

# Living Working Countryside

The Taylor Review of Rural Economy and Affordable Housing



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# Foreword

The English countryside is a wonderful place to live and work – *if you can afford a home, if you can find a reasonably paid job.*

But for too many people country life is challenging. House prices are significantly higher than the national average while rural wages are significantly lower. Affordable homes are few and far between and business growth is too often restricted.

As an MP who has lived and worked all his life in a rural community I was delighted to be asked by the Prime Minister to review how we nurture a living, working countryside. As part of this Review I have travelled all round the country, met many people and organisations and received hundreds of submissions of evidence. This Review has explored in depth how the planning system is responding to these challenges, and concludes that the countryside is at a crossroads.

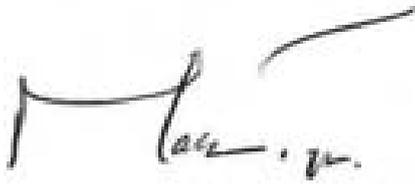
For many villages and hamlets the choice is between becoming ever more exclusive enclaves of the wealthy and retired, or building the affordable homes to enable people who work in these communities to continue to live in them. In many cases just a handful of well designed homes, kept affordable in perpetuity for local people, will make all the difference to the sustainability of the community and its services. At the same time, we need to make sure that there are better opportunities for the people who live in these small rural communities to find quality work, and build successful businesses. Otherwise we will see more and more villages turn into commuter dormitories, at the cost of fewer local jobs, declining local services, and the loss of genuine community life.

Market towns face a different choice. The demand to live in a rural community means many market towns are growing fast. One option is to stick with current planning practices which are too often ringing country towns with anonymous housing estates, business and retail parks. The alternative, advocated in this report, is to learn the lessons of the past and follow the example of a handful of places that have pioneered a different approach. They have challenged planning practices to deliver genuinely attractive new neighbourhoods and community extensions which actually enhance the existing town.



## The Taylor Review

This Review spells out a vision of a living, working sustainable countryside. It explains how this vision can be delivered. To get there, there are choices to be made and they need to be made now. It can be done. All we need is the will to do it.

A handwritten signature in black ink, appearing to read 'M. Taylor', with a long horizontal flourish extending to the right.

**Matthew Taylor MP**

# Introduction



## Introduction

1. This country's rural communities cannot stand still. Change is inevitable whether development takes place or not, and the choices we make today will shape tomorrow's character of the market towns, villages and hamlets that make up our countryside.
2. This report sets out a vision of flourishing, vibrant communities that will be genuinely sustainable – socially, economically and environmentally, and delivers a clear message: the planning process has to become an engine of regeneration or we face a future of decline.
3. The overriding objective of this report is to help ensure the planning system brings a positive, lasting legacy of places in which people actually want to live. It suggests changes to the planning system necessary to deliver vibrant communities with a distinct identity, in keeping with the character of their surroundings, and which enhance the local landscape and bio-diversity.
4. This is a crucial moment in terms of making the decisions that will shape the future of these communities.
5. Last summer the Government announced a target to deliver three million new homes by 2020. While the great majority of these homes will be delivered in urban settings or as urban extensions to our larger cities and towns, the planned growth will also have a fundamental impact across the countryside.
6. For many rural market towns the scale of new housing planned over this period will have a dramatic impact on the size and nature of the present communities. How this development takes place will significantly influence their future character.
7. Outside the market towns the picture will be much more mixed. Some villages will grow substantially. Others risk seeing little or no development. These villages, "protected" from development, face becoming increasingly exclusive communities of the retired and of wealthy commuters travelling ever longer distances to work, losing their services like schools and shops, and with local jobs either lost, or serviced by people commuting in from larger towns.
8. Unsurprisingly, the decision to plan the delivery of such a large number of new homes has been controversial nationally, and even more so in many of the individual communities waking up to the prospect of substantial new housing development. In spite of this, all the major political parties, and respondents to this review ranging from the Home Builders Federation to the Campaign to Protect Rural England, agree that substantial

numbers of new homes are needed. Yet the impact of the credit crunch is leading to a drop in house building at the same time as rising mortgage rates and deposit requirements are making homes even more unaffordable.

9. It is not within the remit of this report to debate the precise number of homes that should be delivered or the number of years in which it is best to deliver them. Instead, it seeks to shift the debate from the numbers, to consider the longer term questions of how we can manage and plan for the substantial development that is both inevitable and necessary, whatever the precise timescale or numbers.
10. Throughout the course of this Review no one has argued for the substantive relaxation of planning controls in the countryside to allow a development free-for-all. Equally, it is clear that over-zealous or ill-thought through restriction of development in rural areas has already had unintended consequences in holding back rural economies and making rural homes increasingly unaffordable – consequences which make the countryside less, not more sustainable.
11. The planning system has a crucial role to promote and deliver sustainable communities – ensuring development occurs in the right place at the right time and makes a positive contribution to people’s lives – providing homes, jobs, opportunity and enhancing quality of life. It must simultaneously protect and enhance the natural and historic environment, and conserve the countryside and open spaces that are important to everyone.
12. These concerns are ultimately interrelated, as market towns and villages are dependent upon each other for labour, housing, employment and services. The right balance of housing and employment opportunities are crucial for all communities to be sustainable, whilst challenges to meet housing need and stimulate economic development are inextricably linked.
13. Without change we will simply repeat the mistakes of recent decades, creating unattractive developments of housing estates encircling our rural towns and larger villages, and we will fail to stem the trend of smaller villages becoming dormitory settlements of commuters and the retired, ever less affordable for those who work within them.
14. This is not a sustainable future for rural England. We need to better balance social and economic sustainability with environmental sustainability. For these reasons, those who want to protect the countryside need the planning system to better recognise the people and living communities within it.

15. This report sets out the steps necessary for the planning system to play its role in realising the vision of mixed, thriving and sustainable rural communities – a living, working countryside.

### **Chapter One: A Living, Working Countryside**

16. Our rural communities can only prosper and survive if we nurture a living, working countryside. Yet the countryside is under intense pressure.
17. Large scale migration to rural areas, which has increased the rural population by 800,000 over the past ten years, has pushed rural house prices substantially above the national average. In 2007 the cost of an average family home was over £8,000 more expensive in rural areas compared to urban areas, and first time buyer homes were £16,000 dearer.
18. At the same time those working in rural areas earn significantly less than their urban counterparts. The average wage in the most rural areas is just £20,289 compared to £27,487 in urban areas. This destructive combination of high cost homes and low rural wages is putting rural housing out of the reach of many who work in the countryside.
19. There is no sign of the migratory trend abating. Nine out of ten people living in the countryside say they would prefer to stay there, whereas half those living in urban areas say they want to move to the countryside. The Office of National Statistics predicts the rural population will increase by 16 per cent by 2028 compared to 9 per cent in urban areas.
20. These pressures demand urgent and innovative action to deliver more affordable homes to meet local needs and stimulate economic regeneration. Without this action the countryside faces a sterile future, based on virtual gated communities of the elderly retired and wealthy commuters while those who work in these communities are forced to live in nearby towns.
21. This chapter examines how the restrictive nature of many planning practices has played a part in creating these pressures; how a tick box approach has held back sensitive and appropriate development and how an inflexible range of sustainability criteria has condemned many villages to a downward cycle of decline with services lost as those who work in them cannot afford to live in them.
22. What is required to escape the “sustainability trap” too many communities are caught in is a flexible planning system with a real sense of vision that is based on recognising how our rural communities can be rather than writing them off as unsustainable.

We need a can-do system that asks the question of each development proposal “how will this development add to or diminish the sustainability of this community” and includes social, economic and environmental factors in the answer.

#### **Recommendation 1:**

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

#### **Recommendation 2:**

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

#### **Recommendation 3:**

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

## **Chapter Two: Living, Working Market Towns**

23. Many of our market towns will be at the heart of the very substantial housing growth announced by the Government. Many are expected to experience significant increases in their housing stock – for example Thetford, Taunton and Burton upon Trent will see 29 per cent, 22 per cent and 17 per cent growth respectively in the next eight years alone.
24. We are poised on a moment of great opportunity to shape places where people want to live, work and play. It is a chance to create vibrant new neighbourhoods, build coherent and prosperous communities and deliver more attractive and sustainable environments.

25. But without a clear strategy we risk repeating the mistakes of the recent past that have too often produced 'doughnut development' – characterised by bland or ugly housing and unsustainable retail estates ringing the traditional towns.
26. This chapter explores how these developments undermine sustainability. They invariably encourage car use, especially if there are no services or employment within walking distance, with resulting congestion on roads into town. And without local and community facilities of their own, there is little to build social sustainability and cohesion or links between new and existing settlements as there will be little in the way of community life.
27. But there is no reason at all why new homes need to be delivered through sequential developments of bland housing estates. There are different ways of doing things.
28. Shops, pubs, cafes, workplaces, public open spaces and attractive environments are already being delivered in a handful of places that are re-writing the rulebook. This crucially involves a strategic vision and plan for development – master planning from the ground up, as well as genuine community participation to deliver what new and existing communities want from future development.
29. Building on the best exemplars the Government must set out a new planning approach to ensure a positive legacy of vibrant community extensions and new neighbourhoods.

#### **Recommendation 4:**

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

#### **Recommendation 5:**

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

**Recommendation 6:**

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

**Recommendation 7:**

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

**Recommendation 8:**

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

**Recommendation 9:**

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

**Recommendation 10:**

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

**Chapter Three: Living, Working Villages**

30. Scattered across the English countryside are 16,000 small towns, villages and hamlets. These smaller rural communities – settlements with populations of fewer than 3,000 – are home to 55 per cent of all rural residents, some 6.4 million people. It is in these small communities that the challenges of unaffordable homes, low wages and declining services are at their greatest.
31. Restrictive planning practices and a shortfall in the planned provision of affordable homes are contributing to many of these villages and hamlets becoming increasingly unsustainable communities, unaffordable for those who work there, losing jobs and services. While the country plans for major housing growth over the next decade, in practice these smaller villages are often excluded from local strategies designed to meet even local housing need. This needs to change.
32. The numbers of homes required in individual communities are often very small, but their impact will be immense. Locally-made decisions in these communities relating to just a few affordable homes can be crucial to the sustainability of the community, its shop, pub, school and local businesses.

33. This chapter proposes a process to unlock the barriers to delivering affordable housing in villages and hamlets, based on community involvement from the start. It makes recommendations designed to offer encouragement to landowners to release land for Community Led Affordable Housing where clear criteria of local need, local support, appropriate scale, and good design are met – homes which will remain affordable and for local people in perpetuity.

**Recommendation 11:**

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

**Recommendation 12:**

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

**Recommendation 13:**

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

**Recommendation 14:**

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

**Recommendation 15:**

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

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**Recommendation 16:**

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

**Recommendation 17:**

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

**Recommendation 18:**

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

**Recommendation 19:**

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

**Recommendation 20:**

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

**Recommendation 21:**

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

#### Chapter Four: Living, Working Rural Economies

34. Visits and statistics can give a deceptive impression of country life. Visitors enjoy the undoubted qualities of rural communities and headline figures show low unemployment and household incomes a little above the national average. But the real picture is more complex. Average incomes in rural areas are artificially inflated by residents who commute to well paid jobs in urban areas and by wealthy retirees. The people who actually work in rural communities earn £4,655 less than the national average.
35. Better opportunities to work locally offer a more sustainable future for rural economies and generating those opportunities needs to be based on a clear understanding of the working dynamics of rural communities.
36. There is a popular misconception about economic activity in rural areas: a belief that it is based on traditional crafts and agriculture. This chapter explores the true picture of rural working life and promotes a positive approach to rural economic development.
37. The fact is very few economies in rural England are still driven by agriculture, which now accounts for less than five per cent of the rural workforce. The highest proportions work in the wholesale and retail trade or in manufacturing – 15.8 per cent and 14.6 per cent. This is very similar to the picture in urban areas where the respective figures are 17.1 per cent and 14.9 per cent.
38. Rural economies are much more modern, diverse and dynamic than is often thought. Growth in the proportion of knowledge intensive business services between 1998 and 2005 increased by 46 per cent in rural areas compared to 21 per cent in urban areas. Rural economies are also characterised by a higher proportion of small and micro-businesses, self employment and home-based work. Just over one in six (17 per cent) rural working residents work from home – a figure that rises to 31 per cent in the most rural areas – compared to 8 per cent of urban based residents.
39. If we are to nurture these economies we need to move away from excessively restrictive and inflexible planning practices, to safeguard employment space and support small and home-based business growth, including using redundant agricultural buildings where appropriate.

**Recommendation 22:**

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

**Recommendation 23:**

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

**Recommendation 24:**

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

**Recommendation 25:**

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

**Recommendation 26:**

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

**Recommendation 27:**

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

**Recommendation 28:**

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

**Recommendation 29:**

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

## Chapter Five: Unblocking the System

40. Again and again during this Review concern and disappointment were expressed about policies designed to deliver affordable housing and strong economies in rural areas running into unintended blockages at the local level. While previous chapters focused on major challenges and new ways to tackle them, this concluding chapter highlights practical issues and barriers in the planning system itself and the way it currently operates.
41. This Review has concluded that the countryside is at a crossroads and that immediate and innovative action is necessary to put it on the route to a sustainable future. It proposes changes in the system to support best practice and offers solutions to the blockages and delays which need to be removed as a matter of urgency.
42. The Government can and should make a series of changes in policy and practice which whilst individually small, collectively would make a substantial difference to the speed and effectiveness of the planning system. The changes this Review sets out would better meet local housing needs and deliver a more vibrant economy – two vital elements in securing a living, working countryside for the future.

### Recommendation 30:

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

### Recommendation 31:

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

### Recommendation 32:

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

**Recommendation 33:**

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

**Recommendation 34:**

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

**Recommendation 35:**

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

**Recommendation 36:**

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

**Recommendation 37:**

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

**Recommendation 38:**

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

**Recommendation 39:**

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

**Recommendation 40:**

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

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**Recommendation 41:**

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

**Recommendation 42:**

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

**Recommendation 43:**

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

**Recommendation 44:**

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

**Recommendation 45:**

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

**Recommendation 46:**

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

**Recommendation 47:**

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

**Recommendation 48:**

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

**Context: the housing market**

**Will recent house price falls solve the problem of housing affordability?**

43. During the course of the review, the housing market experienced a sharp downturn, triggered by the 'credit-crunch'. Since peaking last summer, on average house prices have fallen by around

six per cent. Slowing economic growth and still bigger falls in house prices have been forecast, prompting a good deal of uncertainty for the housing market and economy over the next two to three years.

44. Yet falls in house prices have not increased affordability for many buyers. For many people affordability has got worse, as a result of more expensive mortgages and requirements for larger deposits. On top of this, there is now clear data showing a sharp fall in house building. The National House Building Council reported a 56 per cent drop in private sector starts in May 2008 compared to May 2007. This impacts on both market housing and affordable housing, because 60 per cent of affordable homes are delivered as part of requirements imposed on open market developments. The same survey reported the number of public sector homes being built declining.
45. On 4th June 2008 new research by Hometrack showed that as a result of the credit crunch average mortgage costs for a first time buyer had risen by 13 per cent over 2007. The mortgage cost to earnings ratio for a first time buyer exceeded the previous peak in 1990.
46. Whatever happens over the coming months, forecasts do not suggest there will be house price falls on a scale that would eliminate affordability issues in rural communities, and all forecasts show house prices recovering in the longer term. This is because over time the fundamental issues still apply. With the number of people wanting a home growing faster than the number of homes being built long run housing affordability will continue to worsen, especially if in the mean time house building falls back.
47. As the National Housing and Planning Advice Unit (NHPAU) stated, "A cooling housing market in the short run does not provide a solution for our affordability problem in the long run" (*Affordability Matters*, 2007).
48. Rather than solving the problem, the danger is that short term falls in the housing market will hamper delivery of the solutions to the long term problems of housing supply and economic growth in rural communities, and prevent necessary reforms. The reforms proposed in this report are necessary irrespective of short run conditions in the housing market and the wider economy.

### **About the Review**

49. In September 2007, the Prime Minister asked Matthew Taylor, (Liberal Democrat) MP for Truro and St Austell, to conduct an independent review to investigate how the planning system could better support the sustainability of rural communities

in England. The Review is focused on the rural economy and affordable housing to 'further support the creation and maintenance of sustainable, socially inclusive, economically vibrant and mixed rural communities – within the context of existing protection for the natural environment'.

50. In particular: the identification and release of land for local economic development and affordable housing provision in rural areas; investigating the potential for increasing the provision of live/work space in rural communities; and assessing local implementation of new planning policies building on the work of the Affordable Rural Housing Commission (for full terms of reference see Annex A).
51. The Affordable Rural Housing Commission was set up to inquire into how to improve access to affordable housing for those living and working in rural areas, by providing evidence on the scale, nature and implications of the shortage of affordable housing for rural communities and make recommendations to help address unmet need. It reported to Government in May 2006. Since then, changes have been made to the housing planning policy framework for housing through the introduction of *PPS3: Housing* in November 2006, which reflected some of the Commissions recommendations and includes a range of policies to seek to address the housing needs of rural communities.

### **Review Process**

52. Matthew Taylor MP has represented a rural constituency in Cornwall for 21 years and has a long understanding of pressures faced in rural areas. His local district council, Carrick, was cited by a Halifax study in August 2007 as the least affordable rural authority in the country.
53. Since September 2007, Matthew Taylor MP and the Review team have visited all the regions of England, as well as a visit to the Highlands of Scotland, and met an extensive range of representatives from national, regional and local delivery bodies and agencies, regional and local government, parish councils, planning professionals, social and private housing developers, land owners, rural businesses, public, private and voluntary sectors and those living and working in rural communities themselves (see list at Annex B).
54. The Review team has also taken part in a number of roundtable stakeholder events and received over 275 written submissions of evidence. This evidence, together with other data that has been drawn together, has helped shape the recommendations of the report.

# 1 Living, Working Countryside



## 1 Living, Working Countryside

### Summary

**Planning must not determine the future development of rural communities against a narrow tick-box approach to sustainable development, assessing communities as they are now and not what they could be. In too many places this approach writes off rural communities in a 'sustainability trap' where development can only occur in places already considered to be in narrow terms 'sustainable'. The question planners must address is "how will development add to or diminish the sustainability of this community?" taking a better balance of social, economic, and environmental factors together to form a long term vision for all scales of communities. A mix of housing and employment opportunities are essential for the sustainability of rural communities.**

1. Rural areas and communities are a major asset for the country as a whole, in economic, social and environmental terms. The open countryside is greatly valued and provides much of our cultural identity. Market towns and their network of surrounding villages are often more successful socially environmentally and economically than urban ones. But within this context, there is a serious under provision of affordable housing particularly in smaller rural settlements with damaging consequences for the health of local communities and the sustainability of rural England.
2. The planning system has played a decisive role in retaining settlement patterns and protecting open countryside, yet for many rural market towns planned new housing will have a dramatic impact. The growth will often be on the green space most precious to people – the field at the end of their garden, the countryside that borders their town. Development of housing and business has been highly constrained in the open countryside and smaller rural communities, but growth of housing estates, business parks, and edge of town retailing is more than familiar to most rural market towns.
3. In contrast, the villages that make up England's countryside face problems directly related to the fact that housing and economic development have often been highly constrained. With housing supply constrained, but more and more people wanting to move to the countryside, rural house prices have risen even more sharply than in larger towns and cities. On the other hand, although rural economies perform well in many respects, local employment in the countryside is generally significantly lower waged than in urban areas. **The result is that many of the people**

**who work in the countryside increasingly cannot afford to live there, while the people who can afford to live there increasingly do not work there.** These pressures have serious implications for the sustainability of rural communities.

4. This chapter looks at these pressures in detail – and the unacceptable impacts they are having. Unacceptable because if villages become in essence ‘gated communities’ of the wealthy and retired, the people who do the work in the countryside – on the farms, in the shops, in local businesses, providing the practical services and employment needed in the rural communities – will be priced out, at best having to commute in from the towns to do the jobs, at worst leaving the essential work of the countryside undone. With fewer families in the village, services like schools, buses and Post Offices become even less viable – and if lost altogether, make communities even less sustainable.
5. These pressures, in varying degrees, are now impacting on many rural communities across the country. To overcome them, later chapters of this report will look at how the planning system can work to support new, better paid work opportunities, and to provide the homes needed for those who live and work there – and do both in ways that genuinely enhance rural communities.
6. This chapter discusses the two essential factors that must underpin this process:
7. Firstly, the need for our decisions about the future of rural communities to be better informed by the facts. It examines the facts – and the myths – about the countryside. Secondly, the requirement for the planning system to shake off a narrow approach to what we mean by sustainable (which often undermines longer-term sustainability) so that planning can help deliver a genuinely more sustainable, living, working countryside.

## **Rural pressures – increasingly unsustainable rural communities**

8. Together, smaller villages and hamlets outside the market towns and particularly in comparison to urban areas, face a consistent set of pressures affecting their sustainability:
  - **restrictive planning practice**
  - **a low supply of housing (particularly affordable housing) to meet local needs**
  - **lower local wages and unfulfilled economic potential, and**
  - **a strong trend for in-migration** – which have led to
  - **very high house prices, unaffordable in relation to local wages.**

9. These pressures undermine the opportunities for rural communities to be economically vibrant, environmentally sustainable, socially mixed and inclusive. The price of property in rural areas has increased to a level which is on average significantly greater than for a comparable property in a more urban setting. Local employment opportunities are limited, particularly in more highly skilled and higher paid work.
10. As a result, increasingly those working locally can no longer afford to live in these communities, and those living there have limited opportunities to work locally. This situation is undesirable from a perspective of fairness and social equity, but also runs contrary to the aims of creating and maintaining sustainable communities. In time, such communities will become increasingly unsustainable in every sense. The effects include:

#### **Less economically sustainable**

- Lack of affordable housing undermines labour market supply as employees are unable to afford to live locally, and so increasingly unable to work locally which may impact on the viability of local shops, services and businesses.
- The changing demographic balance of communities (more wealthy and older people and fewer poorer and younger people) impacts on demand for local services, particularly schools, Post Offices and public transport, and so their overall viability.
- Constraints on economic development can restrict enterprise, leave rural communities more reliant on traditional usually low paid employment, and can result in disguised under employment (higher skilled people working in lower skilled jobs) and skilled workers moving elsewhere for work.

#### **Less socially sustainable**

- Social and economic polarisation – where smaller rural communities are increasingly the preserve of the wealthy or retired, excluding poorer and younger people.
- The loss of rural enterprise, shops and services can compound pressure on vulnerable groups (lower income, immobile, elderly) to move out.
- An erosion of family and community ties as younger family members move away for housing and jobs.
- A change to the demographic balance undermines social networks often vital for providing support for vulnerable people such as older relatives, childcare for working parents and people with disabilities.

### Less environmentally sustainable

- A greater degree of reverse commuting by workers employed in rural enterprises who are forced to live elsewhere as a result of their inability to buy or rent locally, whilst those who live in the village commute into town for better paid work.
  - Increased need to travel for services, as these decline for the reasons set out above.
11. In summary, dormitory and retired communities with few local services or employment opportunities cannot provide a sustainable future for the countryside. Beyond the borders of these communities, their unfulfilled economic potential will also hold back the national economy as a whole.

### Restrictive planning practice

12. Since the Scott report in the 1940s, development in the countryside has for the most part been highly managed, with emphasis placed on protecting valued landscape and environmental features. This has certainly not stopped all rural development, and indeed in the 1980s relaxation of planning rules allowed a great deal of badly planned development in many communities, but it has significantly limited it – especially in smaller rural villages and hamlets. As countryside protection and now climate change and sustainable development have risen up the national political agenda, the control of development has tightened.
13. The origins of the modern planning system were set out in the immediate post war years, guided by concerns developed over the previous half century in response to an unprecedented pace in industrialisation and urbanisation. This planning framework was set out in the Town and Country Planning Act 1947 which sought to restrain urban sprawl, preserve open countryside, and to protect agricultural land to bolster food security in the aftermath of the Second World War.
14. The essential nature of this planning framework remains unchanged, though the rationale for restricting development in the countryside has refocused over time. As the intensification of agricultural output produced an abundance of food, restrictive planning policy became more explicitly focused on environmental and landscape protection.
15. National planning policy, set out for regional and local planning bodies through Planning Policy Guidance (PPG) and Planning Policy Statements (PPS) encourages reductions in energy use and emissions and a positive contribution to global sustainability. A key principle of *PPS1: Delivering Sustainable Development* is

to encourage patterns of development which reduces need to travel by private car.<sup>1</sup> This reinforces policy set out in *PPG13: Transport* to “reduce the need to travel, especially by car”.<sup>2</sup> This has clear implications, discouraging development in rural areas (where there is inherently more necessity for travel and usually limited access to public transport).

16. *PPS1: Delivering Sustainable Development* in its headline objectives also requires that “*Planning should facilitate and promote sustainable and inclusive patterns of urban and rural development by:*
  - *making suitable land available for development in line with economic, social and environmental objectives to improve people’s quality of life;*
  - *contributing to sustainable economic development;*
  - *protecting and enhancing the natural and historic environment, the quality and character of the countryside , and existing communities;*
  - *ensuring high quality development through good and inclusive design, and the efficient use of resources; and*
  - *ensuring that development supports existing communities and contributes to the creation of safe, sustainable, liveable and mixed communities with good access to job and key services for all members of the community”.*<sup>3</sup>
17. The difficulty is that whilst these headline objectives of *PPS1: Delivering Sustainable Development* of promoting sustainable development are applied equally to rural and urban communities, the detailed advice focuses on access to services and reducing car use. This tension runs throughout *PPS1: Delivering Sustainable Development* and without clear guidance on its application in rural areas, planning authorities have adopted the generic guidance without considering that in so doing they are undermining the achievement of the headline objective of promoting sustainable and inclusive patterns of development.
18. The same behaviour is apparent in directing new development to Brownfield (previously developed) land which has become an explicit, measured national policy objective.<sup>4</sup> Rural areas with their history of more constrained development in comparison to urban areas will usually have fewer Brownfield sites available for development.
19. An added irony is that it is not uncommon for Brownfield land (which can include derelict land, gardens, allotments and playing fields), to be of high value to local communities and highly bio-diverse. Yet under current planning policy, development

on these is favoured ahead of development on green fields. Whilst open countryside clearly has landscape value it is not always of greater environmental and community value.

## Low supply of affordable housing

20. The supply of all homes, both market and affordable (social rented and intermediate housing) in rural communities has been restricted by the planning system. But the supply of affordable homes has been especially restricted in rural areas by many factors: the sale of council houses, the failure of successive governments to invest in affordable housing, the absence of specific planning policies encouraging provision of permanently affordable housing) – particularly in comparison to the provision of affordable homes in urban areas.
21. The stock of affordable homes in rural areas has historically been lower than in urban areas, and while the proportion of affordable homes has decreased for all areas over the past 30 years, the sharpest decline has been in rural England. In 1980, 25 per cent of the housing stock in rural areas was social housing compared to 36 per cent in urban areas. By 2007, these figures had declined to 13 and 21 per cent respectively.<sup>5</sup>
22. The rural stock of affordable housing has been disproportionately affected by a slower rate of building new affordable homes, and a significant loss of existing stock through the Right to Buy. As the Affordable Rural Housing Commission pointed out, “Right to Buy has had a proportionately greater impact in reducing the stock of social housing in rural areas than it has in the towns, and fewer new homes have been built to replace those sold.”<sup>6</sup>
23. Introduced in 1980, the Right to Buy scheme gives eligible council tenants (including former tenants whose homes are transferred to Housing Associations) the right to buy their property from their council at a discount. And in 1997 the Right to Acquire scheme provided eligible tenants of Housing Associations the legal right to buy the home they currently rent.
24. Reflecting the shortage of affordable rural housing, in communities of below 3,000 population the Right to Acquire does not apply.<sup>7</sup> And social landlords were latterly given power to restrict the sale of homes in rural areas that are sold under Right to Buy (reduced discounts, resale limited to local people).<sup>8</sup> But such interventions effectively shut the stable door after the horse had bolted – as many affordable homes in rural areas were already sold onto the open market.
25. Not surprisingly there is substantial demand for any new social housing that does now become available and waiting lists are growing.

*“One of our members recently built six two bedroom houses in a village in Wiltshire. 201 bids were received for these homes, with all applicants meeting the local connections and housing need criteria.”*

National Housing Federation – Submission to the Review

26. This is not just an issue of social housing. In many rural areas, what may have once been relatively cheap privately rented cottages and houses have increasingly become the target for redevelopment into smart country cottages, or profitable holiday lets. So the supply of reasonably priced private rented accommodation has often similarly diminished. These factors are pushing many working people out of rural villages.

### **Low local wages and unfulfilled economic potential**

27. Rural communities are on many measures economically strong and prosperous. Levels of employment among people who live in rural areas are high (78.2 per cent of the working age population in rural areas are in work compared to 72.2 per cent in urban) and unemployment levels are low (3.9 per cent in rural compared to 6.1 per cent in urban).<sup>9</sup>
28. These figures however, mask a harsh reality for the people who actually work within rural communities. The average wages of people *living* in rural areas is slightly lower than for those living in urban areas (£24,182 and £25,337 respectively. However, the shortfall is much greater for those who *work* in these rural communities (rather than commute from them to urban areas). The average wage of those working in rural areas is £20,895 compared to £24,890 in urban areas, a 20 per cent shortfall. The average wage of those *working* in the most rural areas is even lower compared to those working in the most urban areas – £20,289 compared to £27,487, a difference of over £7,000 (see Table 4.3 in Chapter 4 for more details).<sup>10</sup>
29. So average incomes in rural areas, when measured according to where people live rather than where they work, are distorted by the effects of the people who commute to urban centres for work and a relatively wealthy retired population. This masks well the below average wage of those actually working in rural areas. Recent research has shown that 28 per cent of jobs in the most rural areas are low paid, compared to 22 per cent nationally and 18 per cent in the most urban areas.<sup>11</sup>
30. Opportunities to increase local wages and diversify from lower paid ‘traditional’ rural jobs into higher skilled and paid work are limited. Growing rural businesses are often forced by lack of available or suitable ‘stepping stone’ workspace to relocate to

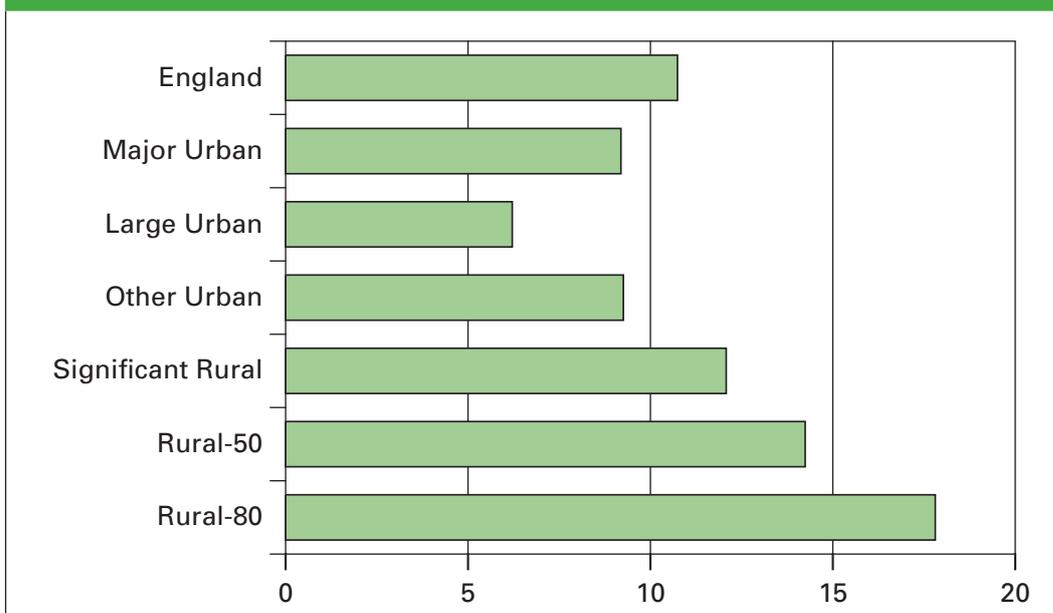
more urban settings on business and industrial parks. Business sectors that have traditionally been encouraged in rural locations (agriculture, tourism, recreation) remain relatively low skilled and low paid.

31. It is clear that planning practice may be contributing to barriers to new employment opportunities and better wages. Economic growth is relatively low in the most peripheral and sparsely populated rural districts. Failure to harness the potential for enterprise in many rural communities not only impacts on their viability and sustainability but also has wider consequences for the national economy.
32. Such economic challenges were predicted in Professor Denison's Minority Report to the Scott Committee's report on *Land Utilisation in Rural Areas* in 1942 as the likely if unintended outcome of restrictive planning rules proposed by Scott, whose report became the basis for post-war rural planning: "The main rural problems will come from the lack of a solid and diverse economic base in the countryside."<sup>12</sup>

### Migratory pressure and change

33. Demand to live in the countryside has soared over recent years – fuelling a long standing and significant trend for counter-urbanisation. Over the last decade alone the population of rural districts in England has increased by over 800,000 people – up seven per cent, compared to three per cent in urban areas.<sup>13</sup>

**Chart 1.1: Projected population increase from 2004 to 2028 (%)**



Source: Office for National Statistics, Population Projections, with 2004 set as base

34. There is no sign of this trend for urban to rural migration stopping. When asked, 9 out of 10 people living in the countryside said that they would prefer to stay where they are, compared to urban areas where only 2 in 10 people stated that they wanted to stay – and half reported a desire to move to the countryside.<sup>14</sup>
35. This desire to live in the countryside is a result of a rural-pull related to perceptions of a better quality of life, access to nature and the natural environment; and an urban-push related to concerns over issues such as crime, congestion and choice of housing. Certainly, many urban based families and those in later life seek and can afford to move or retire to the countryside. Modern technology, such as the internet and broadband, and new ways of working make it ever easier for an urban based workforce to move to the countryside and commute from rural villages or work from home.
36. Much of the migration to rural areas has been ‘age related migration’ – a net outflow of people aged 15-30, and inflow of people aged 30-45 often with families and those aged 45-65, as younger people seek employment and housing in urban areas, and wealthier people and retirees seek to move to the countryside.
37. As a result of all these factors, Office for National Statistics projections indicate that by 2028 population in rural areas will increase by 16 per cent compared to nine per cent in urban areas).<sup>15</sup> As we will see in Chapter 4, there is potential for new rural employment opportunities to be created from these urban migrants that will benefit the rural economy as a whole – but the pressure on limited housing supply is clear.

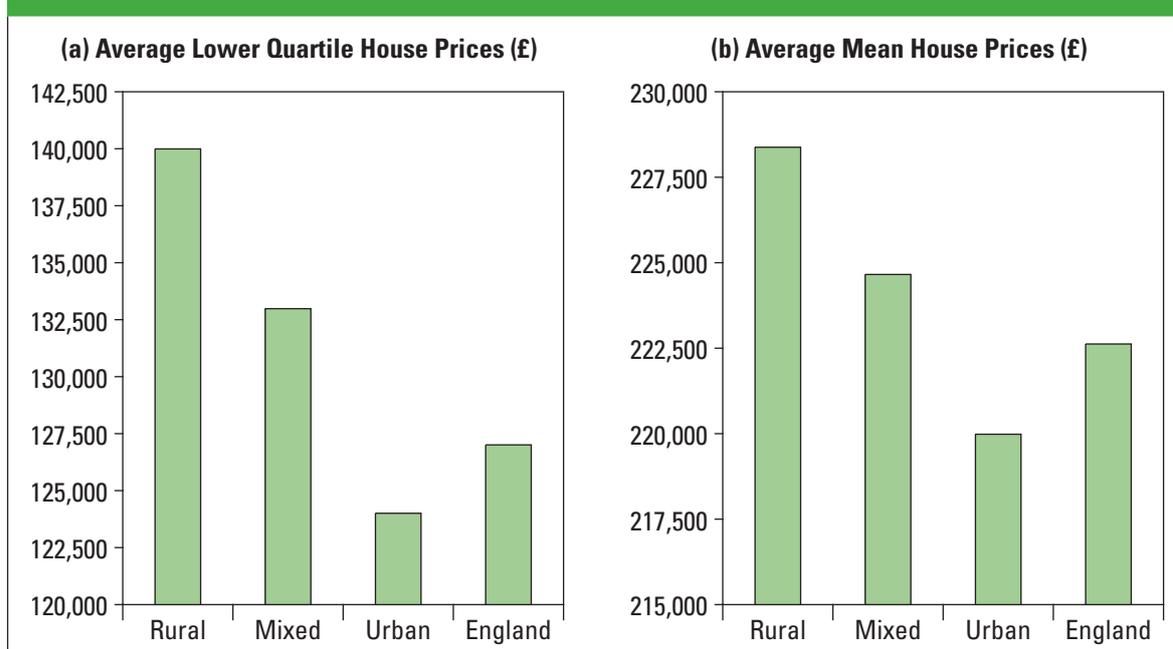
### **Unaffordable house prices**

38. Housing affordability is a national challenge. The scale and pace of house price increases over recent years has led to a rapid deterioration in affordability across the country. Nationally, the average lower quartile house price was just under four times average lower quartile earnings (work place based) at the turn of the century, it is now over seven.<sup>16</sup>
39. But the issue is measurably more difficult in most rural communities. These factors – restriction of housing development, little affordable housing, low local wages, and migratory pressure resulting in very high housing demand – are having an inevitable consequence. Since supply is constrained, growing pressure to live in the countryside has created an escalating

premium on the price of rural housing. This fifth factor, rapidly rising house prices and greater un-affordability in rural areas, is the outcome of the other four. Increasingly in rural communities people on low local wages can no longer afford a home in the area in which they work.

