



LAND, LANDOWNERS, AND THE DELIVERY OF AFFORDABLE HOMES IN RURAL AREAS

September 2023

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ENGLISH RURAL

FOREWORD

The countryside has an acute affordable housing crisis.

Less of the housing stock is owned and managed by affordable housing providers when compared to urban, house prices are typically higher than other housing markets and local incomes lower. There is high migration from urban to rural areas and not enough new rural homes are being built. For several decades now there has been a lack of ambition and investment in tackling this issue. It is a problem getting worse each year, to the detriment of the national economy and rural communities.

This insightful project, completed by researchers from University College London in collaboration with English Rural Housing Association undertakes a 'deep dive' into the use of rural exception sites as a mechanism for delivering new homes in the countryside. Most critically, affordable homes that secure benefit for the local community and low-income households who have a need to live there. In short, the research explores what is seen as an important part of the solution to the countryside's housing crisis.

First established in national planning policy back in 1991, rural exception sites provide a route for delivering small scale affordable housing developments in rural settlements. Subject to certain conditions being met, including ensuring that homes remain affordable and that households with a local housing need are given priority, planning is given on an exceptional basis. The exception being that the land to be developed sits outside of the settlement boundary and would not ordinarily attract planning permission.

Exploring rural exception sites in the way that this research does shines a light onto an underutilised and underrated planning policy, that when used effectively, has the potential for delivering transformative benefits for villages across England. When done well, the approach delivers a targeted development of new homes in partnership with local people, at an appropriate scale - meeting local housing need, securing economic gain and providing wide ranging benefits for landowners.

Through their work the researchers have listened to first hand experiences and appraised actual rural exception site developments to draw together a series of objective and impactful recommendations. They have explored a range of real-life examples incorporating both successes and failures, examined these through the lens of different but critical players involved to secure unique and contrasting perspectives.

The recommendations emerging from this work provide a blueprint for scaling-up affordable housing delivery in the countryside through more effective awareness raising, and a positive approach by local planning authority and enabling agents.

FOREWORD

Perhaps most critically, the researchers explore the essential role that landowners play in making rural exception sites available and the lack of clarity around site values and permissible incentives. As well as getting a unique glimpse into the views of landowners, the researchers expose the informal rules guiding site values and inconsistent approach to offering incentives outlined within national planning policy guidance.

During 2021/22 only 548 homes were built using the rural exception site policy and most of these within a handful of local planning authority areas. This research must be the start of a bigger conversation about leveraging the policy nationally to deliver the affordable homes that those who live and work in the countryside desperately need.

Martin Collett,
Chief Executive, English Rural



RECOMMENDATIONS

1

Getting good information to parish councils

To have a consistent and positive approach to supporting RES development in Local Plans and supply every parish council with up-to-date information about the RES policy and how it works in their area, so that they understand the role they can play and the process.

2

Understanding what makes RES different

Train Rural Housing Enablers and similar roles with the expertise necessary to convey how RES sites are different and can help to provide an extension of the already existing community.

3

Qualifying landowner incentives

Bring together a taskforce to develop guidance on incentives permissible on RES developments, beyond that for cross-subsidy and from this publish additional guidance to qualify the incentives that can be used to encourage landowners to release land, framing these in a way that is transparent, reasonable, and proportional.

4

Better use of Rural Exception Sites through a national programme

Through political commitment there is better promotion and use of more effective policies for delivering RES with an ambition that each rural settlement in England delivers a proportionate development of affordable homes.

5

Promoting 'good design'

Produce a good design that showcases positive RES development to counter local stigma around what new homes will look like, and how they will affect the character of already existing communities.

WHY IS AFFORDABLE HOUSING IMPORTANT TO RURAL COMMUNITIES?

Affordable housing is vital for building thriving and sustainable rural communities. In small towns, villages and hamlets, there can be a significant gap between local earnings and house prices. Since wages in rural areas do not guarantee access to the housing market, access to good quality, affordable homes, usually provided by a housing association or other registered provider (RP), means local residents can stay in their area. By allowing people to stay in the communities they are connected with, affordable housing contributes to the wellbeing of families, allows young children to attend local schools, and allows adult children to remain living close to their parents. It situates people in important social networks and thereby contributes to the social life of a local area.

