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PRIVATE INVESTMENT IN THE COUNTRYSIDE

*AN ASSESSMENT OF THE ROLE OF NEW HOUSES AND ESTATES
IN SUSTAINING THE RURAL ECONOMY AND ENVIRONMENT*

April 2003

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COUNTRY HOUSES AND PRIVATE INVESTMENT

Executive Statement

The British countryside has been shaped and sustained over the years by the establishment of landed estates. Some of our best known, and now most protected, landmarks derive from this tradition by which money, that was often sourced from outside the rural economy, was invested in land. Whilst there was some reversal in this trend during the last century, there is again a widespread desire among people of means to invest in country property. There is however a shortage of suitable houses and estates being offered for sale, as the market for such properties is inevitably limited and select. Many potential buyers are looking for opportunities to build their own house instead, either as a means of overcoming this shortage or as a matter of preference. Indeed, such new development has been acknowledged in recent years through a specific clause in planning guidance.

Paragraph 3.21 of Planning Policy Guidance Note 7: *The Countryside - Environmental Quality and Economic and Social Development* was introduced in 1997 as a means of perpetuating the historic tradition of innovation in the countryside through the construction of fine individual houses in landscaped grounds. That it was considered necessary to use a special provision of this kind reflects the prevailing presumption of planning authorities against allowing private residential development in open countryside.

The Government is currently reviewing rural planning policy and is focusing on higher density housing, affordable homes and the use of brownfield sites. There is an underlying conception that individual private house developments contribute nothing and are seen as the least attractive option for most development sites. The purpose of paragraph 3.21 lies outside the government's priorities and its particular provisions may therefore be excluded in forthcoming 'policy statements'. There is a likelihood that if it were no longer specifically mentioned, planning authorities might assume

that the development of individual houses need no longer be encouraged. This could result in the re-establishment of the dominant planning culture of presuming against all such development in open countryside.

The rural economy is in general decline due to falling farm incomes and concomitant problems of declining rural services and an inherently limited infrastructure. The Government has endorsed a policy of rural regeneration and is embracing new funding opportunities offered by the European Commission. These schemes are however selective and restricted and are likely to provide only a limited solution.

There are, meanwhile, substantial resources available in the form of private capital that is derived from outside the rural economy but which is ready to be invested in the countryside. This would, following a long established tradition, be through the purchase of large country houses or estates. The number of suitable properties available for purchase is however very restricted and potential investors are increasingly considering the alternative of building new houses in appropriate rural settings. Such opportunities represent a much needed financial input into rural areas as well as enabling some of the finest traditions of the English countryside to be perpetuated. Whilst it is acknowledged that only a very small percentage of the land market is likely to be affected by an exceptions policy allowing the building of substantial houses, and that the overall contribution to the countryside and the national rural economy is likely to be similarly very small, it is important that they should not be thwarted unnecessarily by ambivalent planning policies.

It is recommended that the facility for enabling the construction of new country houses and estates should be retained, given that it is clearly stipulated that they must be of the highest quality. The qualities will need to be defined in detail and could be referred where necessary to a competent authority such as the Commission for Architecture and the Built Environment. Local planning authorities could be required to include within their policy statements some guidance dealing specifically with new country houses, thereby reducing the cost and complexity of current practices.

PRIVATE INVESTMENT IN THE COUNTRYSIDE

1. Introduction

1.1 *Background*

The British countryside is unique in enjoying a long heritage of building fine houses, in styles reflecting the architectural tradition of the time, and of properties making a sympathetic contribution to the rural landscapes in which they sit. Often built to demonstrate their owner's wealth or political or social status (Girouard, 1978), they nonetheless made an important and lasting contribution to the visual environment and provided focal centres in localised rural economies.

At the end of the nineteenth century approximately ninety percent of the farmland of England and Wales was tenanted (Nix et al, 1999). The resultant dominant ownership and occupation pattern was one of privately owned estates, often extending to several thousand acres of contiguous farm and woodland. Most of these agricultural estates would have included a principal house: the permanent or sometime residence of the landowner, often commanding sweeping vistas across open parkland, but equally and importantly usually itself being the subject of extensive landscaping.

Resident landowners provided local employment, and a focus and economic momentum to the local agricultural estates; enhancing the landscapes and rural environments, sometimes for sporting pursuits, or simply for the pure enjoyment of living the rural idyll. Hedges, walls and fences were erected and maintained, farm buildings were kept in fine repair, copses and specimen trees were planted and husbanded, and ponds, streams and fishing pools were dredged, stocked and restored. Employment was thus not only created in service positions in the house, gardens and stable yards, but also in more general estate maintenance, forestry and farming.

It is estimated that during the eighteenth and nineteenth centuries between five and ten thousand significant houses were built in the British countryside (Downing, 1985), initially on a scale and in a style that mirrored their owners' financial stature and political power, but more latterly as a reflection of their appreciation of fine art and the social culture of their day. However this tradition did not survive into the twentieth century due to a combination of harsh taxation regimes, agricultural depression, coupled with the ravages of two World Wars, and sweeping social changes post 1945. Subsequently, not only did new building significantly diminish, but the upkeep of existing houses was neglected and many fell into disrepair and were demolished (Littlejohn, 1997). Unrestored fire damage, or the change to institutional use, the latter often accompanied by inappropriate extensions and unsympathetic rebuilding work, meant that countless houses were lost. Concomitant was the wholesale splitting up of agricultural estates, the transfer of previously tenanted estates into fragmented private ownership, depriving the once grand houses of their economic lifeblood and their social *raison d'être*. It has been conservatively estimated (Strong and Binney, 1975; and Robinson, 1989) that between 630 and 1000 architecturally important country houses were destroyed during the first three quarters of the twentieth century. Latterly, the further loss of listed buildings through demolition or decay has been prevented by legislation that was introduced in 1974.