40. Figures for 2007 show the average price of a home was over £8,000 more expensive in rural compared to an urban areas (£228,372 in rural and £219,997 in urban). But the average cost of a lower quartile priced home – the category at which most young and first time buyers seek to get on the property ladder – was £16,000 more expensive in a rural compared to urban area (£140,000 in rural and £124,000 in urban).<sup>17</sup>

**Chart 1.2: House Prices in Rural and Urban Areas, 2007**

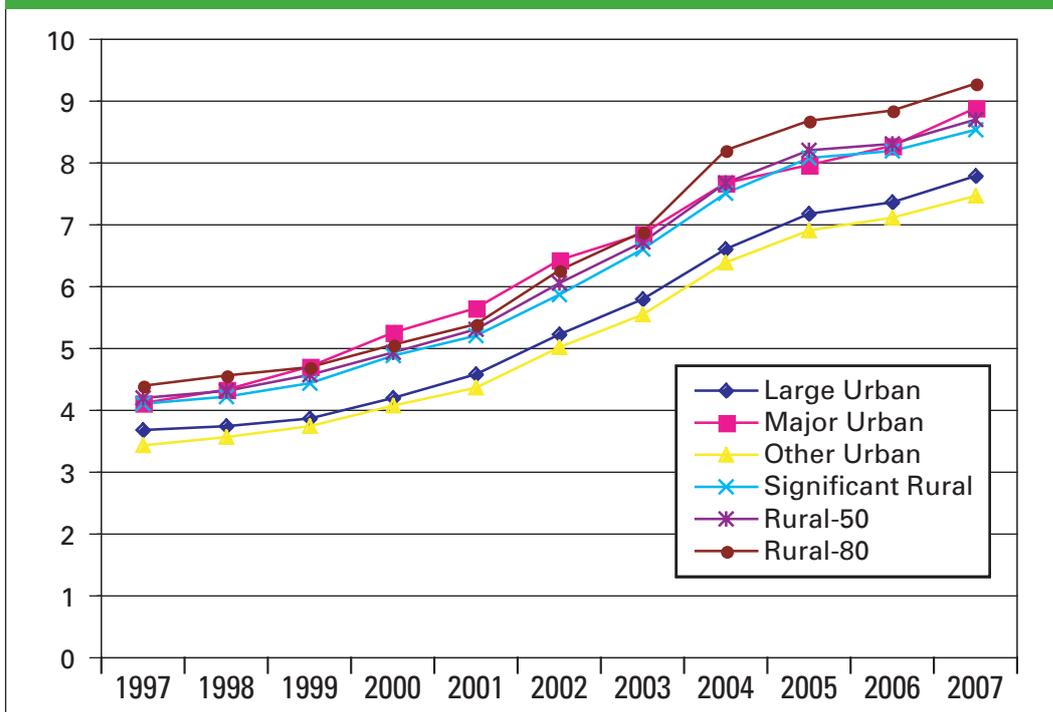


Source: Land Registry

41. The pace of house price increases has also been highest in rural areas. In 1997 the average lower quartile house price in a rural area was £46,000, compared to £42,000 in an urban area. A decade later in 2007, the average lower quartile house price in a rural area was £140,000 compared to £124,000 in an urban area.
42. In combination, typically low wages and high local house prices means that house prices are on average particularly unaffordable.

43. Rural areas also have the highest ratio of lower quartile house prices to lower quartile (work place based) earnings. Figures for 2007 show that in rural areas average lower quartile property prices were 8.9 times average lower quartile earnings compared with a ratio of 8.2 in urban areas. The most rural areas (rural-80) have the highest ratio at 9.3, compared to 8.9 in the most urban areas (major urban) and 7.5 in smaller urban areas (other urban). In the least affordable rural local authorities such as Chichester and East Dorset the ratio of lower quartile house prices to lower quartile earnings is up to 13. As a result, there are far fewer first time buyers in rural areas, accounting for only 17 per cent of all buyers compared to 33 per cent in urban areas. This figure drops to just 8 per cent in Caradon in Cornwall – the district with the lowest proportion of first time buyers.<sup>18</sup>
44. While there are regional differences, more than 50 per cent of local authorities with the highest house price to income ratio are in rural areas. Taking lower quartile house prices to lower quartile earnings, rural parts of the South East are less affordable on average than London. Similarly mortgage costs as a proportion of incomes are higher in the South West than in London and the South East.<sup>19</sup>
45. Problems of affordability can also be harder to overcome. Nationally many people resolve the dilemma of unaffordable housing by moving to a cheaper area to buy. But a recent report published by the Joseph Rowntree Foundation shows this is less of an option in rural areas. In large cities with good transport links and where commuting to work is relatively easy, moving a short distance from an expensive part of town to a less expensive one may be an easy option. For example, moving from the London borough of Hammersmith and Fulham to the neighbouring borough of Hounslow significantly increases housing affordability. This is not true for many rural areas. Neighbouring districts tend to have similar affordability issues and small towns and villages may be both remote and have poorer public transport links to nearby settlements, let alone more affordable districts.<sup>20</sup>

**Chart 1.3: Ratio of Lower Quartile House Prices to Lower Quartile Earnings, 1997 to 2007**



Source: Land Registry and Office for National Statistics Annual Survey of Hours and Earnings

46. The trend means that across rural communities, especially outside the market towns, affordable housing is no longer just an issue for a relatively small number of the neediest, it is now hitting the local primary school teacher, farm-worker, carer, corner shop cashier, police officer, builder, electrician and plumber. In other words, the people who do the work necessary to manage the countryside and service and sustain rural communities can no longer afford to live there. If the next generation of working people is priced out of these communities, if they go on working there at all it will mean commuting from the cheaper parts of town to rural workplaces that can be many miles away. They will no doubt pass on the way many of the people who can now afford to live in these rural homes commuting into town for their higher paid jobs there. There is evidence this is already beginning to happen. Research has shown that between the 1981 and 2001 Censuses, there was an increase of some 417,000 in the number of people travelling from urban homes to rural workplaces in England and Wales.<sup>21</sup>
47. This matters. It undermines local economies, services, social cohesion and opportunity. And it is bad for the environment. In other words, it is not sustainable.

48. Action is needed to address these issues. More affordable homes are required and enterprise in rural areas needs to be better encouraged and supported to deliver better paid employment – to create and maintain sustainable rural communities and ensure a ‘living, working countryside’.

## **Rural England – understanding the context**

49. If we are to tackle the set of challenges outlined above, it is vital to understand the context in which they exist, and dispel some of the myths bedevilling rural policymaking.
50. A common myth is that the countryside is economically unimportant save for the production of food, landscape management and traditional land based industries, tourism and craft based/lifestyle enterprises and a limited provision of commercial (shops) and service based employment providing for the local population.
51. As discussed further in Chapter 4, this is not the case. Recognising the true nature of the rural economy – that it is diverse and dynamic and entrepreneurial, and that it is important both for the people that engage in it and makes an important contribution to regional and national economies – also informs this review’s attitude towards the affordable housing dilemma in the countryside.
52. Rural economies are not just about farming. The business mix in rural areas is similar to urban areas, is much less reliant on agriculture and land based industries than people may think, and is characterised by high levels of small and micro business, self employment and home working. In order for the rural element of the national economy to function successfully it requires opportunities for business growth and employment, which in turn necessitate housing that meets the needs of this rural workforce.
53. Providing housing is not simply a ‘social issue’. The need to help vulnerable people in need is a crucial reason for increasing the provision of housing to meet those needs. However, it is not the only reason, and beyond it is the goal of realising the potential within the rural economy and supporting genuinely sustainable rural communities.

## **Is England still a green and pleasant land?**

54. Ask what proportion of England is under concrete – towns, cities, housing, offices, business, industry etc – and many people reply that a far higher proportion of the country has been developed than actually is the case. Research carried out for the Barker Review of Land Use Planning found that people have a marked

tendency to over estimate the proportion of built up urban land in England.<sup>22</sup> In that research, 54 per cent of respondents thought that around half or more of all land in England was developed, while only 13 per cent believed that less than a quarter was developed.

55. In reality the total area of England which has been developed is much lower than this. While the exact figure is subject to debate (based upon the methodology of calculation), the highest figure from all recent studies is that 13.5 per cent of all land in England is built up.
56. Research for the Barker Review of Land Use Planning identified the proportion of urban land in 2001 – based upon urban settlement boundaries was 8.9 per cent.<sup>23</sup> The Countryside Survey 2000 estimated for England and Wales that the proportion of developed land was 13.5 per cent.<sup>24</sup> The Generalised Land Use Database (GLUD)<sup>25</sup> estimates that developed land in England totals 9.8 per cent and the European Commission produced CORINE Land Cover 2000 survey reports that the percentage of England urbanised or built up is 11.2 per cent.<sup>26</sup> Even in the ‘over crowded’ South East of England, only 12.2 per cent of land in the region is developed, according to the GLUD estimate, which still makes it the most built up region outside of London.<sup>27</sup>
57. In addition, all of these estimates of built up land include green spaces such as gardens, many of which are just as environmentally valuable and full of wildlife (in fact often more so) as agricultural land.<sup>28</sup>
58. This misconception may be shaped by most of the population living in an urban area (80 per cent) and their familiar day to day environment. Also, when people travel between towns and cities by road or rail they move relatively rapidly on routes designed to link urban centres, limiting time spent in the open countryside. This may all reinforce the perception of urban areas and developed land as being more expansive than they actually are.<sup>29</sup>

## **What impact will new housing growth have on the countryside?**

59. In July 2007 the Government announced plans to build an additional three million new homes in England by 2020. This is a significant increase given currently there are a total of 22.4 million homes in England.<sup>30</sup> This requires increasing the supply of new homes towards 240,000 homes a year by 2016, delivering approximately two million homes by this time, and then maintaining this pace of construction over the next four years to deliver an extra million new homes by 2020.<sup>31</sup> This would represent a

substantial increase in house building compared to a current rate of building at 175,000 new homes in 2007 and an average over the previous decade of 148,000 new homes a year.<sup>32</sup>

60. Whilst the majority of this housing growth is planned to take place on previously developed Brownfield land and mostly as extensions to existing towns and cities, many people feel that such growth will pose a significant threat to the countryside. However, as we have seen much less land is actually built up than many people would think. Irrespective of whether or not three million additional homes is the right number to meet housing need and address unaffordable house prices, such an increase in house building would have a relatively small impact upon the proportion of built up land nationally.
61. Recent planning policies have encouraged better use of land and enabled the proportion of homes built on Brownfield land to rise from 56 per cent in 1997 to almost 75 per cent today<sup>33</sup> and the density of new housing to increase from 25 to 45 dwellings per hectare between 1997 and 2007.<sup>34</sup>
62. Building of three million new homes at the current rate of density (45 dwellings per hectare) would take up just 0.5 per cent more land across the whole of England.<sup>35</sup> Should the Government's target for 60 per cent of all new development to take place on Brownfield land be maintained, this falls to 0.2 per cent of previously undeveloped land.<sup>36</sup> And should building at the current rate on Brownfield land (75 per cent in 2007) be maintained, three million additional new homes would add just an additional 0.1 per cent developed land.<sup>37</sup> These differences help illustrate the important difference careful planning can make to the impact of development on the countryside.

### **Will these new homes solve rural affordability?**

63. The numbers of new homes planned nationally are only roughly in line with the projected growth in housing demand and household formation. This means the targets for increased housing supply aim to moderate growth in house prices by matching increased demand with increased supply – not to bring prices down, which would require even higher levels of housing supply if these projections are correct.
64. With regards to the supply of new homes in rural areas, and the likely impacts upon housing affordability there, planned growth in housing supply is in fact largely focused on urban areas and larger settlements, not rural villages and hamlets. Analysis of emerging Regional Spatial Strategies (RSS) indicates

that nationally planned housing numbers are lower than household growth projections, but that this mismatch between supply and demand is higher in rural areas. Overall, planned housing provision in emerging RSSs amounts to only 91 per cent of projected household growth, but for rural areas the difference is much larger, where planned housing provision is just 81 per cent of projected household growth.<sup>38</sup> Housing allocation in RSSs is being prioritised towards urban development in key service centres at the expense of wider rural areas, in part as a result of emphasis on narrow environmental sustainability criteria rather than broader social and economic concerns in rural areas.<sup>39</sup>

65. In short, for rural areas projections forecast that demand for housing will continue to rise substantially faster than supply, which increases competition for housing, pushes up prices and squeezes out people who cannot afford even bigger mortgages. Therefore, not only may the planned increase in housing supply not improve housing affordability (as it only seeks to stabilise prices in line with household growth rather than cut prices), in rural areas housing affordability is likely to get worse, as development is further skewed towards defined urban areas, whilst the demand to move to the countryside continues to grow. To tackle the problem of house price affordability in the countryside, where and what we build will need to change, issues explained at greater length in Chapters 2 and 3.

## The sustainability trap

### Box 1.1: Definitions of Sustainability

*“development which meets the needs of the present without compromising the ability of future generations to meet their own needs.”*

**World Commission on Environment and Development (1987)  
‘Our Common Future’ (The Brundtland Report)**

The components of a ‘sustainable community’<sup>40</sup>

Sustainable communities embody the principles of sustainable development. They do this by:

- balancing and integrating the social, economic and environmental components of their community
- meeting the needs of existing and future generations
- respecting the needs of other communities in the wider region or internationally to make their own communities sustainable

So sustainable development is about action, not just maintaining the status quo, and it's about more than just the environment, it has to address environmental, social and economic issues together. These principles of sustainable development inform and underpin the proposals set out throughout this review.

66. Creating and maintaining sustainable communities is a key challenge for the 21st century and the sustainability of rural communities is the guiding principle of this review. The goal of sustainable development, as set out in the current UK Sustainable Development Strategy, *Securing the future*, is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations.<sup>41</sup>
67. Sustainable development is now the core principle underpinning planning.<sup>42</sup> Planning policy has been increasingly designed to reflect these sustainability goals. Changes to the planning system in 2004 introduced a statutory duty on those preparing RSS and Local Development Documents (LDDs) to ensure that they undertake those functions with a view to contributing to sustainable development.
68. The role of the planning system in delivering sustainable development is further set out in a *PPS1: Delivering Sustainable Development* which sets a clear expectation that regional planning bodies and local planning authorities should seek to integrate social, environmental and economic objectives within regional and local plans.<sup>43</sup> To support this, the legislation requires both regional planning bodies and local planning authorities to carry out a Sustainability Appraisal of RSSs and key local plans.<sup>44</sup>
69. Prior to this review there have already been a number of criticisms of the way planning policy for sustainable development is interpreted and implemented at the regional and local levels. In particular, the way regional and local planners are applying these requirements through prioritising certain narrow environmental indicators (namely the objective to reduce energy use and emissions, measured almost exclusively by transport use).
70. Both the Barker Review of Land Use Planning<sup>45</sup> and the Affordable Rural Housing Commission<sup>46</sup> raised the concern that such narrow application of sustainability criteria in the planning system fails to take adequate account of the social and economic factors, placing undue emphasis on certain environmental criteria – at the expense of otherwise beneficial housing and economic development.

71. This is a particular barrier for rural development as national policy both implicitly and explicitly conveys the message to regional and local planners that development should be focused into areas which reduce the need to travel; directing new housing to be located near existing larger service centres and new enterprise to be located near concentrations of existing housing, both of which are more prevalent in urban areas.
72. Representations to this review overwhelmingly echoed these concerns – and also highlighted that as they have been left unchecked, such narrow perceptions of ‘sustainability’ have become embedded in regional and local planning and have affected delivery of housing and economic development.
73. This report picks up from these concerns and identifies that broadening the approach to sustainable development, from a narrow set of environmentally based criteria, to better balance and integrate **social, economic and environmental** characteristics is central to creating truly ‘sustainable communities’. As the Commission for Rural Communities point out “...sustainable development must be shaped and constrained by environmental limits; but also that economic wellbeing and social justice should lie at the centre of thinking about the futures of rural communities.”<sup>47</sup>
74. At the regional level, while each RSS tackles the issues of rural development and housing in different ways, they “all operate from a core belief that the sustainability of the region means focusing development in urban areas, where the majority of the population lives and the infrastructure [transport/utilities etc] is most developed”.<sup>48</sup>

*“North East RSS – to concentrate new rural housing in a strong network of rural service centres”*

*“Yorkshire and the Humber RSS – calls for development outside the main cities to be focused in ‘principle service centres’”*

*“North West RSS – new housing to be located so as to prioritise the re-use of brownfield land and buildings within existing urban settlements, and beyond them in ‘key service centres’”*

*“East of England RSS – in more rural areas, development will be focused on market towns which have good public transport accessibility to key urban areas”*

*“West Midlands RSS – policy priorities to be judged among other criteria on access to services and facilities”*

*“East Midlands RSS – priority order for development focusing on urban areas, sites adjoining urban areas, rural areas within or adjoining existing towns and villages, suitable sites elsewhere”*

*“Wouth West RSS – identifies three types of settlement: strategically significant cities, market towns and small towns and villages with a strong emphasis on development in the former”*

*“South East RSS – the prime focus for development in the South East should be urban areas, and explicitly that smaller settlements will not be the main focus for development”<sup>49</sup>*

Extracts from Regional Spatial Strategies

75. At the local level, such approaches have often been drawn down into local plans to prioritise urban development, and effectively write off many smaller rural communities’ needs for affordable housing and economic development.

#### Case Study 1.1: Tynedale District Council

In establishing an LDF Core Strategy, local authorities are required to identify settlements where new housing development may be located. In Tynedale’s case such settlements must have at least a school or a shop selling food to meet day-to-day needs and either a village hall/community centre or a pub. There must also be a public transport connection to a larger settlement. This approach was debated internally prior to inclusion within the LDF Core Strategy and was commended by the Inspector at the Inquiry into the Strategy. This is very similar to the approach adopted in many other local authorities around the country. It means that no new houses (whether affordable or otherwise) can be built in settlements without this specific combination of services present.<sup>50</sup>

76. Certainly it is important to focus policy on sustainable development and behaviour change, linked to tackling and mitigating the effects of climate change. What is of concern is that the emphasis on sustainability is too often being interpreted so narrowly at regional and local levels as to describe any or most development in smaller and rural communities as unsustainable in principle. Local authorities are now increasingly defining settlement hierarchies as a basis for determining the permissible scale and nature of sustainable development. However, few if any have devised any means by which a settlement at a lower level can migrate up the sustainability ladder.

77. This all results in a ‘sustainability trap’. In essence, otherwise beneficial development can only be approved if the settlement is considered sustainable in the first place. Failure to overcome this hurdle essentially stagnates the settlement – freezing it in time – potentially for the life of the adopted development plan. This cannot be sound planning, since it makes such communities less, not more, sustainable.
78. So many smaller rural settlements without certain services are written off as inherently ‘unsustainable’, in which case no new housing or economic development may be allowed at all. There is a widespread assumption that because smaller rural communities may have little or no services, shops, or public transport of their own they are fundamentally unsustainable – and therefore not suitable for development on the grounds of an implied greater need to commute and travel by car to access services and employment. This has translated into restrictive regional and local policy, and also reflects aspects of national policy.<sup>51</sup> Increasingly decision making in rural areas is determined solely by reference to limiting car based travel. While current Government policy does provide a more pragmatic stance this is not the interpretation applied ‘on the ground’.
79. An interesting parallel might be drawn with the widely accepted criticism of the “key settlement” approach to planning in the 1970s, where resources were concentrated on larger settlements and smaller ones left to dwindle and lose self sufficiency. Durham County Council in the 1950’s, provides another parallel where villages defined as in “Category D” were left to decline, the populations encouraged to move away, and vacant homes demolished; though in fact many people refused to move.
80. This narrow view of sustainability is far too simplistic – and wrong. Indeed, it starts from the wrong premise, because it asks the wrong question. If people in rural areas can’t live near where they work because it is unaffordable, or can’t work near where they live because employment is increasingly directed to towns, restricting development has the effect of making communities even less sustainable environmentally, let alone socially and economically sustainable. **Since we are not going to bulldoze our villages and start again, and people are going to continue to live in them, the key emphasis of the planning system (at all levels) needs to move away from asking “is this settlement sustainable?”, to “will this development enhance or decrease the sustainability of this community – balancing social, economic and environmental concerns?”**
81. Some steps have been taken more recently to try and address this situation, by building in explicit advice for the application of policy in rural areas. The *Planning and Climate Change Supplement to PPS1: Delivering Sustainable Development*

advises 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.” Similarly, *PPS3: Housing* contains specific advice to planning authorities to provide housing in market towns and villages “to enhance or maintain their sustainability. This should include, particularly in smaller rural settlements, considering the relationship between settlements so as to ensure that growth is distributed in a way that supports informal social support networks, assists people to live near their work and benefit from key services, minimize environmental impact and where possible encourage environmental benefits”.

82. These are very welcome steps, but as yet many planning authorities at all levels do not appear to be willing or confident in applying this more sensitive approach through their emerging Core Strategies and subsequent Development Plan Documents. They remain dominated by a belief that rural areas are inherently unsustainable because their inhabitants make more use of the car. Not only does this ignore the principle of adopting a positive and integrated approach to promote sustainable development, it also flies in the face of the evidence.
83. More recently (May 2008) Communities and Local Government commissioned research into how sustainability appraisals are being implemented, and how they influence plans and programmes. This research is an important opportunity to address these issues.
84. Continuing on current trends the future of many smaller rural settlements may be becoming even less sustainable as the direct if unintended consequence of planning practice that rules out development in many rural villages. Neither is it in tune with the Government’s desire to create mixed communities in all areas, both urban and rural.<sup>52</sup> The countryside we all enjoy needs people living and working in it to sustain it. Rural areas need to generate adequate wealth to support local services and more sustainable communities.

### Travel to work patterns

85. People working in rural areas are sometimes presumed to have a disproportionately negative impact on the environment. The argument goes that more people use their cars to get around and travel longer distances, thereby making a relatively large contribution to climate change. This assumption can contribute to planning practice that limits development in rural areas on environmental grounds.
86. However, there is no robust evidence to suggest that there is any systematic difference between the contributions to global warming of rural and urban areas. For example, a look at the travel to work patterns across rural and urban communities shows that they are very similar, contrary to arguments sometimes used against economic development in rural areas.
87. The key difference in travel to work patterns is actually that rural residents are more likely to commute under 1 kilometre (35.8 per cent rural compared to 21.5 per cent urban working residents), while the most common commute for urban residents was between 1 and 5 kilometres. The proportions commuting longer distances were similar for both rural and urban residents (see Table 1.1)

**Table 1.1: Distance Travelled to Work**

	% of rural residents who work	% of urban residents who work
Less than 1km	35.8	21.5
1 to 5km	17.3	31.7
5 to 10km	17.1	18.8
10 to 20km	17	15.3
20 to 40km	8.4	7.8
Over 40km	4.5	4.9
<b>Total</b>	<b>100</b>	<b>100</b>

88. Further, rural and urban residents are almost equally as likely to drive to work (60.5 and 54.8 per cent respectively), and whilst rural residents are less likely to use public transport, they are twice as likely to work from home (see Table 1.2).

**Table 1.2: Method of Travel to Work**

	% of rural residents who work	% of urban residents who work
Car driver	60.5	54.8
Car passenger	6.2	6
Work from home	16.7	7.5
Walk	8.7	9.5
Bicycle	2.7	2.8
Train/Underground	0.7	8.7
Bus	2.6	8.8
Other	1.8	1.9
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Table 1.1 and 1.2, Office for National Statistics, 2001 Census

89. These figures highlight that rural areas are no more unsustainable on the grounds of the environmental impacts of commuting to work than urban areas. The modes of travel and distance travelled are similar. Indeed although the distances are similar, rural journey times may be quicker (and therefore less polluting) due to less incidence of congestion compared to urban journeys.
90. In any event if new affordable housing ear-marked for locals means more of the people in that community have the chance to afford to live there, it will help reduce the need for the rural workforce to commute from town in future. Similarly if local business growth means more people already living in rural communities are able work locally, commuting into town may be reduced, improving economic and environmental sustainability. If more affordable housing means people on a broader range of incomes can afford to live there, it may increase the social diversity and sustainability of the community, supporting a broader range of community services, shops and work so people need to travel less not more.
91. Developments that potentially might help or encourage people to work closer to where they live and live closer to where they work are too often excluded for want of encouragement or opportunity. But such development is necessary to support and foster many rural communities. If the aim is sustainable urban *and* rural economies, the means of achieving the latter must be addressed and positively encouraged to the same extent as current efforts to achieve this in urban areas.

## Conclusion

92. A 'living, working countryside' is essential to create and maintain the sustainability of rural communities. Regional and local planners, (and others such as businesses, house builders, Registered Social Landlords (RSLs) and housing associations) should pursue policies which mean that no place should be excluded from appropriate development simply because it lacks certain services or transport infrastructure. There needs to be a longer term view of how a settlement could benefit from market housing, affordable housing and economic development to sustain it.
93. Housing and economic growth can improve sustainability by encouraging people to live and work in the same locality. Planning policies can discourage the long commutes into or out of town, make it easier for people working in rural communities to live there and easier for those living in rural communities to work there. If the relatively low paid rural workforce can only find affordable homes in urban areas and then commute back out to work in the countryside, it may be more sustainable to build more affordable rural housing so they can live where they work. If rural businesses have to relocate into town to grow and this forces their original rural employees to commute into town, it may be more sustainable to allow them to grow in situ.
94. Of course, it can't be guaranteed that people will take the opportunity to live and work in the same community, even if it is given – any more than focusing development on urban communities will stop wealthier people moving to the countryside. But with the issues and impacts around climate change rising up the policy agenda, the incentives and need to live and work near at hand are likely to rise, especially as fuel costs rise.

### Recommendation 1:

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

**Recommendation 2:**

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

**Recommendation 3:**

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

## 2 Living, Working Market Towns



## 2 Living, Working Market Towns

### Summary

**Many market towns face huge growth over the next decade. Yet present planning practices do not deliver the attractive new neighbourhoods that enhance existing communities – our market towns are too often ringed by unattractive and unsustainable housing, business and retail estates. It does not have to be like this. Building on the best exemplars, the Government must set out in new planning policy, and supported through Government and Regional Agencies, a new approach to deliver a positive legacy of socially, economically and environmentally vibrant community extensions and neighbourhoods.**

1. When the Prime Minister announced on 11th July 2007 plans for three million new homes by 2020, he speeded up a process of change that has already been happening for several decades in many market towns. What on recent trends might have taken another 20 years will on these plans be delivered in twelve – faster than before, but unless planning practice changes, no better than before.
2. The Prime Minister's announcement has made us all look at the long term numbers. What have been controversial plans for a few hundred houses at a time, are now brought together as thousands of homes over the years ahead. Whether or not three million is the right number – which is not in the remit of this Review – over the next decade further substantial growth of our market towns is certain. This chapter argues it is time to stop dealing with this growth one housing estate at a time, and start to plan places that work, vibrant new neighbourhoods and community extensions which enhance our market towns.
3. Today, planning practice leads to more and more anonymous housing estates without community facilities or pubs, shops or schools with workplaces separated off on business and industrial parks. As the estates grow, doughnutting traditional market towns, the people living in them have to travel in to town to work, to shop or to visit a café – almost invariably by car, congesting town centres and harming the environment. There is no grand vision, more a gradual creep, with no community cohesion, and no sense of place.
4. Housing growth will happen whoever is in Government locally or nationally and although the scale of the house building programme has become a main focus of attention, in a sense

the precise numbers are not the point. Acknowledgement of the need for growth is not a signal for future development to be necessarily the same as that in the past. We can ensure growth is both more socially and environmentally friendly in terms of the new buildings created as well as the layout, design, mix of uses and character of development – enhancing the sustainability of communities. We can take a new approach to development, one that avoids the mistakes of the past. This should be our focus if we are to meet the challenge of housing growth.

5. This chapter examines the consequences of the piecemeal approach to development, which fails to deliver on the potential for social, environmental and economic gains. It spells out a different way of doing things: where delivery of homes happens as part of a larger vision, in conjunction with the provision of green spaces, employment space, schools, shops and pubs. Creating vibrant new neighbourhoods, coherent communities, increased prosperity and a far more attractive and sustainable environment.

### Where new housing growth will impact most – our market towns

6. The greatest proportion of the planned new housing will take the form of extensions to existing towns. This will include the growth of many larger rural settlements. Many market towns across the country will be growing over the next decade or so by up to in excess of 25 per cent in terms of the current number of homes. While plans are yet to be finalised, Table 2.1 shows some of the current planned housing growth around the country. Towns such as Taunton in Somerset for example, with a current housing stock of approximately 29,400, will be growing by 6,600 additional new homes by 2016 – growth of 22 per cent.

**Table 2.1: Examples of New Housing Growth**

<b>New Growth Point</b>	<b>Region</b>	<b>Additional homes to be built by 2016</b>	<b>Current housing stock estimate</b>	<b>% growth in housing stock</b>
Thetford	East	3,000	10,200	29
Truro	South West	5,000	10,500	48
Newark on Trent	East Midlands	5,000	11,200	49
Didcot	South East	5,000	9,500	53
Burton upon Trent	West Midlands	5,000	29,600	17
Taunton	South West	6,600	29,400	22

7. If we get it right, this represents a significant opportunity for communities across the country to renew existing settlements and shape new neighbourhoods and community extensions to be places where people want to live, work and play. New housing growth can enhance the sustainability of new and existing communities through the provision of a mix of market and affordable homes, employment space, shops and services and public open and green spaces. But there is also a significant threat that if we stick with 'business as usual', and all this growth is not planned properly, it will simply deliver yet more anonymous housing estates and places where people have to rather than want to live. This will create new extensions to traditional market towns that undermine the sustainability of both the new as well as the existing communities, placing burdens upon their existing infrastructure and fuelling the desire to decamp to smaller rural villages and hamlets.

### **2020: A missed opportunity?**

8. There is a real danger that current planning practice will deliver the housing numbers, but not the places people want to live in. These fears apply to growth in urban as well as rural areas. But smaller rural local planning authorities may be less well equipped to plan such development and poorly planned extensions will also have a proportionately greater impact on smaller settlements.
9. The Local Development Framework (LDF) process, coupled with Local Area Agreements, was in theory meant to encourage local authorities to deliver the 'place shaping' role presented to them by the 2006 Local Government White Paper.<sup>1</sup> However, the reality is that most rural development is, and with present planning practices will continue to be, developer led. That means piecemeal developments providing a year on year supply of homes but not places with a mix of services, employment opportunities or significant green spaces. This can be contrasted with examples of urban regeneration and master planning involving bodies such as English Partnerships, the Commission for Architecture and the Built Environment (CABE) and local development vehicles which encourage mixed use development and partnership working with developers in urban areas to deliver more sustainable (with social, economic and environmental benefits) and self sufficient developments.
10. Of course, local planning authorities do already shape development – but this is largely a function of development control on a case by case or area by areas basis. And while the LDF system is designed to support the development of a vision and the strategy for the development of a place over a 15 to 20 year period, the most important specific requirements on local planning authorities

are to identify an adequate supply of land for development, and then release it over time to ensure that, if possible, annual and longer term housing development targets (as set out in the Regional Spatial Strategy (RSS)) are met.

11. Once (and often before) new housing numbers are set and an area for new development outlined on the map, developers will negotiate option agreements with landowners to secure these sites. The developer will then apply for planning permission to develop the next site in line. Assuming the site has been approved for development, this is when planning requirements and contributions to local infrastructure (such as roads, schools, and affordable housing contributions) are negotiated. Housing developers build these housing estates year by year as land is incrementally released to meet the local authorities' targets. This piecemeal approach to development encourages medium and large scale private developers to begin buying up land that already has, or is expected to gain, planning permission. These assets can then be used by developers to control the local flow of supply of new housing. This is known as land banking.\*
12. Generally developments around market towns may amount to a few hundred new houses at a time. Very rarely enough to justify even a shop or a pub let alone a parade of shops, a community centre or dedicated employment space. Often they deliver only housing, with any limited 'public realm' space often largely wasted on grass verges in front of the houses of little use to anyone, whilst back gardens are too small for children to play in, where they exist at all.
13. Over the years the numbers of homes mount up – hundreds of houses become thousands, creating estate after estate which gradually extend and encircle (doughnut) the existing settlement and older parts of the town. Taken together and designed as a new neighbourhood or community with facilities in its own right, connected to the existing settlement but also with its own sense of place, such housing numbers could support shops, pubs, cafés, schools, leisure facilities for all ages, and multifunctional green space which could enhance bio-diversity and provide community benefits (and would release the value to deliver this). Whereas incremental, developer led, housing estates allowed to develop piecemeal year by year will almost never deliver this.
14. Some of this approach dates back to decisions made by the Government in the 1980s which sought to limit the power of local authorities and place much greater reliance on the market. Local authorities were obliged to allow the market to design and

\* Land banking: A stock of land with planning permission but where development has yet to take place.

deliver places for them, with explicit restrictions on their ability to intervene on key questions of public interest, questions such as design. The consequence was that housing estates were typically built to standard designs regardless of locality, resulting in a loss of character and lack of quality green space and community facilities. With no facilities to speak of, no local employment opportunities, and with cul-de-sac designs discouraging walking, residents are forced into their cars to get to work and shops and cafes and other facilities, congesting the town centre and edge of town retail and business estates.

15. Government policy has shifted to focus on a strategic and holistic approach to 'places' in terms of social, economic and environmental performance, governance and planning and identifying a key role of local authorities as 'place shapers'.<sup>2</sup> But in many places on the ground the local approach to 'place shaping' is focused on delivering housing numbers and, except for the challenge to reduce carbon emissions, the messages about place shaping aren't being listened to as assiduously as those about speed and volume of house building. Local planning authorities have, in many cases, either been unable to gear up their planning departments to deal with the scope of the new demands being made upon them, or they do not have the time, capacity or resources to focus on issues of place shaping. This is especially the case in those local authorities that do not prioritise 'planning' in their corporate plan or management teams. This leads to considerable disparities between the best and the least capable authorities. There is inconsistency in setting out what is wanted through LDFs and in decision-making when planning applications are dealt with. CABE's housing audits show very clearly that both developers and local planning authorities can create excellent new communities, but that in most cases they don't.<sup>3</sup>

*"In defence of planners from a private sector standpoint, planning departments are often strapped for cash and there is a real shortage of planners overall so keeping good ones in authorities is increasingly difficult. Continuous staff changes and unrealistic timescales are one reason why authorities appear not to be able to fulfil their remit. Its not that they don't want to, they are just bogged down and lacking in expertise and resource, one key reason why the LDF's never met their 2007 target dates. On one application recently I had to deal with three new case officers in 5 months. Policy officers I speak to are at their wits end in some cases trying to resolve the LDF process."*

Ian Butter, Head of Planning and Land Use,  
Rural Solutions – Submission to the Review

## The consequences of poorly planned housing growth

16. The consequences of these circumstances are that many local planning authorities, particularly in rural areas, lack the readiness, capacity, guidance and incentive to deliver anything other than housing growth in terms of housing numbers rather than the sustainable, economically vibrant, socially inclusive and mixed communities to which the Government aspires (issues concerning local planning authority capacity are addressed further in Chapter 5).
17. So what might the failure to plan housing growth as part of a strategic long term vision for a community and the product of piecemeal development look like? The historical result is that urban extensions have typically been characterised by blandness of design, uniformity of layout and offer little reference to local character. Exactly the kind of housing estates that are so feared by many existing residents of our rural towns. Homes built in isolation perpetuate a dormitory function, not a vibrant and sustainable community – as discussed in Chapters 1 and 4.
18. As noted above, even larger housing developments of this sort may scarcely justify a pub or corner shop, let alone a high street of local shops, services and employment space. Indeed, despite their size these large estates rarely provide enough custom to support a single local shop or café. They don't create "destinations" in their own right, places people want to be a part of, they are just housing estates tacked onto towns. While there may be separate sites allocated in local plans close by for business, these housing estates deliver little if any economic gain in themselves. The wider economic value of developments which create linked communities, not just with housing but a mix of shops, services and employment space, and their own identity as a "place", can never be realised.
19. Many older communities of this size support thriving shops and pubs and cafes in their centres because they have an identity as places in their own right, even though they may also be part of larger communities. London, one of the largest cities in the world, is celebrated not just for the West End and the City, but for the diverse and vibrant communities, high streets, and neighbourhoods, which form an interlinked network of identifiable places, all with their own facilities, work places, shops, cafes and parks, often in easy walking distance.

20. Government policy is to increase the density of new housing as a means to maximising land use and better support local services.<sup>5</sup> New extensions to settlements therefore may be relatively densely designed and built right up against the existing settlement to minimise the number of green fields 'swallowed up'. However, this will mean they are built on exactly the land of most value to the existing community – the fields or woods at the ends of their gardens, the green edge to the town. Local residents against new development may be accused of ignoring the needs of others for housing, but they have a genuine point. They may not have bought the right to their countryside views, but they certainly have paid for them, and these developments are on exactly the fields of most landscape value to existing residents.
21. Pressure for higher densities of housing may have other impacts too, such as restricting the amount of urban green space provided and contributing to 'town cramming' where densely packed development can lower the quality of life and the appeal of new settlements. Natural England highlight that access to green space within towns is important not only for people's well being and quality of life, but for wildlife and the natural environment. Their recommendation that people living in towns and cities should have "an accessible natural green space, of at least 2 hectares in size, no more than 300 metres (5 minutes walk) from home" will be hard to achieve with densely packed estate by estate development of the sort described above.<sup>4</sup> As well as limited provision of public open and accessible green spaces, such developments may also provide only very private space in the form of small gardens. As discussed in Chapter 1, the priority to develop Brownfield land may also contribute to the densification of development and loss of open space in new and extended settlements.
22. In light of the summer floods of 2007, the location of new housing on or near floodplains and the quality of urban drainage has been brought into sharp perspective. The typical small gardens and paucity of landscaped space on such housing estates means that rain water runs off the large amounts of hard standing provided for cars and into the drainage system, increasing urban waste water problems, causing stress to natural drainage channels and riverbanks and increasing sewerage costs adding to flood risk as water courses become overloaded. Well designed green infrastructure could do much to help tackle these problems as well as deliver bio-diversity benefits.
23. New estates may be on the edge of town, but historically the road layouts of new developments invariably encourage car use rather than cycling or walking, especially if there are no services or employment to walk or cycle to. So new developments may

inevitably cause congestion on roads into town, as well as environmental harm through increased vehicle emissions. And without local and community facilities of their own, there is little to build social sustainability and cohesion or links between new and existing settlements as there will be little in the way of community life. Such development not only causes harm to the new but also to the existing settlement. This will not prevent people from wanting to move to smaller rural villages and hamlets, and may actually increase the desire to move there – increasing pressure on housing supply in such settlements (see Chapter 3).

