

Affordable Housing: The Government's response to the Taylor Review – 'Living Working Countryside'

Purpose of the briefing

- To inform RCAN about the Government's response to the Taylor Review of the rural economy and affordable housing.
- To identify opportunities and risks and encourage RCAN to work with local partners to ensure Government commitments are brought forward quickly.

Introduction

In 2007, the Government invited, Matthew Taylor, MP to make recommendations **about how to nurture a healthy rural economy and ensure an adequate supply of affordable rural housing**. Widely known as 'the Taylor Review', [Living Working Countryside](#) was published in July 2008. It argued that if rural communities are to thrive, the planning system must change to become an engine of regeneration.

After indicating it would respond last December, the [Government response](#) appeared on 26 March 2009. The delay had concerned rural and housing organisations believing it might mean a lack of support. However the Response was mainly very positive. The Government welcomed most of Matthew Taylor's 48 recommendations. In doing so it recognised that rural areas 'face a range of challenges which are very different in different parts of the country and require targeted responses at local level'. The Government also commented positively on the Review's extensive consultation noting that it had helped shape '**a growing consensus about what is needed in the English Countryside**'.

'The Response' was necessarily grouped under different themes to capture the range of the Taylor Review and reflect Government's rural priorities including creating and maintaining sustainable communities and increasing affordable housing supply. The Government stressed that its Response aimed to strike a balance between the needs of the environment and development.

Given the comprehensive nature of the Review there are several areas which relate closely to RCAN's work and provide opportunities for strategic and operational involvement. These are not related solely to the delivery of affordable housing in smaller communities but also incorporate the linked topics encouraging and supporting sustainable rural communities through Community Led Planning and economic development.

What did the Government's response say?

The Government was direct in stating that since it commissioned the Review in 2007, its attention has been necessarily drawn to the country's wider economic needs. Indeed this might have been a reason for the delay in publication. However the downturn undoubtedly means that the need for housing and planning reform has become more

pressing. It was therefore good news that almost all of the Matthew Taylor's 48 recommendations were 'generally agreed'. The Government also stressed that a number of the proposals had already been brought forward either through its own preceding actions or powers vested in its agencies or local authorities.

Reaction to the Government's response has been generally positive. The Commission for Rural Communities for instance stated it welcomed the Government's response and hoped it will be turned into affordable homes and a welcome boost to rural employment.

ACRE supports many aspects of the Government's response because it recognised the benefits of supporting community-led action, and increasing the long-term sustainability of local community life. The structure of this Briefing mirrors the Government responses to the Review with its main points summarised below:

Creating and maintaining sustainable communities

- Living Working Countryside

The Government's response agreed with Matthew Taylor's findings that national planning policy needed streamlining and some changes were required. In doing this the Government's wanted to create a framework to empower local planners to strike the right balance in the light of local needs and circumstances to support economic, environmental and social sustainability.

Encouraging sustainable growth in rural areas

- Promoting rural economic development

This section sought to ensure that economic policy benefitted rural areas as much as elsewhere through for example, *PPS4 Planning for Sustainable Economic Development*. The Review proposed a similar rationalisation of economic policy as it also recommended for planning policy (above). The Government agreed to the Taylor recommendations.

- Better support for home-based businesses, and live work units

The Taylor Review recognised that large scale business development is not appropriate in most rural areas but wanted to encourage the rural economy to thrive through his recommendations. The Government agreed with this and its response stated that some reform had already taken place. For example, PPS 4 will encourage local authorities to support small scale economic development where it provides the most sustainable option in villages.

