



Rt Hon Sajid Javid MP  
Secretary of State for Communities and Local Government  
Department of Communities and Local Government  
Fry Building, 2 Marsham Street  
London, SW1P 4DF

19 July 2016

*Sajid Javid*

I write to congratulate you on your appointment as Secretary of State for Communities and Local Government.

The CLA represents 33,000 members who together own or manage over half of the rural land in England and Wales. In addition to owning and managing up to 300 different types of land based businesses, CLA members provide around 40% of rural private rented housing as well as building homes for sale.

Your new role combines a number of policy areas of central importance to landowners and business across the rural economy, particularly housing and planning. On both these fronts our members are well positioned to work with Government to meet its objectives, whether by contributing to the supply of new homes of all tenures in rural areas or proposing sensible steps to streamline the planning system to encourage growth and employment opportunities in those same rural areas.

Importantly, the role and use of land will be vital to helping the Government deliver its target of a million new homes by 2020. It is CLA members who in the main are able to unlock the potential for new homes and businesses in the countryside.

### **Sustainability**

We have welcomed the Government's policy change to a presumption in favour of sustainable development. However the definition of sustainability still causes real issues for the rural communities and businesses as many planning authorities use a skewed interpretation of 'sustainability' as a pretext for rejecting rural development. The reality is that rural communities continue to need both housing and employment opportunities, if they are not to stagnate. The centralisation of services and the impact of the internet mean that the definition of sustainability needs to be reviewed.

### **Housing**

While many focus on the acute housing shortage in London and the South East, rural areas face an even starker set of challenges. Rural homes are on average £43,000 more expensive than their urban counterparts, the lower quartile income to house price ratio in rural districts are 8:1, making home ownership for many young people unachievable.

President: Ross Murray  
Deputy President: Tim Breitmeyer  
Director General: Helen Woolley

16 Belgrave Square, London, SW1X 8PQ  
T: 020 7235 0511 F: 020 7235 4696  
E: [mail@cla.org.uk](mailto:mail@cla.org.uk) W: [www.cla.org.uk](http://www.cla.org.uk)

CLA members provided land at a significant discount for 7,500 affordable houses on Rural Exception Sites between 2010 and 2015. This contribution is provided philanthropically with landowners understanding and seeking to address the shortage of affordable properties in their communities.

The capacity of landowners to alleviate the acute rural housing shortage is still a relatively untapped resource. We believe more can be done to incentivise businesses to contribute to housing supply in their areas, and believe the following policy changes would encourage this:

- Incorporate landowner's ability to build and manage affordable housing for rent into National Planning Guidance.
- Encourage landowners to provide additional affordable housing on Rural Exception Sites by giving Local Authorities greater discretion to use cross subsidy on Rural Exception Sites which would make the provision of affordable houses viable for landowners.
- In certain circumstances to allow the landowner to retain some nomination rights.
- The change of use of farm buildings to dwellings under Permitted Development Rights is still problematic, and an unequivocal statement from your Department stating the Government's policy objectives would be greatly welcomed.

## **Planning Policy**

Our members own and manage a wide variety of businesses that require certainty if they are to invest in new enterprises. The lack of consistent decisions the planning system produces still presents a major hurdle for small land based rural businesses looking to expand or diversify.

Small business development and growth is continually strangled by the planning authorities' requirements for expensive, extensive and growing lists of consultancy reports required at the front end of the planning application process- the requirement for 6 or more reports costing at least £1,000 each is at risk of discouraging many rural businesses from proceeding with small rural schemes, that could offer valuable economic benefit. To overcome this we recommend broadening the use of the "planning permission in principle" concept so that it covers rural business (including land based) development proposals.

Further recommendations include:

- We fully support all the recommendations of the Local Plan Expert Group and encourage their speedy adoption. Out of date Local Plans that do not conform with the requirements of the NPPF are hindering all types of development.

- In the CLA response to the Rural Planning Review we included a suggestion for a Permitted Development Right for the construction of affordable housing for rent on Rural Exception Sites and also that GPDO Part 3 Class Q be extended to allow demolition of post-1948 portal framed buildings (on farms) and replacement new build housing on the same footprint.
- CIL regulations should be amended to ensure that buildings required for the purpose of agriculture should qualify for an exemption on the basis that they are not “buildings into which people normally go”.