### **The alternative: new neighbourhoods and community extensions**

24. There is no reason at all why three million new homes need to be delivered through sequential developments of bland housing estates. There are different ways of doing things. This crucially involves three key elements: (1) master planning – to map a strategic vision and plan for development, (2) community participation, such as Enquiry by Design, to help understand and shape what new and existing communities want from new development, and (3) a strong partnership including the local planning authority, a lead developer, and regional and government agencies, notably the Regional Development Agency and shortly the new Homes and Communities Agency to assemble the site and deliver the plan.
25. By putting together the value unlocked by thousands of new homes, and planning it as a community with a sense of place, it is possible to deliver the infrastructure, the shops, pubs, cafes, schools, health centres, leisure facilities, multifunctional green spaces, business premises and mixed housing, that makes a community. Such planning will ‘parcel up’ incremental development plots within a master plan that has been drawn up and approved through the planning process before a single spadeful of soil has been turned. In contrast, piecemeal developments of a few hundred houses at a time by differing developers will likely leave local authorities trying to piece together the bare minimum of infrastructure, without the funds or land to do it well. A likely outcome of this is that a greater proportion of any public facilities or infrastructure that are eventually included become a public cost, rather than a privately financed outcome of development.

## Master planning for rural communities

### Box 2.1: Master Planning

Put simply, master planning is about planning for the creation of new communities or the expansion of existing ones. A good master plan will provide a clear and consistent vision for the development, one that has taken into account not just the buildings, spaces and street plans but also the social and environmental contexts of the community to provide a plan for achieving a fully shaped place. A master plan delivers more than just a strategy for extracting the greatest market value from an area. Instead it examines planning from the 'bigger picture' perspective of building a meaningfully sustainable community featuring housing (market and affordable intermingled), community facilities (health centres, libraries, community centres, sports facilities), transport links (footpaths, cycle paths and bridle ways as well as roads), private gardens and community green spaces (eco gardens, playing fields and parks) as well as spaces for local businesses (shops, post offices, office and retail spaces). It also needs to plan all this in the context of the existing town centre and the surrounding villages. Ultimately it is about making sure development creates new neighbourhoods that are attractive, vibrant, working communities for the people who live there, which link to and enhance surrounding existing communities. Master planning can also assist in site assembly and provides detailed guidance for subsequent planning applications.

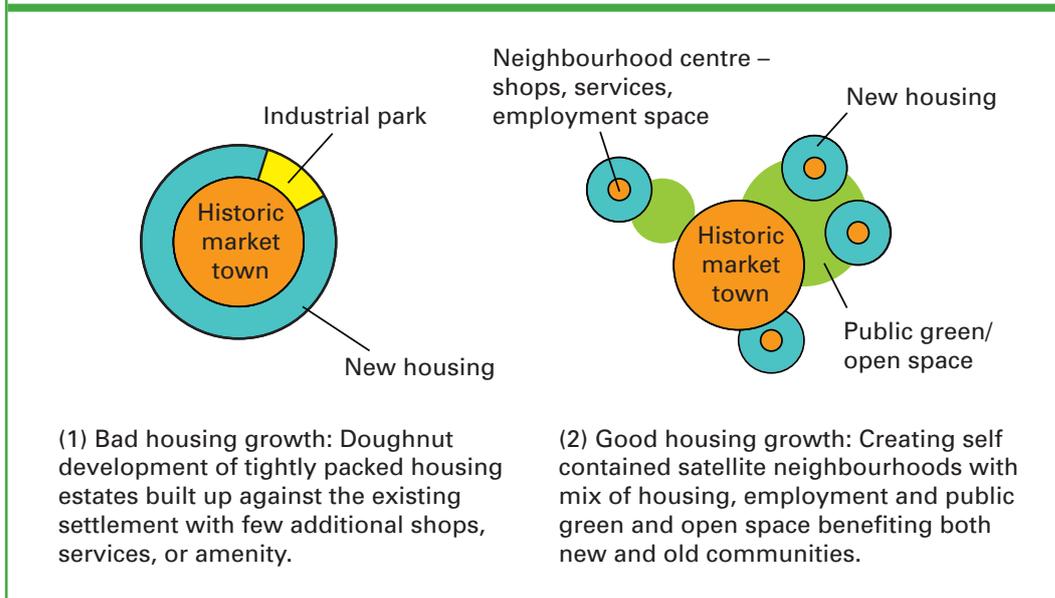
26. So we need to use the tools of master planning, community engagement, and the range of planning powers, to involve the community and be genuinely visionary and ambitious about what can be achieved, and to deliver it. This is not just about allocating land for development on a particular side, or sides, of town. We need to return to the origins of town and country planning itself.
27. Appalled by the slums, terraces, pollution, and urban sprawl which grew up with industrialisation, people like Ebenezer Howard, Sir Patrick Geddes and Sir Raymond Unwin with the financial backing of wealthy philanthropic industrialist families like the Cadbury family and the Lever brothers had a vision of planning and delivering exactly these kinds of sustainable, green communities long before the term 'sustainability' had been coined. In 1898 Howard published his book *To-Morrow: A*



with good community facilities and new jobs in industrial zones. The Garden Cities were made by people who were engineering their own society. The New Towns were made for people whose society was being engineered for them. New Towns were developed on the principle of establishing neighbourhoods with their own identities, so that the people moving in would have a better chance of settling and so that they wouldn't have far to travel to reach services such as schools, health care and shops. For example, at the heart of each neighbourhood was a centre with a church, parade of shops, primary school, community hall and a pub.

30. We can learn from these experiments. Firstly, Letchworth and Welwyn were and are, in the main, places that people love and which have coped with change – it is possible to design new communities well. Secondly, Howard's idea of clustered communities never quite took hold. Yet it could have relevance for today's circumstances. We need new homes but we need them to be in places with a purpose and with good connections to other places where there are jobs, colleges, hospitals and so on. The idea of whole communities with good connectivity was at the heart of Howard's thinking. Thirdly, there is the principle of having a stakeholder for the community, acting in the public interest. This doesn't have to be the state. It wasn't at Letchworth or, initially, at Welwyn. A community stakeholder is a good way to give legitimacy and protection and to engage and genuinely empower local people, existing and new.
31. In the last decade these ideas have resurfaced. Developments at Poundbury in Dorchester and Upton in Northamptonshire are both examples of attractive places developed on the edge of town with their own identity.
32. The central 'hub' of the community remains the existing town centre, but the new 'spokes' form small centres in their own right. Creating and delivering attractive, vibrant sustainable new neighbourhoods and community extensions with their own mix of housing, services, employment space, greenspace and community facilities should be the aim of every settlement with substantial allocated housing growth over time. Figure 2.2 shows how new neighbourhoods can act as new centres and bring additional benefits to existing market towns.

Figure 2.2: New housing growth for market towns



33. Local authorities still have many of the powers needed to deliver this kind of vision, but they are rarely used in rural communities, even though they underpin much of the urban renaissance and urban renewal programmes. If they are used, these powers allow the appropriate Regional Development Agency to endorse and support this approach, giving the local authority the confidence it needs to push through full-blooded master planning without fear of planning appeal. South Hams District Council have been an exemplar of this approach in securing approval for the Sherford New Community project (see Case Study 2.2 below). The Sherford Area Action Plan was a key feature within the South Hams LDF and set out the development principles, the requirements for new infrastructure and services and their inter relationships with the local community.
34. Such 'hub and spoke', carefully planned development of market towns offers hugely greater gain to the economy and social infrastructure than sequential (albeit planned) release of land for housing developments. It also creates better quality natural environments, in terms of places to live that are green and attractive, and uses open space to deliver environmental objectives ranging from natural solutions to urban waste water and flooding, through to increased bio-diversity and less use of the car. In the Government's *Eco-Towns: Living a greener future* consultation paper a number of conditions are listed which usefully describe the character of a properly shaped place:

*“Proposals should provide a good range of facilities within the town – a secondary school, a medium scale retail centre, good quality [mixed use] business space and leisure facilities, a scheme to achieve an increased proportion of journeys on foot, by cycle and by public transport with the community empowered in both the development and the operation of the eco-town, encouraging active community participation.”<sup>6</sup>*

## Genuinely empowering community participation in planning

### Box 2.2: Enquiry by Design

Enquiry by Design is not a new concept, but has been developed in its present form by the Prince’s Foundation, the architecture school established by Prince Charles. An Enquiry by Design event during the course of the design process brings together relevant information about the site and sets out to harmonise this with the aims and aspirations of the community. The result can be endorsement of the original ideas or it may lead to a reworking of the design, genuinely helping to shape the new community extension.<sup>7</sup>

35. This is not about an old fashioned planning elite ‘delivering for the masses’. The best results will be achieved where expert planners empower communities to shape this future, to weigh up the trade-offs and opportunities, informing these decisions directly. Not by bland ‘consultation’ on where the housing will go, but in community halls where the public and planners work together to discuss options and opportunities with maps and models.
36. Such ‘Enquiry by Design’ and ‘Planning for Real’ processes were strongly advocated by the Government *Towards an Urban Renaissance* published in 1999 by the Government’s Urban Task Force.<sup>8</sup> The report examined the ability to build four million new homes by 2025 without encroaching on the Green Belt. The report’s key recommendations included emphasis on the need to reform the planning process so that it could be genuinely described as community led through local decision making, better quality design, and a more integrated approach to community transport links to encourage people to be less reliant on their cars.
37. Today this is not what generally happens in rural communities. In fact, it almost never happens. But in a few cases it actually has.

## Case Study 2.1: Poundbury, Dorset



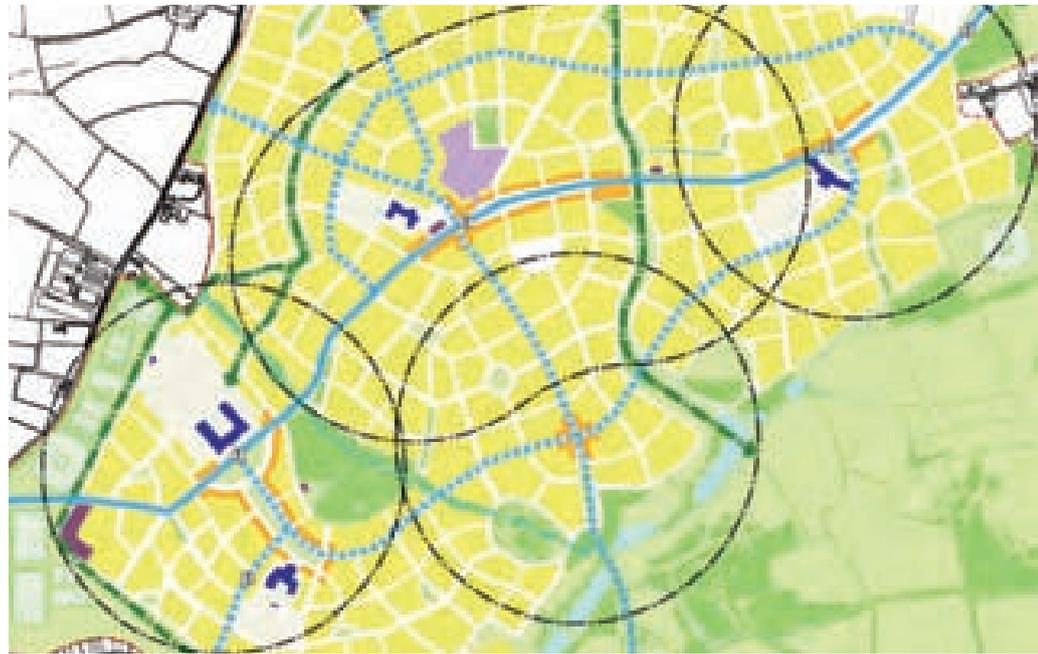
Poundbury is arguably the most famous example of successful master planning in the country. It is the Prince's Foundation's exemplar scheme and was developed on land owned by the Duchy of Cornwall. The designs for Poundbury were drawn up by internationally renowned architect Leon Krier and the development is the result of HRH Prince Charles' desire to see towns and villages reflect the local building traditions of their area whilst being planned and delivered as genuine communities.

Poundbury will be developed in four phases over 25 years (building began in 1993) and, when complete will feature 2,500 new homes and a population of around 6,000 people.

Poundbury sought to disperse affordable housing in among private market housing. Affordable housing is also built to the same high standards as the market housing. This is part of a conscious bid to create an inclusive, mixed community. Poundbury's streets are designed to be deliberately dense with twisting lanes to naturally reduce vehicle speed, with the entire development designed with the intention of reducing car dependency amongst residents.

The community's needs are catered for with a range of local facilities centred around Brownsword Hall. This active community centre hosts a diverse range of activities. In addition, there are already numerous local amenities including a medical centre, dental practice, vets' surgery and a host of small shops.

Case Study 2.2: Sherford, South Hams



66

Sherford is a new community that is being planned on the edge of Plymouth. The Sherford masterplan includes up to 5,500 new houses, 67,000 square meters of business and commercial space, 16,700 square meters of mixed retail shop space, and community facilities including a church, a health care centre, three primary schools, a secondary school, and a sports centre. Green space is also planned with playing fields, a community park and an organic farm.

One of the most interesting things about the Sherford masterplan is the tri-bell structure that has been suggested for development's layout. Three main neighbourhoods have been identified as forming a tri-bell structure. The network of Sherford's streets has been designed around this structure to create a series of interconnected neighbourhoods. This interconnectivity is intended to enable each of the neighbourhoods to develop its own identity while sitting in close enough a proximity to the surrounding neighbourhoods to feel genuinely part of the wider Sherford community.

Each of the three neighbourhoods of the tri-bell structure will have its own centre. These centres will give each neighbourhood's community access to the main amenities and be reachable within a five minute walk from the neighbourhood's peripheries. These local centres are planned at the main intersection points of Sherford's road network. This ensures that each of the three neighbourhood centres will be fully interconnected with one another and easily accessible to residents of the other two neighbourhoods. It also offers the possibility of a local bus service running an orbital route between all three of the centres, which would make the entire community more accessible for Sherford's elderly or disabled residents and for young families.

## Case Study 2.3: Upton, Northamptonshire



In February 2003 the Government's Sustainable Communities Plan identified Milton Keynes/South Midlands as a key growth area. The area, which includes Northampton, has, according to Government projections, a growth potential of up to 300,000 jobs and 370,000 new homes by the year 2031. Upton on the south-west edge of Northampton was put forward as one of the places to be developed in order to accommodate this growth.

Following a competition in late 2003 Shenley Lodge Developments (now Paul Newman New Homes) were selected to produce the designs. However, their proposals had to adopt the Enquiry by Design approach. The resulting design codes (which have since won awards) have acted as the master plan guidelines for the entire project. The codes have established exactly what the community believe constitutes acceptable design quality for the development. They were drawn up as the result of a collaborative effort by English Partnerships (the landowner), the Prince's Foundation and Northampton Borough Council.

Design codes have been a vital element in achieving the sustainability standards required on the Upton site. Among the defining characteristics of the Upton development as set out by the codes are: a diversity of house types, affordable housing (which will be of the same high standard as the market housing) dispersed throughout the development, high quality sustainably built properties which take their inspiration from Northamptonshire's architectural heritage, and the installation of a Sustainable Urban Drainage System to manage rainwater run-off and generate increased bio-diversity by offering local wildlife new habitats. The Upton Design Code was formulated by the partners and Northampton Borough Council adopted the Code as supplementary planning guidance for the Upton development area.

The resulting designs will deliver 1,382 new homes with 20 per cent being set aside as affordable housing (all of these houses will be a mixture of apartments and terraced housing). A community centre which will provide community space, educational facilities and changing rooms for new football pitches and sports facilities. There will also be a primary school, a local convenience store, 620 square metres of space for local businesses, a pub, 3,200 square metres of office space, a café and a day nursery for up to 70 children. To date within Upton, 244 homes are complete. Work is also underway on creating a new Upper Nene Valley Country Park that will lie to the south of Upton. The public park will provide a large wooded green space for the community to enjoy and will incorporate footpaths, cycle paths and bridleways.

### Creating greener communities

38. Our idea of what environmental protection is about does not need to mean bland estates in order to protect a few acres of monoculture farmland. It is not necessarily better for the environment that today's housing may be built at around 40 dwellings to the hectare, if this is done badly. It is true that this uses less land than estates twenty years ago averaging 25 units to the hectare,<sup>9</sup> but an estate of 400 units will still take some 10 hectares (two and a half football pitches), and provide a monotonous, suburban, 'dense' development – with little land required as green space, and tiny gardens. Sequential development of such estates does not create sustainable communities.
39. A traditional village or market town with terraces, alley ways, shops, family houses with good sized gardens may well have higher densities, with an easy walk to a local shop or pub. The same housing numbers taking up less land provides a nicer place to live, in keeping with the more traditional rural housing patterns – and potentially freeing up substantial areas of land for a village green or a park, publicly accessible woodland or wetland, and some playing fields. And that open space can be shared with those in the existing settlement, so those residents opposed to development may start to gain from housing development as well as the new homeowners. In other words, the return for higher densities is not necessarily protecting green fields as they are, the environment may in all senses be better enhanced by creating more public and private space even as the density of the actual developments may increase.

Box 2.3: Badly designed housing growth



Crammed housing development



Road layout cutting off and dividing communities

40. There can be huge potential social and environmental benefits from a trade off in the loss of a small portion of additional green fields. As discussed in Chapter 1, much less land will be lost to new development in the first place than many people might imagine, and attractive design and layout of new neighbourhoods can have a small built footprint. At the same time well designed public green space can provide huge community benefit – recreation, sport, community events, health, flood prevention, natural urban waste water drainage and purification solutions. The Town and Country Planning Association’s eco town scoping report notes that, “tree cover and green infrastructure, from private gardens through to large parks, contribute to health and wellbeing and bio-diversity”.<sup>10</sup> By contrast to agri-chemical green fields they are also generally vastly more richly bio-diverse, supporting hundreds of species of flora and fauna.
41. There is no case for encouraging general sprawl into the countryside, or building on endless fields needlessly. But if our concern is about climate change, bio-diversity, liveable homes for families, and green communities in every sense, we need to consider whether present planning is actually striking anything like the right tradeoffs. Indeed, is it really helping the environment?
42. So if new housing is planned, is it really better to create suburban estates pressed up against the older properties in order to “save” a few acres of greenfields, if the alternative is a sizeable “greenlung” within a well designed community? In addition, creating parks or common-land between old and new settlements may help define the newer community as a community (and so support a new neighbourhood centre of shops, cafes etc), while still so close that by foot, bike or ‘hoppa’ bus the facilities of the older part of the market town are genuinely and sustainably accessible. Using the value of new development to create genuine gain from development not just for those living in the new homes, but for those in the original settlement too, can maximise environmental gains too.

43. Private green space also has huge value for recreation, flood prevention, natural urban waste water drainage, greater biodiversity and habitat for wildlife. Real space for children to play safely compared to the postage stamp gardens which even “executive homes” may currently get, opportunities for waste composting and water recycling, and simple privacy and quality of life. The inability to host a tree of any size in a small modern garden results in an unbroken vista of brick and tile from every vantage point.
44. In a relatively heavily populated country such as Britain the need for ones own space will increasingly be sought at a premium, especially if we want people to live in these expanding towns rather than sprawl out into the countryside. In other words, gardens matter, and can be delivered within a more traditional built environment that doesn’t waste space on spreading the houses out with useless grass strips in front of the houses rather than good sized gardens behind them.
45. Not everyone wants a large garden, or a big park on their doorstep, but for many people it is precisely the lack of such private and public green space in our towns, and especially losing ‘the view’ to endless new developments around our towns, that leads them to aspire to a home in a rural village and the problems this can cause (explored further in Chapter 3). Most rural market towns are surrounded by tens of thousands of hectares of monoculture green fields which will never be developed. So why do we insist on small gardens and minimal usable open space to save a tiny percentage of these fields? Why is saving a few hectares of monoculture considered the environmental priority, if the alternative is loss of public green space within the settlement through town cramming. While cities often have very large parks in them, many rural towns are short of really big publicly accessible open space despite being surrounded by fields. These fields are generally not accessible to the public.

Case Study 2.4: Easingwold, North Yorkshire



During the course of the Review, the team visited Easingwold, a market town of around 5,000 population in North Yorkshire with a recent development of 164 houses built on an NHS Trust site. The new development site had comprised a former psychiatric hospital and nearly 16 hectares of open land which separated the Brownfield hospital site from the village. The housing was built on the hospital site and a large area of public open space created for the community – park, playing fields, new woodland, increased bio-diversity. This has created a hugely successful result for all concerned, greatly enhancing the facilities and attractiveness of the village, adding value to the new development, benefiting the environment. Yet this only happened because of the fortuitous location of the old hospital, a single landowner and an early example of a multi-agency approach to creating a vision for the shape of the town. It is incumbent on local authorities to help more communities achieve similar gains.

46. It is time for density and Brownfield requirements to be judged in context. In cities, or areas where rare environments are in special need of protection, or geography is necessarily restrictive, the need for more housing undoubtedly justifies the highest densities, and good planning can and should make the best of what space there is. But where public and private open space can add to bio-diversity and environmental sustainability, not to mention attractiveness as well as social and economic sustainability, communities should be empowered to choose to

capture these gains. In particular, turning fields into public green realm must not always be condemned as ‘Greenfield’ development, especially where it can be shown to enhance bio-diversity, sustainability (in every sense), and bring genuine community gain. We must stop thinking that building density has to mean ‘town crammed’ urban estates. In fact, the kind of estates currently being delivered in rural areas may not, as we have seen, be anything like as dense as the older parts of town – they just use the space badly.

47. Master planning is about much more than green space of course. But building master plans up from the landscape and constructing them around structural, functional and attractive green space is best practice and a sure foundation for good place making. The core of this section is about capturing wider community benefit by using the next twenty years of development to create genuinely attractive new neighbourhoods and community extensions that deliver real economic, social and environmental gains.
48. Perhaps the best way to describe this is to ask whether the existing typical sequential development of housing estates is more likely to create a three million home legacy that we are celebrating or demolishing in fifty years? This is unlikely to happen with current planning practice, but it can be done.

## Changing planning practice to deliver better places

49. To make this step change in planning as our rural market towns and other settlements grow over the next decade and beyond requires new thinking and new commitment:
  - (1) The Government to clearly prioritise this master planning approach, and support it at local level.**
50. The Government needs to articulate this place shaping, master planning approach clearly and to ensure that policy supports local planning authorities to implement it. At present, the primary requirements on local planning authorities in practice are around ensuring that there is an adequate land supply to meet government housing targets, and to respond quickly to planning applications. This is underpinned by the appeals system.
51. The new approach advocated here will, in the medium term, improve deliverability because it creates the certainty that comes from a well developed master plan and a strong partnership with other agencies and the private sector. But the process itself needs to be underpinned by clear Government policy.

The Government has already announced it will bring forward a new Planning Policy Statement relating to eco-towns, which will address many similar issues to those outlined in this chapter. It would make sense to produce a wider Planning Policy Statement designed to address the practical planning issues of community extensions as well – development that will be of much greater significance across England over the period to 2020 than the handful of new eco-towns.

52. While one size of development model will not fit all, the government should use the new Planning Policy Statement to set out minimum expectations for the development of substantive new neighbourhoods and community extensions of existing towns, to complement and reinforce the sustainability and viability of existing places. The impact of the new community should be projected and active management of the consequences of the new development should be put in place.

#### **Recommendation 4:**

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

#### **Recommendation 5:**

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

## **(2) The need to set out a longer term vision for the community.**

53. One of the risks with incremental extensions is that they may each appear rational on their own and yet, over time, they may alter the character or functioning of a town beyond recognition. To overcome this, the town needs long term vision for what sort of place its community wants it to be and what sort of shape it will have as it grows and changes. This vision needs to be debated and stated. It needs to cover the role of the town in its sub-region, its strategy to become environmentally and economically sustainable and how life will improve for those who live and work there. It should be clear about its future physical form – how movement will work, where shopping and education will happen, where people will live and work, where they will spend their leisure time.
54. LDF's are supposed to contain this vision in their core strategy. Although the evidence base is incomplete it looks as though many LDFs aren't setting out a clear enough vision. Too often they contain a plethora of policies without saying clearly what sort of place the policies are intended to create. In some cases, of course, the LDF may cover a period which is too short to contain the long term thinking needed to enable extensions or new settlements to be realised. That does not mean that the community should not lay out its vision for this longer term. There is no reason why Local Strategic Partnerships should not consult about and take ownership of a longer term vision which can be focused through the LDF for the period which it covers. This would give the community ownership of its future shape and purpose and offer investors certainty about what they were investing in.

### **Recommendation 6:**

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

**(3) Getting communities involved early is critical to success.**

55. Existing communities will need to be encouraged to debate the needs of their existing places and give their local politicians a mandate for change. Techniques such as Enquiry by Design and Citizens' Juries are often good ways to bring together experts, elected representatives and local people to reach a consensus about what is needed and how it might be delivered. The debate needs to take into account not just the physical environment but the needs of local people for homes, jobs, leisure, shopping, travel and community services. Talking only about building more new housing is a great way to create rapid conflict. The conversation must be about the future of the 'place' and its 'people'.
56. Engaging communities must include more than just the people who live in a town that might grow. It is vital to look at the needs of villages, hamlets and remote farms and see how new development might improve services for them too. For example, could new public transport links be extended to more remote locations based on the revenue stream from a new or expanded settlement? Can new health services be offered with outreach? Is there enough business to bring back a Post Office where one has been lost?

**Recommendation 7:**

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

**(4) Partnership working for site assembly and delivery.**

57. To facilitate this approach, and help provide expertise and resource, support for these developments must be a priority for the new Homes and Communities Agency and the Regional Development Agencies. The Homes and Communities Agency plans to work closely with local authorities and regional and national agencies to sponsor and encourage a variety of development models disseminate good practice, and to bring influence and leverage. Similarly the new extended role of the Regional Development Agencies will make them crucial partners with local authorities in this process, along similar lines. Much of this seems to be already enshrined or implied in policy but the delivery implications are unclear and need to be addressed.

58. The nature of the development process outlined in this chapter unlocks value over time, and will take place over many years. Local planning authorities must be prepared to work in partnership with the private sector as well as the Homes and Communities Agency and the Regional Development Agencies, helping them assemble the land necessary. Urban regeneration specialists are used to this kind of work, where the overall rise in land values through the development is shared between landowners irrespective of whether their hectare is for a supermarket, or housing, or an area of wetland habitat to deal with flood risk and water run-off. To achieve this the local planning authority must be willing to work with a long term lead developer or investor. If necessary this may include a willingness to unlock parts of land through Compulsory Purchase Orders.\*
59. The lead development partners will need to be investors, not traders, with capital and a long term commitment to the community they are building; to ride out recessions and to participate with the community. Larger commercial and other investor-developers are already engaged in development of this sort in urban areas. The development as a whole will need long term involvement in the way that mixed-use urban regeneration companies specialise in. The house builder model of “build quick, sell quick” will not deliver this, though such house builders may contribute to it.
60. There is plenty of experience of delivering new communities but it has often been in urban areas or as stand-alone new towns. However, the skills of land assembly, phased development, public-private partnership and so on are transferable. For example, Crown Street in Glasgow where old tower blocks were demolished to make way for a master planned redevelopment that featured housing (affordable, market and student housing), shops, community facilities (including a library and a community centre) and community green spaces.
61. As the recent New Local Government Network report *Good House Keeping?* puts it: “Local authorities cannot do ‘place-shaping through housing’ on their own. Rather, councils must be at the centre of housing models and partnerships that bring agencies together and incentivise partners to focus on neighbourhoods and quality of life for residents.”<sup>11</sup>

\* Compulsory Purchase Order (CPO): An order issued by the government or local authority to acquire land or buildings for public interest purposes.

**Recommendation 8:**

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

**(5) Better infrastructure.**

62. A key advantage for the partners in such master-planned long term development is that the shared value of the development more easily funds necessary infrastructure. However, as with all developments, there are likely to be infrastructure requirements that fall on the public purse short and long term.
63. For example, good, frequent, affordable public transport must be the bedrock on which new communities are built. Whatever the outcome of the current eco-towns competition, much of the thinking about transport and movement which is going into that and into the Zero Carbon Challenge<sup>12</sup> is sound and should be co-opted to the wider housing agenda.
64. The function of green spaces and their management and maintenance are critical to creating distinct, characterful places that are able to function as sustainably as possible by delivering the broadest range of 'ecosystem services'. This includes enabling a town or city to respond robustly to anything that climate change throws at it.
65. This means more than providing dull, tightly mown green spaces with a scattering of easy maintenance 'lollipop' trees. It means creating a green infrastructure that is varied in type and scale, taking greenery and the natural environment into the heart of every neighbourhood and presenting a mix of formal and decidedly informal spaces and places. Useful, safe well tended green land which caters for water management, sustainable local food production, bio-diversity, recreation and visual delight. More often than not an individual green space can perform more than one function at a time. Green spaces, especially operating within a strategically planned network, provide a useful cooling effect on the 'urban heat island' and the basis for sustainable urban drainage schemes. The principle of 'multifunctionality' is central to the emergent (or resurgent) discipline of green space and green infrastructure planning.

66. The provision of a green infrastructure must be put on a par with the provision of the 'grey' infrastructure of transport, energy supply etc if we have any chance of creating places that are by any measure sustainable and capable of fostering a happy and cohesive community. That means that it must be cared for as actively as we care for our homes and streets. A legacy of poorly looked after green deserts would not deliver the compact we need to create with existing communities – good, affordable homes for those that need them and a beautiful, sustainable place for those that live near them.
67. What may be more difficult to develop are the new skills needed around creating and managing functional green infrastructure and sustainable environments. Natural England, CABI and others are working on the former. Plenty of skills and experience will already be vested in local authority Countryside Management Services, in the Country and Regional Parks (most of which lie close to or abut urban areas), the Community Forests (that are valiantly trying to apply green infrastructure to regeneration around some of our cities), etc. We need to import that experience and those skills into the heart of the planning process. The key is that managing places actively needs to be understood as part of the development process and part of long term sustainability and master plans. It has to be seen as an investment and financial models need to plan for it. We especially need to establish strong and sustainable funding models for the long term management of green infrastructure. Capital expenditure on creating new green spaces is a waste of money if those spaces are not maintained and managed to realise their full sustainable potential.
68. The eventual limits to growth within new settlements need to be defined if the green space bonus is not to be eroded by future development pressure. Once development has begun, the temptation is immense to capitalise on rising values, to make more use of new infrastructure, to fill in gaps rather than begin anew. This temptation can be as great for local authorities and development trusts as for the private sector. It will be essential that green space is guaranteed for the community, and protected against future development.

**Recommendation 9:**

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

69. A way to bring forward this changed approach, and to develop best practice, would be to seek communities which want to test the opportunity to deliver the housing growth needed in their community in this new way, through a competitive pathfinder/ challenge fund. It needs to be clear that this is about better delivery of the housing development required for the community, not extra housing on top of that already required – in other words, it is about better development, not extra development.
70. It will be important to build on the principles of community participation already described. The first stage should therefore seek expressions of interest from local authorities, with those successful moving on to stage two, when local authorities would be given the support to carry out feasibility work, including public and landowner engagement, technical assessments and master planning. This should be led by the local authority with support from the Homes and Communities Agency and the Regional Development Agencies. The Commission for Rural Communities and CABI could also play useful supporting roles. The third stage would be the receipt of proposals from interested local authorities to develop these new neighbourhoods and community extensions based on the work done in stage two, including an assessment of community support. The “prize” at this stage would include speedier progress through the planning system, support for land assembly and infrastructure investment.
71. While developers and landowners will need to be involved in the process it is important for people to see local leadership from their elected representatives and to feel that they have a say. The private sector needs to be a partner but not at the expense of local decision taking. Land assembly is going to need compulsion in some cases, but the government should encourage innovative alternatives such as land pooling arrangements, where landowners agree to share the value of a whole development over time, rather than taking differential values for their land as it comes under development.

**Recommendation 10:**

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



# 3 Living, Working Villages



### 3 Living, Working Villages

#### Summary

**Local planning authorities must develop with communities a clear, evidence based long term vision for each settlement, considering environmental, social and economic needs. This may lead to allocation of sites using the plan led approach for a mix of affordable and market housing. In addition, Exception Site policy is reformulated as a criteria based Community Led Affordable Housing policy, within the local plan. This requires proactive engagement to bring forward sites for affordable homes to meet local needs in many more communities. There should be a clear vision for every village to show how these needs will be met to enhance the sustainability of the community.**

1. This chapter is about the needs of smaller rural communities, the often tiny rural villages and hamlets scattered across the English countryside. These settlements, which contribute significantly to the character of the countryside, are often effectively excluded from open market housing development and affordable housing schemes either because of an overly narrow interpretation of policies designed to protect the countryside which mistakenly brands small settlements as ‘unsustainable’; an understandable desire to preserve the aesthetic character of the village which over-rides the needs of the community; or simply because they are seen as just too small to matter.
2. Market towns and other larger rural communities are set to grow substantially if plans for business and housing growth are realised and Chapter 2 looked at the real issues this raises for these larger rural communities. In contrast, in many rural villages there is growing awareness that if those villages are excluded from this growth altogether, lack of affordable housing and local well-paid employment means many local people and those working in the community will be priced out, and the viability of local shops and services are thereby at risk.
3. Many of the housing challenges facing all rural areas are heightened for these smaller rural communities: the demand to live there; high house prices (to local workers and/or residents); limited supply of new homes; and critically, a restrictive planning regime and shortfall in the planned provision of new homes creating an especially constrained supply of both market and affordable homes.

4. This is because, as has already been described, planning policy and practice has for 60 years generally sought to curtail development in the countryside. Chapter 1 set out how, as an unintended result of restrictions imposed by planning policy and practice, those on local wages in small rural communities are unlikely to be able to afford a home in the area in which they work. This chapter examines mechanisms to provide the housing in these villages to meet these local needs.
5. The mood in such places is now changing – provision of affordable housing gains stronger support in many communities now, providing it is genuinely to meet local needs, is well designed and is affordable for local people in perpetuity. Local residents also want to know that the affordable housing will be attractive, well managed and on the right scale. Local planning authorities need to be proactive and flexible in engaging with communities to address these concerns at the outset in order to successfully bring forward schemes.
6. This chapter examines how a plan-led approach can be used to improve the supply of housing in all types of rural community and explores the potential of affordable housing delivery through the Exceptions Site process as part of that plan-led approach – Community Led Affordable Housing. It identifies the importance of working within the planning system to identify sites suitable for development in small and large settlements alike and argues that there can be no excuse for simply ignoring smaller rural settlements in the planning process.

### **What is meant by smaller rural communities?**

7. Government measures and defines ‘rural’ as those communities with populations under 10,000, and then subdivides this in a variety of ways, including by distance from urban centres, sparsity, and size. For the most part however what is “rural” for policy purposes (such as *PPS3: Housing*) is measured by population.
8. ‘Larger rural communities’, including market towns, are settlements with populations greater than 3,000 but fewer than 10,000 inhabitants, of which there are 626, home to 4.7 million people. Settlements over 10,000 are defined as urban, although in practice many towns of 10,000-20,000 may also be considered rural market towns. References to ‘smaller rural communities’, including small towns, villages and hamlets, relate to those settlements with populations of fewer than 3,000. Such settlements are home to 55 per cent of all rural residents, some 6.4 million people – more than one in ten of the national population – in over 16,000 small towns, villages and hamlets.<sup>1</sup> It is this latter group that are the focus of this chapter.

## Housing need in smaller rural communities

9. In smaller rural communities, the key issue is whether those who work locally, wish to work there, or have worked in the community, who have often grown up there and receive typical local wages, can afford to live there. It is about whether such local employees or those with local connections can have the opportunity, or the hope, of affording a home to rent or buy in that community. In these communities, it is locally made decisions about half a dozen or a dozen homes that matter and are crucial to the sustainability of those communities – irrespective of national, regional or even district targets.
10. Equally, for those who aspire to remain local to the settlement and who will benefit from the availability of local affordable housing, it is just as important to ensure that there are local employment opportunities.
11. Taken in aggregate, good quality small scale development designed for its context in smaller rural communities across the country can add up significantly towards the Government's desire to ensure the delivery of the homes people need. These homes, built across many villages, will increase the number of opportunities for affordable housing to be in closer proximity to village services and shops, jobs, and social networks.
12. As discussed in Chapter 1, minimal development in smaller rural communities, coupled with a longstanding and continued desire to live in the countryside from affluent migrants from urban areas, drives high house prices and brings about a chronic shortage of affordable homes for people working in smaller settlements.
13. As a result of a loss of social housing stock through Right to Buy, and the slow pace of new rural non-market affordable house building, the figures today (including Housing Association stock) show only 13 per cent of houses in rural areas are affordable homes, compared to 21 per cent in urban areas.<sup>2</sup> Delivery of new affordable housing in settlements below 3,000 has been low. Figures from the Housing Corporation show that there have been 11,000 completions of new affordable homes in settlements with a population below 3,000 between 2000/01 and 2006/07. This averages at just under 1,600 per year across 16,000 settlements (of below 3,000 population).<sup>3</sup> While settlement sizes and need for housing will of course vary, on a broad scale such a rate of delivery will provide each settlement under 3,000 population with one new affordable home every ten years.