It also allows people to live where they work, providing access to local jobs and supporting the rural economy. Organic community growth is supported by a range of different kinds of housing, providing homes for people in a range of different types of employment. These functions also underpin the community vitality that makes rural areas so attractive to newcomers, either holidaying or moving to the area. But low build rates mean that rural areas have proportionally far fewer affordable homes than urban areas (Taylor 2008; Baxter and Murphy 2018), resulting in a lack of housing options for people living and working in rural communities. This can have detrimental social and economic consequences, like outmigration of low-income and younger groups.



THE CHALLENGE OF AFFORDABLE HOUSING DELIVERY

Rural RPs exist for this purpose, delivering a service that the market cannot. Central to the work of delivering affordable housing, is dealing with the price of land. The cost of land designated for housing development (land price is determined by best permissible use) is one of the greatest obstacles to delivering non-market housing. Developing housing in rural areas can be particularly costly, in part due to the higher cost of housebuilding. Sites are smaller and economies of scale harder to achieve, resulting in less affordable housing. Since the smaller income raised from affordable rents and sales cannot cover the costs of market development, RPs rely on finding low-cost sites, to deliver affordable housing in rural areas.

This is set within a planning framework that prioritises 'sequential' development, showing a preference for expansion of urban areas over development in rural areas. The desire of local communities to protect the countryside, rural amenities, the environment and house prices can also restrict development in rural areas. This, combined with the migration of affluent groups out of cities and into the countryside, where their financial resources often eclipse those of local populations, means the demand for houses in rural areas can outstrip supply, pushing land prices further upwards. A central challenge faced by rural RPs is therefore finding low-cost sites on which to build affordable housing.

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The cost of land is one of the greatest obstacles to delivering non-market housing
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HOW DO RES SUPPORT THE DELIVERY OF AFFORDABLE HOUSING

Rural exception sites (RES) are a policy mechanism for delivering affordable homes on small plots of rural land that would not otherwise be granted permission for housing development. Since 1991, housebuilding has been granted on these sites in the 'exceptional' circumstance that any development is guaranteed to provide affordable housing for people with a connection to the local area, in perpetuity. Otherwise, these sites would not be granted planning permission, meaning the land carries a lower value, potentially removing the cost impediment to affordable housing delivery. The value of these sites is not dictated by the policy and is open to negotiation in each case, but if land can be secured at a price well below the value of land for open-market development, this makes it possible to build affordable homes in rural areas.

Despite the benefits that landowners can gain from bringing unallocated land forward for RES delivery – achieving a greater value than for its best permissible use – securing sites for RES delivery is still a huge challenge for rural RPS. Questions therefore arise about how RPs can work with landowners to encourage more sites being brought forward, and what additional mechanisms might be required to support their work.

By granting exceptional permission to build housing on land with a lower value, RES can play a key role in the delivery of more affordable homes in rural areas. This was recognized when the National Planning Policy Framework (NPPF) was first published

in 2012, encouraging the inclusion of RES policies in local plans.

Traditionally, rural exception sites could be used only for affordable housing. However, since 2012 the NPPF has stipulated that “small numbers of market homes may be allowed at the local authority’s discretion, for example where essential to enable the delivery of affordable units without grant funding”. This cross-subsidy is an additional mechanism to encourage more land being brought forward for RES development. Building some market housing on exception sites is intended to generate funds that will subsidise the cost of the land, making affordable housing development viable where it might not otherwise have been. The viability of each scheme, the need for cross-subsidy and amount of market development required to make schemes viable without grant funding, will be assessed by the local authority and subcontracted consultants, and paid for by the landowner. Views are mixed as to the appropriateness of building market housing on exception sites.



HOW DO RES SUPPORT THE DELIVERY OF AFFORDABLE HOUSING

The main advantage of cross-subsidy is that it incentivises landowners to bring sites forward. But there is a risk that the potential for market development changes landowners' expectations of the value they can achieve by bringing land forward for RES delivery. Safeguards may also be necessary, to limit the amount of market housing built on exception sites and preserve the primary purpose of providing affordable housing, held in perpetuity for local needs. .

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WHAT DO WE ALREADY KNOW ABOUT RURAL EXCEPTION SITES?

During the past 30 years, the factors affecting the progression of RES have been periodically investigated. While research in this area is not comprehensive, the following observations can be drawn from the research literature.

While RES delivery is significant for local communities and may feel significant at the level of individual villages, it has not been used to deliver great numbers of affordable homes nationally (Webb et al 2019). A significant proportion of affordable rural housing has been created using RES, but this should not be confused with overall delivery. The policy “actually delivers relatively few new homes to rural communities” (Taylor 2008).

