

Rural Services APPG

All-Party Parliamentary Group on Rural Services
27th January 2021 at 9:45am
On-line via Zoom

ANNUAL GENERAL MEETING

The purpose of the meeting was to hold the AGM, elect the officers for the current year and welcome the Housing Minister, The Rt Hon Christopher Pincher MP, to discuss the recent MHCLG Planning Consultations.

PRESENT

The Rt Hon Christopher Pincher MP (Housing Minister)

MEMBERS

Rt Hon Philip Dunne MP (Ludlow) CHAIR

Lord Richard Best

Rob Butler MP (Aylesbury)

Lord Rupert Carrington

Lord James Crathorne

Bishop Christine Harman (Newcastle)

Lord John Taylor

Stuart Crow (Senior Parliamentary Assistant, Flick Drummond MP)

Micah (Office of Tim Farron MP)

Arthur Virgo (Office of Rt Hon Philip Dunne MP)

OBSERVERS

Lizzi Hearn (Campaigns and Policy Officer (Housing and Economy, CPRE))

Aidan Hilton (Office of Minister for Housing)

Jo Lavis, Rural Housing Advisor to ACRE

James Mustoe (Office of Steve Double MP)

Imogen Taylor (Rural Communities, DEFRA)

In attendance from Secretariat

Graham Biggs MBE (RSN)

David Inman (RSN)

Bethan Aldridge – Minute taker (RSN)

1. Apologies for Absence

Lord Ewen Cameron of Dillington
Steve Double MP (St Austell and Newquay)
Flick Drummond MP (Meon Valley)
Rosie Duffield MP (Canterbury)
Michael Fabricant MP (Lichfield)
Tim Farron MP (Westmorland and Lonsdale)
Richard Holden MP (North West Durham)
Chris Loder MP (West Dorset)
Scott Mann MP (North Cornwall)
Julie Marson MP (Hertford and Stortford)
Jerome Mayhew MP (Broadland)
Rt Hon Owen Paterson MP (North Shropshire)
Laurence Robertson MP (Tewkesbury)
Selaine Saxby MP (North Devon)
Greg Smith MP (Buckingham)
Derek Thomas MP (St Ives)
Tom Tugendhat MBE MP (Tonbridge and Malling)
Baroness Watkins

Steve Dowling (ACS)
Chris Hinchliffe (CPRE)
Barbara Jones (DEFRA)
Sarah Lee (Countryside Alliance)

Welcome

The Chair welcomed everyone in attendance and confirmed that the meeting was quorate.

He referred to the work of the Group this last year including issues relating to connectivity e.g. transport, the Rural Bus Services strategy and in particular Digital Connectivity. Connectivity had been a main theme throughout this year and Matt Warman MP (Minister for Digital Infrastructure) attended the previous APPG meeting to discuss the department's work on this. We were also very fortunate to have the Rt Hon Stephen Barclay (Chief Secretary to the Treasury) attend a meeting in October to discuss the forthcoming Spending Review (SR). As a consequence of the SR, the Chair has written a strong letter (circulated to all APPG Members) to Matt Warman MP to express his concerns regarding the reduced funding, impact on timescales and the overall effect on rural connectivity roll-out.

2. Notes of Previous Meetings

13.10.20 with Rt Hon Stephen Barclay MP (Chief Secretary to the Treasury) and
03.11.20 with Matt Warman MP (Minister for Digital Infrastructure) (please see link [here](#))

Notes of both meetings were agreed as a correct record.

