

## Agenda for Strategic Planning Committee Monday, 9th December, 2019, 10.00 am



### Members of Strategic Planning Committee

Councillors: S Bond (Chairman), N Hookway (Vice-Chairman), M Allen, F Caygill, O Davey, S Hawkins, P Hayward, M Howe, F King, D Ledger, T McCollum, A Moulding, G Pratt, E Rylance and P Skinner

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(or group number 01395 517546)

Thursday, 28 November 2019

1 Public speaking

Information on [public speaking](#) is available online

2 Minutes of the previous meeting (Pages 3 - 11)

3 Apologies

4 Declarations of interest

Guidance is available online to Councillors and co-opted members on making [declarations of interest](#)

5 Matters of urgency

Information on [matters of urgency](#) is available online

6 Confidential/exempt item(s)

To agree any items to be dealt with after the public (including the Press) have been excluded. There are no items which officers recommend should be dealt with in this way.

7 Delivery of the Axminster Urban Extension (Pages 12 - 18)

This report is to advise Members of progress that has been made on the delivery of Axminster Urban Extension since the masterplan for the site was endorsed earlier this year and HIF monies were secured from Homes England to help to deliver the relief road.

8 Draft Affordable Housing Supplementary Document (Pages 19 - 136)

To make Members aware of the responses received during the first round of public consultation on the Draft Affordable Housing Supplementary Planning Document (SPD) which took place from March to May 2019, and show how these comments have been taken into account in revising the SPD. A revised version of the Draft Affordable Housing SPD is presented for approval by this Committee for a six week period of public consultation.

9 East Devon - Employment Land Review (Pages 137 - 140)

This report provides summary details of the Employment Land Review produced by the Planning Policy section for 2018-19.

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Members of the public exercising their right to speak during Public Question Time will be recorded.

[Decision making and equalities](#)

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**EAST DEVON DISTRICT COUNCIL****Minutes of the meeting of Strategic Planning Committee held at Council Chamber Blackdown House on 22 October 2019****Attendance list at end of document**

The meeting started at 10.00 am and ended at 2.40 pm (The Committee adjourned at 12.45 pm and reconvened at 1.18 pm)

**18 Public speaking**

Richard Brown spoke on minute 27 – Glover Review of Protected Landscapes in England as a member of the Dorset and East Devon National Park team and welcomed the report. He advised the National Park and National Park brand would attract investment, jobs, higher value economy, heritage and cultural year-round tourism and promote local produce and welcomed the opportunity to evolve the AONB into a National Park that would benefit the environment, communities and economy.

**19 Minutes of the previous meeting**

The minutes of the Strategic Planning Committee held on 20 August 2019 were confirmed as a true record.

**20 Declarations of interest**

Minute 23 – Minutes of Community Infrastructure Levy Working Party of 17 September 2019.

Councillor Nick Hookway, Personal, Exmouth Littleham ward had applied for Community Infrastructure Levy funding.

Minute 23 – Minutes of the Community Infrastructure Levy Working Party of 17 September 2019.

Councillor Philip Skinner, Personal, Ex pupil of Exmouth Community College.

Minute 27 - Glover Review of Protected Landscapes in England.

Mark Williams, Personal, Previously employed as a Solicitor for North Moors National Park and Deputy Solicitor for Yorkshire Dales National Park.

**21 Matters of urgency**

There were no matters of urgency discussed.

**22 Confidential/exempt item(s)**

There were no items that officers recommended should be dealt with requiring exclusion of the public or press.

**23 Minutes of the Community Infrastructure Levy Working Party of 17 September 2019**

The Committee was asked to consider the recommendations of the Community Infrastructure Levy Members Working Party held on 17 September 2019.

The Service Lead for Planning Strategy and Development Management briefly outlined the purpose of the Working party and presented the report outlining the two key projects that had been identified.

The recommendations of the Working Party were:

1. That a contribution of 44% of the total estimated cost of the project, up to a maximum of £1.5m to contributed to the expansion proposal at Exmouth Community College;
2. That a contribution of £400k be made to Devon County Council subject to a significant contribution from Exmouth Town Council.

Points raised during the discussion included:

- Funding for Exmouth Community College was needed desperately.
- The college played an important role for social wellbeing.
- Clarification sought on the nature of the expansion. It was advised it was for a block of 16 additional classrooms.
- The college was three times the average size of a school in England.
- Concerns raised about the need for a further secondary school in the East Devon area.
- Concerns raised about using CIL money for infrastructure that should be funded by central government which could set a precedent for the future. It was suggested an amendment to the recommendation be considered it reflect as a 'one off'. In response it was advised the Community Infrastructure Levy had been adopted specifically to support these types of developments and members were advised it would not be an issue for setting a precedent.
- Concerns raised about setting a precedent for future funding for any DCC Highways projects. In response the Chief Executive advised each application would be considered on its own merits and fell within the CIL Regulations.
- It was suggested the rules of CIL be circulated to the committee to help understand what CIL is for.

**RESOLVED:**

1. **that a contribution of 44% of the total estimated cost of the project, up to a maximum of £1.5m be contributed to the expansion proposal at Exmouth Community College;**
2. **that a contribution of £400k be made to Devon County Council subject to a significant contribution from Exmouth Town Council.**

24 **Greater Exeter Strategic Plan - updated scope and timetable**

The report presented to the committee sought members' agreement to the proposed scope and timetable for the production of the Greater Exeter Strategic Plan (GESP) to ensure that it proceeds in a way that meets the objectives of the four councils.

The Service Lead for Planning Strategy and Development Management outlined the revised timetable drawing Members attention to proposed milestones and different scopes considered. Members noted the Leadership Group supported scope 1.

Points raised during discussion

- Clarification sought on the legal implications if we go beyond the review date for the Local Plan review. It was advised problems would only occur if our policies
- page 4

were out of date in terms of the National Planning Policy Framework so the need to progress the review as quickly as possible was important. Evidence does show we are progressing the review and have a plan for completing the work. The Chief Executive outlined 3 principle strategic risks which could affect the five year time requirement and suggested the Planning Inspectorate would give the benefit of the doubt because evidence shows we are progressing the review.

- Concerns raised about why members are bound to a timetable that has been set for us which members do not understand it fully. The Chairman of the CIL Working Party, Councillor Mike Howe briefly outlined the process of the GESP and advised members it was their choice to agree at Full Council.
- Concern raised about GESP debates being behind closed doors and the need to be made aware in advance of decisions made.
- Concerns raised about the weak Member Reference Forum which only met as and when needed and should be held on a more regular basis to feedback to members. In response the Service Lead for Planning Strategy and Development Management advised a programme of five meetings between now and June 2020 had been set up and agreed members had not been engaged as much as intended which would be addressed going forward by providing diarised dates in advance.
- Members noted an error in the recommendation which should read Appendix A.
- It was suggested a minor amendment be made in the recommendation to bring back to Strategic Planning Committee before finalised.

**RESOLVED:**

**that the proposed scope and timetable for the Greater Exeter Strategic Plan as detailed in the report and summarised in Appendix A will include the wording “there will be an expectation that the Member Reference Panel make regular reports back after each meeting of the Reference Panel to Strategic Planning Committee” be agreed.**

25

**Garden communities and delivery vehicles**

The Committee considered a report presented by the Projects Director summarising the importance of having effective delivery vehicles/mechanisms in place to ensure the delivery of high quality places within the District and to seek members support for Garden Communities status to demonstrate real leadership of place and to ensure the necessary tools and resources were in place. The Projects Director advised that a prospectus would be available shortly from MHCLG providing details of a proposed delivery and innovation fund.

Discussion covered:

- The lack of reference to build quality and minimum build standards. A lot of people were having problems with the quality of the build of houses. In response the Service Lead for Planning Strategy and Development Management advised there was a government Building Regulations review taking place to reform building control standards. The Chief Executive highlighted that the most recent Queen’s Speech included proposals to bring forward a New Homes Ombudsman.
- The need to consider housing design for all stages of life.
- Clarification sought on the delivery of circa 12,000 new homes within Clyst Villages. In response the Chief Executive advised the total requirement for new homes was the allocation from government. Exeter committed to 8,000 and 12,000 had been allocated to East Devon on the basis of projected number from

GESP of the Local Plan in the North West Quadrant Review of Local Plan going forward.

- Concerns raised about major building companies that make large profits by producing some of the smallest houses in Europe which compromise resident's health and wellbeing. The Service Lead for Planning Strategy and Development Management agreed this was an issue and advised it would be addressed in the Local Plan Review and is already being addressed at Cranbrook through the introduction of minimum space standards in the Cranbrook Plan.
- Clarification sought on the potential role of a New Town Development Corporations. The Chief Executive advised it was a response from the Government to look at practical issues of bringing forward and delivering larger scale allocations. It would be for the Council to work up a proposal that fits our circumstances and to take this forward.
- It was suggested to use East Devon Homes to set the standards in terms of producing high quality homes.

**RESOLVED:**

- 1. that the importance of having effective delivery vehicles/mechanisms in place at the earliest stage possible in order to support the development of high quality places be acknowledged;**
- 2. that the principle of submitting a bid to the forthcoming MHCLG Delivery and Innovation Fund and exploring the creation of a locally led development corporation and for details of these to be reported to Members as they are developed is endorsed.**

**RECOMMENDED TO CABINET:**

- 1. that support for the Exeter and East Devon garden communities status be confirmed.**

26

**Climate Change Emergency - A planning response**

The report presented to the Committee addressed the current policy position with regard to climate change emergency on the proper planning of the district and drew members' attention to the 6 areas of climate change risk identified by the UK's Committee on Climate Change.

The Service Lead Planning Strategy and Development Management summarised the main policies that would seek to address climate change and the potential implications of setting these policy requirements.

Discussion covered:

- Members welcomed measures to improve efficiency.
- The need to focus on durability of homes. Houses need to be sustainable. The Service Lead Planning Strategy and Development Management concurred with the comments and would include this in the response to the consultation on future homes standard.
- Eco credentials need to be at the highest level.
- Don't accept anything less than the very best.
- It should be a requirement for solar panels to be fitted on all new homes.
- The need for affordable houses with the maximum green credentials.
- Members concurred with Councillor Howe's suggestion to include an additional recommendation for the council to give added weight to all environmental policies

in the current local plan and future local plans because of the declared climate change emergency.

**RESOLVED:**

- 1. that the approach detailed in the report of addressing climate change through the review of the Local Plan using the standards set in the Cranbrook Plan as a starting point and setting new standards within the framework to be established through the Greater Exeter Strategic Plan (GESp) be endorsed;**
- 2. that the proposed uplift in energy efficiency standards for new homes in the current government consultation on “The Future Homes Standard” be supported;**
- 3. to canvass government to introduce even higher energy efficiency standards for new developments through the building regulations and to provide clearer guidance and reduce the onus on local authorities to evidence a need for climate change policies be considered;**
- 4. that the Council works in partnership with landowners, conservation groups and other public and private sector bodies to deliver more tree planting projects in the district to assist with carbon off-setting and enable biodiversity enhancements be agreed;**
- 5. that added weight be given to all environmental policies in the current local plan and future local plans because of the declared climate change emergency.**

27 **Glover Review of Protected Landscapes in England**

Members debated and agreed to hear Councillor Arnott’s proposed motion to Full Council on 23 October 2019.