Indeed, the geography of RES delivery is patchy, with only 14 of 91 rural authorities delivering homes on these sites in 2016/17, 37% of which were delivered in Cornwall alone (Baxter and Murphy 2018). A map of where homes on RES were delivered between 2017 and 2022 is presented at the end of this report, and a table of the top-delivering local authorities is provided below.

A key impediment to progressing RES is a lack of information. Information on the need for affordable housing in a local area can be scarce, so the first port of call in progressing RES is often the local authority housing enabling officer or Rural Housing Enabler (RHE) (Lavis et al 2017).

Table 1: Local authorities with the most affordable homes on RES, 2017 to 2022

LOCAL AUTHORITY	NUMBER OF AFFORDABLE HOMES
Cornwall	1097
Shropshire	264
Sedgemoor	185
North Norfolk	101
Derbyshire Dales	93
South Cambridgeshire	89
Cheshire West and Chester	86
East Hampshire	85
Winchester	68
Stroud	65

Source: Local Authority Housing Statistical Data Returns, Affordable Housing Supply, 2017-2022

A RHE can give landowners information about possible housing associations they can work with, can work with local communities and collect data to assess the need for affordable housing locally, and help to build local support (RHA 2021). However, as Webb et al (2019) observe, coverage of RHEs has declined.

A further impediment to progressing RES are the expectations of landowners (Baxter and Murphy 2018). The 'hope value' of land can discourage landowners from selling sites for RES development (Satsangi and Dunmore 2003). Therefore, working to manage landowners' expectations around the value of their land can be a central part of the work that goes into affordable housing delivery. This might be done by appealing to their other priorities, such as a desire to see local communities thrive. Landowners may even have their own priorities and preferences for the site (Lavis 2017), and large estates may see 'stewardship' as a motivating factor for releasing land (CLA 2017).

The approach taken by the local planning authority can also affect the success of exception site policy. Many local authorities have RES policies in their local plans, but may not pursue them in practice (Satsangi and Dunmore 2003), viewing them for 'exceptional' use, applying very strict criteria, thereby discouraging engagement by local residents and landowners (Taylor 2008). The CPRE (2020) observes that the wording of RES policies are significant, and can put off landowners if they seem like a list of criteria disqualifying sites from the policy.

Finally, the literature tells us that local support is essential for successful RES delivery. Local residents are not always in favour of affordable housing development. However, the buy-in of local residents may be more likely when schemes are in keeping with village aesthetics and use local materials (CPRE 2020).

The research in this area therefore acknowledges that the RES policy does not deliver on its potential, and highlights some impediments to delivery. Nevertheless, more could be learned about these impediments from those who are successfully working to overcome them, encouraging landowners to bring forward sites, building consensus amongst those with divergent views, and maintaining support for these projects. Our research involved speaking with RP officers working on the ground to bring RES projects forward, liaising with communities and landowners (see Table 1). We aimed to find out more about what it really takes to make land available for RES delivery, and given this, why the RES mechanism might be falling short of its potential.



WHAT DOES A RES PROJECT LOOK LIKE?

RES projects can start in many ways and can develop very differently. There is no fixed formula. Projects may be kick-started by landowners looking to sell their land; when a parish council decides to survey the local need for affordable housing; or when the local authority requests that this is done. While no project is the same, from the RP perspective, the general model can look like this:



Housing needs surveys are used to determine the level of need for affordable housing locally.

Site searches are performed to identify all potential sites in the area. This could involve a 'walkabout', where the parish council and RP officers walk around the local area assessing possible sites. If a specific site has already been proposed, either by the landowner themselves or by the parish council, a site search should be performed anyway, to satisfy the planning authority that this is the most appropriate site for development.



Once a site has been identified and a provisional agreement to proceed has been made between the landowner and RP (and preferably also the parish council), a pre-application discussion can be held with the local planning authority, making sure they are broadly happy with the site and access, making further enquiries with the statutory authorities, and making sure the requisite services (e.g. highway connection etc.) are available.

At the point that the RP becomes involved, it is beneficial to secure the support of the parish council, if this has not already been established.



At this stage the RP will also look to move forward with a more formal agreement with the landowner. The first step is the Heads of Terms, which is not legally binding, but sets out in principle the terms of sale. The Heads of Terms will establish that the landowner owns the land, providing a copy of the title deed to make sure there are no caveats or obligations that prevent development. The price is also established at this point.



