

Rt Hon Robert Jenrick MP
Secretary of State for Housing, Communities and Local Government
2 Marsham Street
London
SW1P 4DF

18 August 2020

Without revision, proposed changes to the existing planning system risk drastically reducing the supply of affordable homes in rural communities

Dear Robert Jenrick,

As organisations who share a commitment to securing a vibrant and sustainable future for rural communities, we urge you to reconsider two specific proposals put forward in the consultation, 'Changes to the Existing Planning System'.

You will be aware, that government statistics already show a chronic and acute shortage of affordable housing in rural areas. Lower quartile affordability ratio for mainly rural districts is 9:1, only 8% of properties are social housing (compared with 19% in urban areas), and last year only 5,558 new affordable homes were built in rural communities with fewer than 3,000 residents. We therefore urge you to amend two proposals contained in the government's open consultation on changes to the current planning system.

Requirements for affordable housing contributions on smaller rural development sites

The proposal to raise the threshold that triggers affordable housing contributions from 10 to 40-50 dwellings for a limited time period will drastically reduce the supply of rural affordable homes. This is because in many rural communities, residential developments tend to be smaller than 10 dwellings. The consultation document proposes an exemption to this rule in designated rural areas based on the S157 1985 Housing Act definition, however this measure will be largely ineffective because it will not apply to 70% of smaller rural communities.

Despite good intentions, these changes will not help SME builders. During the 2008 recession, these developers continued to build in rural areas because housing associations bought the affordable homes, guaranteeing the developers with an income that supported cash flow, kept the site under construction, contractors working and promoting future market housing. Their opportunities to develop in the future will however be further constrained by their inability to compete in purchasing sites because removing affordable housing requirements will lead to higher land values.

Supply of rural exception sites

Our second concern is that First Homes Exception Sites will seriously damage the supply of rural exception sites in non-designated areas, and with it, the ability to meet a broad range of housing needs. Landowners will choose to sell their land for First Homes Exception Sites, which, because they will provide predominantly affordable housing for sale, are likely to command a higher land

value than rural exception sites. They will also cause confusion and destroy the emphasis on community engagement. Gone will be the opportunity provided by rural exception sites to provide a mix of affordable homes tailored to the specific needs of the community, often including discounted market sale in perpetuity.

To an extent, this risk is recognised in the proposal by not applying First Homes Exception sites in designated rural areas. However, again the chosen definition to define these areas means 70% of small rural communities will be excluded. Yet as the Housing Minister recently stated in a letter to the Rural Housing Alliance, *“The National Planning Policy Framework makes it clear that in rural areas, housing development that reflect local needs should be supported. The Framework also includes the rural exception sites policy that promotes affordable housing led development, and makes it clear that planning policies should identify opportunities for villages to grow and thrive, especially where this will support local services.”*

How to avoid these risks to rural affordable housing delivery

Each of these concerns is a problem in itself, but together they will be catastrophic to the delivery of rural affordable housing. This can be avoided by two simple steps.

1. Replace the definition of designated rural areas from those areas listed under S157 regulations to all parishes with a population of 3,000 or fewer. This would provide a definition that is transparent and readily understandable, easy to evidence and update, efficient and simple to apply, whilst providing consistent coverage across rural England
2. Adopt the wording in the NPPG¹ that was introduced in July 2019 that allows local planning authorities to set their own thresholds for affordable housing in their designated rural communities but as above not just those with S157 designation)

Over the years, our organisations have worked with rural residents to produce high quality affordable homes that are available in perpetuity and have been welcomed by rural communities. The revisions we are proposing will provide housing for the owners and employees of local businesses ,many of whom have been key workers in the response to COVID-19 – and indeed before the pandemic, the customers and providers of local services and the volunteers and family members who provide the social support for more vulnerable residents.

The revisions we are calling for are essential if the Government wishes to deliver its ‘Levelling Up’ agenda in rural areas and, as the Prime Minister put it recently, provide the homes we need, the places people want to live and at prices they can afford.

Yours sincerely,

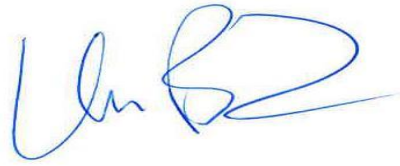


Richard Quallington, Executive Director
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¹ National Planning Practice Guidance - Paragraph: 009 Reference ID: 67-009-20190722



Ursula Bennion
Chair, Rural Housing Alliance



Margaret Clark
Chair, Plunkett Foundation
Chair, Rural England Stakeholder Group

Action with Communities in Rural England (ACRE) is the national voice for our 38 member organisations who make up the country's largest rural network. Together, we reach 52,000 grassroots organisations in 11,000 rural communities. Many of our network members employ Rural Housing Enablers who support communities to meet their affordable housing needs.

The Rural Services Network membership is 154 local authorities (counties, unitaries, districts and boroughs) from across England and over 85 other public, private and civil society sector organisations, such as fire and rescue authorities, housing associations, bus operators and land based colleges.

The Rural Housing Alliance is a group of leading housing associations that develop and manage homes across rural England.

Plunkett Foundation is a national charity, working across the UK to provide access to advice and expertise for the benefit of community businesses.

Rural England Stakeholder Group is a group comprising 37 national organisations with a rural interest and 8 individuals who were previously involved with the Commission for Rural Communities