## **Compulsory Purchase**

The CLA has played a full and constructive part in the supporting the Government's ambition to make the system of compulsory purchase clearer, fairer and faster. It is a complex area of law which, even after the last 150 years, is still in desperate need of reform and modernisation. The forceful removal of an individual's property rights is one of most over-bearing powers that any authority can possess. It is important that the decision to acquire property by compulsion is only used as a last resort, and the decision is driven by a proven essential public need.

We welcome the Government's commitment to look in detail at reforming Compulsory Purchase law. Recent significant infrastructure projects such as HS2 have highlighted in detail areas where the law simply is not fit for purpose. With the need for greater infrastructure ever growing, better transport links, new homes and businesses; it is vital that the Government act now and bring in badly needed reforms. CLA have identified five areas where immediate action can be taken to reform the law:

- Introduce a statutory Duty of Care that puts an obligation on the acquirer to consider the impact on the claimant and their business.
- Review and enshrined in law The Crichel Down rules to ensure that land taken, that is subsequently not needed, is returned to the original owners or their descendants.
- The Planning and Housing Act 2016 provided for the review of interest rates to be paid for compensation that remains outstanding. Government consultations have suggested that these should be 8% abr for advanced compensation and 2% abr for other compensation. The necessary Statutory instruments to make this happen need to be published.
- The process and timescales for getting compensation paid in advance was clarified in the Planning and Housing Act 2016, this needs to be implemented and monitored immediately.

- In the 2016 HMT/CLG consultation there were proposals on basic loss payments. These payments need to be updated from their 2004 values before considering any changes to their distribution.

Landowners are important stakeholders in their communities. They often have strong multi-generational ties to their communities and are well placed to meet the challenges their communities face. Increasing the supply of all tenures of housing, developing new business spaces and commercial opportunities reinvigorates communities and help to build a stronger countryside. We had a successful and productive dialogue with your predecessor and look forward to meeting with you in the near to develop our relationship over the months and years to come.

We would very much like to invite you to come and see firsthand the positive contribution our members make by building badly needed homes in rural communities, and the challenges some face in getting these homes built. We would be more than happy to tailor this visit to any specific interests you have and what location would best suit your diary.

I will ask a member of the External Affairs Team to follow up with your office over the coming days to see if this would be of interest to you. In the meantime, if you would like any more information about our work please do not hesitate to contact CLA External Affairs Director, Shane Brennan, at [shane.brennan@cla.org.uk](mailto:shane.brennan@cla.org.uk).

Yours sincerely,



Ross Murray  
**President**





Gavin Barwell MP  
Minister of State for Housing and Planning, Minister for London  
Department of Communities and Local Government  
Fry Building, 2 Marsham Street  
London, SW1P 4DF

19 July 2016

*Gavin Barwell*

I write to congratulate you on your appointment as Minister of State for Housing and Planning, Minister for London.

The CLA represents 33,000 members who together own or manage over half of the rural land in England and Wales. In addition to owning and managing up to 300 different types of land based businesses, CLA members provide around 40% of rural private rented housing as well as building homes for sale.

Your new role combines a number of policy areas of central importance to landowners and business across the rural economy, particularly housing and planning. On both these fronts our members are well positioned to work with Government to meet its objectives, whether by contributing to the supply of new homes of all tenures in rural areas or proposing sensible steps to streamline the planning system to encourage growth and employment opportunities in rural areas.

Importantly, the role and use of land will be vital to helping the Government deliver its target of one million new homes by 2020. It is CLA members who have the potential to unlock new homes and businesses in the countryside.

### **Sustainability**

We have welcomed the Government's policy change to a presumption in favour of sustainable development, however the definition of sustainability still causes real issues for the rural communities and businesses. Our analysis of rural planning decisions has found that many planning authorities are using a skewed interpretation of 'sustainability' as a pretext for rejecting rural development. The designation of rural communities as 'unsustainable' due to a lack of public transport or because they no longer contain services such as schools, shops, or doctor surgeries is now out of step with reality given changes to the way we live as technology evolves.

