



# FACTORS IN THE EFFECTIVE DELIVERY OF RURAL EXCEPTION SITES IN ENGLAND

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# EXECUTIVE SUMMARY

## Summary of the UCL research

New research has pinpointed a range of factors which drive successful delivery of affordable housing through the Rural Exception Sites mechanism, and how the absence of these elements has a detrimental effect on the supply of vital affordable housing for rural communities. Rural Exception Sites are specified sites in rural areas designated for small-scale affordable housing development, typically on land otherwise restricted from housing use. Established in 1991, the purpose of Rural Exception Sites is to proportionately facilitate the provision of affordable homes for local residents, whilst preserving the character of the community.

The research, commissioned by the Rural Housing Network and undertaken by a team of researchers based at the Bartlett School of Planning, University College London, consists of a nationwide survey of local planning authorities as well as six detailed case studies. It identifies a range of factors which can impede delivery, as well as best practice in some local areas which if replicated nationwide would increase the supply of affordable rural homes.

The survey of local planning authorities uncovered a range of challenges that are

consistent across the country;

- Budget pressures are a constraining factor for many, with consequences including salaries no longer being competitive with those available in the private sector, resulting in a loss of senior, experienced staff.
- There are huge human resource challenges across the country. Recruitment (87% of respondents) and retention of senior staff (92% of respondents) are the main constraints, with 80% of planning authorities reporting vacancies in their planning departments.
- Uncertainty and lack of clarity around policy change contributes to high stress levels within planning authorities – 83% cited new requirements (such as nutrient neutrality and biodiversity net gain) as examples of this.
- Planning authorities are asking for increased investment in skills development (at all levels) and greater support for apprenticeship schemes, as well as a more stable policy environment to encourage greater certainty.

Case studies from six local authorities: Cornwall, Derbyshire Dales, North Norfolk,

North Yorkshire, Shropshire and Winchester identified some of the common factors consistent with successfully delivering affordable homes through Rural Exception Sites. These include:

- **Community engagement:** positive engagement and local support for Rural Exception Site delivery points to successful outcomes and can be fostered through robust evidencing of need along with clear, viable, and well-conceived proposals. Working with landowners to secure land at the right price is critical.
- **Rural Housing Enablers:** the presence of an active and experienced 'Rural Housing Enabler' based within a local authority or independently is a common factor in successful Rural Exception Site delivery. Where they exist and are governed effectively, delivery is systematically higher.
- **Political support and guidance:** key to success is strong leadership and strategic direction from local government on the importance of increasing the supply of affordable housing, evidenced through clear processes and guidance.
- **Working in partnership:** collaboration between planning authorities, development (non-profit or private), community and landowner partners reduces risk and results in smoother delivery of Rural Exception Site developments.

## Next steps

The research demonstrates that local authorities can deliver Rural Exception Sites, but that too few do. The successful realisation of Rural Exception Sites depends on political will, the involvement of Rural Housing Enablers, community collaboration, adaptable policies, and adequately equipped local planning authority departments.

Reflecting on the work done by UCL, the Rural Housing Network have identified the broader barriers to successful use of Rural Exception Sites amount to;

- **Limited Utilisation:** Despite their potential, only 17% of rural local planning authorities have utilised Rural Exception Sites for affordable housing delivery from 2021 to 2022.
- **Obstacles to Utilisation:** The effective application of Rural Exception Sites is hindered by high land costs, outmoded development plans, community opposition, and limited resources in planning departments.

To overcome these, the Rural Housing Network recommend a series of actions which policy makers, local planning authorities and housing providers can take to increase the amount of affordable homes being delivered via Rural Exception Sites. Going forward, the Rural Housing Network

commits to working with all stakeholders to develop a plan to progress these actions and identify how they can be put into practice.

### Political backing

- Corporate and political support for increasing the supply of affordable rural housing needs to be clear, articulated within strategic aims, embedded at policy level and promoted through public messaging.
- Partners key to successful delivery are often under-resourced - rural authorities need be supported to establish and manage delivery partnerships. Parish Councils need to be empowered and informed to address the affordable housing challenges within their communities.

### Community involvement

- Support from local communities is a critical ingredient to success – tools and resources need to be available to help delivery partners win that support, tackle stigma, and alleviate concerns.
- The report identified how the existence of Rural Housing Enablers can be crucial for Rural Exception Site delivery; dedicated funding and continuity of support for this is needed from both local and national government.
- Tools and resources need to be available

to help delivery partners win that support, tackle stigma, and alleviate concerns.

### Policy framework

- The National Planning Policy Framework should give clearer and positive support to the benefits of Rural Exception Sites and stress the value of affordable housing to rural communities and economies.
- Delivery partners should be encouraged and supported to diversify funding solutions, and work with Homes England to explore how different arrangements can support Rural Exception Sites in under-served areas.
- Guidance is needed from Government and Homes England on best practice for assessing site viability, calculating land value, cross-subsidy arrangements, and incentives for delivery partners.



Stakeholder	How they could help boost delivery of affordable housing through Rural Exception Sites
Housing associations	<ul style="list-style-type: none"> <li>• Offer support and guidance to local communities looking to deliver more affordable rural housing in their area</li> <li>• Work closely with local Rural Housing Enablers to maximise their impact and success.</li> </ul>
Parish councils and local government	<ul style="list-style-type: none"> <li>• Taking a leadership role and communicating the importance of more affordable rural housing to ensure the sustainability of rural communities.</li> <li>• Help to tackle the stigma associated with affordable housing by positively challenging misconceptions.</li> <li>• Ensure that planning authorities have the necessary resource to deliver additional affordable housing in rural areas</li> </ul>
National Government	<ul style="list-style-type: none"> <li>• Give clear guidance on best practice for assessing site viability, calculating land value, cross-subsidy arrangements, and incentives for delivery partners.</li> <li>• Offer dedicated funding and continuity of support for fully resourced planning departments, and for a long-term national Rural Housing Enabler network.</li> </ul>
Homes England	<ul style="list-style-type: none"> <li>• Work closely with delivery partners to explore alternative mechanisms to boost supply allocating investment proportionately to affordable rural housing delivery.</li> <li>• Give clear guidance on best practice for assessing site viability, calculating land value, cross-subsidy arrangements, and incentives for delivery partners.</li> </ul>
Department for Levelling Up, Housing and Communities	<ul style="list-style-type: none"> <li>• Update the National Planning Policy Framework to give clearer and positive support to the benefits of Rural Exception Sites</li> <li>• Demonstrate support for the role that affordable housing plays in the sustainability and growth of rural communities and economies.</li> </ul>

The underexploited potential of Rural Exception Sites represents a significant missed opportunity in mitigating the rural housing crisis. By aligning strategic resources, enhancing policy frameworks, and fostering community partnerships, the full potential of this under-used policy can be harnessed, providing a sustainable and scalable answer to the affordable housing needs in rural England.