14. As a result, certain groups of local people, namely the young, especially young families, and those working in rural areas for relatively low wages, are increasingly unable to afford to rent or buy properties on the open market, and cannot find an affordable non-market alternative. They are being priced out of their own rural communities.
15. Such exclusion undermines the sustainability of communities economically, socially and environmentally, and conflicts with the principles that lead the government to support the objective of mixed communities more generally, for reasons of social cohesion and equity. However, there is a very visible and historical legacy of poorly designed housing at the edge of some villages, dating from the 1950s and 1960s, which is not sympathetic to its surroundings. This has also contributed to a resistance locally to more housing development of any kind, both market and affordable homes.
16. Estimates of affordable housing need in these rural areas vary considerably based upon the methodology use to calculate need. The Affordable Rural Housing Commission estimated a need for a minimum of 7,266 new affordable homes a year in settlements of less than 3,000, more than double the current rate of delivery, not including backlog of need.<sup>4</sup> Research conducted by the Commission for Rural Communities estimated that the need for affordable housing in smaller rural settlement and hamlets (below 1,500 population), including backlog of need, is between 10,000 and 14,000 per year over the next five years.<sup>5</sup> The Joseph Rowntree Foundation report of 2006 estimated a need for an annual programme of 9,500 homes.
17. In February 2008, the Minister of State for Housing and Planning, Caroline Flint MP announced a new national target for rural affordable housing to deliver 10,300 completed homes in communities of fewer than 3,000 population in 2008-11. This equates to an average of 3,433 homes a year over the three year period. The proposed target offers a substantial increase in allocations and completions on the 2006-08 programme: 1,211 (54%) for allocations, 3,401 (83%) for completions.
18. Whilst this represents a significant increase compared to existing levels of delivery this target falls short of those recommended by both the Affordable Rural Housing Commission and the Commission for Rural Communities. It is not clear how the Government target of 10,300 over three years was derived in terms of the evidence of rural affordable housing need. In these circumstances it would seem that there is a case to re-examine the evidence and justification which underpins this target in terms of its scale and appropriateness.

**Recommendation 11:**

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

**Recommendation 12:**

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

**Policy options for smaller rural communities**

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19. These small rural communities face particularly severe housing pressure, historical delivery has been low, and planned new supply of homes will, on present trends, meet neither the backlog nor newly arising need for affordable homes.
20. This presents Government with four policy options (not all of which are mutually exclusive):
  - **Accept present practice and rates of affordable housing delivery.**
  - **Let the market deliver – the opposite extreme.**
  - **Increase plan-led allocation for appropriate development.**
  - **Find ways to increase use of Exception Sites to meet local needs.**

**Option 1: Accept present practice and rates of affordable housing delivery**

21. *PPS3: Housing* allows for small scale housing development (affordable homes or a mix of market and affordable) in many of these villages and hamlets. However, local and regional application of a narrow environmentally focused approach to sustainable development in regional and local plans, effectively or explicitly rules out new housing development of any sort (the sustainability trap referred to in Chapter 1).

22. The interpretation and delivery of policy in a way which strongly restricts development in many smaller rural communities has supporters. For example it is supported by those who focus on preserving the traditional character of villages and hamlets. It is also supported by others who are primarily concerned to safeguard against perceived threats to the environment or loss of countryside or to protect the value of their home.
23. As made clear in Chapter 1, these practises result in social and economic polarisation in smaller rural communities. They become increasingly the preserve of the wealthy or retired, whilst those who service these communities have to commute in from the poorer parts of larger towns. This undermines economic viability, it undermines social sustainability and because people cannot afford to live and work in the same community, it undermines environmental sustainability.
24. The sum of these consequences is that such communities are increasingly unsustainable. Cheshire County Council told the Review:

*“We must prevent the planning system from creating virtual gated communities in rural areas due to price forcing the sons and daughters of rural families to have to leave these areas due to price.”*

25. One defence of such planning practices is that it is all about protecting the countryside from over-development, and that not everyone can expect to live in popular places. The argument runs that it is a fact of life that not everyone can afford to live where they want in a free market and villages cannot and should not be any different.
26. But in urban centres the Government already explicitly seeks to ensure communities are mixed. Affordability has worsened further and faster in rural communities than urban areas, and large towns and cities operate a public transport system that allows relatively easy travel for all between areas for work, leisure and services. Policy has ensured that urban communities do offer affordable housing options, and as new housing development takes place this is required to include more affordable housing to ensure mixed communities. Schools, shops and services are not lost because a single urban street or area goes ‘up-market’ and unaffordable, in the way they are if those on lower wages are priced completely out of a single village. Nowhere in England is cheap to live, but urban centres do provide a range of market options that simply do not exist in many rural areas.

27. A further defence is that the problem of housing affordability is exaggerated – that prices may be high, but all sorts of people can and do still afford to live in these communities. But the scale and pace of increased house prices over recent years has brought the issue of affordable housing to a much larger constituent of people, expanded beyond those in greatest housing need to working people on average incomes. This problem is also slow burn. Although house prices are now very high in these communities many residents bought their houses when they were far more affordable. As the next generation is priced out, or as the next employee can not afford to stay, the problem progressively worsens. Rising house prices, poor rural wages, low levels of affordable housing delivery, all contribute to this gradual process of exclusion.
28. Finally, it might be argued that it is no business of Government to seek to socially engineer communities. But the Government has outlined a clear vision, enshrined in planning policy, to create and maintain sustainable, economically vibrant, socially mixed and inclusive communities in all areas – both urban and rural. The view from rural communities across the country spelt out to this Review is that this is what they want too – but they need stronger policy support and clearer vision and leadership from politicians at all levels to achieve this.
29. The English countryside, landscape and natural environment are assets which should rightly be protected against indiscriminate development. But the landscape and environmental impact of the development of a handful of affordable homes to serve small rural communities must not be exaggerated. To meet the social and economic needs of the countryside, there needs to be recognition that the environment can still be protected if we strike a better balance with high quality, small scale development to meet local needs.

**Option 2: Let the market deliver – the opposite extreme**

30. With a backlog of housing need, future demand (through demographic change and trends in household formation) and the continuing desire to live in the countryside – why not substantially relax policies of restraint to allow demand led development of homes in the countryside?
31. There are very good reasons not to go to this extreme. Given the scale of the desire to move to rural areas, and particularly the more attractive parts of the countryside (such as settlements on the coast or in areas of high landscape value), the levels of development required to satisfy such demand would be immense.

32. Building sufficient homes in rural areas to meet demand and to a level at which open-market house prices become much more affordable would require large scale development, fundamentally changing landscape character and dramatically expanding of many small rural communities. The greatest development would occur on the coast and in attractive areas of the countryside near major conurbations.
33. Demand led development would have huge impacts on (i) the environment – in terms of sporadic development of the countryside and open space, (ii) popular settlements themselves – significantly altering the nature and character of the original settlements (destroying what attracted people to them in the first place), and (iii) the sustainability of urban communities and the historic – and successful – efforts of planning policy to sustain and revive urban centres by curtailing unchecked sprawl.
34. In seeking to address rural housing demand and create sustainable communities, the solution of unrestricted development to meet housing demand would create more unsustainable communities – a solution less desirable than the original problem. This is precisely why policies of constraint have lasted over half a century without serious challenge, and indeed why they have been tightened.
35. Policies of two extremes – of almost no development at all, or substantially removing restrictions on development, are not going to deliver sustainable rural communities.

### **Option 3: Increase plan-led allocation for appropriate development**

36. The national policy framework is positive and supportive for the delivery of rural housing. In practice however local interpretation or lack of application of national policy can work to over-restrict development in smaller rural communities (as discussed above in option 1).

*“...the policies to assist in the provision of affordable rural housing are well established, and present a sound basis for delivery. However, we have often found that local interpretation of such policies can be problematical and lead to artificial / self-imposed barriers appearing. These can prove to be disproportionate to the aims and objectives of the policy itself.”*

Midlands Rural Housing (Housing Association)  
– Submission to the Review

37. Positive changes have been made to the planning system which take account of the needs of rural communities, in the form of *PPS3: Housing*. PPS3 is designed to encourage a more positive approach to rural housing delivery and a commitment to the delivery of affordable housing to create and maintain sustainable and mixed rural communities – in small rural settlements such as villages, as well as service centres and market towns. Regional and local planning authorities are required to support such approaches through clear targets for delivery informed by evidence and to allocate and release designated sites for housing. This includes the option of allocating sites solely for affordable housing (where viable and practical).<sup>6</sup>

*“The allocation route remains the only approach that allows a strategic approach to determining where affordable housing should be provided and brings certainty and speed to delivery by securing sites and making schemes financially viable”*

Commission for Rural Communities – Submission to the Review

38. As local planning authorities prepare their Core Strategies and Development Plan Documents, they should be considering sites in and around villages where appropriate (reflecting local needs, and the importance of maintaining and improving environmental, economic and social sustainability) for schemes that will provide a mix of private and affordable housing; the type and tenure balance being determined by local planning authorities through assessment of evidence of housing need and economic viability of proposed schemes.
39. Such mixed development of open market and affordable housing may be appropriate in many villages, subject to local needs and impact (such as how it could facilitate people living near to where they work and how it might help maintain local facilities and services). Schemes should be designed to respect environmental considerations and the built environment in terms of design, scale and appearance.
40. Sites given permission for mixed development may become very valuable, especially in desirable rural villages. As such, even small sites can usually support an appropriate share of affordable housing and threshold and quota policies, which require a proportion of affordable housing in open market developments, should reflect local need. This policy area, and a range of actions to make the current plan led system work better for rural communities is examined in greater depth in Chapter 5. As part of the Local Development Framework (LDF) process these decisions, and the selection of sites, will allow for local views and concerns to help shape the plan, and provide opportunities for rural communities to promote sites for allocation.

41. In addition, Chapter 2 discusses the role of master planning and place shaping for rural communities – to ensure appropriate delivery of housing, employment premises, shops and services, public open space and community facilities. While focusing on delivery for larger rural settlements, such design proposals are equally applicable for smaller rural communities (and indeed urban areas). In the rural context, master plans for the growth of market towns need to consider the inter-relationship with the surrounding small settlements, which can in isolation look unsustainable but in fact are part of an inter-related web of community provision.
42. Simply ruling out whole categories of villages as unsustainable, as too many local plans currently do, ignores the potential for enhancing the sustainability of many smaller rural communities, and the real needs of those who live and work there. The process of allocating sites for mixed development should be implemented in a wider range of communities than is typical today.

### Recommendation 13:

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

### Option 4: Exception Sites

43. The ‘Exception Sites’ approach has been in use since it was pioneered in 1989, and most recently developed in *PPS3: Housing*, drawn up in parallel with the Affordable Rural Housing Commission report. This permits affordable housing to meet local needs in communities of (usually) less than 3,000 population, on sites where housing development would not normally be allowed because, for example, the area is subject to policies of constraint. Guidance states that rural Exception Sites should only be used for affordable housing in perpetuity. An Exception Site should seek to address the needs of the local community by accommodating households who are either current residents or have an existing family connection or employment connection, whilst also ensuring that rural areas continue to develop as sustainable, mixed and inclusive communities.

44. Finding sites around small villages suitable for affordable housing and with landowners willing to sell for affordable housing prices is often built on strong community support, and local contacts. The Exception Sites approach is especially well suited to working through the community to bring forward sites, with flexibility over location and timing.
45. While this report makes proposals to make the allocated plan led approach to delivery work more effectively (see Chapter 5), including for smaller rural communities, for these same communities the use of Exception Sites can be an effective mechanism with real potential to deliver small scale affordable housing for the local community.

### **Exception Sites – what makes them work**

46. Figures from the Housing Corporation show that at least 37 per cent of affordable housing development in towns below 3,000 in population is now secured through the use of the Exception Site policy.<sup>7</sup> For communities under 1,000 the figures show such Exception Sites are even more fundamental to delivery of affordable homes – at least 57 per cent of all Housing Corporation supported affordable homes in these communities are on Exception Sites.
47. However, although it is the primary vehicle for delivery of affordable housing it still actually delivers relatively few new homes to rural communities, despite the housing pressures already described. Currently, around 1,500 affordable houses a year are delivered this way according to the Housing Corporation, though this figure will not include affordable homes built without Housing Corporation subsidy (see Chapter 5).
48. Many of the submissions to the Review's Call for Evidence came from those who were already successfully engaged with communities to bring forward Exception Sites (including local authorities, parish councils and Rural Housing Enablers (RHE)). Their experience provides lessons that can be applied to a more pro-active community led approach to developing rural Exception Sites. Strong evidence was presented that in many rural villages there is growing awareness that many of those raised or working in the community or who are needed to fill essential local jobs, are being priced out of these communities. As such the viability of local shops, services and businesses are put at risk through employees being increasingly unable to live locally. Chapter 1 showed how the scale and pace of increased house prices over recent years has created severe housing need among working people on average incomes, not just those traditionally needing social housing.

49. As a result, in many parts of the country the mood is changing – provision of affordable housing for those with a local connection gains stronger support in many communities now than in the recent past. Support strengthens when people become aware that the affordable housing will be kept in perpetuity for local needs (not lost to the open market through policies such as Right to Buy or allocated to people with no local connection) and specific location, design materials and layout of homes can be in keeping with local character (rather than post war identikit council houses).
50. Presenting examples of attractive, well managed small scale developments in other communities and explaining what is possible in terms of housing design, materials, layout and relationship with the existing settlement are critical in terms of winning over opponents to new development. Local planning authorities need to be open about supporting sites a community prefers and which landowners are prepared to sell at affordable prices, even if these are not first choice in planning terms (which may favour sites central to the village or closely abutting it but which are not available, or evoke strong local opposition).
51. The best authorities already work proactively and flexibly to encourage and work with local communities to identify sites, either through RHEs (which are discussed later in this Chapter) or local authority employed equivalents – and their track records prove that in these circumstances Exception Sites can deliver significant provision and meet the need for affordable housing in a wide range of small rural communities.

### Case Study 3.1: Local Choice: Community Identification of sites, Stratford upon Avon District Council

The Local Choice Initiative developed in Stratford upon Avon was set up to help local communities identify and meet their housing needs for areas faced by general restraint on development and significant problems of housing affordability for people who work locally.

The Initiative encourages communities to prepare Parish or Town plans which allows local communities to drive the development process. Through these plans local communities identify housing needs, specific sites and locations for development and guidance on the style and type of houses to be built.

The local council supports this approach by providing support and advice on carrying out housing needs assessments, and also engages the whole community in the preparation and review of Parish and Town plans, as well as their design. If sale negotiations for Local Choice sites fail, the council may also consider making Compulsory Purchase Orders on behalf of Parish councils.

This approach is embedded in the Local Plan across the district through supplementary planning guidance – and is being incorporated into the new LDF through a supplementary planning document to mainstream this approach to rural delivery. This allows scope for development of market and affordable housing in certain towns and villages, accompanied by a well established rural exceptions policy for smaller villages.

### Case Study 3.2: Community partnership for rural affordable housing, Teignbridge District Council

Recently, Teignbridge District Council in South Devon worked with the IDeA Rural Excellence Programme to develop its approach to the delivery of affordable homes in smaller rural communities. Often regarded as an idyllic rural area, characterised by ‘chocolate box’ villages, the average price of a terraced house is 13.5 times average income in Teignbridge and access to affordable housing a key challenge for the area.

Priorities were to identify sites for new affordable housing and to gain local support for Exception Site development in villages. Active support of parishes was recognised as crucial to identify new Exception Sites, and work with landowners to bring forward sites for development.

Rural affordable housing was raised as a real corporate priority for the council. The local authority developed closer working relationship with parishes through regular meetings and events and a Parish Action Group set up to coordinate planning and partnership working. In addition, a parish guide and toolkit was created to provide advice.

A number of Exception Sites have been identified and a clear impetus established to continue site identification and one parish has started work on setting up a Community Land Trust with six other parishes pursuing similar schemes. Effective links have been made between the district and parish councils to continue to work together in partnership to identify and respond to community housing need.

### Blockages – why don't Rural Exceptions policies deliver more housing?

52. Many good examples of how Exception Sites can work have been cited to the Review – but current practice (other than those best practice examples cited to the Review) is failing to reach its potential. A few rural authorities do not adopt Exception Site policies at all. Many of those that do still view it as “exceptional”, or only allow it in villages that meet narrow ‘sustainability criteria’ (such as having a shop, a school, and regular public transport). Many of those that have adopted Exception Sites policy complain that few sites come forward, however they are often failing to proactively engage with communities to encourage them. **All these attitudes need to change.**

### Allocating 100% Affordable Housing sites

53. In addition to allocating sites for mixed development and the Exception Sites route just described, *PPS3: Housing* also allows the option of allocating a site for 100% affordable housing for the local community. This is a variant of the Exceptions Sites policy in *PPS3: Housing*.
54. Wealden District Council (in East Sussex) used the exceptions approach to allocate sites for 100% affordable housing just prior to the publication of *PPS3: Housing*. However, the Wealden experience illustrates pitfalls in this allocations approach to 100% affordable housing, and similar problems were encountered by Ashford Borough Council which attempted a corresponding strategy more than a decade earlier.

#### Case Study 3.3: Wealden HOPE project

Wealden District Council's HOPE (Housing Our PEople) project sought to allocate sites for solely affordable housing in smaller rural communities. They used a very proactive approach to seek suitable sites across some 50 small rural communities. Substantial work was undertaken to ensure a dialogue with local communities and land owners to explain that the housing would be for local people, small scale, in perpetuity – and addressing local need. Over 150 potential sites were proposed by local land owners and the communities themselves (many land owners were also residents of those particular communities).

Some sites were rejected as being unsuitable on planning grounds, others were not taken forward for lack of time or because of the intensity of local opposition which the parish councils felt unable to resist. Ultimately, 13 sites were allocated. Wealden believe the process

was aided at this stage by the tight deadline to get proposals into the local plan (encouraging owners and communities to come forward quickly, and allowing the council to prioritise this work for a period).

However, thereafter there were significant changes in key personnel within the authority, including the loss of the key senior planning officer. The momentum slowed and during this interim period there was a lack of communication with either the communities or the land owners. This allowed local opposition to intensify and a number of sites were withdrawn in response, or were unsupported by parish councils at planning application stage. In other instances landowners for the proposed sites changed and the new landowners were not willing to release the land, often because the process had increased 'hope value' that market housing might be permitted on these sites. Compounding all of this there were delays in the adoption of the Local Plan arising from a legal challenge from a landowner whose site had not been included. As a consequence only four sites are now being taken forward.

The early part of this process was a model of community involvement, with the enabling effort engaging local communities, unlocking large numbers of potential sites, and initially encouraging strong community support.

The ultimate loss of sites however largely related to the subsequent delay, and raising of 'hope value', caused by going down the process of formally allocating these sites in the local plan. Given these sites had at that stage been agreed by the parish, by landowners, and by the local authority and the need identified, to then delay house building to put the sites into the local plan simply led to many sites being lost when they could have gone forward as conventional Exception Sites, without the need to be included as 'allocated' sites in the local plan.

Wealden District Council's report to this Review concluded:  
*"Current position: Councillors remained concerned at the issues that have arisen through HOPE and the lack of delivery. Some consider that it would be inappropriate to pursue this approach through the LDF and that it may be better to concentrate on delivering rural affordable housing through a robust rural exceptions policy. In addition, the 'hope' value given to sites, and therefore to the respective landowners or speculative developers, through formal allocation, further added to the non-delivery."*

## Community Led Affordable Housing: A new approach for exception policy

55. Allocating sites on the plan-led approach has a vital role to play in affordable delivery and should be considered for every community. The reality is that many rural villages would be more sustainable with some appropriately scaled and designed mixed development, and too often this is not being considered. Allocating sites should not be regarded as a process reserved only for larger settlements and service centres, but at present its applicability in the smallest rural communities may be limited. Where allocation is not appropriate or does not take place, the Exception Site process needs to step in – modernised, plan based, and simplified to speed up delivery.
56. ‘Exception’ Sites must not be treated as a policy only applied in ‘exceptional’ circumstances. They need to be adopted as part of the mainstream housing delivery process for smaller rural communities. A criteria-based Exception Site policy should be included in the LDF and properly set out in the Core Strategy. This then provides a policy framework for deciding applications for Exception Sites and supports them coming forward. Albeit sites are not allocated, the principles on which affordable housing on exception sites would be agreed, the need established, and the design agreed, would then be part of the plan.
57. This demands a new approach in policy and practice to Exception Sites. Since the very term “exception” encourages a view that the use of this policy should be exceptional, it would be better to rename the approach to clarify what it needs to be – a policy to support ‘Community Led Affordable Housing’ based on need and community engagement, set within a criteria based, plan led approach.

### Criteria for Community Led Affordable Housing

58. There is a need to make achieving Community Led Affordable Housing more streamlined and more certain for local communities. At present the planning system at local level not only often blocks the use of Exception Site policy in many places, but even in areas that promote it there are often unnecessary obstacles and delays in getting Exception Sites delivered. Too many schemes currently fail because initial local support is dissipated by the time it takes to get through planning.
59. Local communities need to know that if they want to bring forward a scheme to meet local housing need, that they will get the help they need to develop the proposal and take it through the planning process.

60. Simple criteria in the LDF, supported by active engagement with local communities, should underpin the delivery of Community Led Affordable Housing:

■ **Community Support.** The support of the parish council should be a trigger for local authority support of Community Led Affordable Housing proposals, subject to need, scale, viability and design. Where a parish council is supporting a proposal that meets the criteria listed here, the local planning authorities should have a duty to respond positively. The right of the parish to trigger a Community Led Affordable Housing development would be an important responsibility. Parishes cannot carry a veto over housing development – this criterion should not prevent other proposals coming forward, which will also be assessed on the same criteria. Similarly parishes will still retain the freedom to support or oppose any proposal, but this criterion does give parishes a clear right to initiate Community Led Affordable Housing schemes subject to the other criteria being met.

■ **In perpetuity affordable, for people with a local connection.** Exception Sites are limited to affordable housing in perpetuity to meet the housing needs for current residents or those with a family or employment connection, taking account of the longer term needs of the community. These requirements are usually met using a local 'cascade' which prioritises those meeting the local connection criteria in the parish or village. The 'cascade' comes into play if no one more local meeting the criteria comes forward, in which case housing is offered to people in similar need in surrounding parishes. Clarity that this criteria is in place and will be robustly applied is often the key to gaining community and landowner support (see Box 3.1).

■ **Evidence of housing need.** Proving there is local need for affordable housing can help recruit community support for a Community Led Affordable Housing development and show that the need is a real one. Local authorities should have assessed housing need in their Strategic Housing Market Assessment, and addressed this in relation to each community in the LDF. In Chapter 5 this Review also recommends the creation of a simple national database of housing information. Taken together this should provide all the evidence that is needed, and local planning authorities should maintain clear policy on the needs and sustainability issues facing local communities. However, a local needs survey can enhance this information, in particular to identify local people in need of these homes, and to build local support.

- **Appropriate scale and style.** Community Led Affordable Housing builds on the principles behind present Exception Site policy – affordable housing in perpetuity to meet the housing needs for current residents or those with a family or employment connection, where permission would not otherwise be given for new housing development. That means it needs to be relevant to the existing community and its needs, taking into account the value of the landscape, character of the settlement and siting of the proposal.
- **A viable site.** The Exception Site mechanism allows affordable housing where permission would not otherwise be given for new housing development. However, the site must still meet basic planning criteria, for example it is not on a cliff or mineshaft, environmentally of high significance such as a Site of Special Scientific Interest (SSSI), or unsuitably far out of the village. Subject to these essential planning constraints it does not have to be the planners' preferred option (it is, after all, an exception to allocations policy); the key is that it is available, economically viable in terms of providing the affordable housing required and has community support.
- **Good design.** Successful developments depend on good design, and the design process needs to begin from the outset (see Box 3.2). However, premature arguments about the details can scupper schemes at an early stage. Securing an option with the landowner for the site should be an early step – the work involved in community consultation and developing the design is substantial, and is sometimes wasted simply because the landowner changes their mind. A full planning application, setting out every detail, is not a requirement for Exception Sites, though it is common place because it allows all aspects of the scheme to be agreed. However, in some cases agreement on detailed design may be easier once the principle of the Community Led Affordable Housing proposal has been agreed with the community and preliminary 'outline' permission granted.

### Box 3.1: Local Connection Criteria

There is no set definition of how nominations for affordable housing should be allocated based upon people's local connections to a settlement. But Section 106 Agreements tend to define local connection based on the following criteria.

- Residence in the parish at the date of allocation;
- Previously a resident of the parish prior to the data of allocation but has family currently living in the parish;
- A need to live in the locality by reason of current or forthcoming employment in the parish;
- Or need to live locally to support or be supported (e.g. caring for a disabled or elderly relative) by a family member currently living in the parish.

This should be done in consultation with the local community.

### Box 3.2: Good Design

Arguments about good design can write off schemes where all the other conditions are favourable for the delivery of affordable housing. Addressing design quality needs to be a priority of those enabling or promoting the scheme from the outset. At the inception of the consultation process, communities should be presented with evidence of completed schemes that have not compromised their surroundings and are seen to add to, rather than detract from, their context. The Countryside Agency's Village Design Guide methodology is one of many initiatives which demonstrates that the solutions to contextual design are not exclusively the preserve of professionals, and is designed to engage a community audience. This heeds the mistakes made in the uniform provision of council housing in the 1950s and 1960s through standardised, system built solutions. Rather, it supports housing solutions that fit into their context and character of local surroundings.

Infrastructure, including green infrastructure, has to be designed in at an early stage.

Design should generally be simple and be "tenure-blind" in the context of other building (i.e. affordable homes should be as high quality aesthetically pleasing as the best market homes).

Building materials should reflect local precedent, even if it is not possible for them to be locally sourced.

Individual homes should be grouped to endorse and support the village context, and contribute to a strong street scene.

Parking solutions should not dominate the scheme, and should be carefully considered to reduce the impact of parking spaces on the character and layout of the development.

Details of features such as doors, windows, chimneys, roof pitch, metalwork and joinery should be carefully considered for their appropriateness.

Long term flexibility – and changing needs of occupiers – should be anticipated in internal arrangement as far as possible.

Design of affordable housing can complete a village scene, and need not detract from it.

*“...the exception site mechanism has much potential to increase the delivery of homes in small settlements by fast tracking schemes through the planning process.”*

National Housing Federation – Submission to the Review

#### Recommendation 14:

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

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#### **Delivering Community Led Affordable Housing**

61. It is clear from experience of using the plan-led allocation and rural Exception Site routes that key to the success of either approach is the involvement of the community at an early stage as proposals for meeting local housing need are mooted and suitable sites are identified. Advice, information and support for communities in these early stages is vital.
62. Successful Exception Site developments presented to the review were characterised by “bottom up” community led schemes, facilitated by engagement with the local community through RHEs, local authority staff or a Housing Association/Registered

Social Landlord, with the need discussed, surveyed and agreed with the community and suitable sites sought with this support in place. Bringing forward Exception Sites involves early proactive enabling work with the community to identify need, win local support, and thus encourage landowners to come forward with sites.

63. Across much of the country this enabling work has been supported by RHEs, funded in part through grant provided by Defra's *Rural, Social and Community Programme (RSCP)*. The original vision for RHEs was always that the 'demonstration project' originally run by the Countryside Agency would persuade local authorities of the effectiveness of this model of delivery. During the period of the RSCP funding the vast majority of RHEs were part funded by local government. Although funding support from central government was extended, it concluded during the course of this Review. At present around 80 per cent of RHEs continue to receive support from a mix of local authorities and RSL funding.
64. Significant numbers of representations to this Review strongly supported continued national funding to support and encourage the extension of this kind of enabling work, bearing in mind that it is not in place across much of the country. Defra had proposed developing with the Housing Corporation a new 'Rural Housing Challenge Fund' designed to support innovative local housing delivery, but this was cancelled in the light of decisions made over funding priorities for the Department following the 2007 Comprehensive Spending Review settlement.
65. Even whilst national funding support for RHEs was in place, many local authorities were not supporting Exception Sites with effective enabling work. Yet where this enabling work takes place, more sites come forward. If the Government policy regarding Exception Sites is to deliver its potential local authorities and RSLs need to be engaged in proactive enabling work. It is the fundamental first step to delivering more affordable housing in many rural communities. This chapter sets out proposals for Community Led Affordable Housing designed to increase the number of homes delivered through the exceptions site policy, but it needs to be underpinned by early proactive engagement.
66. Given the Government has chosen not to extend its RHE funding support, or put in place the 'Rural Housing Challenge Fund' that had been proposed, options for the Government include:

- Relying, as is currently the case, on local authorities and housing associations and RSLs choosing to engage in community based housing enabling work. However, approximately one in five of the RHEs have not had funding support since the Defra funding ceased, and many local authorities do not support it. It is not clear with present policy why this would improve and Action with Communities in Rural England estimate that up to 50 per cent of the 60 existing RHE posts could yet be lost without continued central funding.
  - Since securing sites is part of the cost of delivery of affordable housing, the Government and the new Homes and Communities Agency could develop options for grant aiding (against delivery) programmes for identification and delivery of Exception Sites with local authorities, housing associations and RSLs. This would encourage proactive community based rural housing enabling paid against measurable delivery, and may only cost very small sums per site. Other benefits could follow including setting a clear target for average site costs and, by building a deliverable programme, there could be stability and consistency in funding year on year.
67. At least one RHE is already funded by an amount added per unit delivered by a partnership with an RSL, which becomes part of the costs grant aided by the Housing Corporation. This in effect replicates the second approach described above, but puts the full cost onto the RSL/Housing Corporation. This kind of model based on delivering a programme of affordable housing rather than taking funding decision on a site-by-site basis would share costs locally, and provide greater certainty in delivering more rural homes.

### Recommendation 15:

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

68. A further blockage to housing delivery are the costs, delays and uncertainties over Section 106 agreements, which set out the main requirements on each scheme (i.e. allocation to local people in perpetuity). There are now, it seems, almost as many versions of Section 106 agreements as there are schemes, and agreeing Section 106 agreements between scheme developers, the community, and council planning officers and affordable housing officers was frequently cited to the review as causing both lengthy delays and significant costs (£1,500 to £4,000 in fees appears to be common). Negotiations can also be hampered and delayed by local planning authorities and communities insisting on bespoke formats and terms for Section 106 agreements.

*“Every year the potential to secure more rural affordable homes from the planning system is missed when there are no robust Section 106 agreements in place”*

National Housing Federation – Submission to the Review

69. A cost effective step for Government would be to issue a standard agreement applicable to Exception Sites. Indeed representations to the Review have called for government to produce either “a well documented and evidenced best practice guide on Section 106 for securing affordable housing in rural areas” or “a standard template agreement”.

*“On average it now takes three months and costs an average of £3,500 to execute a very simple S106 agreement ... A standard agreement, allowing for a few blanks to be filled in, to reflect the detail of the scheme and its location, would save time and public money.”*

Rural Housing Trust – Submission to the Review

#### Recommendation 16:

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

## Getting Landowners to provide more sites

70. The Community Led Affordable Housing proposal set out in this Chapter gained strong support throughout the Reviews' consultation process from local authorities, housing associations/RSLs, RHEs and private developers, as well as community groups, but some raised doubts about whether it could deliver without greater incentives for landowners to release land for these developments.
71. The prices paid for Exception Sites are necessarily lower than those that would be paid for land for open-market development, in order to allow the financing of affordable housing, but there is still a substantial return for the landowner. Typical values for land for affordable housing schemes will need to reflect local circumstances, but will generally be many times current use value (agricultural, orchard, or pony paddock are typical previous uses). Although well below the value for open market development these are sites which by definition would not normally get permission for open market development. Concern remains that this is insufficient incentive, especially in the context of 'hope value'. That is, the hope that one day the site may get permission for open market development and therefore become more valuable.
72. The Review asked the Royal Institution for Chartered Surveyors (RICS) to seek the views of landowners from across the country.
73. RICS canvassed the opinions of a range of organisations, farmers, landowners and organisations representing groups from across England and Wales, with regards to the release of land for affordable housing in rural communities.<sup>8</sup> Some respondents suggested that more needs to be paid for exception sites to get landowners to come forward, though this was not the overriding concern raised by landowners themselves.
74. Of those landowners questioned, just over a third stated that they would be willing to put forward sites for the provision of affordable housing. This figure would increase if a range of concerns cited by landowners could be addressed or clarified. Landowners were particularly concerned about the release of land at low values (at no cost or cost above agricultural value but less than open market housing value) for affordable housing development if it could later be sold on the open market at much higher value and that someone else would benefit financially from their generosity and community spirit. Ensuring developments are kept affordable, for those with a local connection, in perpetuity was considered critical to overcome this barrier. Through 'overage clauses', agreements can also allow the original landowners to share in any gain if properties are subsequently sold on the open market.

75. Another significant issue is the 'hope value' for land. Landowners cited reluctance to release land at lower values for the delivery of affordable housing in the 'hope' that the same site may one day be eligible for open market development and attract a vastly increased price for the land. Since affordable housing schemes rely on relatively low land prices to go forward, clarity is required about the long term vision for the community, to indicate that restrictions on open market development are unlikely to change, since the need is for affordable housing. This would help manage expectation.
76. Landowners also cited reluctance to release land if they believed the local community was opposed to the development. It is the community who are often best able to win over a landowner, especially where local needs surveys identify a list of local people needing the housing. Acting to benefit the community was cited as a prominent incentive to the release of land in the RICS survey, as was the impact of 'local opposition' as a barrier to the release of land. The importance of community support cannot be underestimated. If the proposals outlined in this chapter are implemented such fears should be overcome. This is indeed the experience in those areas that have already broadly adopted strong community engagement to deliver Exception Sites.
77. Results from the RICS survey, as well as representations from other groups and meetings with individual landowners as part of the Review, highlighted a number of other possible incentives to further encourage the release of land for affordable housing.
78. In particular, to allow the landowner to retain an option on a small proportion of the housing units developed to cater for family or staff needs. Some local authorities gave evidence of examples of Exception Sites brought forward where the child of the landowner was able to be the first occupier of one of the units, *subject to* the same requirements on the property as on all the other properties in the development of local occupancy and affordable price if they move.
79. Similarly, some landowners were keen to retain an interest in, or income from land released. A small ground rent can be an important income for the landowner, and to retaining an interest allows them to ensure the housing does remain in perpetuity affordable for the local community.

*“...landowners and farmers are painfully aware of the problem of the lack of affordable housing in the rural communities, and would welcome a scheme that enabled them to make land available for affordable housing whilst retaining some control over occupation, management and long term ownership.”*

Chartered Surveyor, West Midlands – RICs survey for the Taylor Review

80. It was sometimes put to the Review that rules governing Exception Sites should be amended to allow some market housing as well as affordable, so as to give greater financial incentive to part with land. **On balance, this would be counterproductive;** introducing the possibility of some market housing introduces a difficult negotiation over how many market houses might be allowed; it may also increase the hope value that more market housing may be allowed in time, and therefore reduce willingness to sell the land at affordable development prices. It may increase concern in the wider community that the motive is not affordable housing for local people, but a money raising exercise with the affordable element only there to “buy off” the planners. In any case if a mix of market and affordable housing is appropriate for the village, the option of allocating a site should be pursued. The Affordable Rural Housing Commission and the Government have previously come to the same conclusion.
81. Overall the key concerns raised by landowners are either ones directly addressed by Exception Sites and the proposals for Community Led Affordable Housing in this Review, or which can be accommodated by local agreement. Indeed many are already in practice in some local authority areas.