Post war town and country planning (encapsulated in the Town and Country Planning Act 1947) did little to address this state of affairs; indeed it introduced the presumption, revisited in Government guidance to local planning authorities in 1992 and 1997 (DOE 1992, 1997), against further new building in rural areas in favour of preserving the countryside exclusively for agricultural and forestry production. Such policy was in line with the recommendations of the Scott Report (Committee on Land Utilisation in Rural Areas, 1942) and the White Paper *Rural England* (DOE and MAFF, 1995). This principle was still reiterated within planning guidelines introduced in 1997, as mentioned below. The agricultural priorities of the 1950s and 1960s have steadily given way to environmental and sustainability concerns in the latter part of the twentieth century, but the failure to recognise the potential of man-made structures to enhance the natural countryside persisted throughout.

1.2 Current Trends

In 1997, provision was made within planning legislation to enable the building of houses of exceptional style and quality in the countryside. This was encapsulated in a special clause, paragraph 3.21 of Planning Policy Guidance Note No. 7 (PPG7), that refers to the prevailing guidelines for controlling the development of isolated houses in the country and then states:

'An isolated new house in the countryside may also be exceptionally justified if it is clearly of the highest quality, is truly outstanding in terms of its architecture and landscape design, and would significantly enhance its immediate setting and wider surroundings. Proposals for such development would need to demonstrate that proper account had been taken of the defining characteristics of the local area, including local or regional building traditions and materials. This means that each generation would have the opportunity to add to the tradition of the Country House which has done so much to enhance the English countryside.'

The country was at that time experiencing a period of relatively high agricultural incomes as well as a growing emphasis on environmental and conservation issues. The focus of both policy and practice was as much on enhancing the countryside as on the profitability of farming. Since then, agricultural incomes have fallen sharply and the farming industry has faced a series of setbacks, ranging from Foot and Mouth Disease to a major review of the Common Agricultural Policy (CAP). Environmental considerations now form an increasing element of rural policy, together with measures to encourage and promote diversification, whilst the ongoing viability of farm businesses has become a growing problem.

Diminishing profits affect not only the individual farm enterprises and the nation's ability to produce food, but also impact on the management of the countryside and the viability of rural communities. As crop prices and CAP support continue to decline, other resources need to be utilised in order to sustain the British countryside. The

provisions of paragraph 3.21 of PPG7 can offer just such an opportunity and it is the purpose of this report to assess the benefits of encouraging private investment into the rural environment. Furthermore, as rural planning policy is currently under review, consideration is also given to the potential consequences of removing any specific mention of this particular provision from future guidelines.

2. Background

2.1 Implementation

It is difficult to establish with any certainty the number of planning applications that have been made specifically within the provisions of paragraph 3.21 of PPG7. Neil Guy when preparing his dissertation 'The Country House and PPG7' identified 46 cases of applications throughout England that either referred to this clause or otherwise comprised plans for houses that were of the kind of architectural standard defined within it. Only 20 of these involved building on new sites (including a disused quarry and an old brickyard that would be deemed to be 'brownfield' development) whereas of the remainder, eight are on the sites of former houses that were demolished in the past and 14 constitute replacements for existing houses or farm buildings. 14 of these cases were approved and 20 were still in the planning process or awaiting results. In all, 12 applications were refused and half of those are being taken to appeal. Neil Guy also identified 20 references to the Appeals Inspectorate between 1997 and 2002 of which all but 2 were refused. One of the main factors in these refusals was the effect that the proposed development was considered to have on the character and appearance of the surrounding countryside.

We have considered the evidence represented by these appeal cases in terms of the geographic location of where new houses were being sought, and as indicated in Figure 1. This showed some concentration along the western end of the M4 corridor but otherwise gave a fairly even spread and had no particular focus on the Home Counties area as might have been expected. We have also given consideration where appropriate to numerous cases in which applications for the construction of isolated