After the Heads of Terms are agreed, a legally binding agreement will be set out in the Option Agreement, to sell the land subject to gaining planning permission.



If pre-application discussions are positive, this provides the security to move forward with a planning application, including a public consultation to receive comments and objections from the local community.



The interviews and case studies we undertook for our research suggest that successful projects are those with the most transparent and open dynamics between all parties. It is therefore important to keep all parties in touch and updated of all developments throughout the project. There will be multiple back-and-forth exchanges throughout.

If planning permission is granted, this represents a watershed moment in the project timeline. A contractor will be identified, this will usually involve a formal tender process that is managed by the housing association. A surveyor would also be engaged to look after the on-site day-to-day aspects of the project, on behalf of the RP.



A nominations agreement will be drawn up to allocate the housing to local residents, to be included in the S106 agreement. This includes making sure that any buyers of discounted sale housing are not put in a position they cannot afford.

At completion, the RP's housing management team will take over from the contractor.



WHAT ARE THE CRITICAL FEATURES OF RURAL EXCEPTION SITE DELIVERY?

Our interviews with national stakeholders drew attention to various features of RES delivery that can impact on the success of projects.

Registered housing providers need to invest in building durable local relationships

Delivering housing using RES requires that RP officers work closely with other partners. The RP has the successful delivery of each project as its priority. Whether they are brought on board by a parish council looking to build affordable housing to support their community, contracted by a landowner looking to sell their land, or by a RHE, the RP will play a central role in the project, liaising between all the other interested parties and making sure each side is satisfied and prepared to move the project forward.

It therefore falls to the RP to build and maintain a good relationship with local landowners, which can be crucial to the success of projects. One major task is to understand what further incentives might be needed to encourage landowners to sell their land at a price that is viable for the RP.

There are different 'tiers' of relationships that need to be maintained at different levels, from the small local builder, local parishioners, local planners, ward councillors, independent community organisations with experience of progressing RES, to the statutory authority, or Homes England.

Creating a joined up approach between these parties can facilitate the kind of open environment that fosters ongoing support for RES projects.

The long timeframe of rural exception sites can affect critical partnerships

A major feature of RES projects is that they can be drawn out over very long timeframes. Some projects take up to five years, others even longer. This means that both support for and opposition to any scheme can wax and wane, and the continued support of the parish or parish councillors cannot be taken or granted throughout. People can change their minds, parish councillors and local planners can come and go. For example, in the case of Hernhill, the RES project was already at consultation stage when three people from a local opposition group were voted onto a parish council of seven. New parish council members can tip the balance and change the minds of supporters. When there are changes in personnel at local planning authorities, new planning officers may not be convinced by the project, and can reject a planning application that had previously received informal support for approval. It may be necessary to revisit aspects of the application, redo a site search to conclusively demonstrate the need for a specific site, or have a second housing needs survey done, confirming an ongoing need for affordable housing.



The timeframe of these projects makes it necessary to maintain contact between all parties and maintain momentum throughout. RP officers often take on the role of project coordinators, making sure everyone is kept in the loop. This role comes at a cost, requiring a significant amount of up-front consultation. But the in-depth work required to identify local housing need, to identify sites, and to manage local opposition, means that RES projects will usually be lengthy. Overcoming this challenge is about staying the course, keeping all parties engaged, and taking one challenge at a time, rather than attempting to solve every problem at once.

Identifying the most appropriate site can be a contentious process

Another major challenge can be the potential for conflict about what constitutes the best possible site. The parish council and local planning authority may have very different ideas about the sites that are available.

Once a parish council have chosen a site they feel is appropriate, they may feel committed to this site and the contribution they believe it will make to their community. This may not align with what local planners judge to be suitable, for example if there is a risk of flooding. Choosing a site can depend on negotiation between these groups, for example by communicating to a parish council that their preferred site is inappropriate, or communicating to planners that a site is non-negotiable and that the project won't go ahead without it. Even where planners and the parish council are agreed on a site, local residents have been known to club together to fight for an alternative use, or even to buy the land themselves, as may have been the case in East Boldre.