### Recommendation 17:

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

**Recommendation 18:**

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

82. Many landowners are already engaged in supporting affordable housing including public and charitable bodies.
83. One such project is part of the Prince of Wales's Affordable Rural Housing Initiative work with the private sector. The project is a pilot, involving 10 water companies with the purpose of looking at their land and property portfolio in order to make land available for small affordable housing schemes in rural areas.
84. The review also discussed with the Church of England the opportunities presented by church owned land ('Glebe land') in a very large number of rural communities, and received a very positive response:

*"Recognising that a priority for the Church must be to lease or sell its non-operational property primarily for the furtherance of its Christian ministry, there is a moral responsibility as landowner and community leader to explore all legal and procedural avenues to support the delivery of affordable rural housing and affordable live-work space. Where there is a proven social need which cannot be met from other sources there are opportunities for the Church to release Glebe land at a cost which allows the development of affordable housing to help foster sustainable, inclusive and mixed communities in rural areas; and at a price which reflects conditions that are applied to ensure that the benefit of affordability is maintained in perpetuity. Mechanisms for both lease and sale are possible in appropriate circumstances – meeting the need, complying with ecclesiastical and charity law, and supporting the ongoing work of the Church.*

*"We understand that you will be making a recommendation in your review which will strongly support the delivery of affordable housing in rural settlements where an exception site policy would apply. [Planning permission for open market housing would not be granted on the land but could be granted for affordable housing held in*

*perpetuity]. We welcome the opportunity for Glebe land to be considered for use under these circumstances. There are good examples from around the country where the release of small portions of church Glebe land in rural areas has provided a vital boost to the local community in providing affordable homes. ”<sup>9</sup>*

## What kind of Affordable Housing?

85. An important consideration for local communities and planners considering a **Community led Affordable Housing scheme** on an exception site is the housing mix. Although *PPS3: Housing* requires Exception Site provision to be non-market affordable housing in perpetuity for the local community, this can come in a number of forms.
86. Most people tend to think of ‘affordable housing’ as traditional rented council or housing association properties, allocated to those in priority need and rented at well below market prices. However, it can also include Part-Ownership models – ‘intermediate affordable housing’. There are a range of such schemes designed to allow people to buy an initial low-cost share in the ownership in the property and ‘staircase up’ their ownership as they can afford to. In rural areas this is limited by Government rules to a maximum of 80 per cent of the open-market value. Both routes generally need substantial Housing Corporation grant support to build, since the sale or rental income falls well short of the development costs.
87. A third model of unsubsidised affordable housing is also used in some areas, especially on Exception Sites. Buyers must meet local connections criteria and the price is capped at an affordable level related to either a fixed multiple of local incomes or a discount from open market value. The price is designed to cover the cost of provision of the property, but is well below market value.
88. Typically 2 bedroom units can be sold at about £100,000, and 3 bedroom units at about £130,000 (after all costs and with a builders margin) – in communities where open market prices for the same units might be £250,000 or more. The in perpetuity requirement are guaranteed by Section 106 agreements and by long leases (999 years) or covenant – and in some cases future sales need to be through an agreed agency to ensure compliance. A nominal ground rent may be payable. The owners gain the value of any rise in the price over time, albeit this is limited by the price rules. Not only does this address this form of local need, but it reduces pressure for the limited supply of grant aided affordable housing, allowing more of those in greatest need to be housed as well.

89. This non-subsidised housing model was developed by the Rural Housing Trust and more RSLs are now picking up this opportunity. A number of private sector companies are starting to specialise in this area (see Case Study 3.4 below). This is insufficiently recognised by the Housing Corporation or Government as part of their targets for achieving affordable homes, and many local authorities do not recognise it as meeting their criteria for “affordable” sites. Yet this model has the potential to deliver substantial numbers of affordable homes in perpetuity for working people in rural communities, without subsidy.

Case Study 3.4: First Step Homes, Redruth, Cornwall



90. First Step Homes is a private sector affordable housing developer that specialises in the delivery of affordable homes without the need for public subsidy in the South West region. At the Four Lanes development, near Redruth in Cornwall, a mix of seventeen two and three bedroom houses have been built and sold at Kerrier District Councils’ Section 106 affordable housing prices at £99,852 and £135,764 respectively (see photo above).
91. This report seeks to increase the number of sites for affordable homes. If successful, there is a question as to whether current Government funding for affordable homes delivery would be sufficient. This model steps into that gap, providing for local people in housing need but who do not require grant aided housing better earmarked for those in greater housing need.

**Recommendation 19:**

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

## The potential of Community Land Trusts

92. Community Land Trusts (CLTs) are one mechanism for delivering affordable housing. A CLT is an independent non-profit trust, which owns or controls land and facilities in perpetuity for the benefit of the community.
93. There is no single model for these organisations, but they require high levels of community participation, generally including representation on a trust board, and qualifying for the homes they provide usually depends on a local connection. They are therefore one possible vehicle for the Community Led Affordable Housing that is being advocated in this Review, though they are by no means the only method by which to deliver it.
94. There are currently 14 CLT pilots – seven in urban areas and seven in rural areas. The Housing Corporation and the University of Salford have been providing the pilots with guidance and support and the latter's appraisal of the projects was completed in April.
95. The attraction of CLTs is clear. Because they are community led, they are seen as providing a clear reassurance that development will remain in perpetuity affordable homes to the benefit of the local community, not sold onto the open market in later. However, CLTs are not without potential barriers. The lack of a simple CLT model can make it difficult, bureaucratic and time-consuming for communities to manage the initial set-up and administration of the CLT, or to maintain it long term. Unless they partner an existing social housing provider, they will lack expertise in both delivery and management of the development, potentially raising costs. It is important that a clearly fair, criteria based and impartial process is set up to allocate the homes to local people and that they are then well managed. These are all issues that need to be overcome, usually through a partnership with an existing RSL or potentially an established umbrella CLT organisation.

96. It should be stressed that the Community Led Affordable Housing model outlined in this Review can be delivered through RSLs as well as CLTs, with the same guarantees that the housing will be in perpetuity affordable and to meet local needs. Nevertheless, the notion of CLTs offers some clear attractions to local communities as a result of the clear local guarantees it can potentially offer, and interest in this model is rapidly increasing. Discussions with stakeholders conducted for this Review demonstrate an appetite for such a community-led approach. It is therefore important to tackle at this stage the barriers described in the previous paragraph, so that lack of clarity about this model does not create unnecessary delays and problems in affordable housing delivery.

#### Recommendation 20:

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

### Second homes and holiday lets

97. Concern about the impacts of second homes in some rural communities was raised repeatedly throughout the course of the Review (as it was with the Affordable Rural Housing Commission) in relation to (a) impact on local house prices (by adding to demand), and (b) sustainability of communities (because there are potentially fewer year round residents using services like schools, shops, pubs, buses).
98. This is a particularly emotive issue and has been the focus of early media coverage of the Review. It is not for this Review to take a view on the moral rights and wrongs of second home ownership. It is however in the remit of this Review to consider the planning issues raised; that is, the impact on affordability of rural homes, and the impact on sustainability of rural communities. However, the picture is not that straightforward.
99. According to census data, second homes in England represent only one per cent of the housing stock. Rural areas tend to have higher proportions of second homes than urban areas – but areas with high proportions of second homes are highly localised.

100. Data on second homes broken down by ward shows that there are 64 wards (one per cent) with more than 20 per cent of the housing stock recorded as second homes.<sup>10</sup> These wards with high levels of second home ownership are predominantly in rural areas such as, St. Minver in North Cornwall (43%) and Beadnell in Berwick-upon-Tweed (42%).
101. This data should however be treated with some caution as it is based on those seeking a discount on Council Tax for their second home. Not all second home owners will register their property as such, particularly as local authorities now have discretion to reduce the discount for Council Tax from 50 to 10 per cent. After this change took place the number of registered second homes in Cornwall for example ceased to rise – but the number of registered holiday lets (which pay less business rates than would be paid as council tax for a second home) rose instead. In many cases holiday lets and second homes are the same thing.
102. The Affordable Rural Housing Commission concluded that *“...across rural England as a whole, the impact of second homes is modest. But we acknowledge that the severity of the problem in some parts of the country requires measures aimed at offsetting those detrimental effects and securing a better supply of affordable housing.”*

### **Impact on Prices**

103. There are substantial pressures on rural prices, especially in the kind of desirable rural and coastal areas attractive to these purchasers, but the evidence suggests that migration from urban to rural areas on a permanent basis is the primary driver of demand for housing and consequently unaffordable house prices.
104. Even in those rural communities where there are the highest levels of second homes and holiday lets, purchasers may be competing in price terms with those wealthy enough to retire to or relocate to these settlements, rather than people on low rural wages who cannot afford a home at all.
105. In sum, there is no clear evidence that second homes or holiday lets greatly affects affordability for local people. It is understandable that homes that stand empty most of the year may anger local people unable to afford a home in a smaller rural community with few alternative housing options. However, as they would anyway likely command high prices and attract in-migrants, stopping the second home buyer would do little to make more homes available at an affordable price for local people.

### **Impact on Sustainability**

106. In small communities it is also argued that large numbers of second homes may render services less viable. If second homes and holiday lets are only used seasonally businesses, like Post Offices, shops, pubs and restaurants may be less viable year round, if at all. Holiday lets (often also second homes) may provide little more local income in this respect, since rental income may well go to owners elsewhere, and the holiday makers may provide no more seasonal local spend than a second home owner. On the other hand, second homes and especially holiday lets that are well used throughout the year can provide important local income, especially where holiday lets are owned locally.
107. Where there are large numbers of second homes and holiday lets it may mean fewer families in the village year round to use services like schools, buses and post offices that may be threatened by low usage. In this situation homes that stand empty much of the year can undermine the sustainability of the community.

### **Is a planning change justified and practical?**

108. In principle therefore, as the Affordable Rural Housing Commission concluded, to protect sustainability of communities, especially in regard to services, there is a case for controls in certain localities aimed at limiting the rise in proportion of homes not in use full time in the most affected communities. The purpose being to control this through a new Use Class for second homes, applied in communities where there is evidence of significant impact. To be effective, the rules would need to be applied to holiday lets as well as second homes, since they have similar impacts. This would mean that planning permission would be needed to turn a full time home over to part-time occupation or holiday letting.
109. There are however a number of issues that would need to be addressed:
  - The Government have previously argued that Use Class orders are not designed for this purpose. However, the Government has now agreed to review using planning controls to regulate student accommodation (homes in multiple occupation), responding to concerns regarding the impact on some communities in urban areas becoming dominated by housing used by students – this appears to be a similar use of Use Class orders. Moreover, conversion of domestic property to most business uses is already regulated by the planning system, and holiday lets are a business use.

- It has been argued that restrictions on second homes would be impossible to enforce. It is already the case that numbers of second homes and holiday lets are not accurately recorded. If they are prevented by planning rules in some areas, owners may be tempted to claim their “main home” is the cottage on the coast, not the London house, or occupied by a student son or daughter or friend. It may be possible to police this with evidence of location of employment, use of services like electricity or gas, insurance documentation, car ownership documentation (as with the London Congestion charge residential discounts). However, this may be intrusive and costly for councils to undertake.
- On the other hand, Capital Gains Tax rules already require an owner of more than one property to identify their main residence and although there are substantial tax implications in this it appears to be effective. And in some areas planning authorities are already using planning obligations to require any new housing to be limited to full time occupation. It is not obvious why a similar requirement to confirm a property is in full time occupation (or empty on a legitimate short term basis, such as work away) would not be effective, especially since other residents in smaller rural communities are likely to be very aware of how properties are actually being used.
- There would need to be exemptions to any restrictions – to allow for legitimate circumstances where the property is unoccupied for a period, for example when someone has a time limited contract to work elsewhere, and so is away from their main home for an extended period. However, it should be possible to differentiate long and short term, as is already done with regulations allowing councils to bring unoccupied homes back into use and in those areas requiring new homes to be occupied full time.

110. In conclusion, although there are real issues of practicality, there is a case to be made for controlling (through the planning system) further conversion of full time homes into second homes and holiday lets only in those places where there is identifiable impact on the sustainability of the host community.
111. This issue will not go away, because it raises genuine concerns in those communities most affected. To move forward at all, a trial in one or more of the communities most affected would be the necessary next step. The place to do this might be in one of the National Parks, where there are already unique planning issues, and from where a number of the strongest representations regarding the negative impact of high second home ownership were received. National Park Authorities are the sole local planning authorities for the designated park areas.

112. The unique status of the National Parks makes the issue particularly important for them, since there is very little option to make up the loss of full time homes by new building, and the maintenance of their unique environment relies on people living locally doing relatively low paid agricultural and other jobs which maintain the landscape. As a result, a number of the Parks already require through planning obligations any new homes to be for full time occupation only.

**Recommendation 21:**

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

# 4 Living, Working Rural Economies



## 4 Living, Working Rural Economies

### Summary

**Greater recognition of the ways that economic growth can improve sustainability, especially by providing opportunities for people to work near where they live, needs to be central to planning decisions to underpin rural economic regeneration. Taking into consideration local circumstances and conditions, development of all types of business and enterprise should be considered.**

1. Visits and statistics can both give a deceptive impression of the countryside. Tourists enjoy the undoubted qualities of rural communities, and headline figures show low unemployment and household incomes a little above average.
2. The impression of wealth in many rural areas conceals a more complex picture. Average incomes in rural areas are artificially inflated by residents who commute to work in better paid jobs into urban centres and wealthy residents who have retired to the countryside. However, people actually working in rural areas earn £4,655 less than the national average.
3. The fact is that wages in rural economies are – relative to the rest of the country – low. This matters for rural communities, because it means people working within them are unable to afford high rural house prices, and so may be forced to live elsewhere, potentially causing labour shortages and undermining the social, economic and – if it encourages commuting – environmental sustainability of rural communities.
4. Besides low rural wages, opportunities for rural businesses are not always being adequately supported. Rural communities will fail to fulfil their economic potential as a result. Supporting economic development helps address low wages, and also impacts on the national economy – millions of people live and work in the countryside, and tens of thousands of businesses are based there.
5. This chapter examines in detail the reality of today's rural economies, the nature of the businesses that exist and the current role that planning policy and practice has in shaping them.

6. There is an opportunity to help rural businesses deliver far more for the economy locally and nationally, rejuvenate rural communities, and so increase their environmental, social and economic sustainability. Barriers faced by rural businesses include a lack of appropriate premises, extremely limited scope for expanding or modernising existing premises, and sometimes inflexibility within the planning system towards growth. There is also a misperception of what is and what is not 'sustainable'. These barriers are discussed in full.
7. Particular attention is given to home-based work, since this is a highly significant (and growing) factor in rural economies, with approximately one in five people in rural communities working from home, and offers the potential for highly sustainable business models. Yet home-based work, which can range from childcare to consultancy, hairdressing to architecture to web design, is often unidentified, undervalued, and under-supported by the planning system and by business support providers. This lack of recognition and support can sustain long term damage in local economies. A growing variety of business studies indicate that many firms started at home prefer to stay in the same area when they expand, and so lack of such opportunities can obstruct growth.
8. There is a popular belief that economies in rural areas are not important and a false premise that economic activity in rural areas is different – 'traditional' – and should be treated differently from that in urban areas. This chapter dispels some of the myths surrounding rural economies, and highlights the importance of rural enterprise, not only for the sustainability of local communities, but to the benefit of wider regional and national economies. It examines the significant changes rural economies are undergoing, and the challenges that this poses for the planning system's ability to respond to rural business needs.
9. Against this background of changing rural economies, restrictive planning practices, and significant potential for growth, this chapter outlines how planning policy and practice can change to better address the modern reality of rural economies, and realise their potential.

## **The Importance of Strong Rural Economies**

10. Creating and maintaining strong rural economies is critical to supporting sustainable and vibrant rural communities – with important social, economic, employment and environmental benefits.

11. A strong economy can help tackle social disadvantage and social exclusion in rural areas and support the social and financial well-being of rural residents, in particular providing employment opportunities that can help address low local rural wages.
12. Strong rural economies offer those living in rural areas better opportunities for work in their local community. They help reduce the out migration of younger people and retain skilled graduates through more and better quality local employment opportunities. Being able to live and work in the same place also helps to deliver the Government's sustainability objectives. Working closer to home reduces the need to commute long distances to work and thereby reduces harmful vehicle emissions.
13. Rural economic development can help revitalise the wider local economy – providing spending power and a daytime presence to support and act as a catalyst for other local businesses, shops and services such as Post Offices, benefiting the whole community.
14. The valued character of the countryside has been shaped by centuries of economic activity. Strong rural economies are essential to the maintenance of attractive and diverse landscapes and natural environments – contributing to the environmental stewardship of the countryside.
15. Finally, further support for rural economies could make their existing contribution to the national economy even stronger.

## The New Rural Economies

16. Contrary to an often outdated and perhaps romanticised view of the countryside, the economies of rural and urban England are much more alike than many people might imagine.
17. Very few economies in rural England are still driven by agriculture – and it now accounts for less than five per cent of the rural workforce. When the modern planning system was set up following the Second World War, agriculture employed far greater numbers of people in rural areas and there was a much stronger imperative to subsidise and support the industry to aid its modernisation and development.
18. Agriculture still has a vital role to play in rural areas and communities in food production and in maintaining landscapes and environmental quality. Indeed, its importance is again on the rise in the face of climate change and rising food prices. Farmers and land managers face new challenges and opportunities for diversification and developing new products, which mean that agriculture will continue to play an important role in the rural economy in the future. However, its traditional dominance as a provider of jobs and revenue has greatly diminished as both agricultural practices and the wider economy have changed.

19. The business mix in rural areas is now very similar to urban areas. As shown in Table 4.1, in both rural and urban areas, people are most likely to be employed in retail, manufacturing, or the service sector (public administration, education, health and other social services).

**Table 4.1: Employment by Industry Type and Occupation, England<sup>1</sup>**

	% Rural Workforce	% Urban Workforce
Agriculture, Hunting and Forestry	4.5	0.7
Fishing	0.1	0.0
Mining and Quarrying	0.4	0.2
Manufacturing	14.6	14.9
Electricity, Gas and Water Supply	0.7	0.7
Construction	7.5	6.6
Wholesale and Retail trade, Repair of Motor Vehicles	15.8	17.1
Hotels and Restaurants	4.9	4.7
Transport, Storage and Communications	5.9	7.4
Financial Intermediation	3.6	5.1
Real Estate, Renting and Business Activities	12.4	13.4
Public Administration and Defence, Social Security	6.2	5.5
Education	8.2	7.6
Health and Social Work	10.3	10.8
Other Community, Social & Personal Services	4.6	5.1
Other	0.3	0.1

20. Thanks to the opportunities brought about by new technology, particularly the spread of broadband, rural economies are increasingly able to overcome barriers associated with geographical distance and access to people, information and services (e.g. online banking) – and diversify into higher paid IT and knowledge based jobs.
21. Growth in the proportion of knowledge intensive business services between 1998 and 2005 – largely reliant on ICT infrastructure – has increased by 46 per cent in rural areas compared to 21 per cent in urban areas.<sup>2</sup> Research by Ofcom shows that 59 per cent of rural households have broadband compared to 57 per cent in urban areas.<sup>3</sup> That said, recent

research also suggests connection speeds are slower in rural areas because existing broadband technology is less efficient in sparsely populated areas, a problem outside the remit of this report but to which solutions are urgently needed.<sup>4</sup>

22. The economies of rural England make an important contribution to regional and national economies as well as the rural communities they are part of. Numerous submissions to the Review pointed to examples of rural businesses leading the way in the development of new and innovative sectors such as in the knowledge economy and creative industries, food and drink, renewable energy and environmental technologies.<sup>5</sup>
23. What is more, while a high proportion of rural businesses are small, their reach can be widespread, and rural enterprises are actually more likely to engage with regional, national and international markets than urban businesses.<sup>6</sup>
24. The majority of rural areas in England have relatively strong economic performance – and in aggregate rural economies are comparable to or exceed the performance in urban areas.<sup>7</sup> Employment rates exceed those in urban areas and more rural districts have achieved the Government’s target of ‘full employment’, (80 per cent of economically active people employed).<sup>8</sup>
25. However, while aggregate data shows strong performance these figures mask great diversity in economic performance across rural areas. For example, data on Gross Value Added (GVA) – the core indicator of economic output or prosperity – now shows that in 2005 the output from all rural districts combined equalled that from England’s cities and major urban areas outside London. Yet many peripheral and sparse rural districts have declining or low levels of GVA growth. There are pockets of rural poverty and deprivation, and communities where the economy has fallen behind, just as there are in urban areas, but they are not always as easily recognised.
26. Overall, there are nonetheless specific challenges which typify rural economies, and if the planning system is going to facilitate greater success for these economies it must recognise and respond to these.

## Characteristics and Challenges for Rural Economies

**Rural areas are characterised by higher proportions of small and micro-businesses, self employment and home based work.**

27. Although the business mix is similar, in terms of size (by numbers employed) there tends to be a larger number of small businesses and fewer large businesses in rural compared to urban areas. The majority of rural businesses employ fewer than 10 people and many less than five and 31 per cent of firms in rural areas have no employees compared to 17 per cent in urban areas.<sup>9</sup> Self employment in rural districts represents 12 per cent of those in employment compared to nine per cent in urban districts.<sup>10</sup>
28. The ability to work and start a business from home attracts many people into enterprise. Home-based working is a growing phenomenon, particularly in rural areas. Nationally, the proportion of the workforce working mainly from home doubled between the last two censuses (1991 and 2001) to around one in ten.<sup>11</sup> In all types of rural area, home-based work is significantly more common than in urban areas. Seventeen per cent of working rural residents work from home, and as shown in Table 4.2, in the most rural areas (Sparse Hamlets and Isolated Dwellings) this figure is 31 per cent, compared to as few as eight per cent of urban based residents.<sup>12</sup>

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**Table 4.2: Home-Based Working, by Rural Definition 2001**

Rural Definition	% works mainly at or from home
Hamlet & Isolated Dwelling – Sparse	31
Hamlet & Isolated Dwelling – Less Sparse	20
Village – Sparse	20
Village – Less Sparse	15
Town & Fringe – Sparse	12
Town & Fringe – Less Sparse	10
Urban – Sparse	10
Urban – Less Sparse	8

Source: 2001 Census, Office for National Statistics

29. A study by the Chartered Management Institute predicts that by 2018 the majority of businesses will be based from home. Sixty five per cent of businesses expect working from home to be commonplace as a way to reduce the carbon footprint and 73 per cent suggest work-life balance will be the key to job choice.<sup>13</sup> This trend is certainly most advanced in rural areas. The particular issues around supporting home-based work are explored later in this chapter.

### **Locally earned incomes are relatively low.**

30. The average incomes of those who work in rural areas are lower than those who work in urban areas (see Table 4.3 below). People working in the most urban areas have average annual incomes in excess of £7,000 more than those working in the most rural areas. In addition, the wages of people who work locally in rural areas are much lower than those who live there but work elsewhere. People who work in rural areas earn over £3,000 less per year than those who live there but commute somewhere else for work.

**Table 4.3: Mean Gross Annual Pay, by Rural/Urban Areas\* 2007 (England)**

	Place of Work	Place of Residence	Difference (Residence minus work)
Major Urban	27,487	29,101	1,614
Large Urban	22,477	22,484	7
Other Urban	23,187	22,743	-444
Significant Rural	22,851	25,605	2,753
Rural-50	21,740	25,147	3,407
Rural-80	20,289	23,462	3,174
<b>England</b>	<b>25,550</b>	<b>25,598</b>	<b>48</b>
Rural	20,895	24,182	3,287
Mixed	22,851	25,605	2,753
Urban	24,890	25,337	447

Source: Annual Survey of Hours and Earnings, Office for National Statistics

\*Rural/Urban Local Authority Classification: Rural = Rural-50 and Rural-80 combined, Mixed = Significant Rural, Urban = Major Urban, Large Urban and Other Urban combined.

31. In the most rural areas, 28 per cent of jobs are low paid compared to 18 per cent in the most urban areas.<sup>14</sup> And while high rates of rural self employment indicate entrepreneurship and life-style choices, some may stem from a lack of alternative employment opportunities – 22 per cent of self employed people in rural areas are in poverty compared to eight per cent in urban areas.<sup>15</sup> Less opportunity for higher skilled and paid work is a key driver of the high levels of out-migration of younger people from rural to urban areas.

**Potential for business growth is not being harnessed across all rural communities, and many are still lagging**

32. Business formation is disproportionately high in rural England. There are now 556 businesses per 10,000 population in rural districts compared with 443 in urban districts (represented by VAT registration).<sup>16</sup> Rural areas are becoming more entrepreneurial, are generating higher levels of business creation, and more of these new businesses survive. In aggregate, the performance of the economy in rural areas is comparable to performance in urban areas.
33. However, the situation is complex. Business formation rates are not universally healthy in rural areas, particularly in more remote rural areas. Moreover, enterprise is about more than firm creation, but also about business growth. Economic performance across rural communities is hugely varied, with many still failing to live up to their potential.
34. The overall figures conceal the fact that in many rural areas – often those more sparsely populated and more peripheral – economies are underperforming compared to national averages. For example, the Commission for Rural Communities report that median turnover (or business earnings) per worker in firms registered for VAT or PAYE is lower in many of these sparse rural districts, when compared with the national median.
35. Planning has a crucial role to play in supporting rural economic development. Fundamental change in the nature of economies in the countryside mean that the planning system's ability to properly respond is being challenged.
36. Blockages within the planning system are currently hampering economic growth. Removing these blockages can increase the availability of premises, help new firms to start and many others to grow. This in turn will help to raise productivity across all rural communities, benefiting those that live and work in them and improving the overall contribution they make to regional and national economies.

## Better Support for Rural Economies

37. In order to better support rural economies, to build on the already solid base of business start ups, small and home-based businesses, a key set of barriers concerning planning policy and practice must be overcome. These challenges comprise:
- (1) To promote all business in all rural areas subject to local impacts to enhance the sustainability of these communities**
  - (2) To ensure and maintain good supply of sites and premises including a flexible approach to the conversion of farm buildings and farm diversification, and**
  - (3) To better support small and home-based business.**
38. In addition, it is essential to ensure an appropriate mix of employment as well as housing growth in planned extensions to existing larger settlements such as market towns. This is required to ensure extended and expanded settlements are mixed and sustainable in their own right, and that new housing development contributes to employment opportunities and services and does not place an unsustainable burden upon existing infrastructure.

### (1) Promoting rural economic development

39. The 'sustainability trap', as discussed in Chapter 1, whereby a narrow approach to sustainable development restricts development in rural areas, is just as likely to curtail economic development as it does the provision of new housing.
40. This Review has already recommended that planning practice and policy in Planning Policy Statements and Planning Policy Guidance should be amended to take better account of social and economic considerations in balance with environmental sustainability (see Recommendation 2).
41. In relation to rural economic development as with housing, concerns have been raised over inconsistency between national Planning Policy Statements which can cause a lack of clarity and inconsistent local implementation. Some argue that there is too much emphasis on countryside or environmental protection in rural planning policies.<sup>17</sup> Submissions to the Review have also argued that *"planning policies are not sufficiently supportive of rural businesses"* (Chief Economic Development Officers Society and County Surveyors Society – Submission to the Review).

42. A recurring message to the Review was that national policies, such as *PPS7: Sustainable Development in Rural Areas*, are not implemented consistently or as intended at regional or local levels and that priorities in other Planning Policy Guidance/ Statements are given more weight. This reinforced the findings of the recent Defra report into *Barriers to Farm Diversification*:

*“While setting a national overview and avoiding prescription – deliberately so in order to facilitate local decision making responsive to local issues – their consistency leaves much to be desired. For example the supportive content of PPS7 is often undermined by other statements such as those on housing, nature conservation and transport.”<sup>18</sup>*

43. While Planning Policy Statements do have regard to the circumstances and needs of smaller settlements and rural communities, overwhelmingly the interpretation of these policies at local level is cited as giving precedence to those aspects which would prioritise development in larger ‘key’ centres and consequently restrict rural development elsewhere.
44. For example: (1) *PPS1: Sustainable Development* and *PPG13: Transport*<sup>19</sup> both encourage patterns of development which reduce the need to travel by private car – which can be interpreted as a focus on larger service centres and settlements with access to public transport at the expense of development in smaller rural villages and hamlets; (2) *PPS3: Housing*<sup>20</sup> which promotes re-use of employment land for housing where an ‘over supply’ exists – can be considered to give priority to housing development at the expense of employment land in villages on the basis there is employment land available elsewhere; and (3) *PPS6: Planning for Town Centres*<sup>21</sup> has been understood by some planning authorities to preclude the conversion of agricultural buildings into office space should there be any supply of vacant office space in the nearest town or city.
45. Such interpretations have the consequence of focusing development towards larger urban areas and increasingly restricting development down what becomes a settlement hierarchy. This has been evident in the recently finalised North West Regional Spatial Strategy (RSS), which reflects the stance now being adopted nationally. The Panel Report noted that:

*“It is clear for a variety of reasons that a policy which precludes development outside centres entirely is not reasonable and we heard and read a good deal of evidence to that effect. Rural businesses outside settlements need to be nurtured and encouraged (and we heard a good deal about our old friends the knowledge-based industries)*

*and diversification sometimes needs to be promoted. But there were those who were concerned about the possible environmental effects of this and were rightly worried that any policy which facilitated the movement of employment from the towns and cities to the rural areas would be contrary to the spirit and intent of the RSS.*"<sup>22</sup>

Paragraph 4.114

46. This all seems positive in terms of the approach taken to rural development until one reads the panel recommendations:

*"We recommend the following addition to Policy RDF3: Exceptionally, new development will be permitted in the open countryside where it: (a) has an essential requirement for a rural location, which cannot be accommodated elsewhere (such as mineral extraction); (b) is needed to sustain existing businesses; (c) provides for exceptional needs for affordable housing; (d) is an extension of an existing building; or (e) involves the appropriate change of use of an existing building to business/employment use."*<sup>23</sup>

Paragraph R4.12

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47. This statement clearly instructs local planners to consider any rural development (even involving a change of use of an existing building) to be an exceptional planning event; specifically one that will not occur on a frequent basis, only justified under exceptional circumstances.
48. A further constraint to rural enterprise is the notion that particular types of business are not appropriate in rural areas. National policy in the form of *PPS7: Sustainable Development in Rural Areas*, *PPS3: Housing* and the current *PPG4: Industrial, commercial development and small firms*<sup>24</sup> all advocate an approach that allows for 'appropriate' development in rural areas. This national policy may be interpreted at the outset of local policy development to mean that certain types of business should be encouraged or discouraged from locating in rural areas. Policies which support farm diversification providing the new activities are linked to the existing farm business may also reinforce this.
49. Inconsistencies in the Planning Policy Statements, and the failure of national policy to counteract unhelpful preconceptions of what is 'appropriate' rural business, work to reinforce an outdated perception of rural economies – focusing on agricultural and land-based industries, and excluding other types of enterprise. In addition, evidence suggests that perceptions of regional and local planners and decision makers regarding the sustainability

of different types and scale of businesses suitable for the countryside also need to be challenged. In instances when regional and local plans do seek to grow and encourage new local business, in practice local advice can work to restrict certain business types in rural areas.

50. Policies at every level must continue to recognise that land-based activities are a vital part of rural economies and the maintenance of the countryside – but this should not be flipped into a view that only such land-based employment should be located there. Focusing rural development in such sectors not only impedes new and expanding business, but can also perpetuate reliance on low-waged employment in rural areas. Improving the quantity and quality of job opportunities should be the driving factor in planning for rural areas, not idealised notions of what is an ‘appropriate’ type of rural business.
51. A further dilemma for rural economies is that current policy focuses on city regions as the engines of economic growth and regeneration. The unintended consequence of this may be that huge areas of rural England are being left ‘off the map’.

#### Recommendation 22:

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

#### Recommendation 23:

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

**Recommendation 24:**

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

**(2) Ensuring a good supply of sites and premises**

52. A significant barrier to growth is the availability of suitable business premises. The planning system has a key role here to protect existing employment sites and premises, and ensure supply meets existing and future need.
53. As discussed earlier, rural areas are typified by large numbers of small and home-based businesses. And while rural business start-ups are high and are as ambitious for growth as their urban equivalents, actual growth is more limited. Expanding any small business can be daunting wherever it may be located and in whatever sector, particularly when growing a home-based business by taking on the first employee(s) or investing in business premises for the first time, but in rural areas additional hurdles may be encountered.
54. While in urban areas there are usually more choices for business premises and incubator/stepping stone space, in rural areas there may be none. Growing on their existing site, or creating new premises locally, may be opposed by planning policy designed to restrict business development in the 'countryside'. Therefore, growth may necessitate a move from the current site to a town centre or business park miles away. This can be undesirable for employees living locally, resulting in the loss of employment opportunities in rural areas and increased commuting from rural to urban areas, or it may deter growth altogether.
55. Limitations on Brownfield land in rural areas often means the stock that is available has a much greater value as residential rather than employment land – therefore driving a preference among land owners and developers for residential development.

Development of employment land is also supported by *PPS3: Housing* “where an over supply exists”. This can be interpreted as an over supply of employment land in the local authority as a whole (rather than a particular village or town) and used by local planning authorities or developers to justify using such ‘surplus’ employment sites for housing. At the same time, an overly prescriptive and prohibitive approach to economic development has restricted the potential ‘approved’ demand for local employment space.

*“For many decades now small sites/buildings have been lost, particularly to residential development. With a new national housing growth targets there will be even greater pressure to re-develop employment sites for housing.”*

Regional Rural Affairs Forums – Submission to the Review

56. Despite the Employment Land Review which signals that local planning authorities should maintain a supply of suitable land for employment use, rural employment land is not well protected by national policy. Its survival depends upon the farsightedness and conviction on the part of local planning authorities that the land and or buildings should be protected for employment use, an approach that has to be in the Local Development Framework (LDF) and reconciled with their housing supply strategy.
57. Increasing housing at the expense of local employment opportunities worsens sustainability since it inevitably leads to working people having no choice but to commute into town. Businesses rooted in local communities may either have to limit growth or move away. Either way the local community loses the opportunity for local employment growth, and may lose local employment altogether. Planning policy and national, regional and local priorities need to reflect the proper balance between the need for housing and employment space in rural communities. Where employment land and work space is in short supply, they should not be surrendered for residential development without evidence of suitable alternative supply of land/space especially in communities that are restricted in development terms.
58. Rural businesses are usually small (often less than five people), and small businesses do not in the main build their own workspace. Therefore, the provision of employment land alone may not meet their needs. Provision of suitable employment space is needed as well.
59. Relocating to a business park may not be a viable option either, even if there is one within reasonable distance. Whilst there are some very successful examples of rural business parks, some of which have been created from conversion of estate buildings,

farm-steads, former rural factories, the majority of new build 'business park' developers seek long term 'blue chip' tenants and do not support new and emerging businesses adequately. Neither are they flexible or attentive enough to support and nurture entrepreneurs and expanding home-based business. In addition to this the size of business units are rarely small enough for the needs of small and micro businesses that predominate in rural areas.

60. Planning controls have traditionally sought to separate (or zone) residential and business/industrial activity to rightly seek to minimise the impact of noise, pollution and traffic on residential areas. With the advent of ICT and new ways of working that significantly minimise impact upon neighbours and surroundings, planning should seek to encourage more mixed-use developments for housing and employment. This may be particularly appropriate where redundant employment space is to be redeveloped.
61. A good opportunity to provide suitable premises for small rural enterprises is to promote a more flexible approach to the re-use and conversion of existing buildings. The re-use of farm buildings can present a significant opportunity to provide new employment space in rural areas, ensure the viability of existing rural business and support farm diversification.
62. Traditional rural workspaces and agricultural buildings – especially those built in brick and stone – are usually convertible and provide a character and setting that is very appealing to business users, assuming the required technology and facilities can be adequately installed. However, this requires a positive approach to building conversion and an acceptance that additions and extensions to the existing building may be required to achieve a viable scheme – and can be done so in keeping with the style and character of the existing building.
63. The current planning convention that re-use of buildings in the countryside should be in favour of an economic use in the first instance is helpful, and should remain.<sup>25</sup> However, many farm and agricultural buildings are located in the open countryside and considered Greenfield sites in policy terms. This was considered by many respondents to the Review's Call for Evidence to place undue restrictions on the re-use of such buildings for economic development and farm diversification in particular.<sup>26</sup>

64. A lack of clarity within current policy may obstruct in practice the creative use of existing farm buildings. While *PPS7: Sustainable Development in Rural Areas*<sup>27</sup> supports the re-use of appropriately located buildings in the countryside for economic purposes, this can again be undermined by the over rigid application of sustainability criteria – particularly in relation to access to public transport and use of the car in the interpretation of *PPS1: Delivering Sustainable Development* and *PPG13: Transport*. In their submission to the Review, the Chief Economic Development Officers Society (CEDOS) states that some planning authorities have interpreted *PPS6: Planning for Town Centres* as meaning that conversions of former agricultural buildings should only go ahead if there is no supply of vacant offices premises in the nearest major settlement – which can be a considerable distance away.
65. Furthermore, the priority given to the re-use of previously developed land (Brownfield sites) in *PPS1: Sustainable Development*, *PPS3: Housing* and *PPS7: Sustainable Development in Rural Areas* specifically excludes development at ‘Greenfield’ farmsteads. These have historically been sites for work and following a local assessment of impact could and perhaps should continue to be so.

#### Recommendation 25:

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

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### (3) Better support for home-based business

66. Ensuring an appropriate supply of land and workspace for small and home-based business, would help them to grow, create local and better paid jobs, and so increase the sustainability of rural communities. However, additional specific support is also required for home-based working.

67. Home-based working takes place in many different forms. It includes work that may be intrinsically home-based (from farmers to publicans and childminders), but it is also a significant initial step for many when starting new businesses. It can be a life-style choice, accompanying relocation of families to rural areas, or can result from necessity, and it may be an employee, employer, self-employed or informal. What is certain, as previously set out, is that home-based working is already significantly more common in rural than urban areas (31 per cent of all employment in the most rural areas), and is projected to be of increasing importance over time.

### Need for better data

68. Such businesses can be difficult to support as many of them are out of sight to local authorities or other agencies that could provide assistance. A lack of regularly updated and published data on home-based workers in official statistics makes it difficult to gauge precise numbers, locations and activities, and to get a robust picture of the issues impacting this sector. Locally based data is also crucial. In a 2005 survey of 145 English rural local authority economic development departments, only four were found to be conducting research into home-based workers in their local area.<sup>28</sup>
69. Better data on the local incidence and requirements of the rural home-based workforce is required to plan for their needs, in line with greater consideration for home-based work as advocated in the draft *PPS4: Planning for Sustainable Economic Development*.<sup>29</sup> The importance of local plans taking account of home-based work, particularly for rural areas, should be reinforced in the final Planning Policy Statement. With most business start-ups originating in the home, the contribution of this sector to rural and national economic growth must not be underestimated.