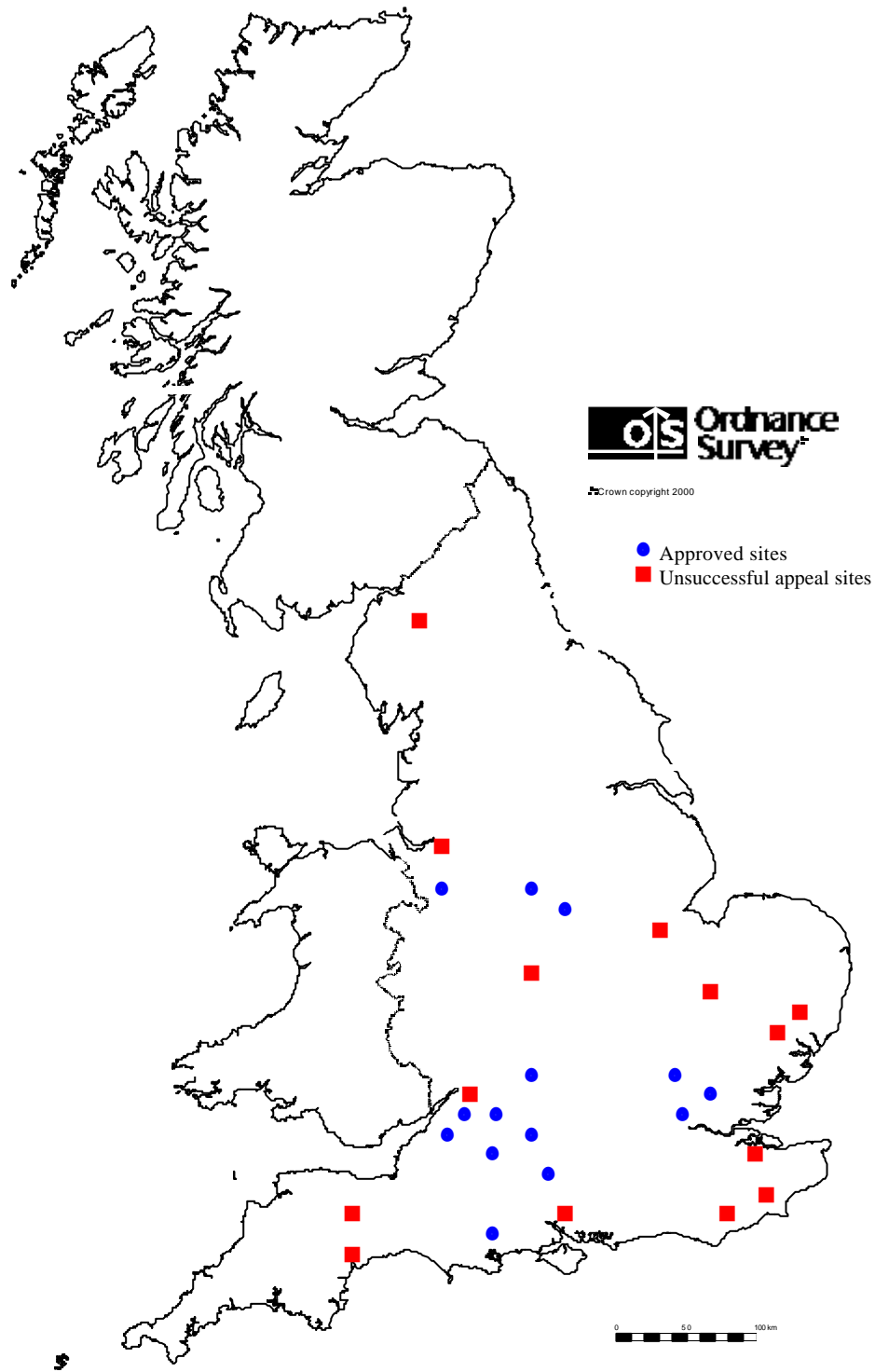


Figure 1. PPG7 country house sites

houses of high quality were made through the normal planning process and without recourse to the particular provisions of PPG7. It should be noted too that there are likely to be many instances in which the refusal of an application by a local planning authority would not be followed by an appeal. It has not however been possible to make an accurate assessment of applications that were made for new individual houses, whether through the provisions of paragraph 3.21 of PPG7 or under the normal planning process.

An analysis was made of the fifteen application sites which were unsuccessful at appeal. In five of these, the dismissal was on the grounds that 'the proposal does not meet the criteria set out in paragraph 3.21' or similar wording. In a further five cases, the inspectors found that the proposals were 'not truly outstanding' or did not provide 'significant enhancement'. These appeal decisions highlight the high degree of subjectivity brought into the process by the wording of PPG7. The tests within paragraph 3.21 are wholly design-based, and ultimately depend on subjective rather than measurable criteria. Of the fifteen dismissed appeal sites, ten were within areas where the landscape was already the subject of a planning designation, such as Green Belt, Area of Outstanding Natural Beauty, Special Landscape Area or Area of Great Landscape Value. Neither of the two successfully appealed sites were in landscape designated areas. Several sites which were approved in the first instance by the local authority are within AONBs, although without exception these are proposals to replace existing dwellings or to build in the 'footprint' of former country houses. Clearly somewhat harder criteria in terms of landscape 'enhancement' apply in areas where the surroundings have already been designated of notable value, and planners are keen to preserve a policy of not allowing residential development to take place.

2.3 Agriculture

Farming throughout the UK has suffered an unprecedented fall in incomes, as indicated in Figure 2. Provisional figures for Total Income From Farming for 2002 show an average annual income per person employed in agriculture of just £11,136 (DEFRA 2002). This decline is due to a number of factors, notably the strength of

Sterling against the Euro and the effect of Foot and Mouth Disease and certain regulatory factors as well as the reduction in arable support payments. The response within the industry has been to cut costs wherever possible and to rationalise the farm businesses and diversify into new enterprises.

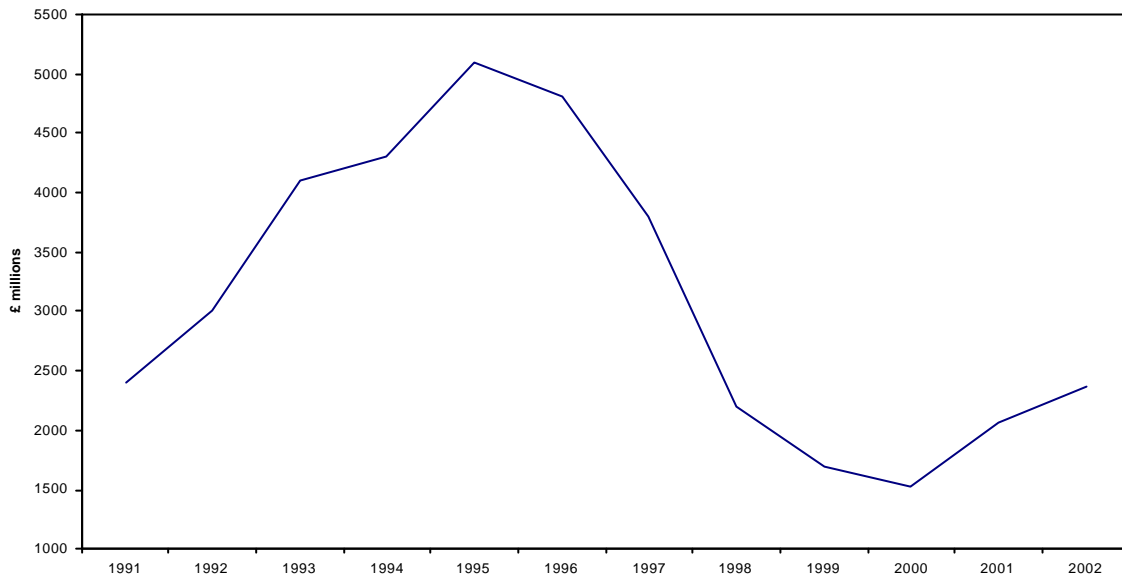


Figure 2. UK Agricultural Incomes. Source: DEFRA.

One of the principal means of cutting costs has been to reduce overheads in the form of labour, so that the number now employed in farming has fallen by more than twenty percent in the last 10 years, with a loss of 88,000 jobs, as illustrated in Figure 3. One effect of this has been to increase the number of dwellings on farms that are no longer needed for employees. These are then sold to release capital or are otherwise let out at open market rents, in either case displacing the former occupants. Other reductions in overheads have been achieved through gaining economies of scale by taking on additional land and working it with the same labour and equipment as on the original unit. The ensuing rationalisation of labour resources on the new farm unit inevitably leads to redundancies.