The motion read as follows:

“That the council writes to thank Julian Glover and his team for the Glover Review into National Parks and AONBs and advises him of its next steps, the letter to be copied to the Secretary of State for the Environment, Theresa Villiers MP, and to the Leader of Devon County Council, Cllr John Hart.

That the council welcomes the historic recommendation on page 121 of the Glover Review which states:

“We received submissions on the case for several other AONBs to become National Parks too. The two that stand out as leading candidates are the Cotswolds AONB and the combined Dorset and East Devon AONBs”

That the council supports the formation of a cross party working group of up to 12 members to make contact as soon as possible with representatives of the proposed Dorset section of an East Devon/Dorset National Park to arrange a meeting at Blackdown House no later than January 30th 2020 in order to engage with and understand the issues and opportunities which would arise from a new National Park. That this working group makes an initial report to the Overview Committee in March 2020.”

In response Members voted to debate the item.

The Chief Executive outlined the reasons why the report had come before the Strategic Planning Committee and advised members about setting up a working party to look at the implications of going down the National Park route.

Discussion covered:

- Need to consider climate change – carbon capture.
- The need to fight for what we want and not to wait for others to decide.
- A National Park has purposes and duties.
- A National Park promotes tourism which is essential for economy.
- A National Park gives a landscape led local plan.
- A proposal was made to change the wording in the two recommendations.
  1. That members research all the recommendations of the Glover report on protected landscapes in England.
  2. Resolve to review the Government's response to the recommendations; and note that the Chilterns, the Cotswolds and the Dorset and East Devon AONBs are potential candidates for future designation as National Parks.
- More research is needed.
- Exmoor and Dartmoor National Parks are internationally recognised which needs to be encouraged.

**RESOLVED:**

- 1. that members research all of the recommendations of the Glover Report on protected landscapes in England be resolved;**
- 2. to review the Government's response to the recommendations; and note that the Chilterns, the Cotswolds and Dorset and East Devon AONBs are potential candidates for future designation as national parks be resolved;**
- 3. that the Strategic Planning Committee hold a special meeting open to all members to consider and debate the issues regarding the possible creation of a National Park.**

28

## **Draft Affordable Housing Supplementary Planning document**

The Service Lead Strategic Planning and Development Management presented the report drawing members' attention to the 22 responses received from the public. Members noted the comments had been taken into account in revising the Draft Supplementary Planning Document.

Discussion covered:

- Clarification sought on the 20% uplift. Does this mean affordable housing will become less affordable? In response the Service Lead Strategic Planning and Development Management advised it did raise a fundamental issue and that sites should be valued on policy requirements.
- Is the value of the land stopping landowners coming forward with their land for development? From experience and past viability appraisal work it is the landowners' expectations of land value that exceeds what the council considered reasonable.
- Concerns raised for the need to build more housing that is bungalow style.
- A mixture of occupancy houses was needed.
- Less than 10% of housing in East Devon is affordable.
- Affordable sheltered housing is vital for people that are disabled to live in.

- Smaller built social housing close to one another creates social problems. Pepper potting is better for social housing.
- Discussion on the SPD is premature until the housing needs workshop arranged for the 19 November with all members has been held so that this discussion can inform the final document.

**RESOLVED:**

**that consideration of the Draft Affordable Housing Supplementary Planning Document report be deferred to the next Strategic Planning Committee on 17 December 2019.**

29 **Custom and self-build housing**

The Committee received an invitation from Councillor Ledger to visit a high specification custom build house in his ward.

The Service Lead Planning Strategy and Development Management presented a report on previous work undertaken by the Housing delivery task and finish forum and asked Members to consider ways to encourage more custom and self builds in the district.

The Service Lead Planning Strategy and Development Management drew members' attention to the options for developing planning policies and additional planning related initiatives and options for a corporate approach.

The Committee were supportive of the custom and self-build housing report and points raised during discussion were:

- This is an opportunity to provide housing that will be of a high quality.
- Should parts of land in large developments sites be made available for self-builds so that so that local builders can purchase the land to build self-build housing for local people?
- Setting the plot passports to the highest standard.
- Concerns raised about funding being limited to £500,000. The need to be able to use money available to deliver a number of houses.
- The need to consider on a site by site basis.

**RESOLVED:**

1. **that consideration to the various options highlighted in sections 6 and 7 of the report exploring how the Council can support people wishing to build their own home in East Devon be given;**
2. **that a bid is made to the Capital Strategy and Allocation Group for £1m to be committed to the purchase of land and the delivery of serviced self-build plots for sale be agreed.**

30 **Housing Monitoring update to year ending 31 March 2019**

The Committee considered the Service Lead Planning Strategy and Development Management's report outlining the latest monitoring figures on housing completions and projections and setting out the five year land supply calculation to year end March 2019. Members noted houses delivered was up on the previous year, seeing 929 completed homes as opposed to 826 in the previous year and 724 the year before that, averaging 915 over the planning period so far.

Points raised during discussion covered:

- Concerns raised about what if developments don't come forward.
- Clarification sought on what was happening with the Housing Company. In response the Chief Executive advised the Housing Company was set up to purchase houses already built but was looking into amending the business plan to include the purchase of land.

**RESOLVED:**

1. **that the residential dwellings completion data and future projections for the district be noted;**
2. **that the confirmation of a Five Year Land Supply but also that the Five Year Land Supply figure has dropped since the last report be noted.**

**Attendance List**

**Councillors present:**

S Bond (Chairman)  
N Hookway (Vice-Chairman)  
M Allen  
O Davey  
S Hawkins  
P Hayward  
M Howe  
F King  
D Ledger  
T McCollum  
A Moulding  
E Rylance  
P Skinner

**Councillors also present (for some or all the meeting)**

P Arnott  
P Faithfull  
S Jackson  
G Jung  
H Parr  
V Ranger  
M Rixson

**Officers in attendance:**

Matthew Dickins, Planning Policy Manager  
Ed Freeman, Service Lead Strategic Planning and Development Management  
Alison Hayward, Senior Manager Regeneration & Economic Development  
Shirley Shaw, Planning Barrister  
Mark Williams, Chief Executive  
Andrew Wood, East of Exeter Projects Director  
Wendy Harris, Democratic Services Officer

**Councillor apologies:**

F Caygill  
G Pratt

Chairman .....

Date: .....



<b>Report to:</b>	<b>Strategic Planning Committee</b>
<b>Date of Meeting:</b>	9 <sup>th</sup> December 2019
<b>Public Document:</b>	Yes
<b>Exemption:</b>	None
<b>Review date for release</b>	None

**Subject:** **Delivery of the Axminster Urban Extension**

**Purpose of report:** This report is to advise Members of progress that has been made on the delivery of Axminster Urban Extension since the masterplan for the site was endorsed earlier this year and HIF monies were secured from Homes England to help to deliver the relief road.

The report needs to be considered at this time as Homes England have stated that the HIF funding may be withdrawn if a contract for the funding is not entered into by 16<sup>th</sup> December 2019.

**Recommendation:** **That Members:**

- 1. Accept that it is not going to be possible to progress with the Housing Infrastructure Fund bid as things stand and that the offer is likely to be withdrawn unless Homes England change their position on land values**
- 2. Re-engage the consultants for the Axminster Urban Extension Masterplan to:**
  - a) review options to enable as much of the development in the masterplan to proceed accepting that this would be ahead of delivery of the relief road in its entirety**
  - b) update the viability of the project to reflect the latest cost estimates and funding position**
  - c) consider the re-phasing of the development in light of the failure of the HIF bid**
- 3. Agree that a Housing Delivery Action Plan be produced to consider how to bolster the housing land supply position in the district and that this be considered by Strategic Planning Committee alongside a revised Axminster Masterplan**

**Reason for recommendation:** To enable a fully considered re-assessment of the options for the delivery of the Axminster Urban Extension in light of the current funding position.

**Officer:** Ed Freeman – Service Lead – Planning Strategy and Development Management

**Financial implications:** The Recommendations of the report, if accepted, do not lead in themselves to any direct financial implications, additional consultancy costs estimated at £20k will be met from existing funds. The report considers possible options and although not recommended at this stage could have significant financial implications if brought forward and need careful assessment.

**Legal implications:** The legal implications are detailed in the report and no further comment is required.

**Equalities impact:** Low Impact

<b>Climate change:</b>	Low Impact
<b>Risk:</b>	Medium Risk There is a significant and high risk that it is not possible to deliver the aspirations of the Axminster Urban Extension Masterplan, however this is largely because of decisions already made by Homes England. The recommendations in this report are therefore of a lower risk.
<b>Links to background information:</b>	Axminster Masterplan Committee SPC Report: <a href="https://bit.ly/34v6vkm">https://bit.ly/34v6vkm</a> Axminster Masterplan: <a href="https://bit.ly/2OVNkcU">https://bit.ly/2OVNkcU</a> Relief Road Funding Cabinet Report: <a href="https://bit.ly/2XVgEnX">https://bit.ly/2XVgEnX</a>
<b>Link to Council Plan:</b>	<a href="#"><u>Encouraging communities to be outstanding, Developing an outstanding local economy, Delivering and promoting our outstanding environment, Continuously improving to be an outstanding council.</u></a>

## Report in full

### Background

1. At their meeting of the 29<sup>th</sup> January 2019 Members of Strategic Planning Committee endorsed the Axminster North Eastern Urban Extension Masterplan for the purposes of informing decision making on future planning applications for the urban extension area and to support the Council's bid for monies under the Housing Infrastructure Fund (HIF). The masterplan sets out how an extended area to the east of the town would come forward to deliver 850 new homes and associated employment land, community facilities and open spaces. It also details how the north/south relief road for the town would be delivered using £10million of grant funding under the HIF. Members also agreed in principle at their meeting of Cabinet on 31<sup>st</sup> October 2018 to borrow the shortfall in the funding for the relief road (estimated at £6.7million) on the basis that this would be repaid through developer contributions. The viability work supporting the masterplan indicated that this would be viable and would enable the delivery of the development detailed in the masterplan including provision of 25% of the units as affordable housing.
2. This report is intended to update Members on progress with the delivery of this site and the relief road since these decisions were made by Members.

### Planning Applications

3. Planning applications have been made by The Crown Estate and Persimmon Homes for the entirety of the masterplan area. With the exception of the southern-most part of the site these applications are made in outline apart from the relief road where full planning permission is sought. The southern-most parcel is the subject of an application for full planning permission from Persimmon Homes. Negotiations continue over these developments to address detailed issues while the issue of funding of the relief road is resolved. Work is also underway on the Axe Nutrient Management Plan which is also required before consent could be granted. This is because of high nitrate levels within the river Axe and the danger of these being increased beyond acceptable levels as a result of discharge from the development and consequential impacts on bio-diversity and the habitat of the Axe. The Nutrient Management Plan should provide a greater understanding of these issues and recommend mitigation that can be secured to ensure that any impacts from the development can be appropriately mitigated. The mitigation is likely to be additional cost to the development that was not known at the masterplan stage.

