



Rural Planning Review 2016

**Evidence from the Chief Economic
Development Officers Society
(CEDOS)**

April 2016

DCLG/DEFRA RURAL PLANNING REVIEW

CEDOS EVIDENCE

Introduction

1. This Memorandum of evidence is submitted by the Chief Economic Development Officers Society (CEDOS). The Society brings together senior economic development professionals from across the public sector throughout England. Our aim is to share knowledge and best practice and engage with sector leaders and central government to shape future economic development policy.

2. The DCLG/Defra call for evidence refers to particularly welcoming evidence from and engagement with CEDOS and a range of other interested parties that are listed. For our part, we welcome this and are pleased to take the opportunity to submit this evidence as part of our ongoing engagement. Our evidence refers to the areas covered in Annex C, which is specifically aimed at “organisations, interested parties and others”. As well as setting out our overall thinking, we have focused our evidence on questions that relate directly to our core areas of activity and expertise.

3. In preparing our evidence, we have consulted with our members across the country, who hold senior positions in upper tier and unitary councils and local enterprise partnerships. Many of them have responsibility for substantial rural areas and are involved directly in promoting, encouraging, assisting and supporting rural businesses and economic growth.

CEDOS views

The importance of the rural economy

4. For many years, CEDOS has drawn attention to the important role of rural areas in the UK economy¹. We welcome the recognition in both the Rural Productivity Plan and the current call for evidence of the substantial and vitally important contribution rural areas make to the economy of this country. We welcome the focus of the consultation document on supporting the growth of the rural economy and enabling rural businesses to grow and diversify and the importance of this in helping rural communities to thrive; and the recognition that businesses provide employment for local people, helping them to stay in their communities and to sustain local services, such as schools, pubs and shops.

5. There is a need to ensure the planning system is responsive to supporting sustainable rural life and businesses. In doing so it is important to recognise that

¹ The many examples include: Environment. Food and Rural Affairs Committee Inquiry into the potential of England’s rural economy – Evidence by CEDOS October 2006; *Making the Most of Our Economic Potential* CEDOS and CSS March 2007; Independent Commission on economic growth and the future of public services in no-metropolitan England - Evidence from CEDOS and ADEPT June 2014; Environment. Food and Rural Affairs Committee Inquiry into broadband in rural areas - CEDOS evidence November 2014.

whilst some sectors, notably agriculture, are more heavily represented in rural areas, in many respects the composition of rural and urban economies are very similar². As the Rural Productivity Plan has pointed out economic activity in rural areas is diverse, with significant manufacturing and services sectors and knowledge-based and creative industries being increasingly important³.

Lack of focus in the review on how support for rural businesses can be achieved

6. Despite the emphasis on supporting rural businesses, there is only limited reference in the call for evidence as to how this might be achieved. Whilst there is a specific section on the use of agricultural buildings for residential use and a question on what improvements could be made to the existing permitted development right allowing change of use from agricultural to residential, there is no parallel assessment of the use of agricultural and other buildings and areas for business development.

7. Similarly, whilst there are questions in Annex C of the call for evidence on farm shops, polytunnels and on-farm reservoirs, there are none covering, for example rural tourism, which is rightly identified as providing significant employment; nor on home-working, which is identified as particularly relevant to rural areas. We look at these and other issues in the context of the question on planning issues that need to be considered for development in rural areas.

Planning issues needing to be considered for development in rural areas (Question 10)

8. The National Planning Policy Statement says planning policies should support economic growth in rural areas including by supporting the sustainable growth and expansion of all types of business and enterprise in rural areas. We are strongly in favour of this but are concerned that the Rural Planning Review consultation document makes no provisional assessment of how this might be achieved nor on the current performance of planning policies in this respect.

Home-based businesses

9. The consultation document makes the point that home-working is more prevalent in rural than in urban areas, and tends to involve higher skilled, higher wage roles, making use of technology to connect them to customers and the wider economy. Previously, the Rural Productivity Plan reported that home-working is growing faster in rural areas than in urban areas.

10. The way people work is being fundamentally changed by factors including transport costs, quality of life and particularly technology and this has increased home-working and self-employment. An important aspect of home-working is home-based businesses. There have been some reports and papers over the years that have looked at this and have highlighted the importance of the home-

² See for example *Drivers of rural business employment growth, decline & stability* Frontier Economics report for Defra July 2014

³ *Towards a one nation economy: A 10-point plan for boosting productivity in rural areas* Defra August 2015

based business sector to the rural economy⁴. However, neither the Rural Productivity Plan nor the Rural Planning Review consultation document focus on the issue. In our view the review of rural planning policy should cover the importance of home-based businesses and assess the extent to which rural planning policy in England is addressing the issue and responding to it positively.

Rural workspace

11. The National Planning Policy Statement supports sustainable growth and the expansion of all types of business and enterprise both through conversion of existing buildings and well-designed new buildings. However, this is not looked at in any detail in the call for evidence and in our view this is a significant omission. Whilst there is a specific section in the call for evidence on the use of agricultural buildings for residential use, there is no parallel assessment of the use of agricultural and other buildings and areas for business development.