The housing built on rural exception sites is often misunderstood

Even where RES development has the support of the parish council, local opposition can be fierce, and stop a scheme in its tracks. At times this may be based on a misunderstanding about the housing contribution that RES makes to a local community. RES schemes always give priority to new residents that have a local connection to the area, as well as a need for affordable housing. This local connection ensures that residents will be found from those within or engaged with the local area and that developments form an extension of the existing community. People do not always understand this feature of RES housing, and may fear that housing on RES sites will provide general needs social housing for people from outside the local area. Even when this distinction is made clear, people may fear that it will not be held to in each case.

The local connection criteria of RES housing may therefore need to be communicated to parishioners right from the start of a project. Where projects take a particularly long time, conducting additional housing needs surveys can help to bring new parties on board by confirming the need for affordable housing in the area.

The design of schemes may also affect their acceptance by the local community. There is a stigma around low quality affordable housing, that goes hand-in-hand with the fear that RES will change the character of a place by introducing new residents without any local connection. Parishioners are less likely to support projects when they fear these will not be sympathetic to the existing social fabric, character, and style of a place.

An assurance on good design, high standards, and that developments will be consistent with local aesthetics could help to affirm RES development as an extension of the existing place, for the people who live and work there.

Cross-subsidy is not always sufficient to meet landowners' expectations for their land

Increasingly, a challenge for RES delivery is that landowners are looking for better returns from their land than from traditional RES delivery. The NPPF states that 'a proportion of market homes may be allowed on the [exception] site at the local planning authority's discretion, for example where essential to enable the delivery of affordable units without grant funding'. Some local plans limit the proportion of market homes to the minimum necessary to support viability. However, there is no strict policy about additional development on rural

exception sites, for landowners' benefit. This means RPs must enter into negotiations with landowners who are not otherwise interested in selling the land at or near agricultural value. With levels of cross-subsidy established between the RP and the landowner and only then agreed with the local authority, the distinction between cross-subsidy and landowner incentives may be blurred. In addition to building market housing for cross-subsidy, RPs often provide further development on the site, such as serviced plots, site improvements, or including commercial property to be retained by the landowner in the planning application, as an incentive.

This sort of incentive was well known to our discussants, and to the landowners they worked with, who went into negotiations with a 'hope-value' far exceeding the agricultural/non-housing value of their land. Commercial sensitivity may prevent RPs from discussing the true value of RES plots openly.

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Discussants explained that the value of additional development needed to be 'proportionate' to the value of the land, so as not to set unrealistic precedents. Nevertheless in reality, the value going to landowners in exchange for RES plots certainly exceeded the £10,000 that has often been associated with the policy.

Since there is no formal policy as to the value of RES plots, nor of any additional

development that might be required as an incentive, these are negotiated informally on a case-by-case basis by the landowner and RP. This comes at a cost to RPs, who need to manage the expectations of individual landowners in each case, balancing these against their own financial constraints, rather than having recourse to a consistent approach.



HOW CAN THE CHANCES OF SUCCESS BE MAXIMISED?

1. Support of the parish council is key

The support of the parish council is important in part because the local authority planning committee will have a hard time approving a planning application that the parish council doesn't support. Additionally, the support of the parish council may be critical in their ability to bring local objectors round, meaning public consultation can be particularly difficult when the parish council is not totally behind a project. In our case study of East Boldre, the RP English Rural had been contacted by a local landowner about a pocket of land they wanted to sell, and the parish council were not involved from the inception of the project. While they were supportive in principle, they had reservations about the site, and the scheme was beset by opposition, and was ultimately unsuccessful.



Cases where the parish council are involved right from the outset have shown greater success. At Leaveland near Throwley, the parish council had a clear view that affordable housing was needed in order to house families who had lived in these villages for a long time. They contacted the organisation Action for Communities in Rural Kent (ACRK) which then got English Rural on board. This meant the local community were involved at the stage in which the housing association were brought on board, which may have engendered greater trust between them

2. Managing the planning process

Both pre-applications and planning applications can be time consuming, and require several back-and-forth exchanges with local planners to make sure all possible factors affecting development have been considered, and that the development satisfies local policies. RP officers can play a significant role in maintaining this relationship, which can require consistency and repeated exchanges to maintain dialogue with the local planning authority. If the parish council and others involved in bringing the project to planning are convinced by their chosen site but this is dismissed by the planning authority, it can help to include every detail about the site search process within the planning application.