### The Relief Road

4. It had been envisaged that through the HIF money and borrowing of the shortfall in funding for the relief road that the relief road would be delivered by EDDC in partnership with DCC as highway authority to enable the timely delivery of the road. The agreed phasing within the masterplan document shows the relief road being delivered by the time approximately 200 homes have been built and the employment spaces to the north of the site provided. This was predicated on the HIF monies and the associated public works and loans board loan being readily available so that the full cost of the road was available early in the build. The HIF monies had been applied for and successfully secured, it was believed, on the basis that this was grant funding and that the scheme would not be required to repay this funding. This expectation was based on the Homes England prospectus for the fund and the offer letter received from them neither of which stated that the monies would need to be repaid. It was however clear that in stating that the bid was successful Homes England would be further assessing the bid through a “project clarification” process. As a part of this process viability appraisal work was submitted to demonstrate to Homes England that the assumptions made in the application for funding that the development could not afford to provide the infrastructure on its own were correct. In response Homes England stated that they believed that the issue with the viability of the development in this case was one of cash flow rather than fundamental viability and as a result they would expect the Council to recover the £10million of funding in its entirety. The funding would however be repaid to EDDC and would be available as a revolving infrastructure fund to be administered by EDDC for investment in other housing developments across the district.
5. Homes England’s assessment that the development could afford to repay the HIF money is however considered to be based on a false assessment of the land value of the site. Homes England believe that the developers are paying too much for the site. Indeed Homes England’s assessment of the land value is approximately half of that considered to be reasonable given the site area and its established development potential. Following a meeting with senior officials from Homes England a number of actions were agreed to try and address the concerns raised. These were:
  - To revisit the values to be paid for the land in conjunction with the land owners
  - Consider options to compulsorily purchase the land
  - Consider issues of state aid
6. Officers contacted the land owners to see if they would be willing to reduce their expectations of value for the site on the basis that the development would not be able to come forward otherwise and they would not realise any value uplift over agricultural value. The land owners whose land is optioned to Persimmon Homes were not willing to entertain this option stating that if they could not realise their expected values they would simply continue to farm the land and await a more attractive offer in the future. The Crown Estate who own their land outright advised that the value attributed to their land is fixed by what they actually paid and cannot therefore be renegotiated.
7. The option of compulsorily purchasing the land either for the relief road or the whole site was also considered based on advice from Homes England that it may be possible to do so at a value lower than that expected by the land owners. Counsel’s opinion was sought from a leading barrister who advised that not only would the values for the land through a CPO have to reflect market values for the site thereby preventing any significant benefit but it is also not possible to CPO the land controlled by the Crown Estate due to historic protection afforded to the Crown. Furthermore, since the purpose of compulsorily purchasing the land would have been to deliver housing led development it would be difficult to argue the logic of purchasing land optioned to a national housebuilder to achieve this aim. In essence any CPO could be argued to run contrary to intended aim.

8. State aid advice was also sought and it was concluded that there would be no issue with providing the HIF monies as traditional grant due to the wider benefits of delivery of the relief road.
9. Finally, Counsel's advice was also sought on how the land value of the site should be assessed under the National Planning Policy Framework (NPPF), Planning Practice Guidance (PPG) and any relevant case law. This advice was then used to inform an independent valuation of the site which confirmed that the values that have been and are to be paid for the land are reasonable.
10. All of this information has been provided to Homes England, however they are not willing to accept the assessment of values provided and insist that the developers are paying too much and the monies must be recovered. Homes England argue that the guidance in the NPPF and PPG on land values is not relevant in this case. Regardless of the Government's own guidance Homes England insist on using an assessment of land value based on whichever is the greater of the existing use value +20% or a residual land valuation. It is the latter assessment that is the higher value and is based on an assessment of all of the costs of delivering the development subtracted from the expected return minus the developer profit leaving a value that can be afforded to be paid for the site. This approach however ignores the fact that the infrastructure costs of delivering this development are unusually high because of the cost of the relief road which is a piece of infrastructure that serves a wider need than just this development and therefore it is unreasonable to expect this development to cover the full cost of the road. However, arguing the wider benefits of the relief road with Homes England leads to them suggesting that funding from the Department of Transport would be more appropriate. The approach taken by Homes England also ignores market values and a reasonable return for the landowner in order to incentivise them to release the land for development. These are all factors that the PPG indicates should be taken into account. By not doing so Homes England are significantly undervaluing the site such that no reasonable land owner would be likely to sell the land for development.
11. Although officers see little merit in the arguments being made by Homes England it does not change their stance which means that they remain convinced that the development can afford to repay the HIF monies and will not provide the monies as traditional grant funding. The only way to take up the offer of HIF is to agree a repayment programme and associated cash flow with Homes England. A draft contract has been drawn up and presented to EDDC and we have been provided with a deadline to enter into this contract by the 17th December 2019 after which time the offer of funding may be withdrawn.

## Options

12. If we accept that Homes England will not change their position then officers believe that there are only two realistic options for proceeding with the HIF monies.

Option 1 - Repay and Recycle: This option would involve developing a repayment programme that is based on discounting the amount of affordable housing in the early stages of the development such that the savings on the scheme enable the repayment plan to be met. The money repaid through the early stages could then be recycled back into the development to fund the delivery of affordable housing in the latter stages of development. This would be achievable as the repaid monies are for EDDC to reinvest in infrastructure to deliver housing which is what we would be doing. Although it is clear that it is not Homes England's intention that the monies be recycled back into the same scheme they have indicated that the recovered funds would be for EDDC to spend as it sees fit as long as it is funding infrastructure to help deliver housing. It appears that there is no requirement to report how the monies are spent once they are recovered. There is however a significant risk with this approach that we do not create the mixed community envisaged by the

masterplan. Indeed it would be likely that the early phases would end up containing little or no affordable housing and then the latter phases would have to provide very high levels of affordable housing if they are to make up for the losses in the early phases or alternatively there would have to be a significant loss of affordable housing overall.

Option 2 - Affordable Housing Discount: This option would entail discounting the amount of affordable housing across the whole site from the outset. Viability testing has indicated that the affordable housing level would have to be discounted from 25% overall to 15% in order to enable the development to repay the HIF monies. However this is based on our current understanding of costings which is not as yet informed by detailed engineering drawings and costings of the road and other main infrastructure. The Axe Nutrient Management Plan could also lead to additional costs on the development from mitigation that may need to be provided. There is therefore a significant risk that costs escalate as more detailed work is completed and that the proportion of affordable housing has to drop further. It should also be noted that Homes England have been very clear that they would not welcome us reducing other infrastructure requirements to enable recovery of HIF monies as the purpose of the HIF money is to enable the housing site to proceed and the required infrastructure to be provided. Since they do not accept that the development cannot viably deliver the required infrastructure Homes England are unlikely to be willing to proceed on this basis.

13. It is worth addressing the issue of compulsorily purchase and why this doesn't present a real option. As has already been explained it is not possible to force the Crown Estate to sell their land, however it is possible to CPO the other parts of the site. It would therefore in theory be possible to work with The Crown Estate to deliver the development in partnership using the Council's CPO powers to secure the parts of the site currently optioned to Persimmon Homes. Homes England have indicated that in theory the HIF monies could be used to support this process. There are however a number of issues with this namely that Counsel's advice suggests that we would not be able to acquire the land even through CPO at a significantly lower value than is currently to be paid by Persimmon Homes. As a result the vast majority of the HIF monies would be utilised in acquiring the land, with additional sums being spent on the costs of doing so, and would not leave enough to actually deliver the road. It may be possible to deliver the road in phases with the residential development through this route but there is insufficient time to form a partnership arrangement with The Crown Estate before the stated deadline for committing to the HIF funds and even then it is considered that the CPO process would be time consuming and potentially prevent us from drawing down the HIF funds within the required timetable (currently by March 2022). There is also the risk highlighted in Counsel's opinion that our case for the CPO which is to deliver the housing development is undermined by us seeking to CPO land from under the only housebuilder involved in this process.
14. Based on the above options analysis there seems to be little prospect of agreeing a way forward with Homes England as things stand. There is of course a slim prospect that a new Government may take a different view and instruct Homes England accordingly. Other options involve trying to proceed with the urban extension without the HIF monies, for example:

Revisit the masterplan: The current masterplan was produced on the basis of the HIF monies being made available as traditional grant funding. There would be merit in revisiting the masterplan and considering what could be achieved without the HIF monies. Options may exist around further increasing the amount of development proposed in order to bring in additional resources to fund the relief road or having a structured discussion around how infrastructure requirements across the site could be revisited to enable the delivery of the relief road. Officers are however concerned that this may not yield any new ideas and trying to free up £10 million would be very difficult without heavily compromising the development. Past work has also already shown that there is a limit to the impact that expanding the site would have on viability as there is only so many homes needed in the town each year.

Long term phasing: This option would involve enabling some early phases of the development envisaged in the masterplan to proceed and deliver the associated sections of the relief road to permit access but leaving the delivery of the wider site as a longer term aspiration when funding becomes available. Essentially the southern most parts of the site are understood to be viable in and of themselves and it would potentially be possible to deliver around 200 homes by delivering only the southern-most section of the relief road. This would leave the remainder of the site to be delivered in the future should funding become available potentially through some future Government funding initiative.

It is acknowledged that this option does not achieve the community aspiration to see the relief road delivered in its entirety in advance of the rest of the site and would place additional burdens on the road network to the south of the site which would need to be tested and discussed with the highway authority. It would however enable some housing to be delivered on the site and help to support the Council's housing delivery. It is considered that this option would be best pursued through revisiting the masterplan.

Borrowing: Cabinet have already agreed in principle to borrowing the shortfall in funding above and beyond that provided by the HIF to deliver the relief road. In the absence of the HIF monies the question could be asked whether there is an appetite for borrowing the full cost of the relief road in order to see it delivered early. This option has the benefits of enabling the Council to retain control over the delivery of the relief road and its early delivery. It does however pose a major financial risk to the Council as while the master planning work undertaken so far demonstrates that the development would be able to repay the shortfall in funding with HIF monies which is estimated at £7million it is clear that the development cannot repay the full cost of the relief road. This is indeed why progressing with the HIF is extremely problematic. If the scheme cannot repay this money then if borrowed by the Council without any known route for recovering the funds it becomes a debt to the Council with no hope of repayment and would not be a financially sound solution to this issue. The only possible route to recovering the costs would be through CIL receipts, however with the funds currently held committed it would take money years to accrue £10million in CIL and this would come at the cost of delivery of many other pieces of infrastructure across the district. It should also be noted that we cannot explicitly borrow against future CIL receipts. There was also an expectation that the relief road would not impact on CIL receipts as it is a requirement of the site allocation and a piece of infrastructure which is entirely on the site. Revisions to the CIL regulations do however enable us to mix the spend of S106 and CIL receipts on the same project.

15. It could be argued that the site can no longer be delivered as envisaged in the masterplan and therefore whether the site should come forward at all. The site is however allocated in the Local Plan and can only be deallocated through a Local Plan Review. In the meantime we have applications under consideration for the site which remains allocated and so not progressing the site at all is not considered to be an option.
16. In considering the above mentioned options it should be noted that an inability to deliver any of the Axminster Urban Extension would not in itself lead to the Council no longer having a 5 year housing land supply position at the present time. It would however significantly weaken our position which at 5.5 years is not as robust as we would like. It would also lead to an increasingly difficult position within the medium term unless alternative sites could be found and brought forward. It would therefore be prudent to try and bring forward as much of the site as possible or leave ourselves more vulnerable to challenge over our housing supply position and risk housing coming forward in locations that are not envisaged in the Local Plan and are not appropriate.