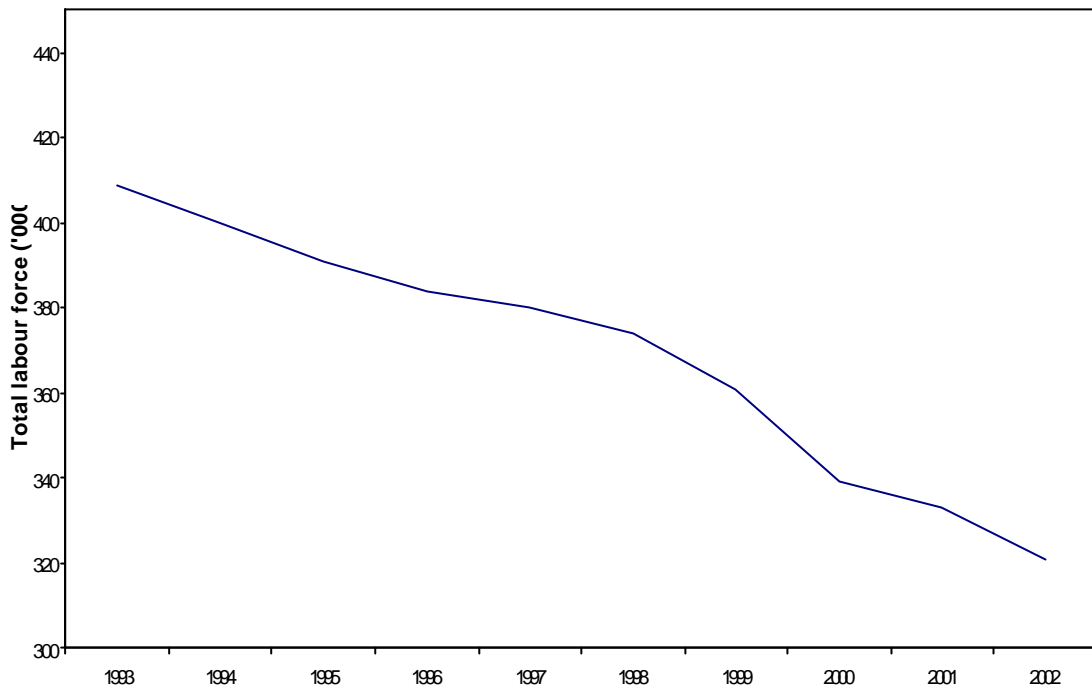


Figure 3. Total Labour Force on Agricultural Holdings in England. Source: DEFRA.

Rationalisation, involving taking a fresh look at how a business is structured, has often meant letting the land to larger operators or to using contractors, again causing a loss of jobs and also sale of machinery, which in turn reduces the farmers' ability to maintain the landscape around them. There is also a tendency towards increasing short term efficiency by reducing the range of crops grown and possibly disposing of dairy and beef herds, leading to a form of monoculture. These trends are likely to increase if present proposals for the review of the CAP are implemented and support payments are decoupled from actual production.

Diversification into non-farming ventures is being encouraged under current EU and UK policy initiatives and grant schemes but has not been a universal panacea as its success depends on many differing factors, notably location and opportunity as well as the availability of capital and expertise. It does however have potential to provide employment and to attract outside resources.

2.4 *The Rural Property Market*

The number of farms being offered for sale has been limited in recent times, with an annual average of 464 transactions on 21,900 hectares being recorded over the last 10 years on the Farmland Price Index for England and Wales produced by the Royal Institution of Chartered Surveyors (Figure 4). This restricted supply has been a contributory factor in land prices continuing to rise at a time when farm incomes were in steep decline. The contrasting performances of land prices and farm incomes are illustrated in Figures 2 and 4.

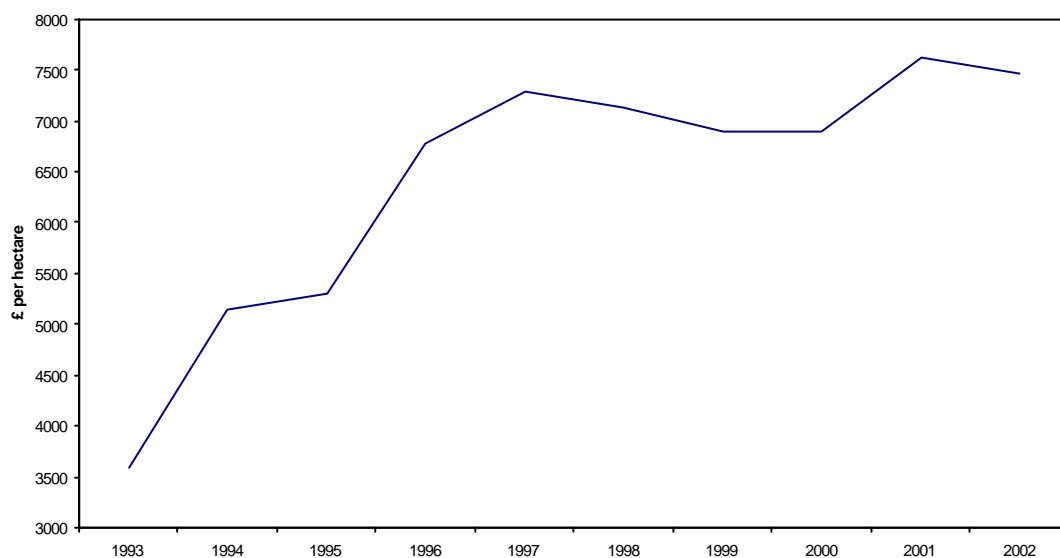


Figure 4. Farmland Values in England and Wales. Source: RICS.

