



Office of the
Deputy Prime Minister

Creating sustainable communities

Planning Policy Guidance Note 3: Housing Update

Planning for Sustainable Communities
in Rural Areas

January 2005

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Planning for Sustainable Communities in Rural Areas

The replacement paragraph 18 of PPG3 is as follows:

18. It is important that there is adequate housing provision in rural areas to meet the needs of local people and to contribute to the delivery of sustainable communities. Regional spatial strategies should set out how planning at the local level is expected to contribute to meeting identified rural affordable housing needs (including Gypsies and Travellers where relevant). Local planning authorities should make sufficient land available either within or adjoining existing rural communities to enable these local requirements to be met in a manner which contributes to the achievement of sustainable communities. Affordable housing provision in rural areas should be supported by a rural exception site policy (see Annex B). Rural exception sites should be small, solely for affordable housing and on land within or adjoining existing small rural communities¹ which would not otherwise be released for general market housing. The affordable housing provided on such sites should meet local needs² in perpetuity and count towards the overall level of housing provision. The rural exception site policy applies to both allocated or windfall sites.

An addition to paragraph 36 of PPG3 is highlighted in bold below:

36. Authorities should make specific allowances for all the different types of windfalls in their plans. Allowance should be made on the basis of examining past trends in windfalls coming forward for development and on the likely future windfall potential as assessed in a capacity study. No allowance should be made for greenfield windfalls (**except for rural exception sites**, see Annex B and refer to Annex D for good practice advice on capacity studies).

¹ Small rural settlements have been designated for enfranchisement and right to acquire purposes (under Section 17 of the Housing Act 1996) by S.I. 1997/620 – 625 inclusive and 1999/1307.

² Should be set out in the local development document and can include key or essential workers and those with a family connection.

The replacement Annex B of PPG3 is as follows:

Annex B: Rural exception sites

1. All local planning authorities that include rural areas should include a rural exception site policy in the relevant development plan document. A rural exception site policy enables the authority to allocate or release small sites within and adjoining existing small rural communities¹, which may be subject to policies of restraint, such as Green Belt, and which would not otherwise be released for housing, but only in order to provide affordable housing to meet local needs² in perpetuity.
2. In preparing local development documents, local planning authorities should take account of their local housing assessment and should consider the benefits of preparing village appraisals, which encompass assessments of housing, economic and environmental profiles of rural communities. In doing so, they should work closely with their local communities, landowners and housing providers to prepare strategies for implementing exception schemes, including identifying possible sites. Based on these assessments, the local planning authority should set out:
 - what the local planning authority considers to be ‘affordable’ housing for the purpose of the rural exception site policy in the context of its local housing assessment or other appraisal; and
 - the area within which needs will be considered ‘local’, for example, in terms of market towns, groups of villages or parishes, or even a single parish. In some areas it may be possible to name particular settlements where there is evidence of need and where opportunities for affordable housing on rural exception sites will be explored.
3. Development plan documents may allocate sites solely for affordable housing and should set out the criteria against which windfall sites will be considered.
4. Rural exception sites are not appropriate for general market housing or market housing for local needs only. It is unacceptable to include clauses in planning obligations which would enable lenders of private finance to dispose of property on the open market as a last resort if a borrower were to get into financial difficulties. Such clauses should also be unnecessary in the case of loans to registered social landlords, in part, because of the safeguards to private lenders offered by the Housing Act 1996. Planning obligations should be used to set out a cascade mechanism³ that will ensure that occupiers are always found for affordable housing provided on rural exception sites.

¹ Small rural settlements have been designated for enfranchisement and right to acquire purposes (under Section 17 of the Housing Act 1996) by S.I. 1997/620 – 625 inclusive and 1999/1307.

² Should be set out in the Local Development Document and can include key or essential workers and those with a family connection.

³ A mechanism which sets out the procedure to be followed to secure an occupant for affordable housing on rural exception sites, when such housing is vacated. This might set out the geographical areas or types of households that would be eligible for such housing.