## **Conclusions**

17. The above options analysis suggests that there is no credible way of proceeding with the HIF bid since the monies cannot be secured as traditional grant funding and the development cannot afford to make the required repayments. It is considered that the most appropriate way forward is therefore to try and find a way of progressing this project through some form of revised phasing of the delivery of the development to enable as much of the site to come forward as possible now with the remainder becoming a longer term aspiration to be progressed as and when funding becomes available. It is considered that this approach would serve to protect our housing delivery position and by commencing delivery of the masterplan create a stronger position for future funding bids. It is considered that such an approach should be taken forward by revising the masterplan for the site to ensure that any new phasing is informed by an up to date viability assessment and continues the co-ordinated approach for bringing the development forward in partnership with Persimmon Homes and The Crown Estate.
18. Alongside this it is considered that an action plan should be produced to consider what actions could be taken to bolster our housing land supply position and make this more robust in the future. Such a plan would consider how to address the loss of housing coming forward at Axminster in the short term, document the work being undertaken to unlock stalled sites and consider whether other sites should be brought forward and if so potential options for doing so.



**Report to:** **Strategic Planning Committee**

**Date of Meeting:** 9 December 2019

**Public Document:** Yes

**Exemption:** None

**Review date for release:** None

**Subject:** **Draft Affordable Housing Supplementary Planning Document**

**Purpose of report:** To outline the responses received during the first round of public consultation on the Draft Affordable Housing Supplementary Planning Document (SPD) which took place from March to May 2019, and show how these comments have been taken into account in revising the SPD. A revised version of the Draft Affordable Housing SPD is presented for approval by this Committee for a six week period of public consultation.

**Recommendation:**

- 1. That the comments received during the first round of public consultation on the Draft Affordable Housing Supplementary Planning Document be noted and the council response be endorsed**
- 2. Approve the Draft Affordable Housing Supplementary Planning Document for public consultation over a period of six weeks**

**Reason for recommendation:** To make Members aware of the responses received during the first round of public consultation on the Draft Affordable Housing SPD, and show how these have been taken into account. Approval is sought for a further round of public consultation to provide another chance to seek feedback in preparing the SPD.

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**Financial implications:** There are no specific financial implications at this stage.

**Legal implications:** There are no legal implications in relation to this second consultation report other than as set out in the report.

**Equalities impact:** Low Impact

An Equalities Impact Assessment of the Draft Affordable Housing SPD has been prepared, which will be published alongside the SPD. This identified that there would be no adverse impacts upon those people with "protected characteristics". There would be positive impacts upon "age" through encouraging affordable housing provision for young people to buy and rent, and "disability" through guidance on enhanced standards for accessible and adaptable homes.

**Climate change:** Low Impact

The SPD provides guidance on implementing Local Plan policies on affordable housing matters, and does not set new policies. Therefore, it has a low impact upon climate change.

**Risk:** Low Risk

The SPD is being prepared in accordance with plan-making regulations, the council agreed protocol for preparing SPDs, and the adopted Statement of Community Involvement.

**Links to background information:**

- [Affordable Housing SPD – Interim Consultation Statement](#)
- [Draft Affordable Housing SPD Screening report for Strategic Environmental Assessment and Habitats Regulations](#)
- [Draft Affordable Housing SPD Equalities Impact Assessment](#)
- [Strategic Planning Committee, Tuesday, 26 March 2019, Agenda and minutes, item 59](#)
- [East Devon Local Plan 2013-2031](#)
- [East Devon Local Development Scheme \(July 2018\)](#)
- [Supplementary Planning Guidance Protocol](#)
- [National Planning Policy Framework](#)

**Link to Council Plan:** [Encouraging communities to be outstanding; Developing an outstanding local economy; Delivering and promoting our outstanding environment; Continuously improving to be an outstanding council](#)

## Report in full

### Update

Members will recall that this matter was reported to the October meeting of Strategic Planning Committee and deferred awaiting the workshop on Local Housing Needs that was held on the 19<sup>th</sup> November. The workshop reviewed emerging evidence of housing needs in the district from work undertaken by ORS Consultancy. The consultants work is about gathering evidence to inform future policy as part of the local plan review and cannot influence this document which is about providing more detailed guidance about how the policies in the current local plan should be interpreted and implemented.

### Background

1. Members will be aware that the East Devon Local Plan promotes the delivery of affordable housing in appropriate locations, through policies relating to affordable housing targets and tenures (Strategy 34) and rural exception sites (Strategy 35).
2. The Local Development Scheme – essentially, the planning policy work programme – states that an Affordable Housing supplementary planning document (SPD) will be prepared to elaborate on policy to secure affordable housing provision in East Devon. This will provide greater clarity to developers and communities about our expectations for affordable housing delivery. By giving clear guidance upfront about issues such as tenure mix, how vacant building credit will be operated, the ‘pepper-potting’ of affordable units in a development, and where off-site contributions will be appropriate, it will enable developers and landowners to better understand policy requirements. Therefore, the SPD should assist applicants when making planning applications, and the council in determining them.
3. It is important to note that SPDs can only add further detail to policies in the Local Plan, and cannot set policies themselves.
4. This Committee approved the first round of public consultation on a draft Affordable Housing SPD from March to May 2019. The SPD contains a brief overview of affordable housing and related planning policy, some contextual information on affordable housing in East Devon, and then provides guidance on affordable housing issues relevant to Local Plan policies, across the following chapters:
  - Thresholds and targets

- Tenure and mix
  - Design and layout
  - Rural exception sites
  - Pre-application, legal agreements and occupancy
5. Appendices include maps showing which affordable housing thresholds apply across the district, Local Plan policies on affordable housing, and the standard section 106 agreement for securing affordable housing.

**Responses received in the first round of public consultation and how they have been taken into account**

6. A total of 22 responses were received in the first round of public consultation on the Draft Affordable Housing SPD.<sup>1</sup> The accompanying Consultation Statement contains further detail, including a response to each of the comments made. Some of the main issues raised in consultation are set out by chapter below:

**General / Context**

- The restatement of a significant amount of national policy/guidance should be deleted, as this can be changed by the Government at any time.
- The SPD is either intended to guide the determination of planning applications and should therefore be a Development Plan Document (DPD), or has no purpose and serves no function – therefore, the SPD should either be progressed as a DPD, or abandoned.
- Support reference to the affordability challenge in East Devon.

**Thresholds and targets**

- There is no justification for using the Homes England methodology to value land by adding 20% uplift to existing use value. This is far too simplistic, not in accordance with national policy, guidance or case law. It will not encourage landowners to sell their land and will therefore inhibit housing delivery.
- Support the thresholds and tenures sought.
- The affordable housing target across the entire Axminster Masterplan area should be 25%, rather than part 25%, part 50%.
- Support the use of vacant building credit, but object to not applying it in specified circumstances.
- Concerns about the viability of providing affordable housing, particularly at strategic sites and for the 50% target.

**Tenure and mix**

- Not acceptable to dismiss certain types of affordable housing in the NPPF definition due to “lack of evidence”.
- Object to the use of overage clauses and their application across all sites. It causes a considerable burden by adding risk and delay to development.

**Design and layout**

- Holding up the occupation of market dwellings prior to completion of affordable homes is unduly restrictive.
- Clusters of 10 affordable homes on larger sites is too small, many other south west councils use a figure of 12. It is easier for RPs to manage larger clusters on such sites.

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<sup>1</sup> The comments received can be seen in full on our website: <https://eastdevon.gov.uk/planning/planning-policy/housing-issues/affordable-housing/>

### **Rural exception sites**

- The reference to rural exception sites being close to community services should recognise that these may be located in nearby villages, reflecting the NPPF.

### **Pre-application, legal agreements, and occupancy**

- It is important for the efficient letting of homes if allocations can be considered from all potential sources at the same time, and priority then given in accordance with the specified areas (i.e. parish first, then neighbouring parishes, elsewhere etc).
- Welcome reference to allowing occupancy for those with a connection to Exeter, but suggest this could also include Mid Devon.
- Detailed comments suggesting amendments to the standard affordable housing s.106 agreement.

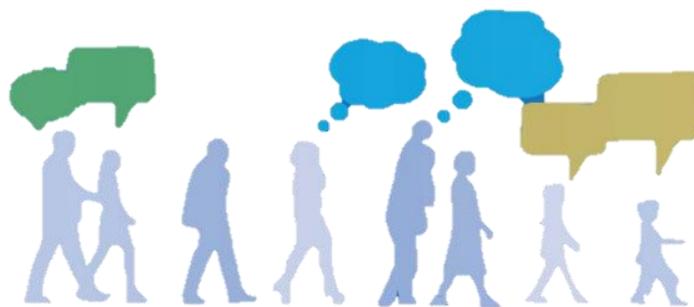
7. Several changes have been made to the SPD in response to the comments made, as detailed in the Consultation Statement (appended to this report). An overview of key changes follows in the next few paragraphs.
8. References to national policy/guidance have been simplified to make the document more concise. The SPD has been clarified in several places so that it is clear that the purpose of the document is to provide guidance on implementing Local Plan policies, including examples of good practice that we would expect, rather than setting additional policy requirements.
9. It is agreed that the Homes England methodology for calculating land values is overly simplistic, lacks justification and is contrary to national policy/guidance. Therefore, reference to this specific approach has been deleted. In terms of applying vacant building credit, reference has been added to national guidance which allows local authorities to consider whether the building is covered by an extant or recently expired planning permission for the same or substantially the same development.
10. The SPD does not “dismiss” certain types of affordable housing as defined in the NPPF, but agree that text requiring applicants to justify the mix within the 30% ‘intermediate or other’ category is too onerous in relation to Local Plan policy, so this has been deleted.
11. Other changes include: making clear that the Strategic Housing Market Assessment (SHMA) and Devon Home Choice are evidence of need and not policy requirements; clarifying overage requirements; and allowing potential occupants of affordable housing to be sought from a variety of areas simultaneously as a more efficient way of letting/selling these homes. A series of changes have also been made to the standard affordable housing s.106 agreement in light of responses received.

### **Next steps**

12. In light of comments received in the first round of public consultation, and further internal discussions and consideration, a revised version of the Draft Affordable Housing SPD is presented to this Committee. Approval is sought for a second round of public consultation, in line with the agreed protocol for preparing SPDs (see “links to background information”).
13. Following the second round of public consultation, the comments received will be considered and further amendments made to the SPD as appropriate. This version of the SPD will then be brought back to Strategic Planning Committee to consider and recommend its adoption to Cabinet. Given these remaining stages, it is likely that the Affordable Housing SPD will be adopted in March/April 2020.

