

DRAFT RESPONSE SERVICE

As part of the Rural Opportunities Bulletin, RSN will regularly provide concise potential responses to key current consultations. These are not intended to be definitive or to reflect the views of RSN and may include potentially opposing responses to reflect different views designed to assist individual organisations in compiling their own response. We do however recognise the pressure members are under and we hope this service will assist.

National Planning Policy Framework and developer contribution – Ministry of Housing, Communities & Local Government consultations

The government has published consultations on the revised National Planning Policy Framework and the reform of developer contributions. The government state that: “This planning reform package is fundamental to delivering the homes we need and ensuring that we get the right homes, of the right quality, built in the right places.”

The revision of the National Planning Policy Framework is stated to implement around 80 previously announced reforms. The government is seeking views on the wording that implements these commitments. You can view more details on the changes to the National Planning Policy Framework, and find out how to respond to the consultation via this link:

[Draft revised National Planning Policy Framework consultation](#)

Following the announcement at Budget 2017, the government is also seeking views on reforms to the system of developer contributions. You can view more details on the developer contributions reforms, and find out how to respond to the consultation via this link:

[Consultation on supporting housing delivery through developer contributions](#)

Both consultations close on 10 May 2018.

<https://www.gov.uk/government/collections/national-planning-policy-framework-and-developer-contribution-consultations>

Suggested potential response

The proposals contained in the consultation document will have a significant impact on rural communities and rural areas. This response from the Rural Services Network (RSN) focuses on a series of key issues raised in the consultation as set out below.

Housing Needs Assessments

(NPPF paragraphs 61- 62, NPPG pages 24 – 32)

Adoption of a standardised methodology in relation to Local Housing Needs Assessments is helpful, potentially saving a great deal of time and resource in justifying the particular methodology used. It is particularly welcome that the size, type and tenure of the homes needed will also be identified, including affordable homes.

However, there is a danger that the specific needs and requirements of rural communities could be overlooked in this exercise. There is no requirement to provide a rural analysis or target for supply of housing, including affordable housing in rural areas. Without this it will be difficult for Local Planning Authorities (LPAs) to ensure delivery of the type of homes needed in rural communities and withstand inappropriate development that arises when the Housing Delivery Test shows a shortfall in supply of new homes.

In addition, the lack of guidance on how LPAs are to provide a housing requirement figure to Neighbourhood planning groups could leave the Neighbourhood Plans open to challenge at Examination and potentially result in some groups deciding not to proceed with a housing element to their Neighbourhood Plan. In such cases where the Local Plan has left the detailed policy for rural housing delivery to Neighbourhood Plans there is a real danger that there will be a policy vacuum and the need for affordable housing could go unmet.

Response to Question 14

- The NPPF should make it a requirement that LPAs set a housing target, including an affordable housing target, for its rural communities to ensure that their housing needs are met by new development, including addressing rural needs in any action plans that are triggered by shortfalls in delivery identified by the Housing Delivery Test.
- The NPPG should provide guidance on how LPAs should establish a Housing Requirement figure for Neighbourhood Plan Groups that is appropriate to the specific community and allows the Group to meet its overarching Neighbourhood Plan goals.

Housing Delivery Test and Presumption in favour of sustainable development

(NPPF paragraphs 77- 78 NPPG pages 13 – 23)

The drive to improve the supply of a range of homes through a plan led approach is helpful. However, this raises two challenges to delivering rural affordable housing.

Firstly, it is likely to reduce the supply of rural exception sites as landowners hold onto sites in the hope that they will be allocated in the near future. If these sites are less than 10 units under the draft NPPF they will not provide affordable housing- this is a very significant mistake in terms of housing policy affecting rural areas.

Secondly, past experience shows that the presumption in favour of development has resulted in housing developments in rural communities that are inappropriate in scale and type of provision, even where the failure of delivery is a consequence of urban schemes not being completed.

The 'protection' provided for recently adopted Neighbourhood Plans is helpful, but limiting this to plans that have been adopted in the last two years is too short a timeframe. These plans are prepared through the devotion of considerable volunteer time. It is highly unlikely that they will have the capacity, willingness or resources to review their Neighbourhood Plans within 2 years of a referendum. The result will be their inability to withstand inappropriate development, undermine the credibility of Neighbourhood Plans and dissuade communities from revising their plans or even taking on a Neighbourhood Plan.

The stated consequences of not meeting the Housing Delivery Test are unwelcome. There are many reasons why particular sites may not be developed and the target not met. The requirement to produce an Action Plan is helpful as this will enable such reasons to be explored and potentially resolved but the immediate introduction of potential new sites thorough a buffer or the presumption in favour of sustainable development could have significant impacts on specific areas and communities, under-mining the plan making process and the public's confidence in it

Response to Questions 11 and 12

- The NPPF should allow LPAs to set their own thresholds for affordable housing contributions, including from sites of 10 or less dwellings in their designated rural areas defined as parishes with a population of 3,000 or less.
- The NPPF should require LPAs to set a housing requirement and trajectory for its rural areas and report progress in meeting this through its Annual Monitoring Report. This will help it identify precisely where delivery has failed.
- The NPPF should state that presumption in favour of sustainable development will only be applied to the specific locations within a Local Plan area where sites have failed to deliver the homes that were expected to meet the Local Plan's Housing Requirement figure.