The Land Price Index has however experienced a sharp fall in last quarter of 2002 from £7801 to £6415 and it remains to be seen whether this heralds a new trend or only a temporary statistical interruption. There are a number of reasons why land prices have not moved down in line with farm incomes, the principal ones given by most commentators being the impact of 'lifestyle' buyers, the need for economies of scale and the fact that many landowners are avoiding having to sell by letting their land. Low interest rates are also a factor, in enabling debt to be serviced even with

reduced incomes and thereby obviating the need for capital repayments that might have had to be funded through the disposal of land or property. Country house prices have been rising strongly during this period, at a rate of around one hundred and forty five percent according to the FPDSavills index. This is due largely to the buoyancy of national economy and low interest rates and has added to the overall value of farms. At the end of 2002, the property agents Knight Frank reported that they had 370 potential cash buyers listed as having more than £2m to spend on a country house in the South of England. Another leading firm of property agents in this field, Strutt & Parker, also recorded having 350 applicants with funds totalling £850m. It is unlikely that a sufficient number of suitable properties will be brought to the market to meet this demand during the foreseeable future, especially if sales agreed at the end of last year still go through to completion.

3. Present Position

3.1 *Planning Policy*

Since the implementation of the Town and Country Planning Act 1947, there has been a general presumption against allowing building development on agricultural land. This was highlighted in a report by the Rural Development Commission in 1988 which concluded that local authorities were inclined to protect open countryside regardless of the environmental, economic or social outcomes of the proposed development. Furthermore, areas deemed to be under particular pressure were even given special protection through the designation of Green Belts. The general principle was reiterated by the introduction of Land Classification in 1976 and the concept of Best and Most Versatile Land whereby the Minister of Agriculture had to be consulted on development proposals affecting the better grades of farmland. More recently the protected status of better quality land has been reduced, in recognition that food production no longer has the same priority, and the Green Belt policy has also come under review. However, the present Government still seeks to preserve farmland by encouraging the use of brownfield sites as an alternative. The various difficulties associated with such sites has led to some relaxation in these policies as

indicated in the proposals announced in February 2003 for a target of 200,000 new houses in the South of England during the next 15-20 years. There is however still within these plans a determination to be economical in the use of greenfield sites by requiring residential developments to adopt higher densities. The Government has also eased some of the prescriptive sustainability issues previously constraining potential development in rural areas by suggesting that local planning authorities may take a more flexible approach on the issue of traffic associated with such developments as originally specified in PPG13.

The public attitude towards farmland remains largely protective, more for reasons of amenity and landscape preservation than for any defence of agriculture, and these often emotive views are often strongly supported by pressure groups with conservation interests such as the Council for the Protection of Rural England, the Ramblers' Association and Friends of the Earth. Local planning policies are significantly influenced by such interests, potentially diluting the effectiveness of guidelines provided by central Government. Paragraph 3.21 did not change the thrust of local planning policy; a proposal for a new country house would almost certainly still be against local policy. The onus is on the land owner to make out a convincing exceptions case as to why their particular proposal should be allowed. Local planning officers, who have been arguing against such developments in line with government policy since 1947, are likely to be influenced by the arguments of the pressure groups, and can take shelter behind the rather vague and subjective wording of paragraph 3.21

The Government is increasingly committed to a policy of rural regeneration in line with the recommendations of the Commission on the Future of Farming and Food and in accordance with the European Rural Development Programme. This focuses largely on diversification, involving the conversion of farmland and buildings to non-agricultural use, and consequently impacts upon local planning policies. The new emphasis is very much on allowing limited commercial development, taking preference over residential development, the latter only being considered, for example in the conversion of redundant farm buildings, where a business use is not practicable.

There is however still a deep-rooted resistance within the countryside to allowing building development on open ground, or greenfield sites. Much of this is based on an understandable instinct for conservation and a desire not to lose landscapes or to have them changed from what they were. Those landscapes have however evolved over time and are almost entirely 'man-made' in one form or another. Latterly, this process has been stultified by a prevailing sense of protectionism that exists both within the general public and the planning authorities. Part of the purpose of paragraph 3.21 of PPG7 was to provide a means whereby this evolution of the countryside could be allowed to continue under certain circumstances rather than be lost in the general protectionist principles of the time.

These present day attitudes are illustrated in a statement issued by Wildlife and Countryside Link in January 2003 which calls for the removal of paragraph 3.21. It claims that the provision 'creates a loophole that can be exploited by speculative developers; it is contrary to subsequent planning guidance; and it risks damaging qualities of the countryside with no benefit to the local area'. Whilst this may accord with an overriding concern that many people have about the countryside being spoilt by indiscriminate development, it appears to ignore the essential provisions of paragraph 3.21, notably that the proposed house must 'significantly enhance its immediate setting and wider surroundings. Even 'speculative development' is governed by this requirement, ensuring that where plans are prepared for sale on to an unidentified buyer, they will have to incorporate the high standards defined in PPG7. The statement also ignores the financial and environmental contributions made by these new estates, as outlined in Sections 3.4 and 3.5 below.

The growing pressure on England's rural areas has just been highlighted in a new report by the Countryside Agency, *The State of the Countryside 2020*. It foresees some inevitable change, with increasing construction of not only houses and commercial premises but also of roads. In time, the present protectionist attitudes may become untenable, but in the meanwhile they will be promoted with a greater vigour.

3.2 Farming and the Rural Economy

Government policy within Britain is shifting away from mainstream farming and both national and European support is now focused more on rural regeneration (through diversification, specialist marketing and vocational retraining) as well as on environmental measures. The framework for this derives largely from the Agenda 2000 reforms to the CAP and is echoed in the recommendations of the Curry Commission report (2002) setting out recommendations for the further reform of the agriculture and food supply industry in Britain. There are however concerns that these will be only partly fulfilled, due to burdensome procedural constraints and restricted financial resources. Funding for these measures comes largely under the umbrella England Rural Development Programme (ERDP) schemes and in particular the Rural Enterprise Scheme (RES). These aid programmes are dependent on national exchequers as well as on EU payments and are limited and discretionary. According to the latest statistics issued by DEFRA (ERDP Bulletin - April 2002), the number of RES applications approved during the first 15 months of operation to December 2001 amounted to 207 involving £12,633,192 in grant payments. A further 184 cases seeking a total grant of over £25 million were rejected. The RES is seen as a major feature of CAP reform, but its impact when measured in terms of an annual injection of around £12 million over the whole of England seems modest when compared to the estimated total of capital available from private investors mentioned in sections 2.4 and 3.3.