3. Election of Officers

The following were (without opposition) appointed as the Officers of the Group for the following year:

Chair: The Rt Hon Philip Dunne MP (Ludlow)

Vice-Chair: Rob Butler MP (Aylesbury), Rosie Duffield MP (Canterbury), Julie Marson MP (Hertford and Stortford), Selaine Saxby MP (North Devon) and Lord Carrington

Treasurer: Lord Crathorne

Secretary: Lord Cameron

5. Discussion of Work Programme for 2021

Whilst waiting for the Minister to arrive, Item 5 was discussed, and the following topics considered:

- Lack of reliable Mobile Phone/Broadband connectivity – recurring theme. There has been some improvement, but more is still required.
- Rural Bus Services/Rural Transport Strategy
- Towns Fund/Future High Streets Fund – concern that much smaller Market Towns have missed out on this funding as focus is on larger towns with population of 50K rather than those of 7/8K population.
- Farming – impact of Brexit. As such a wide topic it may be possible to link to specific aspects from the Agricultural Bill or the Environment Bill currently working their way through Parliament. The Environment Bill may have impact on rural services but will have to wait for regulations to be published.
- Levelling up Fund
- Shared Prosperity Fund – links with Small Towns Development Fund
- Skills for Jobs: Lifelong Learning and Opportunity for Growth White Paper
- Energy White Paper and Consultation Papers arising from it

Action: The Chair thanked everyone for their input and will arrange the work programme to take into account as many of these topics/themes as possible.

4. Discussion on the recent MHCLG Planning Consultations

Invited Guest: Rt Hon Christopher Pincher MP, Housing Minister (MHCLG)
(see attached Briefing Paper re Planning White Paper)

The Chair welcomed the Housing Minister to the meeting to discuss the radical changes to the current planning system and the impact of those changes.

The Housing Minister gave his thanks for the invitation and opportunity to speak to everyone. He also confirmed that he was keen to work with APPGs and that he thought they were a very useful tool for providing help and feedback and that he would be very happy to return for another meeting if required.

Both consultations were launched on the 6th August and the Changes to the Current Planning System (including Local Housing Need Methodology to work out the annual house build targets for local areas) closed on 1st October. The second consultation, Planning for the Future White Paper closed on 29th October.

The original proposals on calculating housing need had been changed following feedback on how to meet the challenge of building 300K new homes by the middle of the decade and taking into account the Covid and “Amazon” effect on urban regeneration. There will be a 35% uplift on twenty of the largest cities in England. This has been well received by local authorities and MPs and the challenge is to make this real and to regenerate these town centres. There will be no changes to the existing allocations in other areas.

The second consultation on the Planning White Paper has had 44.5K responses which the Minister’s department is still working through. He affirmed that that consultation was the beginning of the process and not the end. The department has held round tables, including with rural groups, and has had 10K responses from the Woodland Trust alone and is continuing to engage with internal stakeholders. The final response will not be available for some time.

The themes picked out so far from the responses are:

- Regeneration in zonal mapping.
- Digital agenda is advanced as it underpins proposals.
- Local authority skills review– ensure that local authorities have the necessary resources and skills for the way in which we want planning to run but need a skills review to ensure best results.

A formal response will be given later this year followed by legislation but currently continuing with consultation review. The Minister when asked by the Chair, confirmed that the objective is to get the legislation into the next session of Parliament.

The Chair expressed his concern re the lack of access to digital capacity for rural areas. The Minister is meeting Matt Warman MP (Minister for Digital Infrastructure) shortly where this will be discussed. Currently, the planning process is still mainly paper based. The move to digital and map based will make it easier to understand and easier to access. Changes to IT are needed and working with local authorities to make sure they have tools to use and also working with the IT sector to make those tools available.

The Minister agreed that the need is to ensure rural areas are not disconnected from this and that local authorities have what they need to help those residents who are, for whatever reason, digitally challenged to have access.