- The time period since referendum that would allow a Neighbourhood Plan to withstand applications under the presumption in favour of sustainable development should be extended to approval with the last 5 years.

Viability

(NPPF paragraph 34, NPPG pages 4 – 12)

The principal that viability testing should be set at Local Plan making stage rather than at the point of decision making is helpful as is the publication of Viability Assessments. However, policy for affordable housing contributions should be based on relevant site typologies so that the policy can be applied to a range of sites, including those yet to be identified as part of providing an on-going five - year land supply.

From a rural perspective specific guidance is required for setting benchmark land values for rural exception sites. Unlike other residential sites, rural exception sites do not have a development value because their principal purpose is to provide affordable housing. This remains the case even when there is an element of market housing to, as the NPPF states, facilitate the provision of affordable homes to meet local needs. Building on the well established practice it is proposed that this is set at £10,000 to £12,000 a plot

Response to Questions 10 and 8

- Viability Assessments should, alongside evidence of housing need, inform Local Plan policies for affordable housing contributions. These should be based on typologies of sites, not sites that will be allocated.
- The NPPG should include guidance on benchmarking rural exception sites at £10,000 to £12,000 a plot.

Affordable housing thresholds

NPPF paragraphs 64/65/69

The proposals do not address the long rehearsed and evidenced case that LPAs should have the discretion to set their own thresholds for affordable housing in rural areas. This would give them the facility to take contributions from sites of less than 10 dwellings, which are the principle size of site of residential development in rural areas. Allowing a threshold of 5 dwellings or less does not address the problem as these are likely to result in a fraction of a house which can only be taken as a financial contribution, but with few, if any, opportunities to use this to provide affordable housing in the village where the development has occurred.

Response to Question 14

- The NPPF should allow LPAs to set their own thresholds for affordable housing contributions, including from sites of less than 10 units in their designated rural areas. These should be defined as parishes of 3,000 or less population. This definition is proposed because parishes are already defined and census data is readily available to define which are of 3,000 population or less.

Entry level rural exception sites

(NPPF paragraph 72)

Early entrant exception sites will, it is believed, severely undermine the supply of rural exception sites and the ability of LPAs to meet the needs for affordable housing in rural communities. The limited requirements in terms of the proportion affordable housing, perpetuity and local connection will result in a land price that is above that of a rural exception site. The result will be a reduction in landowner interest in providing Rural Exception Sites and less affordable housing provision. Moreover, the lack of choice of sites in rural areas and inability to take contribution from sites of less than 10 units means that, unlike urban areas, there will be no alternative sites to provide affordable housing to meet local housing needs

Response to Question 13

- Entry level exception sites are not supported.
- If they are to go ahead they should be restricted to urban areas.

Rural Housing

(NPPF paragraphs 79 – 81)

The requirement of a positive response to meeting housing needs across a range of settlements in rural areas is very welcome. However, the mechanisms promoted will not achieve the Government's objective. The absence in the NPPF of any provision to allow affordable housing contributions from sites of less than 10 units will force reliance on rural exception sites. Whilst they have made an important contribution, their complexity has meant that supply of rural affordable homes has remained consistently well below the numbers needed. Moreover it is likely that the supply of rural exception sites will reduce significantly as landowners hold out for allocation of their sites, potentially with no affordable housing contribution, or seek to secure permission as an entry level exception sites which will not meet the range of needs of rural communities – particularly for affordable rented homes.

There is also a concern that in low value areas rural exception sites will only be viable without grant if there is more than 50% affordable housing on site. This undermines the principle and purpose of the rural exception site policy.

Response to Question 14

- The NPPF should allow LPAs to set their own thresholds for affordable housing contributions, including from sites of less than 10 units in their designated rural areas. These should be defined as parishes of 3,000 or less population. This definition is proposed because parishes are already defined and census data is readily available to define which are of 3,000 population or less.
- The definition of rural exception sites in the Glossary is revised to allow for market housing where there is limited grant, rather than no grant.

Affordable Housing Definition

(NPPF Annex B Glossary)

Restricting the provision of affordable rented housing to registered providers and Build to Rent schemes will prohibit development of these homes by Community Land Trusts (CLTs) and other non-registered housing charities. There has been a significant increase in the delivery of this tenure by CLTs in rural areas with the majority of homes being in the form of affordable rent. It would be unfortunate if this route to meeting need was closed at the same time as the Government is supporting its delivery through the Community Housing Fund.

The definition of Starter Homes does not make reference to the provision made in the Housing Act 2016 for LPAs to exclude Starter Homes from rural exception sites.

Response to Question 43

- The definition of affordable rent should be widened to allow development by a wider range of organisations to include those that have a legal entity and whose purposes include providing affordable housing.
- The definition of Starter Homes should refer to the statutory provision to exclude these homes from rural exception sites.

Supporting a Prosperous Economy

(NPPF paragraphs 84 – 85)

Specific reference to the needs and opportunities of the rural economy are welcomed.