Furthermore, the British Government subscribes to the principle of Modulation whereby farm support levels are progressively decreased, with the savings in part going to fund ERDP schemes. Other forms of financial aid under the ERDP will however be relevant only to farmers in areas where diversification is feasible, whether for commerce or tourism, or to those growing specialist crops that can be sold in local or niche markets. Grants for conservation, whilst more widely available under the Countryside Stewardship Scheme, are likely to continue to be relatively marginal to the viability of a farm as a whole, contributing for instance to the cost of hedge and wall maintenance, restoring former pastureland, and providing conservation strips

around arable fields. Whilst entirely laudable in their objective, none of these measures can make any significant contribution to business profit, largely being designed to replace (declining) income foregone.

Agriculture in Britain and throughout Europe has been dependent on grant aid for over 50 years. Previously, this was justified in order to secure a reliable and inexpensive source of food and to sustain rural communities. That priority has now changed and financial and political support for farmers is being reduced. Some individual businesses may yet benefit from the new grant facilities mentioned above, but many others will not have such opportunities and are unlikely to be able to continue farming.

3.3 The Estate Market

The market for country estates, as opposed to working farms, has always been dominated by buyers from outside the agricultural sector. Historically, the demand for such properties was spread quite widely across the country, as evidenced during the industrial revolution when substantial estates were created close to the source of the newfound wealth that came from coal mines, potteries or cotton mills. More recently such wealth has originated from London or has come from buyers from overseas, both groups preferring to be centred on London rather than, for example, the former mill towns of northern England. The resources for investment in country property have therefore been concentrated on a radius of about two hours drive from London, with a particular preference for the more visually attractive, fashionable and convenient locations such as Hampshire or the Cotswolds. The resultant pressure has led to a potential imbalance of supply and demand, with the consequence not only of raising prices but even of denying investors the opportunity of buying any suitable estate at all. This, together with other factors such as increasing development and congestion in the Home Counties, has encouraged buyers to consider a wider range of locations than before. Recent instances of such a trend may be seen in the sale of the Dodington Estate near Bristol at the beginning of this year or of The Encombe Estate in Dorset and Fermyn Woods in Northamptonshire in 2002. The phenomenon of the

'lifestyle' buyer, whilst concentrated on the south of England, does now also stretch to many other areas of England. This geographic flexibility applies also to those seeking to build new houses, with notable examples being found in Staffordshire, Yorkshire and Northumberland.

The shortage of suitable properties around the country means that many potential purchasers are frustrated in their aim to acquire a rural house or estate and may ultimately abandon their search. As an alternative solution, buyers are increasingly prepared to look for a suitable site on which to build a new house, yet opportunities to do so are not only limited but also difficult to achieve. This overall situation represents a loss of resources that could otherwise have been invested in the rural community. One agent reported that over 50 applicants viewed one small estate in the Midlands. Given that the guide price was in excess of £3m, the sale to the one most favoured bidder left others with a total resource of around £150m still unsatisfied.

We were advised by Property Vision, a leading agency specialising in the purchase of country houses and estates, that during 2002 they were retained by 26 clients seeking to buy properties with at least 100 acres. These represented funds totalling about £160m, but of the properties being offered for sale throughout that year only seven were deemed to be suitable for such clients, with many others considered inappropriate due to being compromised by their position or by overpricing.

The market for quality houses is well represented in the advertising pages of the weekly magazine Country Life. These are then recorded on an annual basis in the Elite Property Index, an analysis which reveals that the number of substantial houses or estates that were offered for sale last year totalled just 110 across the whole of Britain. Whilst not accounting for other properties that may have been bought or sold privately and without the use of advertising, this does illustrate the restricted nature of the open market.

It is interesting to note that where new country houses have been constructed, they have often been made subject to Section 106 agreements requiring, for example, that

the land shall not be separated away from the house in any future sale or that certain landscape features must be retained and maintained. This implies a readiness of the new owners to commit the property to remain in perpetuity as a single estate and to be taking a traditional long term view about their social and physical environment, including the maintenance of the landscape around them.

3.4 Country Houses and the Rural Environment

Those people who aspire to buy a house or estate in the country do not usually have any background in farming or land management, but they do have a positive interest in their new situation. Most of them bring a fresh approach to the property, including energy and entrepreneurial skills as well as financial resources that may have been missing under the previous ownership. Most of them too have an active interest in environmental matters including conservation and wildlife, shooting and the creation of habitats for game birds, tree planting for amenity, the establishment of wild flower meadows and organic or low input farming. (such as conservation and organic farming.) In each of the case studies considered in this project, the new owners had undertaken significant tree planting schemes. Such schemes, together with the supporting stewardship grants, would have been available to the previous owners but had not been utilised, usually due to a lack of incentive. Likewise tenant farmers would not have been encouraged by non-resident owners to apply for conservation grants. It can be argued that that the local landscape would not have benefited from any improvements of this kind had it not been for the change in circumstances arising from the purchase and subsequent house building. Case study analysis has revealed that in many instances tree planting and other estate conservation works are carried out without recourse to a grant scheme and therefore without any call upon public funds.

The development of substantial houses in country settings generally involves significant landscaping. Indeed, one of the main provisions of PPG7 is that it 'is truly outstanding in architecture and landscape design, and would significantly enhance its

immediate setting and wider surroundings'. This fundamental requirement is emphasised by the fact that landscape architects have a very significant role in these projects. The landscaping features incorporated into such projects are generally of a far more extensive and sophisticated nature than those provided around other forms of residential or commercial developments in rural areas. There is a particular distinction in that for the latter, landscape features such as the planting of shrubs or trees will be largely to provide a screen to hide the new construction or to provide an element of privacy. In the case, however, of an individual house of substance, these works are geared more towards harmonising the property with its surroundings rather than hiding it. This practice follows the established traditions of such rural developments of earlier centuries.