This can serve to convince planners that every step has been taken to consider alternatives, leaving no choice but the selected site. In Leaveland near Throwley, English Rural engaged in a back-and-forth debate with the local planning team about the site chosen by the parish council. In the end it was felt that securing planning permission came down to persistence, and working to persuade the planning team to accept the site over two years. The intervention of an experienced RP may be decisive at such a stage, preventing a battle-of-wills between local authority planners and parish councillors with very different ideas of what constitutes the most appropriate site.



From the local planning authority's perspective, it can be helpful to consider the wording of any RES policy within the local plan. These policies should seek to support rather than to restrict RES development. Continuity of resourcing may also be an issue, because of the long timeframe of RES projects, and the turnover of planning officers can stymie projects as officers' views may shift. In the case of Hernhill, and West Kingsdown, the local planning authority took the initiative to invite all parish councils locally to have a housing needs survey done, kick-starting the discussion about affordable housing across the borough. The goal was to be systematic and survey all local housing need in the area, rather than taking the piecemeal approach more usually applied, in which parish councils initiate housing needs surveys as-and-when they decide to.

3. Managing public opposition

Managing the concerns of local residents at public planning consultations can require taking each comment at a time, considering its value, and addressing it on its own terms. This is therefore a lengthy process, but helpful if local residents are going to feel heard and come to support the project. Part of the strategy for dealing with opposition at public consultations, we were told, is separating the 'planning objections' from the 'emotional objections'. Practical concerns, such as those to do with road access, can be addressed in a systematic way. For example, in the case of West Kingsdown, the main objector was a nursery, which had concerns about houses overlooking the nursery grounds.

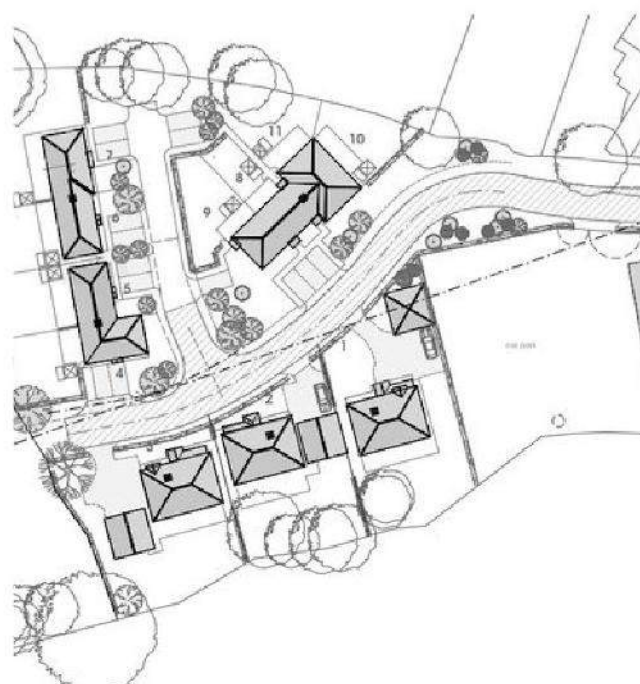
This can be addressed through the design of the scheme. A very different kind of objection are those raised by people more fundamentally opposed to development. Addressing these concerns can be a more delicate matter of making the case for local needs housing in the area.

If local residents feel they have somehow been left in the dark, this can create opposition to a scheme that would be less significant if they felt more in the loop. The public may feel the parish council have been 'operating behind closed doors' if public consultation takes place after a long period of internal negotiation. In Hernhill, when a local action group formed in opposition to the scheme and three members were voted onto the parish council, English Rural invited them to become part of the project's design group. This extended the length of the project, but meant they were really listened to, and may have given them a clearer sense of the project's goals and constraints. While this kind of collaborative approach can be hard work, in this case the group withdrew their opposition.

4. Housing associations need to build long term relationships in order to garner local support

RPs may find that they need to have a long-term strategy for managing RES, rather than managing each project on a case-by-case basis, in order to maintain a good track record for delivering on their promises, and a reputation for consistent outcomes. The final quality of a scheme, how well managed it is once it is up and running, or whether it reflects what the

community felt they were going to get can all affect a RP's reputation. Consistency in these areas over the long-term can help RPs to manage local opposition in specific cases. As part of this strategy, RP officers may do well to identify potential hurdles in advance, such as if a landowner is using a rural exception site to begin developing on land that the community would otherwise object to. In Burstow, the prioritisation of need above connection with the local community and economy resulted in homes being allocated in a way that had not been expected by the parish council. Discussing issues like the local authority approach to allocating homes upfront helps to maintain a culture of transparency and avoids one where one party may look to apportion blame to another. Regular information exchange with all the other parties involved in a scheme will be key, but also with other rural RPs, who may be able to share their experience. This need for intensive communication is increasingly one of the main costs associated with smoothing the delivery of RES schemes.



