumstances were, the problem or issue to be addressed, what was done, and what the outcome was.

C2) Local examples of barriers or blockages. Please state what the local circumstances were, the problem or issue to be addressed, what was done, nature of barriers which prevented progress, and what the outcome was.

C3) Are there any schemes, projects, initiatives or local areas that you think the Review team should visit as part of this work to gather evidence on what works – or where there are barriers which need to be overcome?

D) Other comments

D1) Are there any other comments you would like to make?

Thank you for taking the time to complete this questionnaire. **Responses must be submitted no later than the 7th of March 2008.** Please submit this questionnaire to:
TaylorReview@communities.gsi.gov.uk

Or by post to:

Matthew Taylor Review Secretariat
Communities and Local Government
1/H3
Eland House
Bressenden Place
London
SW1E 5DU

Annex A

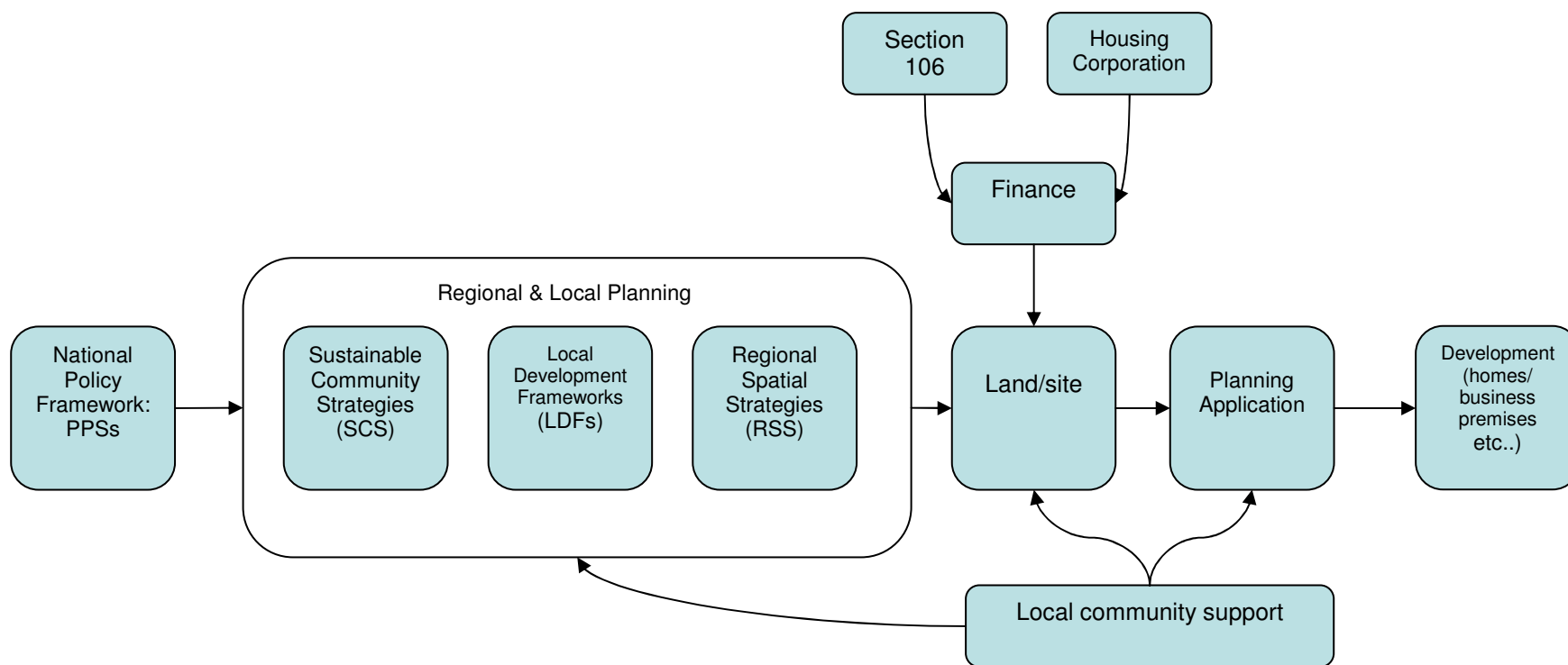
Matthew Taylor Review: Terms of Reference

Matthew Taylor MP will advise and assist the Minister of State for Housing and the Secretary of State for the Environment, Food and Rural Affairs - within the context of existing protection for the rural environment - on the application of land use planning policy to facilitate the provision of land for greater economic and social sustainability within rural communities, including land for enterprise and provision of affordable rural homes.

Matthew Taylor will in particular to look at the practical issues around:

- the identification and release of appropriate land for local economic development and affordable rural housing provision, working in conjunction with local government, parish councils and land owners;
- investigating the potential for increasing the provision of live/work space within rural communities; and
- assessing the local implementation of new planning rules on rural housing following the recommendations of the Affordable Rural Housing Commission.
- The Review will report around July 2008.

Stages in the planning system at the national, regional and local level



Note: See Glossary at Annex C for an explanation of terms used.

Glossary

- **Affordable housing:** The Government's definition of Affordable Housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.
- **Affordable Rural Housing Commission:** Body launched by Defra and what was the Office of the Deputy Prime Minister in July 2005 to identify ways of improving access to affordable housing for people in rural areas. The Commission reported in May 2006 and was wound up shortly thereafter.
- **Intermediate housing:** Housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.
- **Local Development Frameworks (LDF):** The local development documents, set out in the form of a portfolio, which collectively deliver the spatial planning strategy for the local planning authority's area.
- **Market housing:** Private housing for rent or for sale, where the price is set in the open market.
- **Planning Policy Statement 3 (PPS3):** Sets out how regions and local authorities should provide more land for housing through the planning system. Replaced Planning Policy Guidance 3: Housing. The delivery of housing in rural areas should reflect the key principles underpinning PPS3 - providing high quality housing that contributes to the creation and maintenance of sustainable rural communities.
- **Regional Spatial Strategy (RSS):** A strategy formerly known as Regional Planning Guidance (RPG), for how a region should look in 15-20 years time and possibly longer. It identifies the scale and distribution of new housing in the region, indicates areas for regeneration, expansion or sub-regional planning and specifies priorities for the environment, transport, housing, infrastructure, economic development, agriculture, minerals and waste treatment and disposal.
- **Rural Definition:** The Government's definition of rural areas is based upon settlement size and sparsity. Rural areas are those with settlements with a population under 10,000. For more information about the Rural Definition and Local Authority Classification, please see: <http://www.defra.gov.uk/rural/ruralstats/rural-definition.htm>
- **Section 106:** Legal agreements between a planning authority and a developer, or undertakings offered unilaterally by a developer, that ensure that certain extra works related to a development are undertaken. In relation to affordable housing planning obligations can be used to prescribe the nature of a development by requiring the inclusion of a given proportion of affordable housing.
- **Sustainable Communities Strategy (SCS):** Creates a long-term, sustainable vision in an area and sets the agenda for priorities in the local area agreement.