## Planning policy

# Affordable Housing Supplementary Planning Document – interim Consultation Statement



October 2019

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## 1 Introduction

- 1.1 This document sets out how East Devon District Council has undertaken consultation in preparing the Affordable Housing Supplementary Planning Document (SPD). It is an 'interim' version, prepared following the first round of public consultation on the Affordable Housing SPD. A 'final' version of this document will be published after the second stage of consultation, alongside the final, adopted SPD.
- 1.2 Chapter 2 details the consultation undertaken on the first version of the Draft Affordable Housing SPD (March 2019), whilst chapter 3 provides a conclusion and sets out the next steps. This Consultation Statement has been prepared in a manner consistent with Government regulations.<sup>1</sup>



Affordable housing on a rural exception site in Kilmington

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<sup>1</sup> A consultation statement is required when preparing SPDs in The Town and Country Planning (Local Planning) (England) Regulations 2012, Regulation 12(a): <http://www.legislation.gov.uk/uksi/2012/767/contents/made>

## 2 Consultation on the Draft Affordable Housing Supplementary Planning Document

- 2.1 The Draft Affordable Housing SPD was published for consultation from Thursday 28 March until Friday 10 May 2019, alongside a screening report for Strategic Environmental Assessment and Habitats Regulations, and an Equalities Impact Assessment. The SPD and supporting documents were made available on the council's website.<sup>2</sup>
- 2.2 This chapter sets out who we consulted, a summary of the main issues raised, and how those issues have been taken into account in the SPD.

### Who we consulted

- 2.3 A wide range of individuals and organisations (over 600 in total) were consulted on the Draft Affordable Housing SPD. A notification email was sent at the beginning of the consultation period to the following:
- Adjoining local planning authorities: Teignbridge District Council, Exeter City Council, Mid Devon District Council, Taunton Deane Borough Council,<sup>3</sup> South Somerset District Council, West Dorset District Council<sup>4</sup>
  - County councils within or adjoining East Devon: Devon County Council, Somerset County Council, Dorset County Council<sup>5</sup>
  - All parish councils in East Devon
  - Registered providers operating in East Devon
  - Planning agents/consultancies who have previously engaged on planning matters in East Devon
  - Government organisations such as the Environment Agency, Natural England, Historic England, Highways England, Sport England, NHS England
  - Voluntary bodies including Libraries Unlimited, Campaign to Protect Rural England, Devon Wildlife Trust and National Trust

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<sup>2</sup> The website for the Affordable Housing SPD is: <http://eastdevon.gov.uk/planning/planning-policy/housing-issues/affordable-housing/>

<sup>3</sup> Note that on 1 April 2019 (after consultation began on the SPD), Taunton Deane Borough Council was replaced by Somerset West and Taunton Council.

<sup>4</sup> Note that on 1 April 2019 (after consultation began on the SPD), West Dorset District Council was replaced by Dorset Council.

<sup>5</sup> Note that on 1 April 2019 (after consultation began on the SPD), Dorset County Council was replaced by Dorset Council.

- Bodies that represent local businesses such as the Local Enterprise Partnership and local chambers of commerce

### **Summary of the main issues raised in consultation and how those issues have been addressed**

2.4 A total of 22 consultation responses were received on the Draft Affordable Housing SPD (March 2019). An overall summary of the main issues raised by chapter is set out below:

#### **General**

- The restatement of a significant amount of national policy and guidance should be deleted, as this can be changed by the Government at any time.
- The SPD is either intended to guide the determination of planning applications and should therefore be a Development Plan Document (DPD), or has no purpose and serves no function – therefore, the SPD should either be progressed as a DPD, or abandoned.
- The SPD sets out various housing allocation/management approaches which beyond what is necessary for planning purposes.

#### **Context and overview of policies and evidence**

- The quoted NPPF para 64 has caused some confusion for both local authorities and developers – it should be made clear that at least 10% of the affordable homes should be available for home ownership.
- Support reference to Rentplus as a form of affordable housing.
- Support reference to the affordability challenge in East Devon.

#### **Thresholds and targets**

- There is no justification for using the Homes England methodology to value land by adding 20% uplift to existing use value. This is not in accordance with national policy, guidance or case law. It is far too simplistic and does not recognise factors such as location, current use, or market comparables. It will not encourage landowners to sell their land and will therefore inhibit housing delivery.
- Support the thresholds and tenures sought.
- The affordable housing target across the entire Axminster Masterplan area should be 25%, rather than part 25%, part 50%.
- Object to requiring at least 66% affordable housing at exception sites.
- Support the reduction of affordable housing contributions where vacant buildings are being reused or redeveloped.

- Object to not applying the vacant building credit in specified circumstances as this would jeopardise housing delivery.
- Concerns about the viability of providing affordable housing, particularly at strategic sites and for the 50% target.

### **Tenure and mix**

- Not acceptable to dismiss certain types of affordable housing in the NPPF definition due to “lack of evidence”.
- There should be flexibility on the type of affordable housing sought within the 30% “intermediate or other” tenure.
- Should not prescribe the size (number of bedrooms) as this will depend upon need, deliverability and overall dwelling mix at each site; particularly given the age of the Strategic Housing Market Assessment.
- Object to the use of overage clauses and their application across all sites. It causes a considerable burden by adding risk and delay to development.
- Pleased that the SPD allows the staircasing restriction to be removed for grant funded shared ownership dwellings in a Designated Protected Area (DPA).

### **Design and layout**

- Holding up the occupation of market dwellings prior to completion of affordable homes is unduly restrictive.
- Clusters of 10 affordable homes on larger sites is too small, many other south west councils use a figure of 12. It is easier for RPs to manage larger clusters on such sites.
- Requiring a mix of tenures within a single cluster of affordable homes will create design and management issues for smaller clusters.
- Reference should be added to designing out crime.
- Would support a stronger reference to National Space Standards.
- Delete reference to National Space Standards as it introduces uncertainty on the council’s policy – these can be only be introduced in a DPD, not an SPD.
- The additional cost of meeting Building Regulations part M4(2) is significant.

### **Rural exception sites**

- Engagement with the parish council or neighbourhood plan steering group when preparing housing needs surveys should be encouraged rather than required, as in some areas any residential development is vigorously objected to by local community organisations.
- The reference to rural exception sites being close to community services should recognise that these may be located in nearby villages, reflecting the NPPF.

### Pre-application, legal agreements, and occupancy

- There are a number of problems with the standard s.106 agreement, the most significant being it would prevent RPs from being able to charge the units, meaning they won't be deliverable without a Deed of Variation, causing additional cost and delay.
- No reference to overage in the standard s.106 agreement.
- It is important for the efficient letting of homes if allocations can be considered from all potential sources at the same time, and priority then given in accordance with the specified areas (i.e. parish first, then neighbouring parishes, elsewhere etc).
- Welcome reference to allowing occupancy for those with a connection to Exeter, but suggest this could also include Mid Devon.

2.5 The following table (figure 2.1) provides a summary of each comment, alongside the council's response showing how those issues have been addressed in the SPD. Changes to the SPD as a result of the comments are noted in *italics*. Note that the paragraph numbers refer to those in the draft SPD published in March 2019.



A group of three affordable homes on a site in Ottery St Mary

**Figure 2.1: Draft Affordable Housing Supplementary Planning Document – comments received and Council response**

Name or organisation	Comment summary	Council response
Barton Willmore on behalf of Taylor Wimpey	<p><b>Introduction</b>                      Taylor Wimpey is promoting circa 28 ha of land to the east of Honiton with the capacity to deliver up to 550 homes, which has been promoted for residential development since 2011 and most recently as part of the Greater Exeter Strategic Plan – location plan included.</p> <p><b>Tenure and mix</b>                      Since the Local Plan was adopted, the NPPF definition of affordable housing has been broadened and now includes starter homes, discounted market sales housing and rent to buy. The SPD rightly reflects this broader definition, but the last sentence of para 4.5 is unduly onerous on developers and we object. So long as developers respond to the 30% intermediate mix, there should be flexibility on the types sought – if the Council require a specific intermediate mix, this needs to be established in evidence via an update to the Strategic Housing Market Assessment (SHMA) and carried through into Local Plan policy and guidance. It is inefficient and ineffective to require developers to prepare evidence on intermediate housing mix for every development across the district.</p> <p>Whilst it is useful for the SPD to indicate the size (number of bedrooms) of affordable units sought, this can be unduly restrictive if strictly applied across all applications in all areas of the district, especially as the SHMA is already five years old. The SPD should make it clear that these targets are indicative and subject to negotiation, need, deliverability and overall mix of dwelling sizes across</p>	<p><b>Introduction</b>                      Noted. The Affordable Housing SPD will not be allocating sites.</p> <p><b>Tenure and mix</b>                      Up-to-date evidence on housing need will be gathered in reviewing the Local Plan, and outcomes can be reflected in any future revision of this policy. Therefore, agree that it is too onerous and outside the scope of the SPD to require evidence of need within the 30% intermediate or other affordable housing being sought.  <i>Change to SPD: delete final/third sentence in para 4.5 relating to requiring evidence to justify the mix of 30% intermediate or other housing.</i></p> <p>It is not the intention of the SPD to strictly apply the property size of affordable housing to all application, rather to indicate overall need.  <i>Change to SPD: amend para 4.8-9 to make clear that the number of bedrooms reflect evidence of overall need, rather than being a requirement for every application.</i></p>

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Name or organisation	Comment summary	Council response
	<p>a development. Alternatively, the targets could be expressed as a range to enable flexibility at the detailed design stage.</p> <p><b>Design and layout</b> Holding up the build out/occupation of a development where the affordable housing lags behind the open market is unduly restrictive, particularly where this could be down to issues associated with the availability of funding for the affordable housing from Registered Providers or similar sources. Therefore, we object to this wording in the SPD. Timing and phasing of development (including affordable housing) is a matter that can be agreed in a s.106 agreement for individual sites.</p> <p><b>Overage</b> Object to the use of overage clauses and their application across all sites should be removed from the SPD. Viability is a matter for the local plan and affordable housing targets should be set with sufficient flexibility that they can be applied without impacting on viability. Applying an overage clause and reopening viability after obtaining planning permission is overly complex and can add considerable delay to projects.</p>	<p><b>Design and layout</b> Para 5.12 states that the timing of affordable housing delivery applies unless it is not feasible or viable, so it is not considered to be unduly restrictive. Nevertheless, this can be made clearer. Agree that it is a matter for s.106 agreements, but it is felt guidance in the SPD on this issue is useful. <i>Change to SPD: amend text to “encourage” the proposed phasing of affordable housing; and include the cited example on funding availability.</i></p> <p><b>Overage</b> Overage is not a requirement of the SPD – policy on overage is set out in Local Plan Strategy 34. This policy is part of the development plan and cannot be amended through the SPD.</p>
<p>Bell Cornwell on behalf of Clinton Devon Estates</p>	<p><b>Affordable Housing thresholds (para 3.4)</b> This suggests that low density housing proposals below the affordable housing threshold are likely to be refused, to ‘duck’ the requirement. It should be noted that NPPF para 123 does not establish a presumption against low density development and makes it clear that local authorities should “take a flexible approach to applying policies”. This wider context should be properly recognised</p>	<p><b>Affordable Housing thresholds</b> The cited quote relates to “a flexible approach in applying policies or guidance relating to daylight and sunlight” rather than a flexible approach in general. Nevertheless, NPPF para 123c does</p>