#### Recommendation 26:

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

## Home extensions

70. For home-based enterprise, at the point at which they may want to take on their first additional staff a lack of appropriate local workspace may force the choice to employ someone at the family kitchen table or spare bedroom, or through lack of local workspace, to relocate into town. Both options, to work in cramped or unsuitable space or to commute elsewhere can be limiting factors for growth. Survey evidence suggests that for many home-based businesses, a poor working environment hampers business growth.<sup>30</sup>
71. One option for a growing home-based business may be to seek to extend the existing home for additional office or storage space. However, through the course of the Review it has become apparent that there is a lack of support in terms of local planning authorities granting planning permission for extension of a residential property for business purposes, even when a similar extension for residential use would be approved.
72. Home-based work can have significant benefits for sustainable development. It helps preserve land, cuts down on commuting, uses energy for one rather than two properties. Similarly there are useful benefits for the home-based worker or small business in terms of lower cost of combined workspace and home, a reduction in time lost commuting, increased business security and improved work-life balance. There are also wider benefits to the community. It may stimulate the local economy and thereby increasing the prosperity of a neighbourhood. Purely residential areas tend to be deserted during the day, as are employment areas at night. Both are vulnerable to crime when empty. Properties inhabited for the dual functions of dwelling and workplace tend to be occupied across the 24 hour period, thereby reducing this vulnerability.
73. Planning authorities can be reluctant to grant approval to proposals for extra workspace at home on the basis that they may be a back-door route to extra living space. Yet often an extension to the property would be allowed for such use if applied for in the first place. There is no obvious reason for taking a less positive approach in principle to the creation of a room for use as a workspace than for family use. Of course, environmental impacts do need to be sensibly considered in light of potential social and economic benefits or harm of the development (such as increased noise, parking needs or traffic), and possibly conditions imposed accordingly, but policy should not presume against developments designed to allow home-based businesses to start to grow. Where domestic extensions to dwellings would be permitted, there is no obvious reason for taking a less positive approach, in principle, to the creation of a room for use as a workspace, if the impact on local amenity would be similar.

**Recommendation 27:**

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

## Home-based work in affordable housing

74. A particular challenge for home-based work occurs for some of those living in social housing. Many social landlords, such as housing associations, Registered Social Landlords (RSLs) and local authorities still have tenancy agreements discouraging or forbidding running a business from home. Evidence suggests that the relaxation of regulation around home-based work in social housing can promote enterprise, reduce worklessness and encourage people currently operating in the informal sector into the formal sector.<sup>31</sup>
75. An initiative by Magna Housing Association in West Dorset has shown how home-based enterprise can offer a route to work for unemployed social housing tenants. A partnership between Magna Housing Association and Enterprise Connection (a locally based business incubator) sought to actively encourage and provide support to start-up home-based enterprise among social housing tenants. Nine residents took part in a seminar and training sessions around business planning, sales and marketing and finance and accounting. Of the group, four tenants (all previously unemployed) have started up their own businesses.<sup>32</sup>
76. The National Housing Federation advises housing associations that they should not include a blanket ban on home-based work, and offers model tenancy agreements to support home-based work. It is an anomaly that any housing associations or RSLs should still seek to restrict home-based work – largely due to an outdated perception of the negative impact of work upon other residents (nuisance – noise, smell, increased traffic, etc.). More than half of working age social tenants are not working – more than double the national rate. Among young people, the situation is even worse. Encouraging home-based work among social housing tenants may help overcome additional barriers to work faced by those in rural communities, such as poor access to transport and indeed employment opportunities.

77. Few RSLs have allocations procedures which take any account of the potential need for an extra room for work purposes. As a result home-based work in social housing can be discouraged or lead to overcrowding. As new affordable housing is built, planning policy, the Homes and Communities Agency, and RSLs all need to take better account of the growing needs (and benefits) of home-based work.

### Recommendation 28:

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

### Dedicated 'live/work' and rural business 'hubs'

78. An alternative to adapting existing homes and mixed use developments (where housing and employment space is developed within one development) is to build dedicated 'live/work' properties. Live/work properties (designed explicitly for the dual purpose of living and working) offer another potential solution to make use of scarce land allocated for development in rural areas by providing homes and employment space on the same site, and to combine some of the benefits of working from home with the facilities and connections that can come from working in a business community.
79. Live/work developments have traditionally been urban based – evolving from loft developments in the SoHo area of New York, and spreading to cities in the UK such as London and Bristol.
80. Many rural local planning authorities appear receptive to the principle of 'live/work' schemes but are unclear about the development and management of such properties, as well as implications for re-sale and the likely market in smaller rural communities. Fears persist that either the live or work element of the development could become dominant. It also raises concerns about issues such as Capital Gains Tax and Business Rates, which can usually be avoided in more informal home-based work settings where rooms also have a domestic use. In live/work units, these tax issues cannot at present be avoided.

81. As shown in responses to the Review's Call for Evidence, the majority of respondents considered 'live/work' schemes to have limited potential in rural communities, favouring other potential approaches such as mixed developments of homes and work places.<sup>33</sup> However, live/work schemes have been successfully applied in some places. They should not be ruled out simply because of issues in some developments (notably Hackney in London) where there has been a failure to maintain the work element. There have been plenty of examples where those issues have been overcome, and in other countries (notably the USA) live/work schemes have proved very successful.
82. Live/work developments can also service businesses beyond the immediate development, as a form of business 'hub'. Whether through live/work or not, the traditional role of market towns and larger villages servicing the wider rural community can be enhanced in providing flexible workspace, facilities such as meeting rooms, etc., for smaller and home-based businesses, via rural business hubs. This can build upon the traditional interdependence of market towns and the villages they serve.
83. Good examples of rural business 'hubs' exist in which small and/or home-based businesses flexibly use shared office/workspace facilities, such as meeting rooms and office space, as and when they require (for example on short term leases or renting space by the hour) to help grow their business. In the 1980s and 1990s some of these premises gave rise to a network of 'telecottages' for IT based homeworkers, but there are also a number of rural incubator centres which are members of UK Business Incubators, a body initially established to help from the then Department for Trade and Industry. Such facilities can also provide incubator/stepping stone space to help small and home-based business to grow at a pace which suits them and their business needs.
84. Businesses using hub facilities can also often benefit through networking, sharing information, contacts and overcoming the isolation of working alone, collaborating on projects with other small businesses, and sharing the costs of expensive equipment, including computers and internet access, photocopiers etc, as well as providing flexible business premises. Further examples of current rural enterprise hubs are shown in Case Studies 4.1 and 4.2.

85. Rural business ‘hubs’ respond directly to the needs of a large portion of enterprises in the modern rural economy (i.e. the self-employed, small business and home-based workers). While examples of successful rural business hubs exist, they are limited in number, and should be further encouraged by Government to be developed to support rural enterprise across the country.

#### Recommendation 29:

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

86. A large proportion of home-based working takes place covertly as home-based workers can be reluctant to seek help or recognition due to uncertainty and fear that they could be restricted or stopped from working from home. In part this relates to possible planning infringements, though it also relates to fear of regulation or financial impacts such as increased premiums for home insurance or Capital Gains Tax on the sale of their properties, being liable to pay Business Rates in addition to Council Tax, or possible restrictions from a mortgage lender or landlord.
87. It is not in the remit of this Review to consider issues outside the planning system, but in view of the growing importance in the economy of home-based work and the representations made to this Review in relation to the impacts on home-based work of areas such as Business Support, Council Tax, Business Rates, Capital Gains Tax, VAT, health & safety regulations, mortgage and tenancy agreements etc., as well as planning, the Government might wish to consider a wider ranging review of the growing importance of home-based work and how it can best be supported.

#### Case Study 4.1: Framlingham Technology Centre, Suffolk



The Technology Centre at Framlingham is a purpose built business centre aimed at supporting business growth and acting as an incubation facility for start-up technology focused businesses. Facilities include reception services (phone answering, post & fax services, and admin support), high-spec broadband (1Gb network), networking facilities, flexible office, laboratory and workshop space, meeting rooms, conference suite and IT equipment.

The centre was set up in 2001 through a mixture of private and public sector funding, and is home to 24 separate businesses in diverse fields such as nanocrystal technology, public relations and marketing, product design and development, fibre optics, software and electronics and environmental products.

Outputs from the centre include: 77 newly created jobs, 42 new business start ups, in excess of £16 million world wide trading, over 70 new patents, and a positive effect on the local community and other local business, including the provision of a hub for a local high speed broadband network.

#### Case Study 4.2: Food Technology Centre, Penrith

Led by Cumbria Rural Enterprise Agency, the distinctly Cumbrian programme aimed to strengthen the rural economy of the county by supporting rural business primarily in the quality food and drink sector. Central to this programme was the requirement to address a critical need among local producers to have access to modern technical facilities without being burdened with disproportionate investment costs.

The Food Technology Centre was specifically designed to bridge the gap between home kitchen and high investment in factory units by offering the opportunity for some businesses to relocate into the Centre full time, while other units are made available on a flexible basis for seasonal production or to deal with peak orders.

Cumbria Rural Enterprise Agency developed the centre as part of support for local food and drink producers. The centre includes five commercial kitchen units, shared ambient, chiller and freezer storage areas and a packing and labelling line as well as a distribution hub for tenants and for other local food businesses.

Local producers do not have to invest in premises and can hire facilities as and when they are needed – bridging the gap between home kitchen and factory unit. The development offers the opportunity for some businesses to relocate into the centre full time, while other units are made available on a more flexible basis for seasonal production or to deal with peak orders.

The centre also includes the latest environmental technologies – solar panelling for water heating, ground source heat pump for air heating, high specification insulation and facilities for grey water recycling. Prior to development, the site was of little environmental benefit and planting and conservation work as part has sought to create greater bio-diversity for the site.



# 5 Unblocking the system



## 5 Unblocking the system

### Summary

**The Government can and should make a series of changes in policy and practice which, whilst individually small, collectively could make a substantial difference to the speed and effectiveness of the planning system, better deliver housing needs and a vibrant economy, and underpin the sustainability of rural communities.**

1. Since the Affordable Rural Housing Commission reported in May 2006, new national planning policies (*PPS3: Housing*) have been put in place regarding housing, advocating a positive and proactive approach to the delivery of rural homes. Enough time has passed for both this new policy and for the recommendations of the Affordable Rural Housing Commission to have begun to significantly impact on planning practice and delivery of homes on the ground. The new Local Development Framework (LDF) process is also advancing and is intended to entrench a place shaping, plan-led and evidence based approach to delivery, built on national policy (through Planning Policy Statements) and the new Regional Spatial Strategies (RSS).
2. It is disappointing therefore that those giving evidence to this Review signalled that actual delivery on the ground has moved on so little, and many of the concerns expressed previously and highlighted by the Affordable Rural Housing Commission remain. Throughout this Review concern was expressed by a wide range of stakeholders (rural communities, housing associations and registered social landlords, all levels of local government, regional bodies, private sector developers, businesses and house builders) that policies designed to deliver affordable housing and economic development in rural areas are running into unintended blockages at the local level.
3. Changes within the planning system, as well as recommendations in the previous chapters of this report, are needed to overcome these blockages and support best practice – to ensure it becomes the rule rather than the exception.
4. This chapter runs through the key practical problems presented to this Review, and sets out proposals to overcome them. While previous chapters focus on major challenges and new ways to address them, this chapter focuses on detailed, technical and practical issues and barriers in the planning system and faced

by practitioners which is hampering delivery on the ground. These include:

- Better consideration of rural housing and business needs in regional and local planning making
- assisting the LDF process and making it deliver for rural communities
- addressing shortfalls in local authority capacity
- revising thresholds for affordable housing contributions
- improving negotiation of planning obligations (Section 106 agreements)
- the role of The Planning Inspectorate in shaping and supporting local policy, and
- affordable housing – the cost of meeting Code for Sustainable Homes building standards.

## (1) Regional Spatial Strategies (RSSs)

5. Major changes to the regional and local plan making system were introduced by the 2004 Planning and Compulsory Purchase Act.<sup>1</sup> This set out that each region should have a RSS to establish their broad development strategy for a fifteen to twenty year period. At the local level, LDFs were introduced. RSSs identify the scale and distribution of new housing in the region, indicate areas for regeneration and specify priorities for the environment, transport, infrastructure, economic development, agriculture, minerals, waste treatment and disposal. RSSs replace Regional Planning Guidance (RPG).
6. In particular, RSSs set the housing targets for individual local authority districts and inform the production of corresponding local plans. These are translated locally through LDFs drawn up by Local Planning Authorities – the key mechanism whereby the housing numbers agreed in each RSS are allocated and delivered on the ground. The LDFs replace Local Plans.
7. There was widespread concern among respondents to the Review's Call for Evidence that the principles and approach for achieving sustainable rural communities through the provision of new housing, as set out in *PPS3: Housing*, are still not being adequately reflected in emerging RSS or local development documents. At the national level, *PPS3: Housing* sets out the government's planning policies for housing, which regional planning bodies and local planning authorities should take into account in developing RSSs and LDFs – and sets a clear objective to create sustainable, inclusive, mixed communities in all areas, both urban and rural. This includes a range of policies to ensure

that the housing needs of rural communities are part of regions' and local authorities' mainstream planning.

8. Government research earlier in the year into emerging RSSs indicated that plans for the provision of rural homes continue to lag.<sup>2</sup>
9. Naturally while the level of housing planned is significantly greater than in existing regional plans, housing growth is not sufficiently high to be consistent with ambitions set out in the Housing Green Paper (three million new homes by 2020).<sup>3</sup> Rural areas are at the forefront of this shortfall in allocated housing provision. As a result, not only is planned provision for housing overall lower than projections for household growth, but this shortfall in provision to meet housing need is most acute in rural areas. Planned housing provision amounts to 91 per cent of projected household growth overall, but just 81 per cent in rural areas.
10. A range of reasons why regional and local plans are disproportionately failing to meet the assessed rural housing need have been suggested in research carried out for the Commission for Rural Communities.<sup>4</sup> These include: an urban centric approach to planned allocation of housing; a narrow and misguided interpretation of sustainable development; and a lack of a reliable rural evidence base.
11. **Urban centric approach:** A focus on urban areas is of course to be expected – as they will represent the focal point for satisfying the bulk of need for economic and housing development. Beyond this however, concentrating development in urban areas is based upon two key drivers. Firstly, a focus on urban renewal and regeneration to stimulate wider regional, social and economic benefits. And secondly, a perception that sustainable development can only be achieved in larger better serviced and connected settlements: *"RSS are founded on sustainability principles which seek to concentrate development in urban areas which it is argued by regional assemblies, are best places to help facilitate reduction of carbon emissions and make optimum use of services."*<sup>5</sup> There is concern that this focus is leading RSSs to lose sight of meeting the specific needs of rural areas and securing the sustainability of those settlements.
12. **Misguided interpretation of 'sustainable development':** It is true that urban renaissance is required to revitalise and renew urban areas and to stem urban-rural migration, which is putting unnecessary pressure on more rural areas and exacerbating rural problems. But as discussed in Chapter 1, a misinterpretation

of 'sustainability' (using too narrow a range of environmental check lists at the expense of wider social, economic and even environmental needs) is a barrier to both housing and economic development in rural areas.

13. **A lack of a reliable rural evidence base:** At both the regional and local level, concerns have also been raised that there is no common definition of 'rural' employed and that research into housing need is not routinely disaggregated for rural areas:

*"[There is] no consistent definition of rural, with individual regions tending to adopt their own definition and, in some cases, applying different definitions between RHS and RSS. A standard definition used across the regions is essential if rural housing supply is to be monitored effectively or for targets to be set."*<sup>6</sup>

### Recommendation 30:

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

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14. The response of the independent Panels who examine RSSs, sustainability in rural areas and the extent to which RSS policy should steer policy for delivery of rural affordable housing and location of development is revealing. An examination of the Examination in Public (EiP) Panel reports of the RSSs suggests that Panels do not see it as the role of RSS to set the strategic framework for policy in rural areas.

*"As anyone who knows the region or who explores it as we have done will be aware, the East of England has under no threat of urban development either now or in future. Keeping it that way, despite the focus on growth and development, is an important aim of the RSS. The extent of perceived rural housing needs was regularly and forcefully expressed at the EiP. However, it concluded that for the RSS 'there is nothing distinctive it could say, this is more a matter for the RHS and LDDs.'*<sup>7</sup>

15. *Whilst both PPS3: Housing and PPS7: Sustainable Development in Rural Areas* provide national policy for rural areas, local authorities will still look to the RSS to set the strategic framework for the LDF. An express policy approach established at the regional level would help support local authorities in adopting a more proactive approach themselves.
16. Following the *Review of sub-national economic development and regeneration*,<sup>8</sup> the Government proposes to give responsibility for regional planning, housing and economic policy to the Regional Development Agencies, which will be required to produce a Single Regional Strategy (SRS) to replace the RSS, Regional Housing Assessment, and Regional Economic Strategy.
17. This presents a very strong opportunity to connect up the spatial planning agenda with investment in affordable housing and economic growth. These links could be especially powerful if they were connected to Multi Area and Local Area Agreements to secure the delivery of the types of development referred to in this report. However, there is a danger that SRSs may simply not connect up investment in affordable housing with spatial policy unless the Government makes it clear that this is required.

#### Recommendation 31:

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

## (2) The Local Development Framework (LDF) process

18. For local planning, LDFs were introduced by the 2004 Planning and Compulsory Purchase Act at the same time as RSSs. LDFs comprise a folder of documents which contains all the Local Planning Authority's Development Plan Documents (part of the statutory development plan) and Supplementary Planning Documents (providing further details of thematic or site specific issues on policies or proposals). Prepared by local planning authorities, collectively they deliver the spatial planning strategy for the local planning authority's area – and must be in general conformity with the RSS. Following an examination in public, development plan documents are subject to a binding report by the Planning Inspectorate (where previously only recommendations were given). Old style Local Plans remained in force for a transitional period.

19. Because of delays in adopting LDF's, local authorities are increasingly having to rely upon a number of 'saved' policies extracted from their Local Plans as determinants of policy and development control.
20. The 2004 Act requires that an application for planning permission and any subsequent appeal is determined in accordance with the development plan unless material considerations indicate otherwise. 'Other material considerations' include Government policy as set out in Planning Policy Guidance and Planning Policy Statements and planning circulars, or emerging development plan policies. These may justify deciding an application or appeal other than in accordance with the adopted development plan policies. An example might be where changing local circumstances or new policy developments (such as the introduction of a new Planning Policy Statement) may render aspects of a local development plan unresponsive or out-of-date.
21. Throughout this Review, local authorities and others have expressed deep concern at how the LDF process is working out in practice – in particular among smaller rural local planning authorities where resource can be limited in comparison to larger and urban local planning authorities. Concern focused on:

■ **The preparation and approval of LDFs is too slow.**

According to The Planning Inspectorate, as at May 2008 only 67 documents had successfully gone through the system out of an originally expected 500+. Although a rising proportion of Development Plan Documents are being found sound (84 per cent in 2007/08 compared to 54 per cent in 2006/07) this masks the fact that more are being withdrawn. Overall 43 per cent of all Development Plan Documents submitted for examination by May 2008 had been found unsound or withdrawn.<sup>9</sup>

■ **If LDFs fail to be approved by the Inspectorate, the process of preparing the Development Plan Document goes back to the start.** This feature of the process may be because outright failures were not anticipated when the system was developed. The Planning Inspectorate do now allow a suspension of the process in some cases where an apparent shortcoming of a submitted Development Plan Document might be capable of being resolved. However, this flexibility is limited by requirements relating to community involvement and sustainability appraisal.

■ **Emerging policy is not taken into account.** The previous system took account of new policy as 'emergent' with increasing weight being given as it was developed, consulted on, and assessed. In contrast in the LDF system Development Plan Documents do not formally exist until they are published for representation prior to submission for examination for their soundness. This is creating a partial policy vacuum.

- That the system is **too process rather than outcome driven**. For example, documents may fail due to weakness in the robustness of evidence and consultation, rather than the actual merit of the policy.
- That the system is in practice **too complex**. For example, the contents list of papers that were submitted for the Isle of Wight Core Strategy (which was subsequently withdrawn) ran to 38 pages alone – that’s just the list of documents not the documents themselves.<sup>10</sup> Notwithstanding Government efforts to reduce complexity, there is concern that in practice the system is now so complex that the aims of wider public consultation are being hampered, participation diminished, and the process itself delayed.

22. The Government has sought to address these concerns listed above. Communities and Local Government published PPS12 ‘Creating strong safe and prosperous communities through Local Spatial Planning’ on 4 June following a three month consultation. Communities and Local Government has also published ‘amendment regulations’ and an on-line plan making manual dealing with further advice and best practice.
23. The amendment regulations remove a requirement to produce a preferred options report and consult specifically on it, which will, amongst other things, speed up the process. In addition, the publication of the plan for representations into its soundness will now happen before submission to the Inspector. This should significantly speed up the amount of time spent at Examination, again leading to quicker adoption. The Government hopes that simpler plans may be produced and adopted within 12-18 months, with Core Strategies taking around 24-36 months.
24. In making these changes, the requirement to go back to the start of the process becomes less onerous, and also one which is far less likely to happen should the plan need to be withdrawn. Only in the ‘worst cases’ should a plan need to be so fundamentally re-written as to require starting again, from the beginning. Even in those cases, it is likely that evidence already gathered will be re-used, along with consultation, so the degree to which work needs to be repeated is significantly reduced.
25. The emphasis in revised PPS12 and the manual is very much on how plan making should deal with the importance of the overall strategy, which should be based on the vision and objectives set out in the Sustainable Community Strategy. Plans need to be truly ‘spatial’, in that they do not focus solely on being rule books for land use, but deal with the location they are being written for in a way which ‘shapes the place’. They must be deliverable, and focused on ensuring mechanisms for delivery

are in place, and that key delivery stakeholders are also signed up to the strategy.

26. Evidence is essential to show how policies in a plan are justified and effective, but evidence should only be gathered in proportion to the document being produced. Evidence gathered for other purposes and by other organisations may be re-used, and the opportunity for joint-working on evidence should be explored and exploited.
27. The revised PPS12 emphasises the importance of strategic and spatial planning, instead of focussing on process and procedure. Decisions about plan making are being devolved where possible to local authorities, who are being encouraged to develop their own project plans in order to take a plan from inception to adoption. These plans must include provision for early and continuous engagement with all those who will have an interest in the content of the plan. Without proper involvement with key stakeholders at the outset, plans cannot be justified and are extremely unlikely to be effective. They would also be open to costly and time consuming challenge and delay later on in the process.
28. Whereas there were previously nine tests of soundness for a Development Plan Document, PPS12 presents just three tests of soundness for a Development Plan Document – (1) whether it is consistent with national policy; (2) whether it is justified and (3) whether it is effective.<sup>11</sup> This simplification places the emphasis on the objectives the plan is delivering, and what will be needed to show that the policies to deliver those objectives are justified, and are the most effective way of delivery. This should move away from the more ‘process-driven’ way the tests were phrased under previous guidance, which led to a more ‘tick box’ process approach, with no overview of the objectives to be delivered through the plan. However, The Planning Inspectorate stressed to this Review that “the standard needed to be sound will remain the same, the rigour of the examination process will be unchanged and Inspectors will be looking for the same quality of evidence and content.”<sup>12</sup>
29. Government policy on the weight to be given to emerging Development Plan Documents in planning decisions is set out in paragraph 18 of *The Planning System: General Principles*.<sup>13</sup> This states that “... account can also be taken of policies in emerging Development Plan Documents. The weight to be attached to such policies depends upon the stage of preparation or review, increasing as successive stages are reached.”

30. However, The Planning Inspectorate stated they believe this guidance to be wrong in law. Under the LDF system introduced by the 2004 Act, Development Plan Documents do not 'emerge' until it is published for submission to the Secretary of State for examination. Even after submission the Planning Inspectorate said the weight the policy should carry is likely to be limited because of the potential for a finding of unsoundness, although *"In determining the weight to be given to an emerging Development Plan Document policy in an appeal, an Inspector would...have to consider the extent to which the emerging policy reflects any policy in an approved RSS, or up to date Government policy. Clearly where an emerging Development Plan Document policy carries forward the objectives of an extant development plan or national policy the emerging policy will be an important material consideration"*.<sup>14</sup>

**Recommendation 32:**

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

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**Recommendation 33:**

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

31. A point to note is that if the system is this complex for local authorities to understand and operate, imagine how daunting it is for the general public. In an age of encouragement toward wider public consultation some thought should also be given to assisting third parties in working through the process.

### (3) Providing strong accessible evidence

32. Government policy has shifted local planning firmly towards a more plan led, evidence based approach to policy development and implementation. The new planning for housing regime set out in *PPS3: Housing*, seeks an explicit focus on plan and decision making informed by robust evidence. *PPS3: Housing* says that local and regional policies should be informed by a robust, shared evidence base, in particular, of housing need and demand, through a Strategic Housing Market Assessment and of land availability through a Strategic Housing Land Availability Assessment.<sup>15</sup>
33. Good evidence is also important for assessing individual applications. Developers are likely to be successful at a planning appeal for a rejected scheme if local authorities do not present the detailed evidence, backed up by an up to date development plan, to justify their policy stance (for example, requirements for developer contributions of a particular proportion of affordable housing as part of a market housing development).
34. Many local authorities and regional bodies expressed concern to the Review about their difficulties in compiling evidence – in terms of data quality, and time and cost to assemble. There was also uncertainty about what sources of information, level of detail (and quantity), timeliness and quality of data would represent a sound evidence base that would be considered by an inspector sufficiently up to date and robust both for the LDF process and should a planning case go to appeal. Many representations to the review also argued that the coverage and quality of data for rural areas was particularly poor.

*“Currently the rural evidence base is weak at local and regional levels. This is because data is either not available or not analysed at a geographical level relevant to rural areas. Added to this is the cost of purchasing data sets, this can be expensive, even when done on a sub-regional basis.”*

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35. For Strategic Housing Market Assessment a further issue is the paucity of comprehensive, robust housing register information on households needing affordable housing. The statutory requirement for local authorities to maintain housing registers has been abolished and has resulted in the use of varying quality of secondary data which has in turn led authorities to commission costly and time intensive housing needs surveys.
36. As a result it was argued that the cost and time to compile an evidence base is prohibitive for small rural district authorities, with limited budgets and staff resource. This provided a key barrier to developing a robust LDF undermined local planning authorities ability to negotiate proposals and contribution with developers and enforce their own policies in respect to individual applications. The Planning Inspectorate cited incidents of planning appeals being lost by local authorities (on this and other issues) simply on the basis of poor, inappropriate or out of date evidence.
37. On the other hand, there are clear examples of successful authorities, where planning is prioritised in the corporate strategy and in the core management team, and especially where there are good sub-regional partnerships of rural local authorities working together to address these issues and compile a sufficiently robust evidence base for local planning.
38. Much of the data required to identify housing need (such as local housing availability and prices, local earnings data, and household income data), is often expensively compiled by consultants. This is in fact available in the public domain albeit from a variety of sources and not necessarily in an appropriate format, or available to be bought in bulk from a commercial supplier. Much of the rest of the data needed is held in local authority housing departments if not always yet in the right form. The real difficulty appears to be pulling this material together, and putting it in appropriate form.
39. In the East Midlands, the 'Hi4em' project has pioneered the development of a regional housing data resource. Such a model offers the potential to be built upon and replicated to aid local planning authorities (and developers) across the country.

### Case Study 5.1: Hi4em (Housing Intelligence for the East Midlands)

The 'Hi4em' project, funded by the Regional Housing Group of the East Midlands Regional Assembly and supported by Government Office East Midlands, has developed a regional housing data resource.<sup>16</sup> This compiles a variety of data sets and maps and displays a range of information concerning housing conditions across the region, broken down by local authority. Recently, the project piloted the use of Hometrack's Housing Intelligence System to provide data for local authorities to have a better understanding of their local housing markets and support the development of housing and planning policy.<sup>17</sup>

This system brought together in one place: accessible up to date information on local housing stock, turnover, property prices, supply and demand for homes, data on local affordability and demographic information (population, age, ethnicity, employment etc). A wide range of uses were identified for such a resource held in one place: investigating the economic viability of local affordable housing thresholds, support for Section 106 negotiations, evidence of housing need, planning advice commenting on planning applications, an over view of housing market trends, evidence to support Housing Corporation bids, identifying areas in need of regeneration and vulnerable groups, and data for LDF development.

The benefits of such a dedicated resource have included savings in local authority officer time (in finding, analysing and presenting data), cost savings by not having to employ consultants to update findings or purchase data sets and a resource for the whole authority to benefit from. The annual subscription for a local planning authority costs in the region of £8,000 – a similar cost to that for employing a consultant to conduct a one off housing needs survey for a single village or in response to a single major planning application.

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40. A similar national database of local housing affordability and need, recognised by Government and the Planning Inspectorate in terms of data content, consistency and quality, could enhance and speed the production of regional and local plans, and substantially reduce costs. Such a database could also reduce the cost and delay involved in disputes between developers and councils with regards to specific planning applications over evidence of need for affordable housing for example, to the advantage of both. It might even encourage developers to be more proactive in identifying and seeking to work with local planning authorities to address housing need in particular localities. A similar recommendation was made in the Affordable Rural Housing Commission report.<sup>18</sup>

41. As in the East Midlands pilot, such a database could be paid for by local planning authority (and potentially developer) subscriptions at low cost. In that example, Hometrack supply and update the data, which relies on their existing data bases, with tailored access and analysis through a specifically designed front end. This makes it relatively cheap and simple to provide, and offers a big cost saving compared to local planning authorities compiling and analysing raw data, or commissioning external consultants. There is also likely to be a market to private sector developers and housing associations to address the evidence requirements on them in making individual applications/appeals.

*“Clearly, the publication of Best Practice Guidance, which could cover the issue of suitable evidence, may help all involved in the process. We would be happy to assist in this.”*

The Planning Inspectorate – Submission to the Review

#### Recommendation 34:

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

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#### Recommendation 35:

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

### (4) Local Authority Capacity

42. Considerable concern was expressed to the Review about rural planning authorities’ capacity.

*“Our message is that the system and most policies are very helpful; the resources to implement them are severely lacking.”*

Rural Housing Trust – Submission to the Review

43. Most rural local planning authorities are small compared to their urban counterparts. The result is that planning departments in rural local planning authorities tend to be small, have limited resources, can have difficulties in attracting and retaining planning staff since pay and promotion opportunities may be more limited, lack expertise for specialist tasks (such as negotiating with developers Section 106 obligations), and can less easily afford to lose expensive planning appeals.
44. This can be compounded when councillors lack training and support. In those authorities where councillors are empowered and supported with quality training and resources, councils are better able to be positive, proactive and engage with communities and developers to enable housing and economic solutions that work for the community as a whole.
45. Poor local authority capacity undermines much of the work to deliver affordable rural housing, and to implement policy based upon PPS3. It also presents an uneven partnership between local planning authorities and some developers which affects local planning authority ability to successfully negotiate Section 106 contributions such as affordable housing. Developers have every financial incentive to minimise contributions. Local planning authorities are under pressure from the Government to deliver quick planning decisions, in 8 weeks for minor cases and 13 weeks for majors (e.g. 10 dwellings or more). Faced with well resourced developers, local planning authorities may feel that Government targets lead them to settle quickly for 'what they can get'. In other cases, lack of skills can lead local planning authorities to hold out for more planning gain than is viable, causing beneficial schemes to stall. Both may result in lost opportunity for the provision of affordable rural homes. The time taken in resolving these debates can sometimes result in proposals being abandoned.
46. The Government offers local authorities a Housing Planning Delivery Grant is designed to help address the issues of local authority capacity. Currently the Government is consulting on the possibility of adding an element specifically to incentivise the delivery of affordable housing. This would be a welcome step, helping to address both the issues raised in this section and possibly the increased provision of enabling support for community led affordable housing on exception sites examined in Chapter 3.

**Recommendation 36:**

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

**Recommendation 37:**

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

**(5) Thresholds for affordable housing contributions**

47. When developers apply for planning permission to build new market houses on developments above a certain size (the ‘threshold’), a local authority can adopt policy for a proportion (the ‘percentage’) of the new homes to be social rented or intermediate (part-ownership affordable homes) or sometimes a cash equivalent to provide affordable housing elsewhere. This process now provides the majority of new affordable housing.
48. The advantages go beyond providing more affordable homes at lower cost to the taxpayer. It also means that affordable housing is included in new developments creating mixed communities, rather than old fashioned ‘council estate’ style housing in one place, separated from market housing elsewhere. Best practice sees the affordable housing, both social rented and “intermediate”, pepper-potted amongst the private open-market properties and effectively indistinguishable from them. This avoids the problems of polarisation of social housing on mono-tenure estates that may concentrate poverty, increase social problems and stigmatise residents.
49. Previously the Government’s Planning Circular 06/98 recommended thresholds of 25 dwellings, (15 for developments in inner London), and provided that local authorities could set local thresholds for their rural communities of less than 3,000 population.<sup>19</sup> *PPS3: Housing* reduced the national indicative minimum site size threshold for such requirements to 15 dwellings (i.e. there is a presumption that a developer would be expected to provide a percentage of affordable homes as part

of a development over 15 dwellings) – and advised that local planning authorities can set lower minimum thresholds where viable and practical, including in rural areas. It also proposes that local authorities can set different percentages of affordable housing across a range of site thresholds over the plan area.<sup>20</sup> This widening of the areas in which lower thresholds could be set was a significant step forward.

50. Nevertheless, the indicative threshold is seen as an issue for rural local planning authorities where smaller schemes are prevalent – some local authorities gave evidence that most of their housing development is on sites of less than 15. Moreover, evidence was presented of developers deliberately limiting applications to just below the threshold to avoid costly affordable housing obligations. Unless local authorities set thresholds below the national indicative minimum, this results in a significant loss of opportunity for affordable housing to be delivered in rural communities where need for affordable housing is high.
51. For example, the National Housing Federation submission to the review cited a housing association in Kent reporting “*there are plenty of sites with 14 houses and piecemeal development in small towns*” as illustration of developers deliberately avoiding the 15 homes threshold.
52. A number of local authorities have already used the flexibility in Circular 06/98 and *PPS3: Housing* to seek developer contributions of affordable housing on development sites below the national indicative level. For example, Harrogate Borough Council has a one-for-one policy: anyone who applies for planning permission on an allocated site must provide an equal number of affordable houses somewhere in the district. Nevertheless, a significant number of representations to this review by local authorities still expressed concern that having an indicative minimum site threshold of 15 dwellings creates an unnecessary barrier to adopting policy for lower thresholds even where appropriate.
53. The threshold (as intended) does push local authorities to adopt policy in this area at least on those developments over 15 homes, and helps them defend it in negotiation and at appeal (subject to evidence of need and viability). The flip side of this coin is that moving below the indicative threshold is felt by some local planning authorities to raise a higher evidence bar to prove economic viability in the LDF process and in relation negotiation or appeal on individual developments. It requires a political will, expertise, and prioritisation of affordable housing delivery that is not currently reflected across all local authorities.

*“Robust economic viability testing at a policy level requires extensive data manipulation and testing with key stakeholders. Local Planning Authorities (LPA) rarely have the information, necessary software or skills to undertake the work themselves. On a scheme by scheme basis rural local authorities do not have the resources to have specialist negotiating teams employed by some urban authorities. They do not have access to accurate valuation and costing information or the negotiating skills needed to secure successful outcomes.”*

Commission for Rural Communities – Submission to the Review

54. Guidance from The Planning Inspectorate to their Inspectors shown to the Review confirms that the viability of local planning authorities going below the national minimum indicative threshold would need to be examined in some detail:

*“4.12. Para 29 of PPS3 gives a national indicative minimum site size threshold of 15 dwellings. However, LPAs can set lower minimum thresholds, where viable and practicable, including in rural areas, but their “credibility” in relation to national and/or regional guidance may need to be questioned in relation to the economics of development and need to be examined in some detail.”<sup>21</sup>*

55. The indicative threshold is in policy in order to push local planning authorities to act regarding sites over 15, and to reflect concern about possible viability issues on smaller developments. However, although it is made clear in *PPS3: Housing* that (subject to evidence of need and viability), local planning authorities may vary the threshold, the indicative level seems to have deterred some rural local planning authorities from introducing lower thresholds even where this may be justified. A stronger steer from the Government that the indicative threshold is not a ‘standard’ and that thresholds and percentages should be set according to local need and viability, which may vary across a district, would be helpful.

#### Recommendation 38:

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

## (6) Assessing Economic Viability and Negotiating with Developers

56. Alongside setting the thresholds, planning policies for affordable housing at a local level are required to set out the percentage of the development that should be provided as affordable housing. *PPS3: Housing* states that, like the setting of thresholds, these should be backed by an informed assessment of the economic viability of the policy.
57. The thresholds and affordable housing percentages are established in local policy and form the basis for any further discussion on affordable housing requirements on specific sites. This negotiation is between local authorities and developers and secured through use of a Section 106 agreement.<sup>22</sup> These negotiations can however be problematic and the success of local authorities in using these agreements to achieve affordable housing contributions varies hugely across the country.
58. Although a local planning authority will set out their local affordable housing policy, there may still be negotiation around the number and size of units, and how many are to be social rented or affordable to buy. This may centre on what is actually viable on the particular site, with developers seeking to cut the requirement based on data relating to the costs of development. As a result, even where evidenced policy on thresholds and the percentage required is in place in the LDF, reaching agreement on specific sites can involve complex negotiation and is subject to possible appeal bringing the threat of further costs and uncertainty for the local authority.
59. The Planning Inspectorate suggested to the Review that more common practice would assist and speed delivery, removing many of the complications that give rise to delay, or failure to deliver policy for affordable housing in full. The Inspectorate emphasised the benefits of a simple and therefore transparent approach, subject to it reflecting evidence of need and viability (and as appropriate differentiating different areas within local planning authorities). A standard approach could also reduce the opportunities for developers to play off neighbouring authorities, or 'over enthusiastic' authorities trying to extract too much 'gain' and making the development unviable.