The Chair wished to discuss the four main topics of concern raised in the briefing paper if the current proposals were adopted:

- Delivery of new affordable homes will be reduced.
- The PWP presents a threat to the sustainability of most rural communities.
- Rural areas will suffer a democratic deficit.
- Neighbourhood Plans could become no more than local design guides

Lord Taylor also raised the Small Towns Development Fund and his concern re missing targets. The Minister reassured him that the planning reforms would ensure that towns would have renewable zones, more people living within the towns, more elderly accommodation etc. Effectively, local authorities would map what their towns would look like. Money wise, there was the Towns Fund, and the High Street Fund (£4bn) from which local authorities could bid for “shovel-ready” projects. Plus, the Affordable Homes Fund (£11bn) for 80K new homes which Rural Housing Associations can bid for money to build an array of homes with 50% for affordable to buy or rent homes.

The Chair queried the severe impact on affordable homes in rural areas, if Section 106 and the CILS levy are to be replaced, as proposed. The average site in the rural areas of his constituency is between 10-20 houses; so how will this work? Also, in respect of increasing the site threshold for developer contributions to affordable housing to 40 or 50 units, the proposed rural exemption that uses Section 157 of the Housing Act 1985 to define rural areas does not seem relevant or appropriate for this purpose.

The Minister stated that the intention was that the new proposals would produce at least as much affordable housing (if not more) than at present. He noted that the central programme of Housing Associations is to provide affordable homes. Currently the Local Authorities determine the Levy and Section 106 but 80% say that developers are too slow to pay and it does not result in the infrastructure or affordable housing the community anticipated as most is negotiated away. Under the proposed new Levy, we will be able to produce as much housing as current methodology, but the Levy will be more straight forward. More money will go to the public purse be it be paid by the local authority or developer and it will be done more rapidly than now. The Chair questioned the proposal to set the charge nationally given the differences in market values across the country. The Minister stated he was “alive to the challenge”.

In respect of the 40 - 50 dwelling threshold, the Minister stated that this was a temporary measure in response to the impact of Covid on SME’ developers. It was being proposed to keep SME’s developing in the housing market as providers of small sites.

The Minister said he was conscious of the point about thresholds and rural concerns and that using the Housing Act of thirty-five years ago to look at current planning issues may no longer be appropriate. The Minister noted that the rural exemption was being

proposed for First Homes Exception Sites. He suggested it may be possible to build affordable homes alongside the development of First Homes.

The Chair suggested that small rural communities should be exempted from the 40 to 50 dwelling threshold. The Minister acknowledged that this had been raised in the consultation Round Table for rural interest groups and he will look into this. He also thought it would be of interest to DEFRA and the focus on rural communities would not be exclusive to MHCLG. The Chair agreed that cross-department approval would be needed. Graham Biggs amplified that the Right-to-Buy legislation, which was being used to define rural areas for exemption, was thirty-five years old and was inappropriate to define rural areas for a planning purpose. He felt that a simpler definition of parishes of under 3000 population would be a better approach and one he felt Defra would generally support. The Minister agreed to go away and have a further look into this matter. He also noted that the Secretary of State, Rt Hon Robert Jenrick MP, was mindful of these issues.

The Chair moved on to discuss the issue around the Zoning proposals and in particular Protection Zones which would apply across many rural areas. He also raised the point that the Planning White Paper made no mention of Rural Exception Sites from which it might be inferred that they would not be retained. The Minister recognised that the Rural Exemption sites were not included but stressed that it was intended they would continue as a mechanism to deliver rural affordable housing. Supporting this he noted that officials would be providing a guidance note to encourage their uptake.

The Chair also wished to discuss the Sustainability argument around zoning areas. He noted that the Protection Zone status would include many rural areas, not just National Parks and AONBs, and there were concerns that Protection Zone status could result in restricting development leaving social and economic needs of these areas unmet. The Minister said it would be for Local Authorities to determine what development they wanted by mapping the whole of their area into designated zones. In respect of a Protected Zone, development proposals will still go through a planning application process as now, unlike the Growth and Renewal Zones where a more fast-track system will operate.

The Chair asked if Local Authorities will be able to develop their own policy. The Minister stated that Local Authorities will map their whole geography and put it, local area by local area within their boundaries, into one or other of the three zones. Then they can be more specific about design, infrastructure etc. in each zone. This will allow Local Authorities and communities to develop their own designs and allow developers to know what expectations are up front.