Name or organisation	Comment summary	Council response
	<p>so that low density development that is below the threshold will automatically be considered unacceptable.</p> <p><b>Land value and viability (para 3.11)</b>                      We are not clear of the justification for the Homes England methodology of simply adding 20% uplift to the existing use value to identify the land value. This is an extremely crude ‘one size fits all’ approach that pays no regard to key factors such as the wider development potential of one location versus another. For example, the difference in existing agricultural value between a plot on the edge of Exeter and one elsewhere will be modest, but the development value is likely to be much greater. In such circumstances, the viability implications are likely to be very different but this would not be reflected using the Homes England approach. Suggest reference to the Homes England approach is deleted.</p> <p><b>Calculation of Vacant Building Credit (para 3.27)</b>                      Understand the approach for calculating Vacant Building Credit, but the formula set out in para 3.27 appears to be incorrect – suggest it should be:  <math>AH \times (EFS/PFS) = RAH</math></p> <p><b>Delivery of other forms of Affordable Housing (para 4.5)</b>                      It is not acceptable to dismiss certain types of affordable housing on the grounds of ‘lack of evidence’. The NPPF makes clear that these additional tenure types are considered legitimate alternatives, which is more up-to-date than the Local Plan. Other local authorities in Devon are now paying proper regard to these ‘new’ forms of affordable housing, and doing so will assist the delivery of affordable housing.</p>	<p>refer to taking account of other policies in that document.  <i>Change to SPD: to recognise wider context, in para 3.4, at the end of the last sentence add “taking into account the policies in this Framework”.</i></p> <p><b>Land value and viability</b>                      Agree that the Homes England methodology does not have a clear justification; and that location factors will mean that the “existing use value plus” for land value will vary across the district.  <i>Change to SPD: amend para 3.11, 2<sup>nd</sup> sentence: “... in determining the premium for the landowner regard will be had to the approach currently taken by Homes England in assessing funding bids which is a 20% uplift on the existing use value up to date evidence of land values, case law and Government policy and guidance (including the approach taken by Government agencies).” Delete 3<sup>rd</sup> sentence.</i></p> <p><b>Calculation of Vacant Building Credit</b>                      The formula as stated in the SPD is correct, but the suggested approach is simpler.  <i>Change to SPD: amend the formula in para 3.27 to <math>AH \times (EFS/PFS) = RAH</math>.</i></p>

Name or organisation	Comment summary	Council response
	<p><b>Rural workers</b>                      There is an opportunity for the Council to make provision for affordable housing to be made available for those in rural employment in addition to those who are eligible through Devon Home Choice. There is a need to make housing accessible for those in rural employment but who currently struggle to access good quality housing within the areas where they work. Broadening eligibility criteria to allow people who can show a clear need to work and live in rural areas will make an important contribution to maintaining the viability of rural communities and the rural economy.</p> <p><b>Evidence to show housing need (para 6.3)</b>                      Clearly, it will be useful for an applicant to act in concert with the local community and ordinarily this will be possible. However, we would suggest that this should not be a prerequisite to providing acceptable evidence of housing need. Experience is clear that NIMBY organisations or NIMBY dominated parish councils can block the initiation of the survey work to provide need evidence. Para 6.3 should be reworded to say it is sufficient for applicants simply to adopt and implement a methodology which has been previously agreed with East Devon and/or its partner organisations (e.g. Devon Communities Together).</p>	<p><b>Delivery of other forms of Affordable Housing</b>                      The SPD does reflect the NPPF definition of affordable housing, for example in recognising its wider range of tenure mixes (see para 4.4). Whilst para 4.5 sets out the priority is to deliver shared ownership, relevant equity loans and other low cost homes for sale (within the 30% ‘intermediate or other housing’), it does not set this as policy or rule out other tenures. However, the requirement for applicants to provide evidence to justify the mix is considered too onerous and not required in Local Plan policy.  <i>Change to SPD: delete 3<sup>rd</sup> sentence in para 4.5 relating to requiring evidence to justify the mix of 30% intermediate or other housing.</i></p> <p><b>Rural workers</b>                      Para 7.7-15 in the SPD (March 2019) explains who can live in an affordable dwelling. This makes clear that those who are resident or work in an area (parish) would qualify, before those with a connection to neighbouring parishes and elsewhere in East Devon are considered. Therefore, the SPD already explains that rural workers are eligible for affordable housing.</p>

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Name or organisation	Comment summary	Council response
		<p><b>Evidence to show housing need</b>                      The local community, which is wider than just the parish council, should be informed of the reasons for the survey, invited to participate, and able to access the results. Agree that it may not always be possible to work with parish councils or neighbourhood plan steering groups.  <i>Change to SPD: para 6.3, amend 1<sup>st</sup> sentence to: "...or followed their methodology and, <u>if possible</u>, undertaken in partnership with the parish council and/or neighbourhood plan steering group."</i></p>
Broadclyst Local History Society	General issues of this nature are too far outside our scope.	Noted.
Clarke Willmott on behalf of Baker Estates Ltd and Blue Cedar Homes Ltd	<p><b>Need for the Affordable Housing SPD</b>                      The SPD largely comprises a restatement of Local Plan policy or national policy and guidance. If the policies contained within a draft SPD fall within any of the cited categories in the regulations, then it must be a development plan document. It is difficult to understand the justification for or the purpose of the SPD. Either 1. the SPD is intended to "guide the determination of applications for planning permission" and should therefore be progressed as a Development Plan Document (DPD) or 2. the SPD has no purpose and serves no function. As a result, the SPD should either be progressed and adopted as a DPD or abandoned. In either event, the SPD process should be stopped.</p>	<p><b>Need for the Affordable Housing SPD</b>                      The purpose of the SPD is to build upon and provide more detailed advice or guidance on affordable housing policies in the development plan (explained in para 1.2). This is consistent with national Planning Practice Guidance (Reference ID: 61-008-20190315). The SPD does not contain policies which are intended to guide the determination of planning applications, so is in accordance with the regulations.</p>

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Name or organisation	Comment summary	Council response
	<p><b>Appropriateness of copying content already contained in National Guidance and Policy</b>                      We suggest that the SPD is limited to containing statements which assist with the interpretation of the policies of the local plan. The restatement of a significant amount of national policy and guidance should be deleted, as this can be changed by the Government at any time.</p> <p><b>Comments on the detailed policies of the SPD</b>  <b>Typo – para 2.26:</b> there appears to be a word missing “Devon Home Choice produce a quarterly monitoring report providing <u>information</u> on the number of households...”</p> <p><b>Who delivers new affordable housing (para 2.3)</b>                      It is not strictly true that affordable homes are sold to RPs at a “discounted price” – RPs pay the market value of affordable homes, reflecting the restrictions placed upon the dwellings. Using the term “discounted price” is misleading and suggest this wording is deleted.</p> <p><b>10% for affordable home ownership (para 2.15 and 4.6)</b>                      The cited NPPF para 64 has caused some confusion for both LPAs and developers. To avoid any confusion, we suggest amending para 2.15 (and 4.6) to “...at least 10% of <u>the affordable</u> homes should be available for home ownership...”</p> <p><b>Designated Rural Areas (para 3.2)</b>                      The NPPG makes clear that LPAs may choose to apply a lower threshold in designated rural areas (DRAs). It is not mandatory to set more than 5 dwelling</p>	<p><b>Appropriateness of copying content already contained in National Guidance and Policy</b>                      It is helpful to reflect national policy and guidance in the SPD to provide context on affordable housing issues. However, this text can be reduced where possible to make the document more concise.  <i>Change to SPD: simply references to national policy and guidance – for example, summarise the definition of affordable housing in paragraph 2.1.</i></p> <p><b>Comments on the detailed policies of the SPD</b>  <b>Typo – para 2.26</b>  <i>Change to SPD: add “information” to 2<sup>nd</sup> sentence in para 2.26.</i></p> <p><b>Who delivers new affordable housing</b>  <i>Change to SPD: para 2.3, 1<sup>st</sup> sentence, delete “at a discounted price”.</i></p> <p><b>10% for affordable home ownership</b>                      NPPF para 64 is not entirely clear, but it is considered that footnote 29 means that 10% of the affordable housing contribution should be for affordable home ownership. Therefore, agree with the suggested change.</p>

Name or organisation	Comment summary	Council response
	<p>threshold for the payment of an affordable housing contribution. The DRA was put in place in April 1981, and the Council should critically assess whether some of the areas designated should be treated differently. It would be appropriate to allow the exemption to apply wider than the four parishes outside the DRA to support smaller housebuilders.</p> <p><b>Subdivision of sites in relation to the small sites exemption (para 3.5)</b> There are a number of situations in which land within the same ownership may be legitimately divided into smaller sites and/or developed at different times. Whilst we agree that the Council should be careful to guide against abuse of the small sites exemption, it should not be mandatory. Instead, suggest the policy states that these factors will be taken into account in assessing whether there has been an abuse of the policy.</p> <p><b>Viability (para 3.11)</b> There are a number of problems with the approach to viability testing, stated to be taken by Homes England, for example:</p> <ul style="list-style-type: none"> <li>- Viability policies must be adopted through the DPD process – it would be unlawful to adopt policies which seek to direct or control the consideration of development viability in a SPD.</li> <li>- The Local Plan policies have not been viability tested in accordance with the NPPF 2018 or the Planning Practice Guidance (PPG). Applying an inflexible approach to viability testing in this respect is likely to result in an increased number of unviable developments. Landowners will simply not release their land for development. As a result, the number of affordable dwellings (and general needs housing) that can be delivered will reduce.</li> </ul>	<p><i>Change to SPD: amend para 2.15 (and 4.6) to “...at least 10% of <u>the affordable</u> homes should be available for home ownership...”</i></p> <p><b>Designated Rural Areas</b> Agree that LPAs may choose to apply a lower threshold in DRAs, and this is the approach the Council is taking. There have been a number of significant developments since 1981, but the DRAs are set by Government legislation and it is not within the power of the Council to amend them.</p> <p><b>Subdivision of sites in relation to the small sites exemption</b> Agree that more flexibility is required to account for situations where land within the same ownership may be legitimately divided. <i>Change to SPD: amend para 3.5 to say “...the council will consider <u>whether</u> the proposal <u>should be treated</u> as a single site...”</i></p> <p><b>Viability</b> The SPD intends to provide more detailed advice or guidance on policies in the adopted local plan, and does not contain policies that seek to direct or control development.</p>

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Name or organisation	Comment summary	Council response
	<ul style="list-style-type: none"> <li>- The SPD does not accurately reflect the national approach to viability, as the PPG states that evidence of market comparables on policy compliant schemes is a key component of determining benchmark land values. The PPG certainly does not support the use of a blanket percentage uplift to reflect the premium that should be paid to the landowner.</li> <li>- There is no formal or informal policy statement which would support the existing use value (EUV) plus 20% approach being advocated by the Council. No evidence or reference has been provided to demonstrate that Homes England (HE) use this approach. We are aware of one instance where HE applied a EUV plus 20% “rule of thumb” but it does not appear to be used by HE in the vast majority of sites we are involved in. The use of a blanket EUV plus 20% approach is not supported by the NPPF or PPG (Ref. ID 10-016-20180724). Therefore, the reference to Homes England adopting an approach of applying a “20% uplift on the existing use value” should be deleted.</li> <li>- EUV plus 20% will undermine the deliverability of the Local Plan. In many rural areas the EUV will be around £10,000 per acre, and an additional £2,000 per acre will not encourage any (other than the most desperate landowners) to part with their land. There is currently no widely adopted “rule of thumb” for determining the landowners premium, so it is inappropriate to apply a set percentage.</li> <li>- Therefore, we would suggest that para 3.11 should be deleted and replaced with “Viability appraisals will be expected to follow the approach advocated in national policy and guidance and supported by appropriate evidence”.</li> </ul> <p><b>Overage provisions (para 3.14-15)</b></p>	<p>Agree that the Local Plan policies were adopted prior to the NPPF 2018 and latest PPG on viability, however this does not automatically mean the Local Plan is out-of-date (NPPF para 213). The recent viability study (Jan 2019) prepared for the CIL review and Cranbrook Plan does reflect latest guidance.</p> <p>The PPG has been amended since this response was submitted, which subtly changed the approach to establishing benchmark land values: “market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value” (PPG Reference ID: 10-014-20190509). So, market evidence is a factor to consider, but is not a “key component” as suggested. Nevertheless, agree that a blanket percentage uplift is not stated in the PPG. The Homes England approach to calculating benchmark land values is not supported by national policy or guidance, and including reference to it may be misleading.</p> <p><i>Change to SPD: amend para 3.11, 2<sup>nd</sup> sentence: “... in determining the premium for the landowner regard will be had to <del>the approach currently taken by Homes England in assessing funding bids which is a 20% uplift on the existing use value.</del> up</i></p>