5. Incentivising landowners

There are two broad schools of thought around incentives for landowners. The first view is that the main incentive lies in the granting of exceptional permission for the development of affordable housing, providing greater value to landowners than for agricultural/non-housing use. According to this view, the RP should only need grant funding – or additional development for cross-subsidy – to support the cost of development.

Under this school of thought, there are still various incentives that RPs can use to encourage landowners to bring land forward. These include the landowners' ability to maintain an ongoing interest in the site, for example by building or delivering the housing themselves, as was the case in our case study of Chiddingstone. Larger estates in particular may wish to retain nomination rights, if they have employees living in local affordable housing, as was the case in Leveland near Throwley. Even when landowners are keen to bring land forward for RES, they will need the energy and enthusiasm to become involved in the RES process, which can be lengthy, time consuming, and complex. In Chiddingstone, English Rural were able to help the landowner with the transaction costs associated in bringing land forward, helping them to manage the process and the relationships involved. In Hernhill, English Rural were able to help the landowner manage personal opposition, by keeping him in the loop about all details, and letting him know everything that was being done to address opposition to the scheme.

The second school of thought is that landowners releasing land for RES development are foregoing the 'hope value' attributed to their land, when they release it at less than full residential value. This view sees land released for RES development as being sold at a discount to RPs, even when the current best permissible use may be agricultural. It is this sense that landowners are selling their land at a discount which makes additional incentives necessary. Our research tells us that RPs are faced with this reality. Since rural RPs are concerned primarily with getting schemes off the ground and to completion, they have no choice but to engage in negotiating additional incentives with landowners.



There is no strict policy about additional development on rural exception sites, for landowners' benefit. Local planners may be reluctant to give guidance about what additional development will be accepted in a planning application, or how to manage the design of such schemes, because while it is recognised that additional development can be required to achieve the buy-in of landowners, planners prefer that RES sites are not

used to open the door for further residential development.

We identified various ways that RPs can work with landowners to incentivise RES delivery without opening sites to further development down the road. By keeping additional development to an agricultural (rather than domestic) standard, this can limit the potential for further development close to the site, and help to satisfy local planners that this will not be 'the thin end of the wedge'. Features like an access road, or a concrete foundation for a building, can benefit the landowner if they are retaining some land or development for personal use. Features like these are cost-effective incentives: small exception sites often require access roads in any case; contractors may build foundations for their own on-site offices during the development phase; meaning they don't add to the cost of the scheme.

Some landowners are very upfront about what additional development or land value they expect to achieve in exchange for bringing forward their land. Others may not be so upfront, preferring instead to negotiate later, once plans are more progressed. Others may not even have clear ideas about what they expect from the process, beyond the cost of the land. RP officers may have to work to draw out landowners' feelings about the different approaches and incentives available. In-person meetings may be the best means of doing this, allowing RPs to view the site for themselves, and building a full understanding of the landowners' position.

Nevertheless, it remains that incentives for landowners to release RES plots have been established on an ad-hoc basis, and that RPs are left to negotiate these in an unclear policy context.



REFERENCES AND ACKNOWLEDGEMENTS

Acknowledgements to:

English Rural Housing Association staff for all their support in enabling this project.
To all those who kindly gave their time to be interviewed.
Thanks also to Duncan Smith, Centre for Advanced Spatial Analysis, UCL.