One clear example of this occurs in the Appeal Decision in the case of The Old Barn at Great Canfield in Essex. The inspector made a particular point about the way in which the proposed house would be seen within its immediate surroundings and based his judgement on the precedents of historic houses in the area. He considered that the development would in fact bring about an improvement: 'views of the house, rather than harming rural character and appearance, would add to its attractiveness'. [Asher, 2000, Appeal Ref: APP/C1570/A/00/103534].

In another Appeal Decision at Ashley near Kings Somborne in Hampshire, the inspector referred to the tradition of '... a large formal house ... with its immediate ancillary buildings ... extending out into a more informal but planned parkland and pleasure grounds, within a larger managed agricultural and woodland estate'. He then added: 'Architect, landscape architect and client have clearly worked together to create an integrated plan'. [Durrant, 2000, Appeal Ref:APP/C1760/A/00/1048547].

There are many instances too where a new house has been built on the site of former farm buildings or as a replacement of a smaller, more ordinary dwelling. In those cases where we found this to be the case, the new house created a considerable enhancement to the immediate vicinity, being built of fine local stone and surrounded

by landscaping and new tree plantings, rather than offering a basic brick built working house and portal framed farm buildings.

3.5 Country Houses and the Rural Economy

Traditionally, farms and estates provided support for the local community, essentially by means of providing employment on the land and service in the house and in all the attendant activities. The larger estates also provided means of ownership of land for its occupation by farming tenants as well as houses and cottages for rented accommodation. At the start of the twentieth century 90% of farmland in Britain was tenanted whereas, according to the latest DEFRA census, this has now reduced in England to just 35%. As a consequence, the majority of present day farmers need to be able to fund both the ownership of their land as well as the business being conducted upon it. Similarly, rented housing is becoming increasingly scarce leaving few options for rural dwellers who wish to remain in their own locality but who are unable to afford to buy at prevailing prices. These situations are due to a diversity of factors, including past tax regulations and tenancy legislation, changing farming practices and the sale of council houses. There are unlikely to be any new statutory solutions to this state of affairs, given that farm tenancy regulations were fully reviewed only eight years ago (The Agricultural Tenancies Act, 1995) and that the question of residential accommodation depends currently on rather generalised guidelines requiring planning authorities to consider incorporating affordable housing within residential development schemes.

It is difficult to quantify how effective the Government guidelines on affordable housing have been in the rural sector. The main organisation focused on providing such homes outside urban areas is the Rural Housing Trust which states that since 1988 just 2427 homes have been provided in 279 villages around the country. Whilst we understand that this figure may now be a little understated, the total is unlikely to be more than about 3000. Builders and housing associations engaged in the provision of low cost housing tend to concentrate on the larger, and therefore more economic,

sites in urban areas rather than country villages where the scale of development is smaller. The Rural Housing Trust estimates that a further 50,000 affordable homes are required if each small village in England (of between 500 and 1500 people) is to be able to fulfil the perceived need of between 6 and 8 low cost houses. While there are other agencies besides the Rural Housing Trust working in country areas, these statistics suggest that prevailing policies have had only limited success in creating accommodation for local people.

It is evident that the new owners of country estates have substantial financial resources that are derived principally from non-agricultural sectors and that are consequently largely unaffected by the downturn in the rural economy. They have little desire or ability to farm the land themselves and little time or inclination to take a 'hands-on' approach to managing the house and grounds. They need accordingly need to have staff to help run the property, to perform domestic and gardening duties as well as farming, forestry and gamekeeping functions. In many cases such service employees will require on-site accommodation, due to the nature of their work, the rural and often remote location, and the rising cost of housing relative to their level of earnings. The estate owner will therefore have to be able to provide such accommodation and will in some measure then be replicating the kind of facilities that would have been found on a traditional estate but which have largely been lost in recent times.

In each of the case studies it was found that the construction of a new house had led to the creation of domestic and ancillary jobs and also, where it was required, to the provision of residential accommodation. The number of staff employed depended on the size and circumstances of the property, but it appeared that a new house of around 12,000 sq ft would engage between 8 and 10 people. Even where the property comprises a relatively modest area of land it can still directly involve a significant number of staff. One example is of a house in northern England with 165 acres at which four full time and three part time staff are being employed, comprising farm manager, housekeeper and two grooms, and gardener, secretary and driver.

New employment, often of local significance, has also been generated on the estate land around these houses, and ranges from agricultural contracting to tree-planting and dry-stone walling. Such activities were often not present under previous ownership due to a lack of integrated estate management, a lack of incentive or a lack of financial resources. The fact that the land is likely to be farmed under a contracting or partnership agreement, rather than by the property owners themselves, is of particular benefit in the current economic climate. Such arrangements offer local farmers a means for spreading overheads and gaining economies of scale that are becoming increasingly crucial for their financial survival. The construction of the new house itself must employ “.....local or regional building traditions and materials” (PPG7, paragraph 3.21), and the combination of this, and the accompanying landscaping and general estate stewardship, contribute to the continuation of traditional, costly, work methods, and the retention of rural skills in a commercial setting.

4. Conclusion

Much of the British countryside is in economic decline, due largely to a fall in agricultural and other rural incomes. This is being countered in some areas by new non-agricultural development and diversification, but the benefits of this are localised and limited. Moreover, there is little evidence that the resources introduced through these new developments are being reinvested to a sustainable extent into the surrounding landscape. Environmental schemes, such as the Countryside Stewardship Scheme, are providing some facilities for landowners to enhance or restore landscape features, but are proving to be limited in their overall impact.

Whilst there has during the last year been some slight respite in the downward trend in agricultural incomes, farming in the UK continues to be under pressure, with renewed concerns now arising from the Mid Term Review of Agenda 2000 under the Common Agricultural Policy. The main thrust of Government policy has been on rural restructuring and in providing resources for marketing, diversification and

retraining, and also for landscape and habitat conservation. These measures are however proving to be limited in their actual application and are unlikely to have more than a relatively localised effect.