Name or organisation	Comment summary	Council response
	<p>Overage policy should be amended to reflect that overage provisions may not be reasonable or appropriate in all cases, reflecting appeal decision APP/U1105/W/16/3165906 at Rolle College Playing Field, Exmouth. Viability review provisions should only be applied for multi-phase developments where there is likely to be considerable delay between phases; otherwise there is considerable burden on SME developers by requiring additional viability evidence as development progresses.</p> <p><b>Affordable housing in developments for older persons/sheltered housing</b> It is unlikely to be practical in most cases for affordable housing to be delivered on site for older persons/sheltered housing developments, given service charges and management issues. Therefore, need to recognise that off-site affordable housing may be more appropriate in such schemes.</p> <p><b>Pepper potting and clusters (para 5.6-7)</b> Defining a cluster as being dwellings which “share the same frontage” is likely to cause problems in practice, as roads can be relatively long and frontages can be located some distance away from each other, or there may only be one road frontage. Therefore, clusters should be defined as dwellings which are immediately adjacent to each other. Specifying cluster sizes undermines the flexibility needed to enable the best design of a scheme. It is often easier for RPs to manage clusters of affordable housing, rather than pepper potted units, so clusters of 10 on larger sites are too small. It is unrealistic for property management reasons to disperse affordable housing on exception sites – it is likely that on these small site, with a high percentage of affordable housing, will probably fall within one cluster.</p>	<p><i>to date evidence of land values, case law and Government policy and guidance (including the approach taken by Government agencies).” Delete 3<sup>rd</sup> sentence.</i></p> <p><b>Overage provisions</b> Overage policy is set in the Local Plan, and cannot be amended through an SPD. The cited appeal decision recognises that “overage requirement is not conditional upon whether the proposed development is a single or multi-phase scheme”. Although the appeal was allowed, it was based upon the specific circumstances of that scheme and was prior to adoption of the Planning Obligations SPD which contains further detail on overage.</p> <p><b>Affordable housing in developments for older persons/sheltered housing</b> The Local Plan (Strategy 34) allows off-site contributions in some circumstances – this policy cannot be changed through the SPD. Para 4.18 in the SPD already states that off-site contributions may be acceptable for sheltered housing.</p> <p><b>Pepper potting and clusters</b></p>

Name or organisation	Comment summary	Council response
	<p><b>Space standards (para 5.11)</b> Stating that “dwelling size is an important issue for design quality and to avoid overcrowding” introduces uncertainty and should be deleted. It would be unlawful to adopt policies that introduce space standards through a SPD.</p> <p><b>Standard s.106 agreement for affordable housing</b> There are a number of problems with this, but the most significant is it would prevent RPs from being able to charge the units, which would mean the units would not be deliverable without a Deed of Variation being entered into, resulting in additional cost and delay. It is unlawful for planning obligations to go beyond what is necessary – this is breached several times, for example it is not necessary to duplicate controls that already exist through the planning system or through statutory regimes. The standard draft should be as concise and user-friendly as possible, so it does not need to be renegotiated each time. Preventing the commencement of development until the Affordable Housing Scheme has been submitted to and approved by the Council is unnecessary, and there is no reason why development should not commence (e.g. site preparation works, infrastructure). We have been through the draft s.106 wording in detail and made suggested comments and track changes.</p>	<p>Defining clusters as only those which are immediately adjacent to each other could lead to larger than desirable clusters if, for example, 10 are one side of the road and 10 are on the other. Clusters of greater than 10 can be acceptable where justified. Note the point in relation to exception sites.</p> <p><i>Change to SPD: amend para 5.9 to “...affordable housing on exception sites should still be dispersed where physically if-possible.”</i></p> <p><b>Space standards</b> The SPD is not seeking to introduce space standards, merely highlighting it as an issue to consider in affordable housing design.</p> <p><b>Standard s.106 agreement for affordable housing</b> The suggested comments and track changes have been considered and the standard s.106 revised where appropriate.</p>
<p>Cranbrook Town Council</p>	<p>The map on page 48 (affordable housing thresholds) should be updated to include the parish of Cranbrook.</p> <p>Agree with:</p>	<p><i>Change to SPD: update map of affordable housing thresholds to include Cranbrook parish.</i></p>

Name or organisation	Comment summary	Council response
	<ul style="list-style-type: none"> <li>- The principle that affordable housing will be sought from all major developments.</li> <li>- Reducing the affordable housing target in Cranbrook. However the proposed reduction to 15% is unlikely to provide any additional infrastructure funding due to the proposed dowry for suitable alternative natural greenspace and shift to more social rent.</li> <li>- The affordable housing tenures of 70% social or affordable rent and 30% intermediate or other affordable housing. However, as the District Council does not own any of their council housing stock in Cranbrook (unlike every other town), it deprives local residents of housing support services.</li> <li>- Pepper potting or dispersing affordable housing throughout a scheme to create a balanced community. However, this is not achieved at Cranbrook because of the disproportionate delivery of lower-banded properties across all sectors, meaning a lower precept is received by the Town Council.</li> </ul>	<p>The affordable housing target and infrastructure delivery at Cranbrook is covered by the Cranbrook Plan and outside the scope of this SPD.</p> <p>The comment is correct in saying that the district council do not own any stock in Cranbrook, the affordable housing is managed by Registered Providers in Cranbrook, who will provide appropriate support.</p> <p>The delivery of (small) market housing is outside the scope of this SPD.</p>
<p>David Lock Associates on behalf of East Devon New Community Partnership (EDNCp)</p>	<p><b>Under what circumstances might a lower amount of affordable housing be acceptable</b>                  Should reference Cranbrook DPD policy CB11 as well as Local Plan Strategy 34. Para 3.13: add other reasons why it may not be “otherwise appropriate”, such as additional development costs (including brownfield sites) and the provision of significant community benefits – both are referenced in Strategy 34 and CB11. The Cranbrook DPD (para 3.69) references a diversified mix might warrant a reduced scale of affordable housing provision – this should be referenced in the SPD.</p> <p><b>Overage clause</b></p>	<p><b>Under what circumstances might a lower amount of affordable housing be acceptable</b>                  It is considered premature to specifically reference Cranbrook DPD policies until that plan is adopted, and could be amended through the Examination.                  It would be helpful to reference the viability issues that may vary affordable housing mix, but in chapter 4 rather than this section.  <i>Change to SPD: in chapter 4, add reference to additional costs associated with brownfield sites,</i></p>

Name or organisation	Comment summary	Council response
	<p>An overage clause is not an effective basis for delivery as it adds risks and delay to development. It contradicts national policy that viability should be conducted primarily at the plan-making stage. The SPD should remove the obligation to seek an overage clause, apart from in exceptional circumstances.</p> <p><b>Tenure mix</b>                      Welcome reference to negotiation of an alternative tenure mix, but periods of depressed markets are not likely to be the only circumstance when this might be appropriate. Should also add:</p> <ul style="list-style-type: none"> <li>• To meet a need for a broad range of affordable products</li> <li>• To support the delivery of additional units than would otherwise be achieved</li> <li>• To ensure diversification or secure wider community or other sustainability objectives</li> <li>• To recognise financial context for registered providers</li> <li>• To reflect more up-to-date evidence of local need.</li> </ul> <p>Add to para 4.2 “in appropriate circumstances related to viability, the council will require viability evidence...”</p> <p><b>What size and type of affordable housing is sought in East Devon?</b>                      The evidence in the 2014 Strategic Housing Market Assessment (SHMA) is dated and partially contradicted by the Devon Home Choice data in terms of 1 to 2 bedroom housing need. There is more flexibility in the SHMA than implied in the SPD. Guidance on property sizes is new policy as the mix articulated in the SPD is not reflected in Strategy 34 or CB11. It should be explicit that the mix of affordable housing will in all cases (particularly strategic sites) be a matter for</p>	<p><i>mitigation of contamination, and provision of significant community benefits which could change the affordable housing mix, as stated in Strategy 34.</i></p> <p>The reference to the Cranbrook Plan in relation to a diversified mix warranting a reduced scale of provision is specific to that new settlement, where there is not an existing ‘stock’ of homes, and not to be applied across the district.</p> <p><b>Overage clause</b>                      Overage is required in the Local Plan, so cannot be changed through the SPD.  <i>Change to SPD: Para 3.14, clarify that overage is a requirement of the Local Plan (Strategy 34), and not being introduced by the SPD.</i></p> <p><b>Tenure mix</b>                      These points are noted, but the Local Plan only allows an alternative tenure mix to reflect viability considerations. It is not possible to amend this through the SPD.</p> <p><b>What size and type of affordable housing is sought in East Devon?</b>                      Noted and agreed.</p>

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Name or organisation	Comment summary	Council response
	<p>negotiation in the light of all relevant factors, including deliverability and social and community balance. For example, the agreed mix at Cranbrook is 9% 1 bed, 46% 2 bed, 45% 3 and 4 bed.</p>	<p><i>Change to SPD: amend para 4.8-10 to be clear that the SHMA and Devon Home Choice are evidence of need, and not policy requirements. State that the size and type of affordable housing will be a matter for negotiation in the light of all relevant factors, including deliverability and social and community balance.</i></p>
<p>David Poor, Exmouth Town Councillor</p>	<p>The timing of the consultation period is inappropriate, being less than 1 week after local elections.</p> <p>I do not understand why developers in Exmouth and Sidmouth do not have to pay any contributions towards affordable housing if they build between 5 and 10 new properties. Exmouth will have more infill developments and a bigger need for affordable housing.</p>	<p>The consultation period was appropriate as it lasted for six weeks, longer than the required minimum of four weeks, and started over a month before the local elections.</p> <p>The affordable housing threshold is set by national policy and legislation. In “designated rural areas” a lower threshold of seeking contributions from developments of 6-9 dwellings can be sought. Exmouth, Sidmouth, Seaton and Honiton are not within this designated area, so the threshold is “major development” (10 dwellings or 0.5 ha or more).</p>
<p>Devon and Cornwall Police</p>	<p>Designing out opportunities for crime, fear of crime, anti-social behaviour and conflict in the built environment contributes to delivering sustainable developments. Crime Prevention through Environmental Design (CPTED) combined with the principles and practices of Secured by Design (SBD) considers the following elements:</p>	<p>Noted and agreed.</p> <p><i>Change to SPD: in para 5.1 add reference to designing out crime/crime prevention through environmental design.</i></p>