Rural areas should not be regarded as unsustainable by the planning system. Rural communities require investment in businesses and housing, in the same way as their urban counterparts – the failure to deliver this runs the risk of stagnating these communities for decades.

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## Housing

While many focus on the housing crisis in London and the South East, rural areas face an even starker set of challenges. Rural homes are on average £43,000 more expensive than their urban counterparts, the lower quartile income to house price ratio in rural districts are 8:1, making home ownership for many young people unachievable.

CLA members provided land at a significant discount for 7,500 affordable houses on Rural Exception Sites between 2010 and 2015. This contribution is provided philanthropically with landowners understanding and seeking to address the shortage of affordable properties in their communities.

The capacity of landowners to alleviate the acute rural housing shortage is still an untapped resource. We are keen to encourage as many members as possible to contribute to housing supply in their areas, and believe the following policy changes would encourage this:

- Allow landowners to build and manage affordable housing for affordable rent. The Mayor of London's Supplementary Planning Guidance provides a recognised way for this to happen and we would ask this is extended to national guidance to allow landowners to manage their own affordable housing for rent.
- Encourage landowners to provide additional affordable housing on Rural Exception Sites by giving Local Authorities greater discretion to cross subsidise these sites with some market housing for sale. The land for Rural Exception Sites is donated or sold at a significant undervalue, this is what makes the affordable housing viable, allowing one or two market units would make the process far more attractive for landowners.
- Dependent on a landowner's contribution to a development they should be allowed to nominate a certain number of tenants for affordable housing schemes.
- The change of use of farm buildings to dwellings under Permitted development rights is deliberately being rejected out of hand by some planning authorities. We have forwarded our findings to relevant officials but an unequivocal statement from your Department stating this is against Government's policy objectives would be greatly welcomed and help meet housing demand in rural areas.

## Planning

Our members own and manage a wide variety of businesses that require certainty if they are to invest in new enterprises. The lack of consistent decisions the planning system produces still presents a major hurdle for small land based rural businesses looking to expand or diversify.

Small business development and growth is continually strangled by the planning authorities' requirements for expensive, extensive and growing lists of consultancy reports required at the front end of the planning application process- the requirement for 6 or more reports costing at least £1,000 each is at risk of stopping many rural businesses from proceeding with small rural schemes, that could offer valuable economic benefit. To overcome this we recommend broadening the use of the Planning permission in principle concept so that it covers rural business (including land based) development proposals.

Further recommendations include:

- We fully support all the recommendations of the Local Plan Expert Group and encourage their speedy adoption. Out of date Local Plans that do not conform with the requirements of the NPPF are hindering all types of development. If we are to see growth and investment in rural areas Local Authorities must align themselves with the objectives of paragraph 28 'Supporting a prosperous rural economy'.
- The CLA included a host of ideas in our response to the Rural Planning Review, including boost agricultural profitability and the rural economy, including our suggestion for PDR for the construction of affordable housing for rent on Rural Exception Sites. We have also suggested that GPDO Part 3 Class Q be amended to allow the demolition of post-1948 portal framed buildings (on farms) and replacement new build of small-size dwellings on the same footprint as the demolished building. We look forward to DCLG producing a positive outcome/response as soon as possible and to implementation in 2017.
- Buildings required for the purpose of agriculture should qualify for an exemption from CIL. They are not "buildings into which people normally go" but are for the purposes of agriculture, calf rearing, dairy building or storing grain.

Landowners are important stakeholders in their communities. They often have strong multi-generational ties to their communities and are well placed to meet the challenges their communities face. Increasing the supply of all tenures of housing, developing new business spaces and commercial opportunities reinvigorates communities and help to build a stronger countryside. We had a successful and productive dialogue with your predecessor and look forward to meeting with you in the near future to develop our relationship over the

We would very much like to invite you to come and see firsthand the positive contribution our members make by building badly needed homes in rural communities, and the challenges some face in getting these homes built. We would be more than happy to tailor this visit to any specific interests you have and what location would best suit your diary.

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Yours sincerely,



Ross Murray  
President