

Taylor Wimpey

Representation to the East Devon Affordable Housing Supplementary Planning Document

Representations prepared by Savills on behalf of
Taylor Wimpey

Introduction

This representation has been prepared by Savills on behalf of Taylor Wimpey, in response to the draft East Devon District Council (EDDC) Affordable Housing Supplementary Planning Document (SPD). Taylor Wimpey control the 'Land at Sherwood Cross', an area of land adjacent to the north western edge of Feniton. A site location plan is attached at Appendix I of this document.

There are some detailed elements of the SPD to which we object. Each matter will be addressed in detail below, but these in turn relate to:

- Overage clause arrangements and the specified 50% figure which EDDC seek to recover on any additional profit;
- The requirement for applicants to provide evidence to justify the intermediate housing mix;
- The proposed size and type of affordable housing required; and
- The requirement for affordable housing delivery to keep up with open market housing delivery.

In summary it is considered that these issues are unduly restrictive and do not accord with the National Planning Policy Framework's (NPPF's) presumption in favour of sustainable development, which advocates that plans should be sufficiently flexible to adapt to rapid change.

Commentary on the EDDC Affordable Housing SPD

Overage Clause Arrangements

Further to LP Strategy 34's requirement for an overage clause in respect of future profits and affordable housing provision, the SPD seeks to impose a specified figure on the level of profit which can be clawed back by EDDC. Paragraphs 3.14 and 3.15 state:

"3.14 – An overage clause is a clause in the section 106 agreement that relates to future profits from a development. Where the viability evidence justifies a lower affordable housing requirement than the policy target, which is then accepted by the council, an overage clause will be inserted into the section 106 agreement. The purpose of this clause is to ensure that the council claws back additional profit above that initially anticipated in the viability appraisal. In other words, where a developer makes more profit than expected, a proportion of this 'additional' profit is paid to the council to help fund the provision of affordable housing that should have otherwise been provided by the development."

*"3.15 – The level of 'additional' profit is established through a re-assessment of viability after completion of the scheme using the actual costs and values in the development, rather than the assumptions used at the planning application stage. EDDC seek to recover 50% of any additional profit *, capped to the amount of affordable housing that would have been required to meet the policy target. Further guidance on overage is available on the council's website."*

** "This is set to incentivise developers to achieve higher profits, and therefore greater sums available under the overage clause for the council to spend on delivering affordable housing" (emphasis added).*

Whilst provisions which enforce the reappraisal of viability at a particular phase in a project are not uncommon, we have never before come across provisions within planning policy or SPD which seek to impose details of a clawback on a blanket basis across the authority area. Whilst such arrangements may be agreed on a site by site basis where circumstances dictate that this would represent an appropriate approach, this will not necessary be acceptable either in principle or at the proposed 50% level. The arrangements should be bespoke and respond to the circumstances of the particular site. For example, in some cases the nature of the land transaction will render such an approach impractical.

For this reason, rather than seek to impose a blanket approach, we recommend that the 50% figure be removed for the SPD and that the percentage of profit to be agreed between the applicant and EDDC should be determined on an ad-hoc basis. This should be addressed at the planning application stage through a Section 106 agreement.

Evidence of Need for Intermediate Housing

The tenure mix sought in the SPD repeats that set out in LP Strategy 34. Following the publication of the updated NPPF in February 2019 the SPD incorporates the new affordable housing tenures including starter homes, discounted market sales housing and rent to buy.

Whilst this is supported, paragraph 4.5 states:

“The inclusion of some of these products within the definition of affordable housing (namely low cost market housing, starter homes, rent to buy) post-dates the Strategic Housing Market Assessment, so there is currently a lack of evidence regarding the need for these types of affordable housing in East Devon. Therefore, the councils’ priority is to deliver shared ownership, relevant equity loans, and other low cost homes for sale. Given the range of potential products, an applicant should provide evidence to justify the mix being proposed within the 30% ‘intermediate or other housing’.” (emphasis added)

We have concerns about the last sentence of this paragraph. By definition, all of the additional affordable housing products now falling within the 2019 NPPF will meet a need for housing which cannot be met by those unable to afford to buy or rent housing on the open market. Requiring applicants to provide evidence in support of a planning application is therefore unnecessary and unjustified.

Notwithstanding this, the authority is in the process of preparing the Greater Exeter Strategic Plan. Through this process updated evidence will be produced across the wider area which can inform the determination of planning applications. In the meantime – and in the absence of such up-to-date information – the Council should apply a flexible approach to forthcoming planning applications.

Size and Mix of Affordable Housing Required

Paragraph 4.8 states:

“Social and affordable rented housing need is primarily for properties that are 1-2 bedrooms in size, with the SHMA indicating 50% of need for 1 bedroom properties, and 40% for 2 bedrooms. The remaining 10% should be 3-4 bedrooms or more.⁵⁶ These long term forecasts of need are reflected in the latest Devon Home Choice monitoring report, which identifies just under 80% of need being for 1-2 bedroom properties for social and affordable rented housing – Exmouth has a particularly high need for this type of property.”

The LP itself acknowledges that *“there is enormous variety in East Devon”* (paragraph 2.3). The District encompasses urban and urban-fringe areas as well as market towns and villages, seaside towns and remoter rural and coastal areas. The western boundary of the district abuts the commercially vibrant city of Exeter.

The proposed dwelling mix above is very heavily weighted towards smaller properties and apartments; which are characteristic of predominantly urban locations and may not be appropriate within the more rural areas of the district.

Going forward, and until an updated SHMA or other assessment of local housing need has been published, the above dwelling mix should not be prescriptively applied and the Council should apply a bespoke approach to addressing local affordable housing need. In so doing it will also be necessary to take into account the mix of housing types and sizes which are appropriate to the location of the planning application. A particular affordable housing mix should not be enforced to the extent that it causes harm to other planning considerations.

On-site Delivery of Affordable Housing

Paragraph 5.12 establishes that *“onsite affordable housing should be delivered alongside market dwellings”*, and unless this is not feasible or viable schemes of 20 or more dwellings:

- *“No more than 50% of open market dwellings should be occupied prior to completion of 50% of the affordable homes;*
- *No more than 75% of open market dwellings should be occupied prior to completion of 100% of the affordable homes”*

Holding up the build-out or occupation of a development where the affordable housing is delivered behind the open market provision places an unnecessary restrictive burden on the delivery of housing. In some instances, developers may elect to build the agreed provision of affordable housing first in order to obtain grant funding early, or deliver this through a phased approach, or even deliver the affordable housing later on in the process because of the specific characteristics of a site. For example, there may be a need to focus revenue from the development on infrastructure delivery in the first instance in order to ‘open up’ a site with the affordable delivery backloaded into the development process.

To summarise, the phasing of affordable housing delivery should be agreed on a bespoke basis and implemented through Section 106 Agreements. The proposed delivery requirements set out in the SPD are unnecessary and should not be applied on a blanket basis across the authority area.

Appendix I – Site Location Plan: Land at Sherwood Cross, Feniton



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