

# Living Working Countryside

## The Taylor Review

### **Affordable Housing Drive to Create Rural Renaissance**

A fundamental shake up of planning and affordable housing policy is vital to breathe new life and prosperity into rural communities, a major report to the Government says today.

***Living Working Countryside***, the independent review by Matthew Taylor MP commissioned by the Prime Minister, finds that the high cost of homes coupled with the low wages of rural workers are creating unsustainable pressures that threaten the future of rural communities.

With the flight from cities to the countryside (the rural population has grown by 800,000 people in the last decade, twice the rate of urban areas) driving up house prices, young families are being priced out of the communities in which they work.

Average wages for people working in rural communities are now £4,655 lower than the national average, while first time buyer homes (the cheapest 25%) cost £16,000 more. A mortgage now costs a higher proportion of average income in the South West than in London.

The review recommends:

- new planning policies to shift growth of market towns from endless bland housing estates to create instead new neighbourhood extensions with shops and community facilities, workplaces and open spaces;
- a new 'community led affordable housing' initiative for smaller rural communities;
- and flexible new planning rules to encourage village businesses.

Matthew Taylor said: "The English countryside is a wonderful place to live and work - *if* you can afford a home, *if* you can find a reasonably paid job. But for too many people country life is challenging and urgent action is vital to stop villages dying and our market towns being wrecked by unsympathetic development.

“If we fail to build the affordable homes to enable the people who work in the countryside to live there we risk turning our villages into gated communities of wealthy commuters and the retired.

“In many cases just a handful of well designed homes, kept affordable in perpetuity for local people, will make all the difference to the sustainability of a village and its services.”

***Living Working Countryside*** recommends a series of major planning reforms to ensure that future developments put the economic, social and environmental needs of rural communities at their heart, creating communities people want, and are able, to live in.

The review’s proposals include a radical shake up of planning for the growth of market towns.

“We need to start creating attractive new neighbourhoods and communities as our market towns grow, or we’ll wreck them. Endless bland housing estates crammed onto the edge of towns are often unattractive, they fail to deliver local services, shops or open spaces. The residents end up driving into town for everything they need, clogging up the roads. No wonder local people so often oppose them”, said Mr Taylor.

Along with affordable village homes for local people and a transformation of the way market towns are developed, it also proposes that planning rules facilitate a broader range of rural business and boost home-based working in order to increase the wages of those people working in rural areas, which currently lag 20% behind their urban counterparts.

Mr Taylor added, “We are at a crossroads for the countryside. We can continue to let too many villages become exclusive enclaves of the elderly and wealthy, and market towns be ringed with endless housing estates - or we can create attractive communities in which people want and can afford to live”.

*Living Working Countryside* proposes:

- Planning policy (Planning Policy Statements and Planning Policy Guidance) should be reviewed as a whole to simplify and end conflicting messages over sustainable development to ensure economic, social and environmental factors are properly balanced;

- ‘Tick box planning’ based on a narrow range of sustainability criteria should be transformed into processes encouraging a long-term vision of what rural communities can and should be, to end the ‘sustainability trap’ in which villages deemed ‘unsustainable’ continue to decline.

#### On market towns:

- Planning policy should discourage unsustainable estate developments ‘doughnutting’ market towns. The Government should introduce new planning policy and an exemplar programme to encourage master planning the long term growth of market towns to create ‘new neighbourhoods’ and ‘community extensions’ which are attractive places to live, work and play, including local shops, workplaces, community facilities and open spaces;
- Encouragement for new development on brownfield (previously developed) land to protect the countryside is supported – but the review calls on the Government to examine unintended consequences such as ‘urban cramming’, inappropriate loss of gardens and other urban green space, and to encourage development to include more publicly accessible green space serving old and new communities as market towns grow.

#### On affordable housing for villages:

- A new ‘community led affordable housing’ initiative, encouraging rural communities to develop small groups of affordable housing for local people to rent or buy where they meet criteria of local support, good design, and are affordable in perpetuity to meet local housing needs;
- New encouragement for landowners to offer land for this affordable housing at affordable prices, including options for nominating a family member or employee for some of the property if that helps bring forward more affordable homes needed for the community;
- The review also examines the issue of second homes and concludes that they raise issues for a relatively small number of smaller communities where lack of full time residents puts schools and other services at risk. It suggests the Government should trial planning rules designed to control further conversion of

full time homes to second homes/holiday letting in one or more of the national parks.

