

Taylor Wimpey

Representations to the East Devon Affordable Housing Supplementary Planning Document

Representations prepared by Savills on behalf of
Taylor Wimpey

Introduction

We write on behalf of Taylor Wimpey (TW) in response to the revised draft East Devon District Council (EDDC) Affordable Housing Supplementary Planning Document (SPD).

TW is promoting the 'Land at Sherwood Cross', an area of land adjacent to the north western edge of Feniton (see site location plan at **Appendix A**).

Representations were submitted by Savills in May 2019 to respond to the initial draft SPD. We are pleased to see that some changes have been made in response to comments raised as part of the May 2019 consultation, including in relation to tenure and mix, where we support the removal of the final sentence in paragraph 4.5 given this is too onerous. We also welcome the changes to paragraphs 4.7 to 4.9 covering the sizes of intermediate, or other affordable housing, and consider that the size and type of affordable housing should be a matter for negotiation on a site by site basis.

Notwithstanding, despite raising a number of concerns as part of the May 2019 consultation, we are concerned to see that some of these elements remain unchanged within the revised draft SPD. These specifically relate to overage clause arrangements and the requirement for affordable housing delivery to keep up with open market housing delivery. We therefore continue to object to these elements of the SPD as drafted. Overall, it is considered that the SPD continues to be unduly restrictive and does 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.

Response to East Devon Affordable Housing SPD

Overage Clause Arrangements

Our representations in May 2019 raised concerns over the inclusion of an overage clause with a fixed clawback to be applied on a blanket basis across the authority area.

It is clear from the Council's Affordable Housing Supplementary Planning Document – interim Consultation Statement, published as part of the consultation on the latest draft, that whilst our previous concerns have been considered no changes have been made as a result. On page 33 of the Consultation Statement, it is stated that:

The requirement for an overage clause where affordable housing provision is below the policy target is already set out in the Local Plan (Strategy 34). It is considered that stating that the council seeks to recover 50% of any additional profit provides certainty for developers (and the community). This does not preclude site specific issues varying this percentage. Change to SPD:

amend para 3.15, second sentence : It is EDDC practice seek to recover the amount of affordable housing that would have been required in a scheme by obtaining 50% of any additional profit, capped to..."

Paragraph 3.14 (previously 3.15) now reads:

"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. It is EDDC practice to recover the amount of affordable housing that would have been required in a scheme by obtaining 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."

We consider that there is a lack of justification within the Interim Consultation Statement to confirm why the SPD has not been amended as recommended in our May 2019 representations. To simply state that there is already a requirement within the Local Plan for overage clauses does not directly respond to our concern.

We also disagree that the retention of the 50% clawback requirement within the SPD will provide certainty for developers. Instead, such a blanket requirement is considered too onerous for developers and would add significant additional risk to projects.

The fixed clawback mechanism is itself a contrasting concept which places an additional financial burden on developers who have historically experienced viability issues with their schemes. Reopening viability at a later stage inevitably leads to unnecessary delays. Given the uncertainties in the housing market, the construction industry and the general economy, developments may experience difficulties in viability at any time during the delivery process. Therefore, in some cases the nature of the land transaction will render such an approach impractical.

Overall, we object to the inclusion of a blanket approach. Instead, we strongly recommend that the overage requirement is removed from the SPD, and that the percentage of profit to be agreed between the applicant and EDDC should be determined on an ad-hoc basis at the planning application stage, and secured, if necessary, through a Section 106 agreement.

On-site Delivery of Affordable Housing

Whilst some minor changes have been made to paragraph 5.10 (previously 5.12) following our concerns raised in May 2019, we continue to object to this element of the SPD.

Our representations in May 2019 raised concerns over delays and restrictive burdens which would be placed on the delivery of housing if a blanket approach to the phasing of affordable housing delivery is applied through the SPD. We had expressed concern that 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. There may be cases, for example, where developers need to focus revenue from a development on infrastructure delivery in the first instance in order to 'open up' a site with the affordable delivery backloaded into the development process.

In response, the Council's Interim Consultation Statement suggests that a more flexible approach could be taken, recognising that feasibility or viability issues can vary across sites. In recognising this however, the revised SPD continues to recommend a phasing approach, with examples given for where such phasing may not be feasible or viable.

We see no benefit in including a phasing approach and consider that the phasing of affordable housing delivery should be agreed on a bespoke basis and implemented through Section 106 Agreements for individual sites. The inclusion of an example phasing approach is, in our view, misleading and does not provide developers with certainty.

We therefore recommend that paragraph 5.10 is removed entirely.



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

Site Location Plan
Land at Sherwood Cross, Feniton