The Chair asked for clarification on whether or not this meant that the planning role for Local Authorities was that of a design role rather than any other policies. The Minister confirmed that this was not the case but that design was one of the key roles that they undertook. He commented that one of the complaints from the public is about how something looks. But he also noted that Local Authorities still have to define where

they need development built, e.g., housing, commercial, residential, infrastructure etc. They still have some responsibility but those decisions are brought forward in the process rather than on individual planning applications; i.e., be more strategic.

Regarding sustainability, the Minister is working closely with DEFRA on the Environment Bill and bio-diversity net gain, both of which were built into the consultation on planning reform. Rebecca Pow MP and her team at Defra have been working on this. The Minister also noted that he regarded the present Environmental Impact Assessments as a “tick-box” activity which was not focused on outcomes. He is trying to make this process more transparent, quicker but not lose social and environment impacts. He wants to make the system more evidence based – with the focus on social, economic and environmental outcomes from planning proposals.

The Chair raised another issue with regard to consents granted but not built. The LGA has calculated there are 1 million of these properties not built. The Minister had seen different figures and noted that he was aware that last year 341,000 consents had been granted and he was keen to collect ideas on how to incentivise developers to build. He noted that this is built into the White Paper and he is keen to identify those opportunities to encourage optimal build. He stressed that we needed to be careful that we do not ignore economic realities and pursue policies that deter SME's from building.

The Chair moved the discussion onto democratic deficit. Local people making local recommendations and a potential reduction in the role of Local Authorities. The Minister said that since taking up his post he has been made aware that only 1% of communities are actively engaged in the Local Plan planning process and this rises to 2 or 3% for individual applications because it is complicated. He explained that we need more people involved and the objective of the planning reforms is not to remove local accountability but to have it done more strategically. People will see what is prepared for their geography, what it could look like, design codes, infrastructure etc, and opponents can have their say earlier in the process. This will change the way we do planning in this country. The Minister also noted that planners themselves would be released from administration and be able to do more of what they were trained to do at university, which would drive more interest in the profession.

The Minister also stated that he does not want to undermine Neighbourhood Plans and wishes these to contribute significantly to this new process and also to expand the network of Neighbourhood Plans. He is working on ways to make it easier to develop these Plans and how they feed into the Local Authority Strategic Plan. The Chair welcomed this approach but noted that currently Neighbourhood Plans are about where and how many houses are being built rather than how they look. He thought the approach was laudable but may not be achievable.

Rob Butler MP raised the query regarding different types of rural areas and his fear that if a rural area is not in a Protected Zone what types of development will happen. The Minister said that he did recognise different types of rural areas and gave the

example of his own constituency where he had real rural farmland, beautiful rural villages and green belt protections and the need to maintain the manifesto commitment regarding both housing need allocations and Green Belt Protection. He stressed that Local Authorities need to make clear plans for the Planning Inspector to review and any constraints. Rob Butler commented that they would also need to put into these plans any areas not in the protection of the green belts.

The Minister confirmed that the Local Authority must have an up-to-date local plan and review it. This then protects them from speculative development and using all the tools for brownfield and town development. The toolkits are there to be used.

The Chair thanked the Minister for his time and concluded that he would write to him to follow up on some of the issues raised, including thresholds for rural area exemptions and rural exception sites for affordable housing. He also suggested the APPG may wish to take the Minister up on his offer to meet again once the response to the consultation is published prior to legislation being debated in the next Parliamentary session.

The Minister thanked the Chair again for this invite and stressed that he was keen to work with the APPG and very happy to return for a further meeting in the Summer.

6. Date(s) of Next Meeting

Wednesday 21st April and Wednesday 7th July 2021 both to start at 10am.

Topics to be confirmed from work plan.

Meeting finished at 11:05am.