To boost rural economies and employment:

- That new planning policy better recognises that all forms of business can be appropriate in the countryside, and proposes an end to planning rules and practices that encourage small rural businesses to move out of the countryside into urban centres as soon as they start to grow;
- New policy should support a more flexible approach to work-based extensions to homes to encourage home-based working and in particular start up businesses in the countryside to grow and take on their first employees;
- An exemplar programme to bring forward new rural business hubs and live/work clusters to support and encourage small rural businesses;
- Housing Associations should end bans on people setting up a home-based business in social and affordable homes.

*Ends*

#### Note to Editors

Copies of *'Living, Working Countryside'* will be available on <http://www.communities.gov.uk/planningandbuilding/planning/planningpolicyimplementation/reformplanningsystem/matthewtaylorreview/> from 9am Wednesday 23 July 2008.

### **Key Facts**

#### Migration to the countryside

- Rural population up 800,000 in last decade (up 7%, compared with 3% in urban areas).
- Half the urban population 'would like' to move to the countryside. 9 out of 10 rural dwellers want to stay there. Only 2 out of 10 urban dwellers want to remain.
- Migration age related – net outflow of people aged 15-30, net inflow of those aged 30-45 with families and 45-65.
- ONS project further 16% rural population growth by 2028, compared with 9% urban.

#### House prices

- Average house price £8000 more in rural areas than in urban.

- Lowest quartile house prices average £16,000 more (£140,000 rural, £124,000 urban); 1997 - £46,000 rural, £42,000 urban.
- In 2007 non-market affordable housing made up 13% of housing in rural areas, 21% in urban areas (1980: 25% in rural, 36% in urban). In many villages there is no affordable housing left.

### Local wages

- Local wages in rural areas average £20,895, compared with the national average £25,550.
- In the most rural areas the average local wage is £20,229, compared with £27,487 in the most urban areas.
- 28% of rural working people low paid compared with 18% in most urban areas.
- Rural areas have the highest ratio of lower quartile house prices to lower quartile (work place based) earnings. Figures for 2007 show that in rural areas average lower quartile property prices were 8.9 times average lower quartile earnings compared with a ratio of 8.2 in urban areas.
- Mortgage costs as a proportion of incomes are higher in the South West than in London and the South East.
- 1991-2001 increase of 417,000 in numbers travelling from urban homes to rural workplaces in England and Wales.

### First-time buyers

- In rural areas only 17% of purchases are by first-time buyers compared with 33% in urban areas.
- In the most expensive rural districts this falls as low as 8% (Caradon, Cornwall).

### Built up England

- Approximately 90% of England is undeveloped, only 10% (including gardens) is built up; even in South East only 12.2 per cent of land in the region is developed.
- 3 million new homes at present densities would add 0.5% built up area if all on greenfield sites. At present brownfield targets, this falls to 0.2%
- Recent planning policies have encouraged better use of land and enabled the proportion of homes built on brownfield land to rise from 56 per cent in 1997 to almost 75 per cent today and the density of new housing to increase from 25 to 45 dwellings per hectare between 1997 and 2007.
- However, many rural market towns plan to grow significantly.

### Rural business

- Very similar mix of business type as urban (e.g. manufacturing 14.6% of rural business, 14.9% of urban).
- Agriculture, forestry and fishing employs on average 4.5% in rural areas.
- Growth in knowledge-intensive business between 1998-2005 46% in rural areas (21% in urban).
- Most rural businesses have under 10 employees, 31% have no employees (compared with less than 10% in urban areas).
- Home-based work significantly more important in rural areas (less than 10% in urban areas, 17% in rural areas, 31% in most rural areas).

### Problems of Current Planning System

- According to The Planning Inspectorate as at May 2008 only 67 Local Development Framework documents had successfully gone through the system out of an originally expected 500+.
- Overall 43 per cent of all Development Plan Documents submitted for examination by May 2008 had been found unsound or withdrawn.
- Overly complex, e.g. the contents list of papers that were submitted for the Isle of Wight Core Strategy (which was subsequently withdrawn) ran to 38 pages alone.