12. The issue of rural workspace/business premises needs to be looked at in depth in the rural planning review. The availability of appropriate workspace is key to enabling economic growth in rural England. This includes providing the opportunity for businesses who may be working at home to grow, as for example through the development of work hubs that offer an 'office-as-needed' solution as successfully trialled through Defra's Rural Growth Network pilot projects. For these and other micro businesses the need is for a 'ladder of business accommodation' – incubation units, work hubs and move on space⁵.

13. Overall, there is a need to ensure that a necessary supply of rural workspace can be facilitated and maintained and that this is not inhibited by the general presumption in favour of residential use. In considering workspace, a key word is 'appropriate'. As one of our members has pointed out, in Cornwall there are examples of small sheds built in the 1980s, which are not viable currently for modern workspace (wired, broadband enabled etc) and which are susceptible to housing conversion when if they were modernised, they could be feasible for workspace.

14. As far as conversion is concerned, it is not just a question of converting agricultural buildings or 'sheds'. In some areas it can also be buildings of historic or architectural merit. In Dorset, for example, the county Rural Enterprise Group (REG) states that the rural parts of the county have a large number of listed buildings that are no longer in use for their original purpose and which potentially provide opportunities for rural workspace and whose conversion could also enhance their survival as part of the built heritage⁶. The REG refers to there often being "a misalignment between the conservation practices" and there are evidently frustrations not only with the local planning authorities but also with

⁴ See for example: *Home based work in rural England* Commission for Rural Communities Factsheet; *Under the Radar – tracking and supporting rural home based businesses* Live Work Network/Commission for Rural Communities July 2005; *Home-based business sectors in the rural economy* Newbery, R. & Bosworth, G., in *Society & Business Review* 2010; *Rural home-based businesses and their contribution to rural lives* Galloway & Kapasi Heriot-Watt University May 2014.

⁵ See Devon and Somerset Rural Growth Network Pilot case study in *Rural Statement 2012* Defra September 2012

⁶ *Dorset Rural Enterprise Priorities Paper* Dorset Rural Enterprise Group 2012 updated March 2016

national bodies such as Natural England and English Heritage, who can block development based on national policy applied from a long distance without any real appreciation of the local context.

15. Helping the growth of rural businesses and encouraging the supply of rural workspace is not only a matter of planning policy. The availability of finance and business support are also key and here there is much that can be learned from the work of the former Rural Development Commission and its agency the Council for Small Industries in Rural Areas (CoSIRA).

Agricultural diversification

16. The National Planning Policy Framework refers to planning policies promoting the development and diversification of agricultural and other land-based rural businesses. The Rural Planning Review call for evidence refers to farm diversification and identifies some of the ways in which farmers are adapting their businesses to be more efficient and flexible, including diversifying into other areas to provide more reliable and constant income streams, to supplement agriculture. There is a need to ensure that the Review fully assesses the effectiveness of the planning system in rural areas in facilitating and enabling agricultural diversification, including the use of Local Development Orders and any emerging experience from the new Food Enterprise Zones.

Rural tourism

17. The National Planning Policy Framework states that planning policies should support sustainable rural tourism and leisure developments that benefit businesses in rural areas, communities and visitors, and which respect the character of the countryside. This should include supporting the provision and expansion of tourist and visitor facilities in appropriate locations where identified needs are not met by existing facilities in rural service centres. Whilst the Rural Planning Review Call for Evidence refers to tourism providing significant employment, there are no specific references to this essential rural economic sector in the consultation questions. There is a need to ensure that the Review fully assesses the effectiveness of the planning system in rural areas in facilitating and enabling sustainable tourism and leisure developments.

Use of agricultural buildings for residential purposes (Questions 14 and 15)

18. The consultation document says "the need to increase housing supply is a national challenge and a particular issue in rural areas where stock is limited and house prices relatively high. The government wants to increase housing availability in rural areas, to enable villages to thrive, whilst protecting the Green Belt and countryside". As part this, in the Rural Planning Review, the government is reviewing the current threshold for agricultural buildings to convert to residential buildings.

19. We support the need to increase housing supply in rural areas. Inadequate availability of affordable housing can be a block on recruitment of employees by

rural businesses and therefore on economic growth in rural areas⁷. The conversion of agricultural buildings to residential can be an element of increasing rural housing supply. However, it will be important to ensure that in reviewing the permitted development thresholds for conversion to residential, the government recognises the potential for the conversion of underused agricultural buildings to contribute to ensuring the availability of rural workspace. It will be important to be satisfied that any increase in permitted development thresholds does not result in the crowding out of the necessary level of rural workspace or of farm diversification.

⁷ See for example qualitative analysis in *Drivers of rural business employment growth, decline & stability* Frontier Economics report for Defra July 2014