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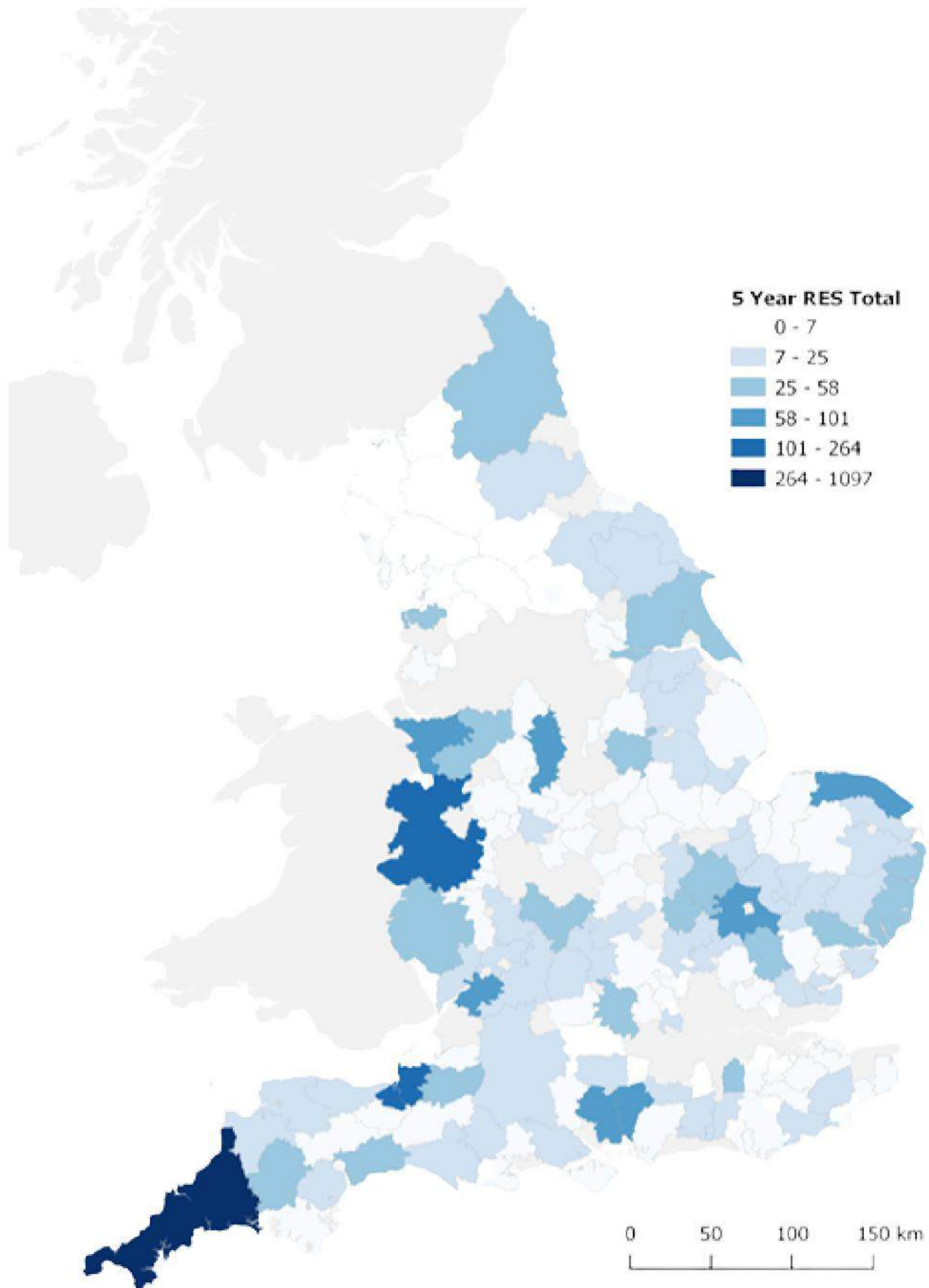
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MAP 1: DISTRIBUTION OF AFFORDABLE HOMES ON RES, 2017-2022



Credit: Map produced by Duncan Smith, CASA, UCL.

TABLE 1: CASE STUDIES OF RURAL EXCEPTION SITE DEVELOPMENTS BY ENGLISH RURAL HOUSING ASSOCIATION

Name of Parish	Local Authority Area	No of affordable homes	No of market homes	Date completed
Burstow	Tandridge DC	3 affordable homes	None	2022
Chiddingstone	Sevenoaks DC	8 affordable homes	3 open market homes	Not yet completed
Dunsfold	Waverley BC	6 affordable homes	2 homes for discounted market sale	2020
East Boldre	New Forest National Park Authority	Unsuccessful	Unsuccessful	Unsuccessful
Hambleton	Waverley BC	5 affordable homes	2 open market homes (bungalows)	Not yet completed
Hernhill	Swale BC	6 affordable homes	2 open market homes (bungalows)	2022
Leaveland near Throwley	Swale BC	6 affordable homes	2 open market homes (bungalows)	2019
West Kingsdown	Sevenoaks DC	10 affordable homes	2 open market homes (bungalows)	Not yet completed