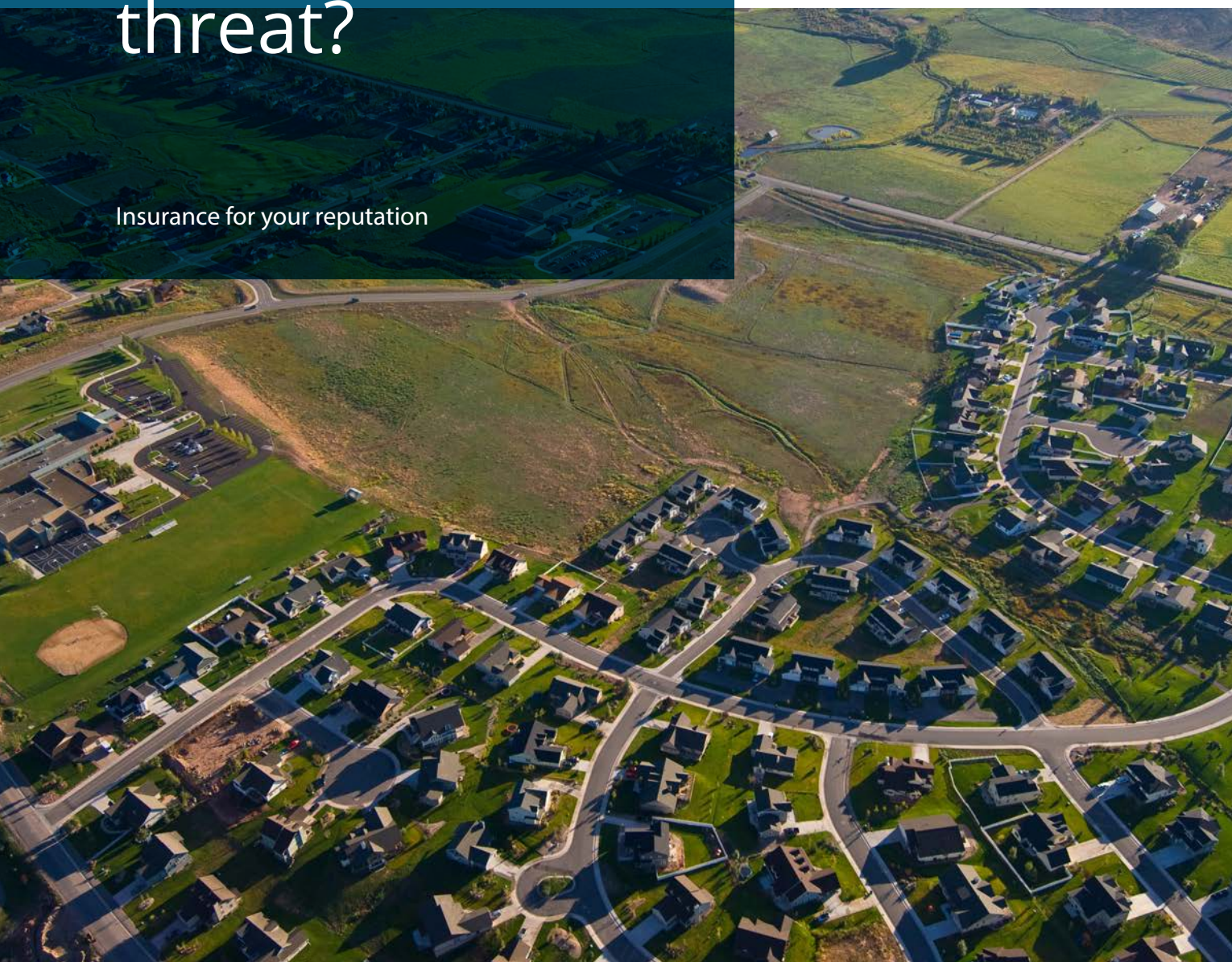


Rural communities and housing - An opportunity and a threat?

Insurance for your reputation

MFL

Professional
INSURANCE BROKERS



MFL

MFL

MFL



Rural communities and housing - An opportunity and a threat?

In this bulletin, we consider the potential insurance implications of the Government's change in planning policy upon those professional consultants offering services within this area which, whilst hopefully proving an opportunity for growth, need to be carefully considered so as to ensure there is no adverse impact upon your professional indemnity insurance as a direct result.

Having already been around for some time, the National Planning Policy Framework (NPPF) together with locally held planning policies and neighbourhood plans was intended to increase the delivery of rural homes. Under the NPPF, local plans are required to take account of local needs for market and affordable housing, allowing market housing where it would significantly increase affordable housing, and the location of development where this will enhance the vitality of a community (hubs and clusters), together with the avoidance of isolated countryside dwellings.

More recently, the Government published its first Rural Productivity Plan intended to grow the rural economy by way of a number of measures, central amongst them being the building of starter homes specifically for local residents otherwise finding themselves priced out of their local area, coupled with improving local infrastructure vis-a-vis transport links, schools and even food and farming industry apprenticeships.

Central to all this and the Rural Productivity Plan is the proposed simplification of

planning rules to allow starter homes to be built on Rural Exception Sites for the first time, in theory allowing local areas to allocate more sites so that these homes may be built for those people already living within that local area.

As Professional Indemnity Insurance Brokers acting for rural professionals, our own advice is to ask that those consultants operating within this sector spend the time to become fully apprised of the rules now in place, thereby ensuring you do not become embroiled in a lengthy and costly planning dispute directly resulting in allegations against you of having provided negligent professional advice in the planning process.

Whether this advice is provided in your capacity as a rural surveyor, architect, construction management consultant, town planner or even in some cases as an engineer, this potential boost to business must be undertaken with full knowledge of the planning regulations in place. Whilst perhaps now simplified, the regulations to rural areas still require a greater emphasis on the provision of smaller market and affordable homes which might be affected by a more restrictive approach to development or sensitive local environments leading to higher design requirements. In turn, local residents may hold strong views of the nature and volume of this new development, and many consultants will therefore seek to generate some degree of co-operation from the local community at an early stage.

Evidence will have to be collated and kept, which documents the local housing need and market information (pricing, rents, turnover etc), use of existing data over surveys, population projections and structure and, of course land availability: to name but a few aspects.

Within the PII market, we are aware of some very sizeable claims having been successful against rural professionals which have centred upon the residual value of developments. Very briefly, such

claims appear to have succeeded where insufficient evidence has been produced to defend the allegation that the costs of the land (or borrowing) and/or building cost, local authority requirements etc are such that the development becomes unviable when it is eventually all sold (ie the Total Development Value).

By their very nature claims of this type are sizeable and, whilst those involved in the planning process have been in the front line, parts of these claims can filter down to all consultants involved in the development. In turn, these claims can have a hugely detrimental effect on your practice going forward, even if successfully defended, for instance the huge resource in time and energy expended, or a negative impact upon your own opportunity to develop the business

So, whilst some may feel the risk is increasing, we have hopefully highlighted elements of threat here which, if addressed, will mean that the opportunities offered to you can be successfully taken with the comfort of a well-structured, thought out risk management approach and PII policy specifically geared towards the rural specialist.

We would of course ask that you do not hesitate to contact us in order to discuss further.

Contact the MFL Professional team to discuss your PI arrangements:

T: 0161 236 2532

W: www.m-f-l.co.uk/caav