### Recommendation 39:

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

**Recommendation 40:**

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

**Community Infrastructure Levy**

60. The Government has legislated to introduce the option of a Community Infrastructure Levy (CIL) on developments to help fund associated infrastructure costs. During the review concern was raised that this extra cost on developers could reduce the amount of affordable housing that could be viably required from private developments. Where affordable housing is being built without Housing Corporation subsidy, CIL could increase costs sufficiently to render the scheme unviable. Alternatively, it could also increase subsidy costs. For all these reasons many submissions called for affordable housing to be exempt from CIL. There does appear to be a real danger that CIL will reduce affordable housing delivery. There should be a clear framework for how the introduction of CIL relates to affordable housing provision, especially in regard to affordable housing delivery as Section 106 requirements on private developments, which contribute to about half of all the affordable housing built.

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**Recommendation 41:**

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

**Recommendation 42:**

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

**Recommendation 43:**

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

## **(7) Pre-application discussions**

61. Pre-application discussions can be critically important to both developers and local planning authorities in ensuring a better mutual understanding of objectives and the constraints that exist – and in speeding up the planning process. This is recognised in national planning policy.<sup>23</sup>
62. However, developers and rural businesses consistently expressed frustration that they were not more able to sit down with planners to work up acceptable proposals in pre-application discussions. Examples were cited where planning departments instructed potential applicants to ‘go away and draw up a proposal’, prompting the developer to invest in drawing up plans with little guidance only to be told that their plans were unacceptable – and again given little guidance as how to modify or amend them to be acceptable to the planners.

*“One authority in the southeast has now warned us that a request for a pre-application discussion will be put on a waiting list that is currently six months long! Not all LPAs are so honest but the delays are similar throughout the south.”*

Rural Housing Trust – Submission to the Review

63. Many rural local planning authorities accepted that provision of pre-application advice was a problem, arguing they did not have sufficient resource to facilitate such a service. They suggest that the present system not only provides inadequate resource, but that Government requirements for speedy planning decisions encourages the opposite approach. This causes unnecessary delay, is likely to lead to poor proposals being submitted, causes higher rates of proposals to be refused and consequently more applications being taken to appeal.
64. As research for Defra highlights, some local planning authorities do offer good pre-application advice and planning clinics but owing to a lack of staff resources with appropriate skill sets within many rural authorities, not all local planning authorities are in a position to offer these services resulting in many wasted and rejected applications.<sup>24</sup>

65. There may also be a mindset in some planning departments still seeing planning as development control rather than an enabling process to deliver community benefits, a mindset dating back to the period before the 2004 plan-led system which is now more focused on delivery and proactive planning. It may also reflect concern about 'propriety' – with local planning authorities not wanting to be seen to be 'in collusion' with developers, especially in the context of requirements on Councillors to maintain neutrality.
66. Representations to the Review also argued that the present system of planning fees does not reflect the costs of dealing with larger, more complex applications. There have been recent changes to increase fees relating to larger schemes. In some cases developers already choose to pay for extra support from local authorities dealing with very large applications, and some authorities do charge for higher levels of service. However this is far from universal good practice. There are a range of opportunities to resources for enhancing planning which are well used in some authorities but more could be done to develop these options and spread good practise.

**Recommendation 44:**

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

## **(8) The Planning Inspectorate**

67. The Review received many representations raising concern that the planning appeals system creates unnecessary difficulties. Particularly that the outcome of appeals is too unpredictable, with claims that similar cases are decided differently and that decisions do not always reflect current national policy and priorities. Concerns were also expressed as to the unpredictability of the outcome of LDF examinations. In particular that they are overly process rather than outcome orientated (e.g. the focus being on whether the right evidence had been produced, rather than on the merit of the actual policies).
68. Whether or not these are accurate perceptions, it is clear that the more both developers and planners are clear about the basis on which decisions will be taken and likely outcomes, the more

likely it is that matters will be speedily resolved at local level rather than taken to appeal, and that local decisions will be better informed.

69. Any uncertainty about how both the LDF and planning appeals processes operate and decisions are taken has the potential to: encourage developers to contest decisions; discourage local planning authorities from defending policy (e.g. lower site thresholds) for fear of losing the appeal, settling instead for “what they can get”; it makes it harder to resolve negotiations between planners and developers; it makes it more likely that landowners selling land for development will push the developer to appeal in order to ensure they have realised maximum value. It can also increase costs for developers and so deter otherwise acceptable applications.
70. No planning and appeals system can bring absolute certainty to what are complex decisions, and there should always be room for adaptation and interpretation to address particular circumstances. But if uncertainty can be reduced that would bring clear benefits to developers and local planning authorities alike.
71. Discussing this concern with the Inspectorate, they raised several points. Firstly, there was a high degree of satisfaction with the appeals process, though satisfaction with the process is different from satisfaction with the outcome. Second that contrary decisions on similar cases are rarely identified. They also argued that nearly every case is different in some way or other. And that as such, comparisons tend to be somewhat meaningless. Third, that similar cases may be decided differently because the evidence produced by the local authority may vary in quality leading to different weight being applied to what might be similar factors. However, The Planning Inspectorate do not provide much guidance on what sort of evidence may be required.
72. Good practice in the Government and public bodies is to make information as freely available as possible. The Planning Inspectorate do not at present publish the advice and guidance documents issued within the Inspectorate to its own Inspectors, although they do publish advisory documents to councils (e.g. on the LDF process). It is not possible to go to The Planning Inspectorate’s website and read the current advice to Inspectors on the matters they need to consider when making their decisions. If The Planning Inspectorate were to make available the handbook and updates Inspectors work to, this could increase transparency and predictability. The Planning Inspectorate should also work with the Government to ensure there is clear advice to both developers and local planning authorities what form and type of evidence required.

73. The Planning Inspectorate's internal database system used by its own staff should also be updated to allow simple cross referencing by Inspectors for similar cases, to aid consistent decision taking. It is understood this is presently being looked at by The Planning Inspectorate. Potentially this could have an additional external benefit, updating the external COMPASS service to allow applicants to more easily search the system by topic.
74. The Planning Inspectorate has an annual training programme for updating Inspectors specialist knowledge. However, concerns have been expressed to the Review about how Inspectors are kept up to date on policy and practice to ensure consistency. The Advisory Panel on Standards, which provides independent oversight of the quality standards of the Inspectorate, might be asked to look specifically at Inspector training to ensure appropriate measures are taken to keep them sufficiently up to date with both policy and practice.

**Recommendation 45:**

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

**Recommendation 46:**

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

**Recommendation 47:**

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

## (9) Costs of delivering Affordable Housing

75. Many representations to the Review referred to the higher costs of delivering rural affordable homes, especially in small settlements, compared to urban areas where there are economies of scale and where service infrastructure may be better.
76. There were strong representations that these two factors were insufficiently accounted for in Housing Corporation funding to rural areas. Since this could create a clear incentive on RSLs not to deliver in rural communities even if sites are found and approved, the Review asked the Housing Corporation both to update their data on this, and re-analyse it.
77. Housing Corporation figures from the 2006/08 affordable housing programme for England (excluding London) show that total scheme costs in the 0-3,000 population category rural schemes come out as around £1,000 more expensive per unit. If settlements up to 10,000 population are included the rural schemes come out cheaper by around £1,800. Regionally there are variations across the country. In some regions (East, South West, North East) rural comes out cheaper whereas in others it is more expensive.
78. Analysis of forecast build costs in the 2008/11 programme (only around 20 per cent of which has so far been committed) also shows no significant difference in build costs (though this excludes some scheme costs). In fact on average, rural homes are cheaper in pure build cost terms than those in urban areas.
79. The National Housing Federation evidence regarding higher rural costs is based on higher grant per home. However, there are fewer 1 bedroom homes in rural areas and more family-sized ones. If the grant comparisons are done on a per-person housed basis rather than a per-home basis the rural/urban difference disappears. In fact, the grant per person housed in rural areas is around £1,500 lower than in urban areas. Therefore, the case that rural housing is overall more expensive to be delivered does not appear to be sustained, though it is slightly higher in smaller settlements.
80. It is important to recognise that some sites will be much more expensive however, and there are particular issues (see below) surrounding the delivery of sustainability standards in rural areas not connected to gas. A substantial extra cost is imposed on homes in order to meet new eco-standards if they are not on mains gas. This can amount to several thousand pounds per home – enough to render schemes unviable. Many rural villages are not on a mains gas supply.

81. Sustainability standards are important in tackling climate change and reducing running costs for occupiers of the homes, however these standards are not always viable in a rural setting. There is currently acknowledgement within the Code for Sustainable Homes and current Building Regulations (Part L) that these standards should be reviewed for locations without gas, to ensure that the standards required do not make rural affordable housing schemes either unviable or undesirable.
82. In 2006 a 'fuel factor' was introduced into Building Regulations (Part L) to provide relief in the Target Emission Rate (TER) which builders must achieve. This fuel factor means that if the chosen heating fuel is more carbon intensive than gas, the TER is increased (eased) so oil, liquid petroleum gas and solid fuels (coal and biomass) are given respite.
83. As well as providing relief for homes not on the gas grid and in some high rise apartments where a gas service is inappropriate the fuel factor also gives some respite for manufacturers. This provides time for to develop new and innovative combined heat and power and solar generating systems as well as heating and hot water systems. There is evidence that this is already happening.
84. The Government is planning to reduce the fuel factor easement. Government will be consulting with stakeholders on future changes to building Regulations in early 2009 along with undertaking a formal Impact Assessment to consider the impact that this would have on the Government's commitment to increasing house price affordability.

**Recommendation 48:**

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

85. Overall it should be stressed that rural affordable homes are at least as good value for money as those built in urban areas and certainly at least as desperately needed.

# Annex A: 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 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.

# Annex B:

## Consultation Process

Between September 2007 and June 2008, Matthew Taylor MP and the Review team carried out widespread consultation with key stakeholders from across the country. This has included visits to each of the English regions outside of London as well as a visit to the Highlands of Scotland, a number of stakeholder seminars and individual meetings.

Meetings have taken place with representatives from national, regional and local government, parish councils, housing, economic development and planning professionals, social and private house builders, land owners, rural businesses, the voluntary sector, environmental and community organisations, as well as those living and working in rural communities themselves.

As part of the Review a Call for Evidence was launched seeking the views from a wide range of stakeholders, and ran for 12 weeks from the 17th of December 2007 to the 7th of March 2008. This generated a total of 278 submissions from organisations and individuals across the country.

Matthew Taylor is most grateful for the participation and contributions of all those who met with or submitted evidence to the Review team.

All content, conclusions, errors and omissions in this report are, however, the Review's alone.

**(1) One to one meetings**

Matthew Taylor and the Review team met with a number of individuals and organisations, including:

Action with Communities in Rural England (ACRE)	Jill Hopkinson, The Church of England
Affordable Housing Single Issue Panel	Jim Dixon, Peak District National Park Authority
Sir Bob Kerslake, Homes and Community Agency	John Calcutt, Calcutt Review
Commission for Architecture and the Built Environment (CABE)	John Longton, Pub in the Hub
Carnegie UK Trust	Joseph Rowntree Foundation
Carrick District Council	Commission on Rural Housing in Wales
CDS Cooperatives	Kate Barker, Bank of England
Chief Economic Development Officers' Society (CEDOS)	Kate Parminter
Chaco Ltd	Kevin Williamson, National Housing and Planning Advice Unit (NHPAU)
Chris Black	LDA Design
Cllr Elizabeth Cartwright (East Hampshire District Council)	Live Work Network
Community Land Trust (CLT)	Local Government Association
Colchester Borough Council	Local Government Chronicle
Community Land Trusts (Rural Housing Association)	Mark Coulshed, Calcutt Review
Cornish Royal Institution of Chartered Surveyors (RICS)	Mark Shucksmith, Newcastle University
Cornwall County Council	National Housing Federation
Cornwall Affordable Housing Campaign	Neil Ward, Newcastle University
Country Land and Business Association	North Cornwall District Council
County Councils Network	Northumberland National Park Authority
Campaign to Protect Rural England	Paul Croft
Commission for Rural Communities	Paul Milborne
Caradon District Council	Penwith Housing Association
Department for Environment, Food and Rural Affairs	Planning Inspectorate
Derec Morgan	Places for People
Devon & Cornwall Housing Association (CLA)	Planning Officer's Society
Dutchy of Cornwall	Prof John Hills, London School of Economics
ECOTEC	Purbeck District Council
Ed Bennett, Haven Gateway Economic Partnership	Restormel Borough Council
English National Parks Authorities Association	Rural Housing Enablers South West Forum
Francis Holliss, London Metropolitan University	Richard Butterworth, Pub in the Hub
Hometrack	Richard Trahair, The Church of England
Housing Corporation	Royal Institution of Chartered Surveyors
IDeA	Royal Agricultural Society
IDeA Rural Excellence Programme	Royal Town Planning Institute
	Rural All Party Parliamentary Group
	Rural Housing Advisory Group
	Rural Solutions
	Shelter
	Simon Fairlie
	Sir John Banham
	South East Rural Affairs Forum

South Hams District Council  
South West Regional Development  
Agency  
South West Royal Town Planning  
Institute Conference, Falmouth  
Steve Wilcox, University of York  
Sustainable Development  
Commission  
Teignbridge District Council  
Terence O'Rourke – Imerys  
The Princes Trust

Three Dragons  
Town and Country Planning  
Association (TCPA)  
Tracey Bessant, The Church of  
England  
University College School  
Chamberlain Society  
Wessex Reinvestment Trust

## (2) Regional visits

Regional visits and roundtable meetings were held in each of the eight English regions outside of London and a trip to the Highlands of Scotland to discuss rural housing and economic pressures and circumstances across the country. At these regional visits, Matthew Taylor and the Review team met with:

### North West Regional Visit – 14th January 2008

Jo Lappin, Government Office  
North West  
Helen Sweeney, Government Office  
North West  
Mike Muir, Impact Housing  
Helen Livermore, Housing  
Corporation – North West  
David McGowan, Lake District  
National Park Authority  
Alastair Bishop, Government Office  
North West  
Paula Allen, Lake District National  
Park Authority  
Jack Ellerby, North West Rural  
Affairs Forum  
Judith Derbyshire, Cumbria Rural  
Housing Trust  
Lynne Fox, Cumbria Rural  
Enterprise Agency  
Rea Psillidou, South Lakeland  
District Council  
Roger Hopcraft, Eden District Council  
Anne Rogers, Eden District Council

Andy Ashcroft, Lancashire County  
Council  
Mark Pembleton, Cheshire  
County Council  
Vicky Daryl, Lake District National  
Park Authority  
Ian Wray, North West Regional  
Development Agency  
Graham Hale, Cumbria County  
Council  
Bob Clark, Cumbria Rural Enterprise  
Agency  
David Tanswell, Bolesworth Estate  
Richard Leaf, Lake District National  
Park Authority  
Steve Ratcliffe, Lake District National  
Park Authority

Others met on site visits:

Stephanie Murphy, Two Castles  
Housing Association  
James F Carter, Eric Wright Group  
Robert Hughes, Robert Hughes Ltd

### Highlands Visit, Scotland – 28th January 2008

Danny Alexander, MP Inverness,  
Nairn, Badenoch and Strathspey  
William Gray, William Gray  
Construction  
Neil Cameron, Tulloch Homes  
Andrew McMaster, Tulloch Homes  
Clive Meikle, Robertson Homes  
Donald Lockhart, Albyn Housing  
Society  
Gordon Cowie, Hanover (Scotland)  
Housing Association  
Julie Bregulla, Hanover (Scotland)  
Housing Association  
Simon Campbell, Cairn Housing  
Association  
Di Alexander, Highland Small  
Communities Housing Trust  
Susan Torrance, Highland Housing  
Alliance

Alastair Nicholson, Highland and  
Islands Enterprise  
Malcolm MacLeod, HC Development  
Plans Manager  
Allan Maguire, HC Housing  
Development and Estates  
Anna Barton, Community  
Development Consultant  
Sandy Lewis, Dava Enterprises  
Limited (Seaford Estates Limited)  
Jaci Douglas, Highland Councillor  
Gregor Rimmel, Highland Councillor  
Stuart Black, Highland Councillor  
Drew Hendry, Highland Councillor  
Don McKee, Cairngorm National  
Park Authority  
Duncan MacKellar, Cairngorm  
Chamber of Commerce

### South West Regional Visit – 31st January 2008

Bruce Voss, South West Regional  
Development Agency  
Fiona Brown, Purbeck District Council  
Chris France, Dartmoor National Park  
Authority  
Debby Wheatley, Magna Housing  
Association  
Anne Harries, Hastoe Housing  
association  
Peter Brown, South West Regional  
Development Agency  
Catherine Mack, South West Rural  
Affairs Forum  
Stephen Wright, South West Action  
with Communities in Rural  
England (ACRE) Network  
Mark Mabey, Magna Housing  
Association  
Paul Glossop, Government Office  
South West  
Alan Brunt, Mendip Housing Ltd  
Maxine Bodell, Dorset County  
Council  
Thoss Shearer, Government Office  
South West  
Steve Bone, Government Office  
South West  
Matt Dodd, Housing Corporation  
David Evans, West Dorset District  
Council

Tim Davis, West Dorset District  
Council  
Liz Goodall, North Dorset District  
Council  
Derek Hardy, North Dorset District  
Council  
Trevor Warwick, North Dorset District  
Council  
Robin James, Purbeck Housing Trust  
Janet Rees, North Dorset District  
Council

Others met on site visits:

Sarah Middleton, Government Office  
South West  
Cllr Nicki Barker, West Dorset District  
Council  
Giles Henschel, Dorset Regeneration  
Company and Olives et al  
Hilary Ritchie, North Dorset District  
Council  
Jackie Upton, SturQuest Community  
Partnership  
David Keenan, Dorset Squared  
(Regeneration Company)  
Pam Bacon, South West Regional  
Development Agency

## Yorkshire and the Humber Regional Visit – 4th February 2008

Site visit, Easingwold:

Cllr Neville Huxtable, Hambleton District Council  
Cllr Christine Cookman, Hambleton District Council  
Philip Sweirs, Clerks of Stillington Parish Council  
Robert Brown, Clerks of Stillington Parish Council  
Rob Brittain, Broadacres Housing Association  
Tim Wood, Senior Planning Officer at Hambleton District Council  
Helen Fielding, Hambleton District Council  
Amanda Madden, Hambleton Rural Housing Enabler  
Steve Quartermain, POS/Hambleton District Council  
Marie Lodge, Project Manager for Tees Valley Housing Association

Roundtable 1:

Len Cruddas, North Yorkshire Chambers of Commerce  
Karen Maxwell, Yorkshire & Humber Housing Forum  
Cllr Andrew Waller, City of York  
Rachel Wiggington, Government Office Yorkshire and the Humber  
Mike Fiest, Government Office Yorkshire and the Humber  
Tim Frenneaux, Yorkshire Forward  
Rob Warm, Yorkshire and Humber Assembly

Ian Butter, Rural Solutions  
Sally Rawlings, Yorkshire Rural Community Council (YRCC)  
Marcia Cunningham, Government Office Yorkshire and Humber  
Ged Walsh, Housing Corporation

Roundtable 2:

Roger Jones, East Riding Rural Housing Enabler  
Rhona Pringle, Yorkshire Forward  
Rachel Wiggington, Government Office Yorkshire and the Humber  
David Broadmeadow, N&NE Lincs Rural Housing Enabler  
Helen Wright, East Riding of Yorkshire Council  
David Melling, Bradford Metropolitan District Council  
Amy Thomas, Yorkshire Rural Community Council  
Stephen Wyrill, Tenant Farmers Association North East Regional Chairman  
Graham Ward, Yorkshire and Humber Rural Affairs Forum  
Jane Davies, Yorkshire Rural Community Council  
Sarah Close, Rural Housing Enabler  
Carolyn Downes-Vaughan, Yorkshire Rural Community Council  
Andy Kerr, City of York Council  
Khyati Vaughan, Harrogate Rural Housing Enabler

## North East Regional Visit – 17th March 2008

Durham Dales Centre, Stanhope:

Sue Dawson, Wear Valley District Council  
Bob Hope, Wear Valley District Council  
John Banks, Durham County Council  
Terry Carroll, Centre for Rural Economy, University of Newcastle  
David Stewart, Chair, North East Rural Affairs Forum  
Jo Laverick, Durham Rural Community Council  
David Brown, Three Rivers Housing Scheme

Tynedale District Council, Hexham:

Andy Dean, Tynedale District Council  
Cameron Scott, Tynedale District Council  
John Hamilton, Northumberland County Council  
Sue Mills, Manager, Deneholme Conference Centre  
Peter Biggars, Alnwick District Council  
Steve Revell, Alnwick District Council  
Joanne Gooding, Federation of Northumberland Development Trusts

Graham Girvan, Allen Valley  
Community Development Trust  
Eddie Halstead, One North East

Roundtable:

John Heywood, Housing, Planning  
and Durham  
David Stewart, Chair, North East  
Rural Affairs Forum  
David Brettall, Hands on Help for  
Communities  
Jen Hall, North East Rural Affairs  
Forum  
Frances Rowe, Rural and  
Environment Manager

Kirsten Young, Rural Policy and  
Market Towns  
Mark Shucksmith, University of  
Newcastle  
Jo Boaden, Business Link North East  
Tony Gates, Northumberland  
National Park  
Phil Toal, North East Assembly  
Monica Burns, Housing Federation  
North East  
Neil Ward, Centre for Rural Economy,  
University of Newcastle  
Brian Rees, Government Office  
North East  
Claire Scott, Government Office  
North East

**East of England Regional Visit – 19th March 2008**

Roundtable:

John Yates, East of England Rural  
Affairs Forum  
Carol Deslandes, Suffolk Acre  
Nigel Brett, Suffolk Acre  
Louise Wilby, Suffolk Acre  
Graham Tomlinson, East of England  
Regional Assembly  
Cindy Win, East of England Regional  
Assembly  
Naisha Polaine, Housing Corporation  
Martin Aust, Flagship Housing  
Lady Kay Fisher, Breckland District  
Council  
Anita Brennan, Breckland District  
Council  
Mark Stanton, Breckland District  
Council  
Nicola Curry, Country Land and  
Business Association  
Chris How, Norfolk County Council  
John Lefever, Hastoe Housing  
Association  
Jai Raithatha, Suffolk County Council  
Fran Twomey, Suffolk County Council  
Tony Stockman, Framlingham  
Technology Centre  
Mike Harries, Government Office East  
of England

Sandy Cruickshank, Government  
Office East of England  
Karen Hill, North Norfolk District  
Council  
John Mullen, Suffolk County Council  
Richard Parker, Renewables East  
Alan Hampton, Cambridgeshire  
Action with Communities in Rural  
England  
Michael Hand, Norfolk County  
Council  
John Mullen, Suffolk County Council

Others met on site visits:

Isobel Wright, Hastoe Housing  
Association  
John Lefever, Hastoe Housing  
Association  
Martin Aust, Flagship Housing  
Mike Eaton, Suffolk Coastal District  
Council  
John Taylor Chair of Campsea Ashe  
Parish Council  
Daniel Wills-Crisp Flagship Housing  
Association

## West Midlands Regional Visit – 31st March 2008

### Roundtable:

- Bashir Ahmed, Advantage West Midlands  
Robert Back, Rugby Borough Council  
Charles Barlow, Warwickshire Rural Housing Enabler  
Ursula Bennion, South Staffordshire Housing Association  
Jake Berriman, South Shropshire District Council  
Robert Bird, Sanctuary Housing  
Brigid Carey, Oswestry Borough Council & North Shropshire District Council  
Mike Clarke, Shropshire Rural Housing Association  
David Collier, West Midlands Rural Affairs Forum & National Farmers Union  
Ian Edwards, Advantage West Midlands  
Sue Eeley, ARC Addington Fund  
Craig Felts, Midlands Rural Housing  
Steve Forrest, West Midlands Regional Assembly  
Richard Grounds, Festival Housing Group  
Christopher Harvey, Chamber of Commerce Herefordshire & Worcestershire  
Martin Holland, Shropshire Housing Group  
Heather Kidd, West Midlands Housing Executive, WHAMP Shropshire  
Mick Laverty, Advantage West Midlands  
Grant Mitchell, South Staffordshire District Council  
Peter Pawsey, Rural Regeneration Zone – Advantage West Midlands
- Nigel Potter, Worcestershire Rural Housing Enabler  
Steve Price, South Shropshire District Council  
Nick Read, West Midlands Rural Affairs Forum  
Claire Robinson, Advantage West Midlands  
Elaine Salter, Wychavon District Council  
Paul Shevlin, Oswestry Borough Council & West Midlands Rural Affairs Forum  
Colin Stanes, Stratford on Avon District Council  
Nick Taylor, Shropshire County Council  
Jean Teichmann, Bromford Housing Group  
Tim Watton, Home Builders Federation  
Helen Wilkes, Housing Corporation  
Nicola Yates, North Shropshire District Council  
Ian Young, Staffordshire Moorlands District Council  
Nick Young, Natural England (West Midlands)

### Others met on site visits:

- Judy Gardener, Owner: Eckington Manor Cookery School  
Phil Merrick, Wychavon District Council  
Darren Hedges, Revills Farm Shop  
Jeremy Page, South Warwickshire Housing Association  
John Gordon, Stratford-on-Avon District Council

### South East Regional Visit – 21st April 2008

Amanda Hodge, Wealden District Council	Kevin Williams, Wealden District Council
Cllr Pam Doodles, Wealden District Council	Sarah Pascoe, Wealden District Council
Cllr David White, Wealden District Council	Cllr Elizabeth Cartwright, Chair South East Regional Housing Board
Cllr Sylvia Tidy, Wealden District Council	Fiona Cruickshank, Housing Corporation
Charles Lant, Wealden District Council	Jeremy Leggett, Action in Rural Sussex
Mike Flemming, Wealden District Council	Gill Edinburgh, Sussex Enterprise
Mary Clare Deane, Wealden District Council	Catherine Stubbings, South East of England Regional Assembly
David Phillips, Wealden District Council	Kieran McNamara, East Sussex County Council
Hayley Frankham, Wealden District Council	Anne Crane, WARR Partnership
	Ray Mason, Eastbourne and District Enterprise Agency

### East Midlands Regional Visit – 28th April 2008

Helen Woolley, Country Land and Business Association	Nicola Butcher, Melton Borough Council
Gill Farmers, Country Land and Business Association	Craig Felts, Midlands Rural Housing Rob Main, Newark and Sherwood District Council
Julie Robinson, Country Land and Business Association	Andrew Towleron, North East Derbyshire District Council
Robert Cogings, Derbyshire Dales District Council	Rachael Abbott, Northamptonshire Action with Communities in Rural England
Paul Bland, East Midlands Regional Assembly	James Faircliffe, South Holland District Council
Dez Tanser, East Midlands Regional Assembly	Richard Tollemanche, Jas Martin & Co
Pam Smith, East Midlands Rural Affairs Forum	Adrian Davey-Thornhill, King West
Melanie Fisher, East Midlands Development Agency	Robin Buttle, Private landowner
Will Rossiter, East Midlands Development Agency	Rupert West, Private landowner
Matthew Yeomans, Government Office East Midlands	
Rupert Mackay, Hometrack	
Matthew Kempson, Leicestershire County Council	
John Howes, Lincolnshire Rural Housing Association	

### **(3) Stakeholder Seminars and Roundtables**

A number of seminars and roundtable events were organised to bring stakeholders together to explore key issues concerning the Review and discuss policy options.

#### **Town and Country Planning Association (TCPA) mini-seminar – 3rd December 2007**

Gideon Amos, TCPA	Richard Greening, Improvement and Development Agency for local government (IDeA)
Richard Butt, TCPA	Jenny Harris, National Housing Federation
Trevor Cherrett, Commission for Rural Communities	Andrew Pritchard, East Midlands, Regional Assembly
Moira Constable, Rural Housing Trust	Simali Shah, Shelter
Alan Fairchild, Society of Local Council Clerks	Andrew Whitaker, Home Builders Federation
Simon Farmer, Planning Inspectorate	
Kate Gordon, Campaign to Protect Rural England	

#### **Rural Housing Enablers Roundtable – 12th December 2007**

Nigel Potter, Worcestershire	Jean Fox, Aylesbury
Anna Kennedy, Oxford	Andy Lloyd, Dorset
Judith Derbyshire, Cumbria	Richard Windley, Leicestershire & Rutland
Sharon Packer, Isle of Wight	Charles Barlow, Warwickshire
Tessa O’Sullivan, Kent	John Lancaster, Hampshire
Nigel Brett, Suffolk	

#### **Local Government Association SPARSE/Rural Services Network – 23rd January 2008**

Elected Councillors from the SPARSE Group:	Johann Tasker, Rural Services Network
Graham Biggs, South Shropshire District Council/Rural Services Network	Lucy Jenkins, Weber Shandwick
David Inman, Rural Services Network	Mac Cotterell, Fenland District Council
Robert Hindle, Rural Innovation/Rural Services Network	Dan Horn, Fenland District Council
Cecilia Motley, South Shropshire District Council	Roger Begy, Rutland County Council
Eric Fey, North Devon District Council	Edward Baines, Rutland County Council
Jim Smith, Berwick District Council	Ruth Lewarne, Penwith District Council
John Taylor, Alnwick District Council/Deputy Leader	Penny Channer, Maldon District Council
Cllr Yvonne Peacock, Richmondshire District Council	
Rupert Reichhold, East Northants District Council	
Cllr Margaret Garton, West Devon Borough Council	
Janet Giles, Kennet District Council	

Local Authority Officers from  
SPARSE & Rural Services  
Partnership:

Alan Gray, North Kesteven District  
Council  
Hayley Frankham, Wealden District  
Council  
Alastair Jackson, Rutland County  
Council  
Fred Davies, Haldon District Council  
Mike Clarke, Shropshire Rural  
Housing Association  
Martin Holland, Shropshire Housing  
Group  
Malcolm Spittle, North Yorkshire  
County Council  
Stephanie Murphy, Two Castles  
Housing Association

Dan Horn, Fenland District Council  
Adrian Maunder, English Rural  
Housing  
Richard Kendall, Spirita Housing  
Association  
Alan Partridge, Devon & Cornwall  
Housing Association  
Pauline Warner, Devon County  
Council  
Alan Lewis, Sanctuary Housing  
Association  
Graham Biggs, Rural Services  
Network & South Shropshire  
District Council  
David Inman, Rural Services Network  
Johann Tasker, Rural Services  
Network

### **Town and Country Planning Association (TCPA) Taylor Review Stakeholder Seminar – 24th January 2008**

Gideon Amos, TCPA  
Richard Butt, TCPA  
James Caird, Planning Officers  
Society  
Terry Carroll, Newcastle University  
Valerie Carter, South East England  
Development Agency  
Trevor Cherrett, Commission for  
Rural Communities  
Martin Collett, English Rural Housing  
Association  
Fenella Collins, Country Land and  
Business Association  
Roger Culcheth, Federation of Small  
Businesses  
Tim Dwelly, Live/Work Network  
Simon Farmer, Planning Inspectorate  
Christina Forrest, National Housing  
and Planning Advisory Unit  
Chris France, Dartmoor National  
Parks Authority  
Richard Greening, Improvement and  
Development Agency for local  
government (IDeA)  
Liz Hobman, Communities and Local  
Government

Mona Johansson, Surrey Community  
Action  
Geoff Nelson, Communities and  
Local Government  
Sandra Rothwell, South West  
Regional Development Agency  
Simali Shah, Shelter  
Mark Shucksmith, Newcastle  
University  
Neil Sinden, Campaign to Protect  
Rural England  
Rynd Smith, Royal Town Planning  
Institute  
Robert Tregay, LDA Design  
Roger Turner, Commission for Rural  
Communities  
Andrew Whitaker, House Builders  
Federation  
Holly Yates, Defra

**Regional Development Agencies (RDAs) Rural Network  
– 29th January 2008**

Ian Baker, Advantage West Midlands	David Hunter, North West Development Agency
Claire Robinson, Advantage West Midlands	Frances Rowe, One North East
Fiona Bryany, East of England Development Agency	Valerie Carter, South East England Development Agency
Cindy Winn, East of England Development Agency	Robert Hatt, South West Regional Development Agency
Lorna Sambrook, East of England Development Agency	Andy Tordoff, Yorkshire Forward
Richard Tulloch, East Midlands Development Agency	Tim Frenneaux, Yorkshire Forward

**Rural Affairs Minister South West Stakeholder Roundtable –  
11th February 2008**

Jonathan Shaw, Minister for Rural Affairs	Carl Roberts, Head of Development Services, Carrick District Council
Dr Stuart Burgess, Chair, Commission for Rural Communities	Anthony Ball, Housing Manager, Penwith District Council
Phil Mason, Director of Regeneration, Restormel Borough Council	Alan Fox, Community Land Trust Project Manager, Cornwall Rural Housing Association Limited
Tony Lee, Head of Planning and Affordable Housing Policy, Restormel Borough Council	Richard Connelly, Group Director of Investment, Devon and Cornwall Housing Association
Louise Dwelly, Housing Strategy and Enabling Manager, Carrick District Council	Vicky Garner, Campaign for Affordable Homes Cornwall

**Regional Rural Affairs Forum Chairs Meeting – 28th February 2008**

David Stewart, North East	Graham Garbutt, Commission for Rural Communities
Nick Read, West Midlands	Gill Davison, Commission for Rural Communities
Jack Ellerby, North West	Laura Jacobs, Commission for Rural Communities
Pam Smith, East Midlands	Brian Wilson, Improvement & Development Agency
Graham Ward, Yorkshire & the Humber	Cllr Andrew Bowles, Local Government Association
John Yates, East of England	
Jeremy Leggett, South East	
Cate Le Grice-Mack, South West	
Steve Parsons, South West	
Stuart Burgess, Commission for Rural Communities	

### **Campaign to Protect Rural England (CPRE) Roundtable – 18th March 2008**

Neil Sinden, Policy Director	John Youatt, East Midlands
Kate Gordon, Senior Planning Officer	Roger Carlyle, West Midlands
Tom Oliver, Head of Rural Policy	John Kirkman, South West
Judith Rosten, Planning Team	Rodney Chambers, South East
Wendy Lutley, South West	Lilian Burns, North West
Richard Lloyd, South West	Karen Martindale, North West
Sean Traverse-Healy, East of England	

### **Royal Institution of Chartered Surveyors (RICS) Roundtable – 2nd April 2008**

Jason Beedell, RICS Countryside Policy Panel and Head of Research, Smiths Gore	Tim Key, RICS Countryside Policy Panel
Daniel Cook, RICS Public Affairs Manager	Bob Paterson, Project Director, Community Finance Solutions at the University of Salford
David Coulson, RICS Rural Faculty Board and Broadley and Coulson Chartered Surveyors	James Rowlands, RICS Public Policy Officer
Luke Herbert, RICS UK Public Policy Manager	Sue Steer, Chair of the RICS Countryside Policy Panel and Steer Ethelston Rural Chartered Surveyors
Stephen Hill, Director, C2O Future Planners	David Stubbs, RICS Senior Economist

### **Master Planners Roundtable – 29th April 2008**

Sunny Crouch, Places for People	Andrew Jones, EDAW
Sally Waltham, Places for People	Alison Peters, EDAW
Patrick Clarke, Lewelyn Davies Yeang	Robert Tregay, LDA design
David Lock, David Lock associates Ltd	

### **Home Builders Federation (HBF) Roundtable – 13th May 2008**

Andrew Whitaker, Home Builders Federation	Stuart Woodwood, Lev vel Consulting
Graham Pye, Pye Homes	Georgina Butler, Morris Homes
	Michael Griffin, Barratt Homes (SW)

### **Community Land Trusts Roundtable – 13th May 2008**

Alan Fox, Cornwall CLT	Martin Large, Gloucestershire Land for People
Jennifer Aird, Salford University	Paul Smith, Brabins Trust (Lancashire)
David Brown, High Bickington CLT	Tony Crofts, Stonesfield Community Trust
Andy Lloyd, Cumbria Rural Housing Trust	
David Smith, Holdsworth CLT	
Bob Kenyon, Worth Matravers CLT,	
Neil Hardy, Worth Matravers CLT	

#### (4) Taylor Review Call for Evidence

A Call for Evidence questionnaire was launched to seek views and proposals for action. This generated a total of 278\* submissions from organisations and individuals across the country:

A G Champion	Caradon District Council
A J Shaw, Camelford Town Center	Carlton Parish Council
Academy for Sustainable Communities	Central Borders Housing Group
Advantage West Midlands	Centre for Rural Economy, Newcastle University
Agrarian Renaissance	Chaddesley Corbett Parish Council
Alastair McGowan	Charles Barlow, Warwickshire Rural Community Council
Allerdale Borough Council	Cheshire County Council
Alnwick District Council	Chief Economic Development Officers' Society (CEDOS)
Andrew Gell, Risely Parish Council	Chris France, Dartmoor National Park Authority
Andrew Pratt	Chris Rowbottom, Weaver Vale Housing Trust
Andrew Thompson, Haddon Estate near Bakewell in Derbyshire	Christopher McCoy
Andy Lloyd, Dorset Community Action	Clarissa Kindred
Andy Plant, Chase Midland Plc	Clinton Devon Estates
Anthony Trollope-Bellew	C M Niddrie-Davies (Mrs)
A R Richardson, Sustainable Village Housing & Sustainable Village Enterprise	Colchester Borough Council
Arlesey Town Council	Commission for Architecture and the Built Environment (CABE)
Arthur Richardson, Sustainable Village Homes Enterprise	Commission for Rural Communities
Ashford Borough Council	Community Action Hampshire
Association of Convenience Stores	Community Asset Trust (CAT), North Shropshire District Council
Association of National Park Authorities (ENPAA)	Community Finance Solutions, University of Salford
Association of Second Homeowners	Community First
Bedfordshire Councils' Planning Consortium (BCPC)	Community Housing Cymru
Bernard Hornung	Cornwall CC
Bidford-on-Avon Parish Council	Cornwall Housing Partnership
Bishops Tachbrook Parish Council	Cotswolds Conservation Board
Breckland Council	Country Land & Business Association
Brian Berman, Teignbridge District Council Devon County Council	Countryside Alliance
Buckingham Town Council	Court Property Developers Ltd
Budbrooke Parish Council	Cumbria County Council and Cumbria Sub-Regional Housing Group
Building and Social Housing Foundation	Cumbria Rural Enterprise Agency
Caddington Parish Council Planning Committee	Cumbria Rural Housing Trust
Canon Graham Hedger, Diocese of St Edmundsbury & Ipswich	Dartmoor National Park Authority
	David Brettell, Hands-on-Help for Communities

\*Please note that a number of submissions were received after the deadline and the Review team also considered these in addition to the 278 submissions.