The development of new country house estates presents a means for channelling private resources into the rural environment. The number of people able to undertake such projects is limited, and the financial and social contribution that they make, whilst individually substantial, cannot be reckoned to be a significant replacement of any national shortfall in grant aid. Nonetheless, the country cannot afford to spurn such resources that these investors do bring to rural areas and nor is there any cause to reject them. Present planning policies are able to ensure that these projects will not spoil the countryside but make a positive contribution to it instead.

In April 2001, Beverley Hughes, a Minister at the DETR, stated in the House of Commons that the Government believed that there was a need for more affordable housing in the countryside and did not see the exception allowing large country houses as being consistent with that policy (Hansard, 2001). She implied that the two were somehow mutually exclusive and not consistent with the Government's objectives for the countryside generally. In localities where this policy of social housing is implemented, the resulting homes will provide a much needed facility for rural communities, but the policy will do little to bring in any new resources other than labour due to the limited spending power, and mobility, of those who would qualify for such accommodation. These affordable housing schemes are widely recognised as being, in principle, laudable and positive, but they can be difficult to implement in practice. There are problems, for example, in demonstrating their economic sustainability and in the fact that they make no contribution to the local environment. On the other hand, by enabling a large individual house to be built, new money is introduced into the local economy together with the possibility of skilled and unskilled employment, staff housing and in some instances the provision of affordable homes.

The prevailing political attitudes to the countryside focus on conservation and preservation, seeking by and large to retain features from the last century. The most publicly recognised images for this are of hedgerows, wildlife species and indigenous tree varieties, although the traditional country houses and parks did also form a significant part of this former scenery. Within these landscape policies (this) lies a danger that there will be insufficient resources to achieve the objectives, as Government funding is reduced and as farmers are less likely to continue to have the means to fulfil the traditional role of stewardship and land management. There is a very real possibility that in many areas the landscape will deteriorate, due to a lack of husbandry and maintenance. The dogmatic adherence to a countryside policy which seeks to preserve rather than one which allows initiative to flourish is questionable. The British landscape has evolved and matured over the centuries, with a significant contribution having been made by innovative and creative landowners. Enabling new houses to be built provides a contemporary means for doing the same and for continuing some of the best traditions of the British countryside.

5. Recommendations

There are two areas of recommendation. Firstly concerning whether an exceptions policy is justified or not, and secondly, if it is, what format it should take. The evidence suggests that a suitably worded and positively implemented policy allowing properties of the highest quality to be developed would be beneficial to the rural economy, and would enhance the landscape. It is also self-evident that the removal of an explicit exceptions policy allowing large country houses to be built in certain specified situations will exacerbate the problems for would-be estate owners. There is an inherent danger that simply removing the exception without replacing it with some alternative guidance will remove any incentive or initiative among local planning authorities to give positive consideration to such developments and give the impression, whether realistic or not, that government is opposed to it.

A review of the planning legislation and accompanying guidance material would present the opportunity for revisiting the wording of an exceptions policy for new

houses. Specifically it could address the subjective nature of the current criteria, notably phraseology such as ‘truly outstanding’ and ‘highest quality’, which could be replaced by for instance, comparison with the Royal Fine Arts Commission (RFAC) criteria for good buildings or decided by Design Review Committee of the government’s Commission for Architecture and the Built Environment (CABE). Similarly objective assessment could be established for landscape criteria, especially as we understand that the function of CABE is due to be extended to cover urban landscapes which could then in turn include rural situations too.

Additionally, new guidance could address the question of the minimum size of land parcel below which proposals would not be considered, and specifically whether applications could be made inside landscape designated areas, and if so, what criteria might additionally apply in such cases. More guidance could be given on the somewhat vague requirement to “...*take account of the defining characteristics of the local area...*” and “..*local and regional building traditions and materials.*”

Local planning authorities could be required to have in place a written statement expressing their policy on new country houses. It has not been possible to make an accurate assessment of the extent to which this is currently the case, although one detailed example of this is to be found in the Suffolk Coastal Local Plan. Such statements may help to alleviate the costly and unnecessary preparation of planning application material and appeal evidence in situations where a proposed development is then unlikely to be allowed.

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Acknowledgements.

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- Mark Darwent, Colvin & Moggridge, Lechlade.
- Michele Dugdale, Country Life Elite Property Index
- Neil Guy, Architectural Historian, Daventry.
- Andrew Hay, Knight Frank, London.
- Mark McAndrew, Strutt & Parker, London.

Appendix.

Appendix 1

Department of the Environment (1997) Planning Policy guidance (PPG7revised): The Countryside - Environmental Quality and Economic and Social Development 1997. HMSO London.

Paragraph 3.21:

New house building and other new development in the open countryside, away from established settlements or from areas allocated for development in development plans, should be strictly controlled. The fact that a single house on a particular site would be unobtrusive is not by itself a good argument; it could be repeated too often. Isolated new houses in the countryside require special justification—for example, where they are essential to enable farm or forestry workers to live at or near their place of work. Advice on the special considerations which may arise in relation to agricultural and forestry dwellings is given in Annex 1. An isolated new house in the countryside may also exceptionally be justified if it is clearly of the highest quality, is truly outstanding in terms of its architecture and landscape design, and would significantly enhance its immediate setting and wider surroundings. Proposals for such development would need to demonstrate that proper account had been taken of the defining characteristics of the local area, including local or regional building traditions and materials. This means that each generation would have the opportunity to add to the tradition of the Country House which has done so much to enhance the English countryside. Sensitive infilling of small gaps within small groups of houses or minor extensions to groups may also be acceptable though much would depend on the character of the surroundings and the number of such groups in the area.

Appendix 2

Hansard (HOC) 23 April 2001, Col 82 W

“The Government believe that there is a need for more affordable housing in rural areas, and do not see the current planning exception for isolated large dwellings which may be built in unsustainable locations as consistent with that priority, or with its objectives for the countryside more generally. We therefore intend to consult on amendments to PPG7 to remove this exceptions policy which allows such large dwellings to be built.” Beverley Hughes