Increasing housing supply in the long term

Generic Government housing policy asserts that everyone should have a home at a price they can afford. However the gap between demand and supply has led to a long term affordability problem and in response Government has made commitments to increase significantly delivery of housing including affordable homes. Given its breadth, this housing supply challenge this part of the response was across the many sub sections (below) with this briefing drawing out the important aspects:

- Master-planning
- Longer term vision for communities
- Community involvement
- Partnership Working
- Better infrastructure

- Smaller communities and affordable housing
- Section 106 sites
- Securing more sites for affordable housing
- Community Infrastructure Levy (CIL)
- Building regulations

Reflecting the rest of its response, the Government supported most of the review's findings about housing supply. However it did reject the call to end its eco towns planning policy statement. Instead it agreed to publish a statement on issues related to the sustainable growth of communities similar to another of the Taylor recommendations. The government proposed a competition for rural authorities wanting to extend their market towns. The plans developed and lessons learnt through that process would then be used to develop and disseminate rural proofing tools nationally.

The Government stated that it wants 'a countryside that can shape its own future with its voice heard by Government at all levels'. RCAN's involvement and championing of Community Led Planning is a fundamental tool of community empowerment (ref: Turning Empowerment into Action). Government introduced *the Empowerment Fund* that includes a 'Community Involvement in Planning' element with parts related to affordable housing delivery. The Taylor Review also wanted an assurance that the Community Infrastructure Levy (CIL) could be used to support infrastructure in community extensions, which the Government stated that it was sufficiently flexible to allow.

The review also made several recommendations in terms of smaller communities and affordable housing. Of particular interest was its proposition to review targets for affordable housing in smaller settlements and the role of councils in addressing these needs where affordable housing is not allocated within an authority's Local Development Framework. These and other recommendations were supported by the Government and its proposed actions included checking that rural targets are set at levels to reflect need and that ensuring councils 'up their game on rural delivery'. All of these aspects are areas where RCAN RHEs can have an influence.

Planning for economic recovery: streamlining planning and unblocking the system

This was another sizeable part of *Living Working Countryside* and included many separate facets to help improve 'the Planning System' and aid economic recovery. Again the Government's response supported almost all of these and this briefing focuses on the most important proposals:

- Streamlining planning
- The rural/urban definition
- Regional Planning and collaborative working
- Development plan documents
- Local housing markets
- Second homes
- Pre application discussions
- The Planning Inspectorate

Recently the Government has made reforms to the planning system to create a more streamlined structure. Taylor recommended further changes including a reduction of regulation placed upon local authorities. Again most of the Review's recommendations were supported with Government encouraging local planning authorities to think more 'broadly'.

The Government confirmed that it will continue to support and encourage collaborative working wherever possible and has worked in partnership with key agencies to establish projects and toolkits to do this. It also agreed its need to clarify urgently and publicise the weight to be given to emerging Development Plan Documents.

The Government did not support the call for a national database of local housing markets and affordability because it felt it was not cost effective or beneficial and similar information was already available through for example the National Housing and Planning Advice Unit.

The proposal for new planning procedures that would place greater restrictions on second homes was also dismissed in the response. Even though the Government realised this is an emotive issue (and was the part the media focused most when the Response was published) it felt changes were not feasible or appropriate. It cited that even as a trial there were practical problems of local enforcement and conflicts with Article 8 of the European Convention on Human Rights (the right of respect for private and family life).

Summary

The Government response is positive and was generally received favourably by commentators and stakeholders. Almost all of the Taylor Review's recommendations were supported and many have already been progressed or powers set down in legislation like PPS 3.

There are areas we think RCAN members should support at the local level. For example, they could create dialogue with planning officers about the recommendations and ensure that communities are able to lever in infrastructure payments. There are also a number of risks for members of RCAN. For example, will the Homes & Communities Agency believe that their new regional structures will enable them to influence and work with local authorities and there is no need to build the capacity of local agencies to facilitate dialogue between communities and planners?

There are clearly strong indications of a positive direction of travel for place shaping by local communities, additional housing in smaller rural settlements and away from doughnut urban extensions. However nothing has been enshrined in practice. For example it could be argued for instance that there are questions about whether local community visions will have sufficient weight with planning inspectors and will inspectors take due account of a rural version of 'sustainable communities'

It is important that RCAN and ACRE remains vigilant to help ensure that local authorities are encouraged to use the full range of powers and Government proposals outlined in its response to the Taylor Review are brought forward soon.