David Broadmeadow, Humber and  
 Wolds Rural Community Council  
 David Poole  
 David Tanswell, Bolesworth Estate  
 David Vatcher  
 David William Coulson, Royal  
 Institution of Chartered Surveyors  
 Denise Duggan, Wychavon District  
 Council  
 Derbyshire Dales  
 Development Planning Solutions Ltd  
 Devon & Cornwall Housing  
 Association  
 Devon & Cornwall Housing Group  
 Devon County Council  
 Dick Harvey  
 Doreen Lawrence, Perrangaboolge  
 Parish Council  
 Dorset Association of Parish &  
 Town Councils  
 Dorset Community Action  
 East Midlands Rural Affairs Forum  
 Eaton Bray Parish Council  
 Eddie Marsham  
 Elveden Farms Ltd  
 Empty Homes Agency  
 English Heritage  
 English Rural Housing Association  
 Essex Association of Local Councils  
 F Chammings (Mr & Mrs)  
 First Home UK Ltd  
 Forest of Dean District Council  
 Geoff Brown  
 Geoffrey Sworder, CPRE Devon  
 Branch, Devon Conservation  
 Forum Dunkeswell in East Devon  
 District Parish Council  
 George Hocking  
 Glenn Martin, Durham County  
 Council  
 Glynn Bromley  
 Graham Parrott, Waverley Borough  
 Council  
 Graham Townsend, North Devon  
 District Council  
 Gweek Parish Council  
 Hambleton District Council  
 Hampshire Economic Partnership  
 Rural Economy Task Group  
 Harborough Magna Parish Council  
 Harlington Parish Council  
 Harry St John  
 Hastoe Housing Association  
 Herriard Estates  
 High Weald AONB Unit  
 Highfields Farm & Highfields Farm  
 Dairy  
 Holsworthy Community Property  
 Trust Limited  
 Housing Corporation  
 Housing Justice  
 Howard Thomas, South West  
 Regional Assembly  
 Hugh Oliver-Bellasis, Royal  
 Agricultural Society of England  
 Ian Howie  
 Ian McMurray  
 Ian Young, Staffordshire Moorlands  
 District Council  
 Illogan Parish Council  
 Impact Housing  
 Improvement and Development  
 Agency for local government (IDeA)  
 Independent Land Acquisitions Ltd  
 Institution of Economic Development  
 Ivan Quince  
 J Williams, Williams & Morris Ltd  
 James Derounian, University of  
 Gloucestershire  
 James Godden, St Ken Parish  
 Council  
 Jane Elliott, Stockton Borough  
 Council  
 Jean Richards  
 Jennifer Hall  
 Jeremy Wright  
 Jim Hosking, Fenton Gollan Farm  
 John Alvis, Alvis Bros Ltd  
 John and Barbara Hodges  
 John Bantham, Johnson Matthey  
 John Brown  
 John Farquhar, Campaign to Protect  
 Rural England (CPRE) North  
 Yorkshire Branch  
 John Grimes  
 John Symington, Townsfolk Ltd  
 Johnathan Roberts  
 Jonathan Brown, Land for People  
 Jonathan Stephens, Community  
 Development Agency  
 Juan F Houston  
 Kate Bailey, Independent consultant  
 Kate Gordon, Campaign to Protect  
 Rural England (CPRE)  
 Keith Butler, Butler Haig Associates  
 Keith Parry and Nigel Potter,  
 Community First  
 Kerrier District Council  
 Khyati Vaughan, Harrogate Borough  
 Council

Kingsclere Parish Council, Hampshire  
 Lancashire Rural Futures  
 Lanivet Parish Council  
 Lapworth Parish Council  
 Launceston Town Council  
 Laura Mills and Eyvonne Dight,  
 Gloucestershire Rural Community  
 Council  
 Leicestershire County Council  
 Leon Moore  
 L M McCarthy  
 Local Government Association Rural  
 Commission  
 Long Compton Parish Council  
 Lowena Homes  
 M I Harvey  
 Mac McCoig, Stafford Borough  
 Council  
 Malcolm McAllister, The Royal  
 Agricultural Society of England  
 Marcel Venn, Maximising Sustainable  
 Development Values Consulting  
 Martin Harvey  
 Martin Large, Gloucestershire Land  
 for People  
 Martin Page, First Step Homes (SW)  
 Martin Wilsher, West Somerset  
 Council  
 Maxine Bodell, Dorset County  
 Council  
 Mevagisry Parish Council  
 Michael Shuttleworth, Trustees of the  
 Shuttleworth Estate  
 Michelle Foster, Coastline Housing  
 Ltd (CHL)  
 Mid Devon District Council  
 Mid Sussex District Council  
 Midlands Rural Housing  
 Mike Burt, Okeford Fitzpaine Parish  
 Council, Dorset  
 Mike Coverdale  
 Milecastle Housing Limited  
 Monks Kirby Parish Council  
 M Richards (Mrs)  
 N T Quinney, Veryan Parish Council  
 Natalie Westland, Northamptonshire  
 ACRE  
 National Farmers Union  
 National Housing Federation  
 National Housing Forum  
 Natural England  
 ND Morgan FRICS, Edwin Watson  
 Partnership  
 Neil Dunkin  
 Nick Plummer  
 Nicola Butcher, Melton Borough  
 Council  
 North Cornwall District Council  
 North Dorset District Council  
 North East Assembly  
 North West Regional Assembly  
 North York Moors National Park  
 Authority  
 Northern Network of Rural Housing  
 Enablers  
 Northumberland Housing Board  
 One NorthEast  
 P I Hilton  
 Paul Lowe, East Devon District  
 Council  
 Penwith District Council, Cornwall  
 Peter Greatrex  
 Peter Michael, Bromsgrove District  
 Council  
 Peter Radcliffe  
 Peter Stockton, Yorkshire Dales  
 National Park Authority  
 Phil Ward, Warwickshire Rural  
 Housing Association  
 Places For People  
 Planning Officers Society  
 Potton Town Council  
 Poundstock Parish Council  
 Praveen Naidoo  
 Priority Sites Ltd  
 Purbeck District Council  
 Rachel Smith, New Forest Villages  
 Housing Association  
 Reginald Kenneth Watts  
 Regional Development Agencies  
 Rural Network  
 Regional Rural Affairs Forum  
 Restormel Borough Council  
 Ribble Valley Borough Council  
 Richard Hall, Action with  
 Communities in Rural Kent  
 Richard Matson, R.L.Matson & Son  
 Richmondshire District Council  
 Robert Taylor  
 Rock Mill Business Park  
 Roger Hopcraft and Anne Rogers,  
 Eden District Council  
 Roger Jones, Humber and Wolds  
 Rural Community Council  
 Rosemullion Homes  
 Royal Institution of Chartered  
 Surveyors  
 Rural Action East  
 Rural Housing Trust  
 Rural Solutions

Sancreed Parish Council  
 Sharon Donald, Gravesham Borough Council  
 Shelter  
 Shropshire & Herefordshire Housing Officers Group (SHHOG)  
 Shropshire Enterprise Partnership  
 Shropshire Hills AONB  
 Shropshire Rural housing Association  
 Simon MacLachlan  
 Sir Richard FitzHerbert Bt, Tissington Estate & Warsop Estate  
 Somerset Strategic Planning Conference & Somerset Strategic Housing Officers Group  
 South East Regional Housing Board  
 South Hams District Council  
 South Hill Parish Council, SE Cornwall  
 South Lakeland District Council  
 South Norfolk Council  
 South West of England Regional Development Agency  
 South West Regional Assembly  
 Sparsity Partnership for Authorities Delivering Rural Services, SPARSE/  
 Rural Services Network  
 St Levan Parish Council  
 Stephen Killob, Maker with Rame Parish Council  
 Stoke Glimsland Parish Council  
 Strategic Land Partnerships  
 Stratford-on-Avon District Council  
 Studley Parish Council  
 Sue Hitchcock, Devon Rural Housing Partnership  
 Sue Southwell, Devon Rural Housing Partnership  
 Support Affordable Housing  
 Surrey Rural Housing Group  
 Surrey Rural Partnership  
 Susan Black  
 Sussex Enterprise  
 Swaffah Town Council  
 Teignbridge Association of Local Councils  
 The Land Is Ours 'Diggers'  
 The Planning Inspectorate  
 The Prince of Wales's Affordable Rural Housing Initiative  
 THF Ltd  
 Thorverton Parish Council  
 Toddington Parish Council  
 Tom Woof, Development Planning Solutions Ltd  
 Town and Country Planning Association  
 Tunbridge Wells Borough Council  
 Tynedale Council  
 Upper Eden Community Plan  
 Vale of White Horse District Council  
 Vitacress Salads Ltd  
 V Parnell (Mrs)  
 Week St. Mary Parish Council  
 Wendy Hopper, Veryan Parish Council  
 West Dorset District Council  
 West Midlands Regional Assembly  
 Westoning Parish Council  
 Wiltshire Rural Housing Association  
 Worth Community Property Trust  
 Worth Matravers  
 Yorkshire Rural Community Council  
 Zoe and David Greenwell

# Annex C:

## Glossary of Terms

<b>Affordability</b>	Affordability is a measure of whether housing may be afforded by certain groups of households.
<b>Affordable Housing (or sub-market housing)</b>	<p>Housing, whether for rent, shared ownership or outright purchase, provided at a cost considered affordable in relation to incomes that are average or below average, or in relation to the price of general market housing.</p> <p>Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:</p> <ul style="list-style-type: none"> <li>■ Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.</li> <li>■ Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.</li> </ul>
<b>Affordable Rural Housing Commission</b>	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.
<b>Appeal</b>	The process whereby a planning applicant can challenge an adverse decision, including a refusal of permission. Appeals can also be made against the failure of the planning authority to issue a decision within a given time, against conditions attached to permission, against the issue of an enforcement notice and against refusals of listed building and conservation area consent. In England and Wales, appeals are processed by the Planning Inspectorate.
<b>Barker Review (Housing Supply)</b>	Kate Barker review of housing supply commissioned by HM Treasury and what was the Office of the Deputy Prime Minister: <i>Delivering stability: securing our future housing needs, March 2004.</i>
<b>Barker Review (Land Use Planning)</b>	Kate Barker review of land use planning that focused on the link between planning and economic growth: <i>Barker Review of Land Use Planning, December 2006.</i>

<b>Broadband</b>	Fast, always-on internet connection.
<b>Brownfield Land and Sites</b>	Previously developed land which is or was occupied by a permanent structure, including the curtilage of the developed land and any associated fixed surface infrastructure.
<b>Compulsory Purchase Order (CPO)</b>	An order issued by the government or a local authority to acquire land or buildings for public interest purposes. For example, for the construction of a major road or the redevelopment of certain brownfield sites.
<b>Core Strategy</b>	A Development Plan setting out the spatial vision and strategic objectives of the planning framework for an area, having regard for the community strategy.
<b>Development</b>	Development is defined under the 1990 Town and Country Planning Act as “the carrying out of building, engineering, mining or other operation in, on, over or under land, or the making of any material change in the use of any building or other land.” Most forms of development require planning permission.
<b>Green Belt (not to be confused with the term ‘greenfield’)</b>	<p>A designation for land around certain cities and large built-up areas, which aims to keep this land permanently open or largely undeveloped. The purpose of the green belt is to:</p> <ul style="list-style-type: none"> <li>■ check the unrestricted sprawl of large built up areas</li> <li>■ prevent neighbouring towns from merging</li> <li>■ safeguard the countryside from encroachment</li> <li>■ preserve the setting and special character of historic towns</li> <li>■ assist urban regeneration by encouraging the recycling of derelict and other urban land</li> <li>■ Green belts are defined in a local planning authority’s development plan.</li> </ul>
<b>Greenfield Land or Site</b>	Land (or a defined site), usually farmland, that has not previously been developed.
<b>Housing Associations</b>	Common term for the 2,000 or so independent, not-for-profit organisations registered with and regulated by the Housing Corporation. Housing Associations are able to bid for funding from the Housing Corporation. <i>See also:</i> Registered Social Landlords.
<b>Intermediate housing</b>	Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.
<b>Local Area Agreement (LAA)</b>	A three year agreement, based on local Sustainable Community Strategies, that sets out the priorities for a local area agreed between Central Government, represented by the Government Office (GO), and a local area, represented by the local authority and other key partners through Local Strategic Partnerships (LSPs).

<b>Local Development Documents (LDDs)</b>	These include Development Plan Documents (which form part of the statutory development plan) and Supplementary Planning Documents (which do not form part of the statutory development plan). LDDs collectively deliver the spatial planning strategy for the local planning authority's area.
<b>Local Development Framework (LDF)</b>	<p>The Local Development Framework (LDF) is a non-statutory term used to describe a folder of documents, which includes all the local planning authority's local development documents. An LDF is comprised of:</p> <ul style="list-style-type: none"> <li>■ Development Plan Documents (which form part of the statutory development plan)</li> <li>■ Supplementary Planning Documents</li> <li>■ the Statement of Community Involvement</li> <li>■ the Local Development Scheme</li> <li>■ the Annual Monitoring Report</li> <li>■ any Local Development Orders or Simplified Planning Zones that may have been added</li> </ul>
<b>Local Plan</b>	An old-style development plan prepared by district and other local planning authorities. These plans will continue to operate or elements may have been saved for a time after the commencement of the new development plan system, by virtue of specific transitional provisions.
<b>Local Planning Authority</b>	The local authority or council that is empowered by law to exercise planning functions. Often the local borough or district council. National Parks and the Broads authority are also considered to be local planning authorities. County councils are the authority for waste and minerals matters.
<b>Lower Quartile House Prices</b>	The "lower quartile" property price is determined by ranking all property prices in ascending order. The lowest 25 per cent of prices are below the lower quartile; the highest 75 per cent are above the lower quartile.
<b>Market housing</b>	Private housing for rent or for sale, where the price is set in the open market.
<b>Market Towns</b>	Small to medium-sized country towns that are rural service, social and economic centres. Most also hold or used to hold a regular market.
<b>Master Plan</b>	A type of planning brief outlining the preferred usage of land and the overall approach to the layout of a developer. To provide detailed guidance for subsequent planning applications.
<b>Material Consideration</b>	A matter that should be taken into account in deciding a planning application or on an appeal against a planning decision.

<b>Planning Gain</b>	The benefits or safeguards, often for community benefit, secured by way of a planning obligation as part of a planning approval and usually provided at the developer's expense. For example, affordable housing, community facilities or mitigation measures.
<b>Planning Inspectorate</b>	<p>The Planning Inspectorate is the government body responsible for:</p> <ul style="list-style-type: none"> <li>■ the processing of planning and enforcement appeals</li> <li>■ holding inquiries into local development plans</li> <li>■ listed building consent appeals</li> <li>■ advertisement appeals</li> <li>■ reporting on planning applications called in for decision by the Secretary of State or in Wales with the National Assembly for Wales</li> <li>■ examinations of development plan documents and statements of community involvement</li> <li>■ various compulsory purchase orders, rights of way cases; and cases arising from the Environmental Protection and Water Acts and the Transport and Works Act and other highways legislation are also dealt with.</li> </ul> <p>The work is set in agreement with Department for Transport, the Department for Communities and Local Government and the National Assembly for Wales.</p>
<b>Planning Permission</b>	Formal approval sought from a council, often granted with conditions, allowing a proposed development to proceed. Permission may be sought in principle through outline planning applications, or be sought in detail through full planning applications.
<b>Planning Policy Guidance (PPG)</b>	Issued by central government setting out its national land use policies for England on different areas of planning. These are gradually being replaced by Planning Policy Statements.
<b>Planning Policy Statement (PPS)</b>	Issued by central government to replace the existing Planning Policy Guidance notes in order to provide greater clarity and to remove from national policy advice on practical implementation, which is better expressed as guidance rather than policy.
<b>Planning Policy Statement 3 (PPS3): Housing</b>	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.

<b>Regional Spatial Strategy (RSS)</b>	A strategy for how a region should look in 15 to 20 years time and possibly longer. The Regional Spatial Strategy 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, infrastructure, economic development, agriculture, minerals and waste treatment and disposal. Most former Regional Planning Guidance is now considered RSS and forms part of the development plan. Regional Spatial Strategies are prepared by Regional Planning Bodies.
<b>Regional Assembly / Regional Planning Body (RPB)</b>	Each of the English regions outside of London has a regional chamber that the regions generally call Regional Assemblies (not to be confused with the term Elected Regional Assemblies). They are responsible for developing and co-ordinating a strategic vision for improving the quality of life in a region. The assembly is responsible for setting priorities and preparing certain regional strategies, including the Regional Spatial Strategy.
<b>Registered Social Landlord (RSL)</b>	Technical name for a body registered with the Housing Corporation. Most Housing Associations are RSLs. They own or manage some 1.4 million affordable homes, both social rented and intermediate. <i>See also:</i> Housing Association.
<b>Right to Acquire</b>	A scheme which enables some housing association tenants to purchase their social rented home with the benefit of a discount, subject to a Government-specified maximum amount depending on the local authority area. The scheme only applies to properties built or acquired by housing associations, both charitable and non charitable, with public funds from 1 April 1997 onwards. Properties transferred from a local authority to a housing association after 1 April 1997 are also eligible. Some properties are exempt from the scheme including those in small rural settlements and sheltered housing.
<b>Right to Buy</b>	A scheme under which most council tenants and some housing association tenants may buy their homes at a lower price than the full market value. Only properties that are particularly suitable for occupation by elderly or disabled people, or are let in connection with the tenant's employment, are exempt. People qualify for a discount on the basis of the number of years that they have been social rented housing tenants, subject to a Government-specified maximum amount that varies region by region.
<b>Rural Definition</b>	Rural areas are those with settlements with a population under 10,000. The Government's definition of rural areas is broken down by settlement size and sparsity. For more information about the Rural Definition and Local Authority Classification, please see: <a href="http://www.defra.gov.uk/rural/ruralstats/rural-definition.htm">http://www.defra.gov.uk/rural/ruralstats/rural-definition.htm</a>

<b>Rural Exceptions Policy / Site</b>	A development plan or Development Plan Document may allow for the development of small sites within rural areas solely for affordable housing, which would not otherwise be released for general market housing.
<b>Section 106 Agreement</b>	A legal agreement under Section 106 of the 1990 Town & Country Planning Act between a planning authority and a developer, or undertakings offered unilaterally by a developer, that ensures that certain extra works related to a development are undertaken.
<b>Social Housing</b>	Housing provided by Housing Association's, Registered Social Landlords or the local authority at a rent lower than market rent.
<b>Sustainability Appraisal (including Environmental Appraisal)</b>	An appraisal of the economic, environmental and social effects of a plan from the outset of the preparation process to allow decisions to be made that accord with sustainable development.

This Glossary is largely based on the glossary of planning terms on the Planning Portal <http://www.planningportal.gov.uk>

Disclaimer:

The Glossary is neither a statement of law nor an interpretation of the law, and its status is only an introductory guide to planning issues and should not be used as a source for statutory definitions.

# Annex D: Endnotes

## CHAPTER 1

- <sup>1</sup> Communities and Local Government (2005) Planning Policy Statement 1: Delivering Sustainable Development, p13
- <sup>2</sup> Communities and Local Government (2001) Policy Planning Guidance 13: Transport, p5
- <sup>3</sup> Communities and Local Government (2005) Planning Policy Statement 1: Delivering Sustainable Development para 5
- <sup>4</sup> Public Service Agreement (PSA) 6 (from the 2004 Spending Review) stated that 60 per cent of new housing development should be built on previously-developed ('Brownfield') land, or created through the conversion of a current building – see: HM Treasury (2004) 2004 Spending Review, Stability, Security and Opportunity for All: Investing for Britain's long-term future, Chapter 10 Office of the Deputy Prime Minister, p109, see: [http://www.hm-treasury.gov.uk/spending\\_review/spend\\_sr04/report/spend\\_sr04\\_repindex.cfm](http://www.hm-treasury.gov.uk/spending_review/spend_sr04/report/spend_sr04_repindex.cfm)
- <sup>5</sup> Communities and Local Government (1980-2000 Housing Investment Programme (HIP) returns, 2007 Housing Strategy Statistical Appendix (HSSA))
- <sup>6</sup> Affordable Rural Housing Commission (2006) final report, p10, see: <http://www.defra.gov.uk/rural/pdfs/housing/commission/affordable-housing.pdf>
- <sup>7</sup> Right to Acquire brought in 1997
- <sup>8</sup> Housing Act 1985, Section 157
- <sup>9</sup> Annual Population Survey, Nomis, October 2006-September 2007, Working age population (Local Authority Classification: rural = Rural-80 and Rural-50 combined)
- <sup>10</sup> Office for National Statistics (2007) Annual Survey of Hours and Earnings residence/workplace based median gross annual earnings 2007
- <sup>11</sup> Annual Survey of Hours and Earnings (2006) analysed by IPPR for Working out of poverty. Final Report to be published August, 2008 – cited in Commission for Rural Communities (2008) Englands rural areas: steps to release their economic potential – advice from the Rural Advocate to the Prime Minister, p22

- 12 Professor Denison, Minority Report to the 1942 Scott Committee on Land Utilisation in Rural Areas
- 13 Office for National Statistics 1998 Mid Year Estimates at Oct 2004, 2006 Mid Year Estimates at May 2008 (from NeSS website), 2008 Pop Projections as at May 2006 ) – (Local Authority Classification: rural = Rural-80 and Rural-50 combined)
- 14 Commission for Rural Communities (2001) State of the Countryside
- 15 Office for National Statistics Population Projections (2004 base year) – (rural = Rural-80 and Rural-50 combined)
- 16 Communities and Local Government: Land Registry and the Office for National Statistics Annual Survey of Hours and Earnings (ASHE)
- 17 Land Registry, Average House Prices for 2007, England
- 18 Halifax Rural Housing Review 2007, Data for the 12 months to Jun 2007 – Halifax House Price Database
- 19 Wilcox S (2006) The geography of affordable and unaffordable housing, p3, Joseph Rowntree Foundation, see: <http://www.jrf.org.uk/bookshop/details.asp?pubid=841>
- 20 Wilcox S (2006) The geography of affordable and unaffordable housing, p19, Joseph Rowntree Foundation, see: <http://www.jrf.org.uk/bookshop/details.asp?pubid=841>
- 21 Frost M (2006) The Structure of Commuting Flows in Rural England: An Initial Report, London, Birkbeck University of London, Rural Evidence Research Centre
- 22 Ipsos MORI poll for the 2006 Barker Review of Land Use and Planning
- 23 Barker K (2006) Review of Land Use Planning: Interim Report
- 24 Haines-Young RH et al. (2000) Accounting for Nature: Assessing Habitats in the UK Countryside, DETR, Chapter 8, p109 (drawing on data from the Land Cover Map 2000 using satellite data)
- 25 Office of the Deputy Prime Minister (2005) Generalised Land Use Database Statistics for England (estimates for 2001)
- 26 European Environment Agency, CORINE Land Cover 2000
- 27 The region with the highest proportion of land developed, including gardens, is London (58.7%), followed by the South East (12.2%) and West Midlands (11%). The total for England is 9.8% and the region least built up is the South West (7%).
- 28 The Generalised Land Use Database estimates that 42 per cent of developed land is garden space.
- 29 Evans AW (1991) Rabbit Hutches on Postage Stamps: Planning Development and Political Economy, Urban Studies, vol. 28, p862 – cited by Barker K (2006) Review of Land Use Planning: Final Report, p43
- 30 Communities and Local Government Council Tax Data: Total Dwellings on the valuation list as at October 2007

- <sup>31</sup> Communities and Local Government (2007) Homes for the future: more affordable, more sustainable, p7
- <sup>32</sup> Communities and Local Government, Live Table 244: House building: permanent dwellings completed, by tenure, England, historical calendar year series 1946 to 2007, see: <http://www.communities.gov.uk/documents/housing/xls/140912.xls>
- <sup>33</sup> Office of the Deputy Prime Minister (2005) Generalised Land Use Database Statistics for England (estimates for 2001)
- <sup>34</sup> 1997 = CLG Planning Statistics Live Table P201 (cited in Housing Green Paper p16) 2007 = CLG (2008) Land Use Change Statistics (England) 2007 – provisional estimates
- <sup>35</sup> 3 million homes divided by 45 dwellings per hectare = 66,666.7 hectares / England total hectares: 13,028,000 = 0.51%
- <sup>36</sup> 3 million homes divided by 45 dwellings per hectare = 66,666.7 hectares – 60% on Brownfield land = 26,666.7 hectares / England total hectares: 13,028,000 = 0.20%
- <sup>37</sup> 3 million homes divided by 45 dwellings per hectare = 66,666.7 hectares – 75% on Brownfield land = 16,666.7 hectares / England total hectares: 13,028,000 = 0.13% (England = 13,028,000 hectares, see: <http://www.defra.gov.uk/environment/statistics/land/download/xls/ldtb01.xls>)
- <sup>38</sup> Communities and Local Government Analysis of Regional Spatial Strategies as at February 2008
- <sup>39</sup> Three Dragons (2007) Assessing the Rural Content of Regional Spatial and Housing Strategies, Report for the Commission for Rural Communities, see: <http://www.ruralcommunities.gov.uk/files/REPORT%20FINAL%20CRC%201211LC.pdf>
- <sup>40</sup> Communities and Local Government, see: <http://www.communities.gov.uk/communities/sustainablecommunities/whatis/>
- <sup>41</sup> HM Government (2005) UK Sustainable Development Strategy, Securing the future
- <sup>42</sup> Communities and Local Government (2005) Planning Policy Statement 1: Delivering Sustainable Development, p2
- <sup>43</sup> Communities and Local Government (2005) Planning Policy Statement 1: Delivering Sustainable Development
- <sup>44</sup> Guidance for Regional Planning Bodies and Local Planning Authorities is set out in *Sustainability Appraisal of Regional Spatial Strategies and Local Development Documents*, ODPM 2005 – Sustainability appraisal is a tool to promote integration of social, economic and environmental considerations when plans are being prepared. It covers the requirements of the European Strategic Environmental Assessment (SEA) Directive
- <sup>45</sup> Barker K (2006) Review of Land Use Planning: Final Report
- <sup>46</sup> Affordable Rural Housing Commission (2006) Final Report, p13

- <sup>47</sup> Commission for Rural Communities (2007) Planning for Sustainable Rural Communities: A New Agenda? p5, see: <http://www.ruralcommunities.gov.uk/files/crc45updated5.pdf>
- <sup>48</sup> Three Dragons (2007) Assessing the Rural Content of Regional Spatial and Housing Strategies, Report for the Commission for Rural Communities, p23, see: <http://www.ruralcommunities.gov.uk/files/REPORT%20FINAL%20CRC%201211LC.pdf>
- <sup>49</sup> Three Dragons (2007) Assessing the Rural Content of Regional Spatial and Housing Strategies, Report for CRC, p25, see: <http://www.ruralcommunities.gov.uk/files/REPORT%20FINAL%20CRC%201211LC.pdf>
- <sup>50</sup> Tynedale District Council correspondence with Review team
- <sup>51</sup> A key principle of *Planning Policy Statement 1: Delivering Sustainable Development* is to encourage patterns of development which reduces need to travel by private car – Communities and Local Government (2005) *Planning Policy Statement 1: Delivering Sustainable Development*, p13
- <sup>52</sup> One of the Governments strategic housing policy objectives is “To create sustainable, inclusive, mixed communities in all areas, both urban and rural” as set out in *PPS 3: Housing – Communities and Local Government* (2006) *Planning Policy Statement 3: Housing*, p6

## CHAPTER 2

- <sup>1</sup> Communities and Local Government (2006) *Strong and Prosperous Communities – The Local Government White Paper*
- <sup>2</sup> Communities and Local Government (2007) *Place Matters*, see: <http://www.communities.gov.uk/documents/communities/pdf/153370.pdf>
- <sup>3</sup> Commission for Architecture and the Built Environment, see: <http://www.cabe.org.uk>
- <sup>4</sup> Natural England, see: <http://www.english-nature.org.uk/special/greenspace/>
- <sup>5</sup> Howard, E (1898) *To-Morrow: A Peaceful Path to Real Reform* republished as Howard, E (1965) *Garden Cities of To-morrow*, MIT Press
- <sup>6</sup> Communities and Local Government (2008) *Eco Towns: Living a greener future*, see: <http://www.communities.gov.uk/publications/housing/ecotownsgreenerfuture>
- <sup>7</sup> Energy Saving Trust (2006) *Creating a sustainable urban extension – a case study of Upton, Northampton*, p3
- <sup>8</sup> Urban Taskforce (1999) *Towards an urban renaissance: the report of the Urban Task Force chaired by Lord Rogers of Riverside*
- <sup>9</sup> Communities and Local Government *Planning Statistics, 1991/94 data* see: <http://www.communities.gov.uk/documents/planningandbuilding/xls/822906.xls>

- <sup>10</sup> Town and Country Planning Association & Lock, D (2007) Eco-towns: scoping report helping to deliver a step change in the quality and availability of homes for the people of England, see: [http://192.168.201.210:9090/progress?pages&id=3543249769&sp2&url=http://www.tcpa.org.uk/downloads/20070727\\_TCPA\\_ecotowns.pdf&fileName=20070727\\_TCPA\\_ecotowns.pdf&referer=http://www.google.co.uk/search?hl=en&q=tcpa+eco+town+scoping+report&meta=&foo=4](http://192.168.201.210:9090/progress?pages&id=3543249769&sp2&url=http://www.tcpa.org.uk/downloads/20070727_TCPA_ecotowns.pdf&fileName=20070727_TCPA_ecotowns.pdf&referer=http://www.google.co.uk/search?hl=en&q=tcpa+eco+town+scoping+report&meta=&foo=4)
- <sup>11</sup> New Local Government Network (2008) Good House Keeping? Stronger communities through local housing intervention
- <sup>12</sup> English Partnerships, Carbon Challenge, see: <http://www.englishpartnerships.co.uk/carbonchallenge>

### CHAPTER 3

- <sup>1</sup> Office for National Statistics, 2001 Census
- <sup>2</sup> Communities and Local Government
- <sup>3</sup> Housing Corporation
- <sup>4</sup> Affordable Rural Housing Commission (2006) Final Report
- <sup>5</sup> Commission for Rural Communities (2006) Calculating Housing Requirements in Rural England, Roger Tym and Partners, see: <http://www.ruralcommunities.gov.uk/files/calculating%20housing%20requirements.pdf>
- <sup>6</sup> Communities and Local Government (2006) Planning Policy Statement 3: Housing, p11
- <sup>7</sup> Housing Corporation – Figures only include those developments of affordable housing funded by the Housing Corporation
- <sup>8</sup> Royal Institute for Chartered Surveyors Affordable Rural Housing Survey for the Matthew Taylor Review, May 2008
- <sup>9</sup> Submission to the Review from the Church of England
- <sup>10</sup> Communities and Local Government, Council Tax Returns, 2005

### CHAPTER 4

- <sup>1</sup> Defra Rural Statistics Unit, ONS Census 2001 (people aged between 16-74 in Employment – residence based)
- <sup>2</sup> Annual Business Inquiry (workplace analysis)
- <sup>3</sup> Ofcom (2008) The Nations and Regions Communications Market 2008 (May), see: <http://www.ofcom.org.uk/research/cm/cmnr08/>
- <sup>4</sup> Thinkbroadband.com: 2008 (June) Survey of more than 138,000 web connections across the UK
- <sup>5</sup> Including submissions to the Review's call for evidence by the Regional Development Agencies Rural Network and the Chief Economic Development Officers Society (CEDOS) and County Surveyors Society (CSS)
- <sup>6</sup> Commission for Rural Communities (2007) State of the Countryside 2007, p99
- <sup>7</sup> Defra (2004) Rural Strategy 2004, Annex B (see: [http://www.defra.gov.uk/rural/strategy/annex\\_b.htm](http://www.defra.gov.uk/rural/strategy/annex_b.htm))

- <sup>8</sup> The Government has set a goal for a 80 per cent employment rate from a current national rate of 74 per cent – Department for Work and Pensions (2007) *In work, better off: next steps to full employment*
- <sup>9</sup> IDBR local units: Percentage of businesses by size (by numbers of employees) 2006
- <sup>10</sup> Office for National Statistics, *Annual Population Survey 2007*
- <sup>11</sup> Office for National Statistics, 1991 and 2001 Census – cited in Dwelly T et al (2008) *Tomorrow's Property Today*, p2
- <sup>12</sup> Office for National Statistics, 2001 Census
- <sup>13</sup> Chartered Management Institute (2008) *Management Futures: The World in 2018*, see: [http://www.managers.org.uk/listing\\_media\\_1.aspx?id=10:347&id=10:138&id=10:11&doc=10:5141](http://www.managers.org.uk/listing_media_1.aspx?id=10:347&id=10:138&id=10:11&doc=10:5141)
- <sup>14</sup> *Annual Survey of Hours and Earnings, 2006* analysed by IPPR for *Working out of Poverty*. Final report to be published August, 2008 – cited in Commission for Rural Communities (2008) *Englands rural areas: steps to release their economic potential – Advice from the Rural Advocate to the Prime Minister*, p22
- <sup>15</sup> Countryside Agency (2003) *Rural economies: stepping stones to healthier futures* – cited in Defra (2004) *Rural Strategy 2004*, p65
- <sup>16</sup> Department for Business Enterprise and Regulatory Reform, *VAT Registrations* – cited by the Commission for Rural Communities
- <sup>17</sup> ARUP (2008) *Matthew Taylor Review on Rural Economy and Affordable Housing – Analysis of Responses to the Call for Evidence*
- <sup>18</sup> Defra (2007) *Barriers to farm diversification – Report of the Joint Industry-Government Working Group*, p21, see: <http://www.defra.gov.uk/farm/working/diversify/pdf/barriers-diversification.pdf>
- <sup>19</sup> Communities and Local Government (2005) *Planning Policy Statement 1: Delivering Sustainable Development*, p13 and CLG (2001) *Policy Planning Guidance: 13 Transport*, p5
- <sup>20</sup> Communities and Local Government (2006) *Planning Policy Statement 3: Housing*, "Considering whether sites that are currently allocated for industrial or commercial use could be more appropriately re-allocated for housing development.", para 44, p16
- <sup>21</sup> Communities and Local Government (2005) *Planning Policy Statement 6: Planning for Town Centres*
- <sup>22</sup> *North West Draft Regional Spatial Strategy: Examination in Public, October 2006-February 2007, Report of the Panel, March 2007*, p67
- <sup>23</sup> *North West Draft Regional Spatial Strategy: Examination in Public, October 2006-February 2007, Report of the Panel, March 2007*, p68 – emphasis added
- <sup>24</sup> ODPM (1992) *Planning Policy Guidance 4: Industrial, commercial development and small firms*
- <sup>25</sup> Communities and Local Government (2004) *Planning Policy Statement 7: Sustainable Development in Rural Areas*, p12

- <sup>26</sup> ARUP (2008) Matthew Taylor Review on Rural Economy and Affordable Housing – Analysis of Responses to the Call for Evidence
- <sup>27</sup> Communities and Local Government (2004) Planning Policy Statement 7: Sustainable Development in Rural Areas, p12
- <sup>28</sup> Dwelly et al (2005) Under the Radar, p4
- <sup>29</sup> Communities and Local Government (2007) Planning Policy Statement 4: Planning for Sustainable Economic Development, p10 and p12
- <sup>30</sup> Shropshire Enterprise Partnership Limited Submission to the Review – Survey of 400 home-based entrepreneurs found that 74 per cent cited a ‘lack of custom built work space in my home’ hampered business growth
- <sup>31</sup> Hollis F (2007) The workhome... a new building type? Department of Architecture and Spatial Design / Cities Institute. London Metropolitan University, PhD thesis p351
- <sup>32</sup> Magna Enterprise Start up Initiative – correspondence with the Review team
- <sup>33</sup> ARUP (2008) Matthew Taylor Review on Rural Economy and Affordable Housing – Analysis of Responses to the Call for Evidence

## CHAPTER 5

- <sup>1</sup> Planning and Compulsory Purchase Act 2004
- <sup>2</sup> Communities and Local Government research into emerging RSS as at February 2008
- <sup>3</sup> Communities and Local Government (2007) Homes for the future: more affordable, more sustainable
- <sup>4</sup> Three Dragons (December 2007) Assessing the rural content of Regional Spatial and Regional Housing Strategies, report for the Commission for Rural Communities
- <sup>5</sup> Three Dragons (December 2007) Assessing the rural content of Regional Spatial and Regional Housing Strategies, report for the Commission for Rural Communities, p6
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