

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

16th June 2020

Proposals for changes to the national planning policy guidance to mitigate the negative impacts of Covid-19 on the delivery of rural affordable housing

Dear Secretary of State,

In response to Covid-19 the Government has recently made some welcome changes to national planning guidance so the planning system can function. However, there will be significant challenges ahead that are also consequences of the impact of COVID-19 on the development industry. These challenges have the potential to impact negatively on the delivery of rural affordable housing and Neighbourhood Plans. We would like to bring these to your attention and offer some suggestions that would alleviate these difficulties.

It is already predicted that there will be a fall in house prices¹ leading to a downturn in housing delivery as small scale developers struggle with cash flow and larger developers hold off moving forward larger sites. Both are being driven by falling consumer demand and constrained lending for development finance and mortgages.

These factors will have an impact on the ability of local authorities to meet Housing Delivery Test (HDT) targets but may be more apparent next year given that the HDT is assessed over 3 years. A more immediate impact will be on local authorities' ability to maintain a five-year housing land supply (5YHLS) as sites are either not delivered or are no longer deliverable and fewer sites come forward.

Related to the above there will also be an impact for Neighbourhood Plans. The inability of the Local Planning Authority to meet its HDT targets and have a five year housing land supply will mean that two of the criteria set out in NPPF paragraph 14 that enable a NDP to withstand development, put forward under the Presumption in Favour of Sustainable Development (PFSD) that is contrary to the NDP's policies, will not be met. There also remain the difficulties of making and revising Neighbourhood Plans given the current challenges of fulfilling the publicity and consultation requirements as set out in Regulation 16 of the 2012 Neighbourhood Planning Regulations.²

Under both scenarios the triggering of the PFSD will affect delivery of rural affordable housing. Experience over the last few years is that it has two impacts. Firstly, landowners either hold onto potential rural exception sites in the hope that the site may gain full market

¹ <https://www.cityam.com/how-badly-will-coronavirus-hit-uk-house-prices-in-2020/>

² <http://www.legislation.gov.uk/uksi/2012/637/regulation/15/made>

planning permission, or seek a higher land value for the rural exception site. Secondly, developers bring forward green field sites on the edges of villages that are often inappropriate in size. In both cases the result is less rural affordable housing delivery and that which is provided often fails to meet the nature of need, which is primarily for social rented housing. Such sites are also less likely to have the local connection occupancy requirements of a rural exception site development.

Despite rural local authorities often having very small Local Plan teams they have made great strides in putting in place up to date Local Plans and a rolling 5 year housing land supply. Forty seven percent of rural local authorities have adopted a Local Plan in the last 5 years, with 32% doing so in the last three years. A further 18% have a Local Plan currently submitted for Examination.³ Seventy eight percent of rural local authorities met their HDT targets last year and in none of them was the PFSD triggered.⁴

We fully accept the value of a Plan-Led approach to development and the importance of all local authorities having an up to date Local Plan. Balanced against this we also recognise the necessity for there to be appropriately scaled development in rural areas and an improved supply of much needed rural affordable housing. Objectives also supported by the NPPF.

Bearing this in mind and the threats posed by the longer-term impacts of Covid-19 on rural affordable housing delivery and Neighbourhood Plans we would offer the four following temporary mitigating measures.

1. Give a longer time for Action Plans to run before the HDT is judged not to have been met, with clear criteria that allow MHCLG to assess whether a LPA has used its best endeavours to improve delivery; including the factors that are preventing house-builders from playing their part.
2. Postpone the introduction of the 75% threshold for the HDT, planned for November 2020. Instead retain the 2019 threshold for the next 2-3 years.
3. Extend the current 5YHLS requirement to a 7 YHLS over the next two years. This would allow LPAs to evaluate delivery on individual sites without undermining the land supply position and take account of the fact that in a suppressed housing market it will take longer for sites to come forward.

³ Rural analysis using

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/890000/LPA_Strategic_Plan_Progress_-_1_June_2020.GOV.UK.pdf

And <https://www.gov.uk/government/statistics/2011-rural-urban-classification-of-local-authority-and-other-higher-level-geographies-for-statistical-purposes>

⁴ Rural analysis using

<https://www.gov.uk/government/publications/housing-delivery-test-2019-measurement> and



<https://www.gov.uk/government/statistics/2011-rural-urban-classification-of-local-authority-and-other-higher-level-geographies-for-statistical-purposes>

4. That for two years there is a relaxation of the criteria under which NDPs can withstand development that is not in conformity with their policies - perhaps extending the qualifying length of time over which the NDP has been made from two to four years and removing the other two criteria (NPPF para 14).

We would of course be very happy to discuss this with you further.

We are copying this letter to Lord Gardiner of Kimble Parliamentary Under Secretary of State DEFRA and Simon Gallagher – Director of Planning MHCLG

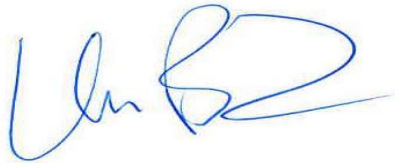
Yours sincerely



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Graham Biggs, Chief Executive
Rural Services Network (RSN)



Ursula Bennion
Chair, Rural Housing Alliance

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.