Name or organisation	Comment summary	Council response
	<ul style="list-style-type: none"> <li>• Access and movement</li> <li>• Structure</li> <li>• Surveillance</li> <li>• Ownership</li> <li>• Physical protection</li> <li>• Activity</li> <li>• Management and maintenance.</li> </ul> <p>In light of this, a reference to ‘designing out crime/crime prevention through environmental design’ should be included in chapter 5 under “how can affordable housing be well-designed?”</p>	
Highways England	No comment.	Noted.
McMurdo Land Planning and Development Ltd on behalf of Stuart Partners Ltd	<p><b>Thresholds</b> Support the approach to thresholds as it fully aligns with the updated NPPF (2018), and it allows applicants to justify circumstances where it might not be appropriate to meet Local Plan targets. Object to setting an “at least 66%” figure for rural exception sites because this will hamper delivery and is not consistent with the updated NPPF.</p> <p><b>Land values and viability</b> Object to the reference to a 20% uplift on the existing use value as this is not consistent with the methodology for determining benchmark land values in the</p>	<p><b>Thresholds</b> Support noted. The “at least 66%” figure at rural exception sites is set in the Local Plan (Strategy 35) and cannot be changed in the SPD. This is consistent with the NPPF (para 77) which allows some market housing on rural exception sites to facilitate their delivery.</p> <p><b>Land values and viability</b> It is agreed that the Homes England approach to calculating benchmark land values is not</p>

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Name or organisation	Comment summary	Council response
	<p>NPPF and PPG, and would stifle strategic scale delivery as landowners would not release land.</p> <p>The full release of all development information for an overage clause is overly onerous and challenging, particularly for strategic development with multiple developers. The overage requirement fails to reference the cost implications of delivering strategic sites. Sample copies of overage clauses are not provided for review, so fully informed comments cannot be made.</p> <p><b>Off-site provision</b> Support allowing affordable housing to be provided off-site through a monetary contribution in lieu.</p> <p><b>Brownfield land</b> Support the reduction of affordable housing contributions where vacant buildings are being reused or redeveloped. Object to instances where the council will consider not applying vacant building credit where there is an extant or recently expired permission for the same or substantially the same development. There may be good reasons to do this to ensure viable delivery e.g. to increase density or improve design. This would jeopardise the delivery of housing development on brownfield sites.</p> <p><b>Self-build</b> Object as fails to acknowledge that self-build could provide market or affordable housing.</p> <p><b>Phasing</b></p>	<p>supported by national policy or guidance, but agree it may be misleading, so delete. <i>Change to SPD: amend para 3.11, 2<sup>nd</sup> sentence: "... in determining the premium for the landowner regard will be had to <del>the approach currently taken by Homes England in assessing funding bids which is a 20% uplift on the existing use value</del> up to date evidence of land values, case law and Government policy and guidance (including the approach taken by Government agencies)."</i> <i>Delete 3<sup>rd</sup> sentence.</i></p> <p>The policy requirement for overage is already set in the Local Plan (Strategy 34) and cannot be amended by the SPD. <i>Change to SPD: add the overage clause to the standard s.106 agreement in appendix three.</i></p> <p><b>Off-site provision</b> Support noted.</p> <p><b>Brownfield land</b> General support is noted. Government guidance (PPG) allows authorities to consider whether the building is covered by an extant or recently expired planning permission for the same or substantially the same development.</p>

Name or organisation	Comment summary	Council response
	<p>Object to the approach to phasing affordable and market housing delivery as it fails to consider the complexities of delivering infrastructure and housing on strategic development sites or the role of s.106 agreements in securing such balanced delivery.</p>	<p><i>Change to SPD: in para 3.29, add reference to PPG Reference ID 23b-028-20190315 which states “it may be appropriate for authorities to consider...” the listed bullet points.</i></p> <p><b>Self-build</b>                      Para 4.15 does acknowledge that self-build can be affordable if it meets the government definition, but could word more positively.  <i>Change to SPD: amend para 4.15 to be worded more positively: “...although self-build can often be a cheaper way of buying a house, it will typically not be considered affordable housing, unless it meets the definition in national policy.”</i></p> <p><b>Phasing</b>                      The balanced delivery of market and affordable dwellings can help foster social cohesion. Para 5.12 promotes this, but does not require if there are feasibility or viability issues. Agree that phasing can vary according to the site.  <i>Change to SPD: in para 5.12, state that the delivery of affordable housing in relation to market housing will be included in the s.106. Make clear that the stated phasing is an example that we would expect, rather than a requirement for all sites.</i></p>

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Name or organisation	Comment summary	Council response
LiveWest Ltd	<p><b>Context and Overview of Policies and Evidence</b>                      The explanation of the affordable housing types reproduces the definition in the NPPF, and does not reflect that the NPPF may be amended in the future. It should not simply replicate national policy, and should reference any successor national policy which may be published in the future.</p> <p><b>Tenure and mix</b>                      Should not restrict the bedroom size mix as need may change over time and there may be specific evidence available for individual settlements. The SHMA is now four years old and should be updated urgently. Amend para 4.8 to reference “any more up to date evidence”.</p> <p>Pleased that the SPD allows the staircasing restriction to be removed for grant funded shared ownership dwellings in a Designated Protected Area (DPA). For non-granted dwellings in DPAs, EDDC will remove the restrictions under certain conditions, which includes where it can be evidenced that the restriction is making the home unaffordable to potential purchasers due to high interest rates or deposits required by lenders.</p> <p>There is no requirement in the NPPF for shared ownership homes in DPAs to be retained in perpetuity when they have not been grant funded. Therefore, request that this blanket restriction should be removed as it will cause delay to home ownership while the evidence is gathered and s.106 amended.</p> <p><b>Design and Layout</b>                      Requiring a mix of tenures within a single cluster of affordable homes will create design and management issues for smaller clusters. Therefore, request that this</p>	<p><b>Context and Overview of Policies and Evidence</b>                      Noted and agreed.  <i>Change to SPD: in para 2.1, simplify definition of affordable housing with reference the NPPF, and the fact that this could change in the future.</i></p> <p><b>Tenure and mix</b>                      Para 4.8-10 seek to provide context on bedroom need, rather than “restricting” bedroom size. The council has appointed consultants to undertake work on housing need in East Devon.  <i>Change to SPD: amend para 4.8-10 to be clear that the SHMA and Devon Home Choice are evidence of need, and not policy requirements. State that the size and type of affordable housing will be a matter for negotiation in the light of all relevant factors, including any more up to date evidence, deliverability and social and community balance.</i></p> <p>The NPPF Annex 2 definition does only refer to shared ownership dwellings being available for future eligible households where public grant funding is required. However, DPAs are dealt with separately under secondary legislation,</p>

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Name or organisation	Comment summary	Council response
	<p>requirement is deleted as it will create unnecessary complications and restrictions on the location of affordable homes by tenure on a site.</p> <p>Would support a stronger reference to National Space Standards in the SPD.</p> <p><b>Rural Exception Sites</b> The requirement in para 6.14 to access at least four of the listed community services and facilities by walking or cycling is too restrictive, and may prevent affordable homes from being developed where there is a housing need and local facilities in neighbouring settlements could be accessed by public transport or car.</p> <p><b>Legal agreements</b> Accept that priority should be given to those with the most immediate relationship to the settlement (e.g. connection to a Parish), but it is important for the efficient letting of homes if allocations can be considered from all potential sources at the same time. Therefore, the ‘sequential’ approach in para 7.11 is not supported – these should all be sought simultaneously, with priority given in accordance with the specified areas.</p> <p>Welcome the reference to those with a connection to Exeter in para 7.11(iii), but suggest this could also include Mid Devon. Would prefer that the specific written agreement of East Devon be limited to points iv and v in para 7.11.</p> <p>Making affordable homes for sale subject to a perpetuity restriction in the s.106 will create barriers to affordable home ownership as potential purchasers will not be able to secure mortgages at competitive loan rates and will encounter problems when selling on their share. The NPPF only requires affordable homes</p>	<p>which does require shared ownership dwellings to be retained in perpetuity.</p> <p><b>Design and Layout</b> Management issues relating to a mix of tenures in small clusters are noted. <i>Change to SPD: para 5.7, amend to state: “<u>On larger sites, the affordable housing within each cluster should include a mix of tenures.</u>”</i></p> <p>The support for a stronger reference to National Space Standards is welcomed, but these can only be introduced in a Local Plan or other Development Plan Document, not an SPD.</p> <p><b>Rural Exception Sites</b> Agree that transport accessibility should be worded more flexibly. <i>Change to SPD: amend para 6.14: “... can be reasonably accessed by residents, <u>preferably by walking, cycling or public transport in order to...</u>”</i></p> <p><b>Legal agreements</b> Agree that it would be more efficient if allocations from all potential sources can be considered at the same time.</p>

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Name or organisation	Comment summary	Council response
	<p>for sale in perpetuity at Rural Exception Sites. Suggest that para 7.18 is deleted and reference to affordable homes being in perpetuity is removed from the standard s.106 agreement in appendix three.</p> <p><b>Appendix Three – standard s.106 agreement for affordable housing</b>                      Local connection should allow for consideration of nominations to adjoining districts outside of Devon.                      Prefer that the definition of Shared Ownership Lease should have the reference to restrictions to 80% removed.</p>	<p><i>Change to SPD: add text in para 7.12 to say that “...Potential occupants can be sought from these areas simultaneously, with priority given according to the hierarchy explained above.”</i></p> <p>It is not considered that the issue relating to local connection extends into Mid Devon – it primarily relates to sites to the east of Exeter. Agree that specific written agreement is not necessary, and that closer working between the council and RPs can ensure affordable homes are occupied by those with a local connection.</p> <p><i>Change to SPD: replace para 7.12 with: “The council will work with Registered Providers to ensure that new affordable homes are occupied by people that meet this local connection test”.</i></p> <p>There is no restriction that requires affordable homes for sale only on Rural Exception Sites in the NPPF – Annex 2 allows affordable homes for sale to be available in perpetuity where public grant funding is provided. Para 7.18 already states that “where possible (i.e. allowed in the NPPF definition of affordable housing)...”, but could better link with the preceding paragraphs that further explain this issue.</p>

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Name or organisation	Comment summary	Council response
		<p><i>Change to SPD: amend para 7.18 to “where possible (i.e. allowed in the NPPF definition of affordable housing, <u>as explained above</u>)...”</i></p> <p><b>Appendix Three – standard s.106 agreement for affordable housing</b>                      It is considered more appropriate to restrict nominations to within Devon. The approach to the removal of the restricted 80% shared ownership is explained in para 4.11 onwards.  <i>Change to SPD: Para 7.10, add “...local housing needs, <u>current practice is that</u> local connection criteria...”. Para 7.11: delete point v relating to those with a connection to adjoining districts outside Devon.</i></p>
Natural England	No comment on the SPD as the topic does not relate to our interests. A SPD requires a Strategic Environmental Assessment only in exceptional circumstances, as set out in the Planning Practice Guidance. While SPDs are unlikely to give rise to likely significant effects on European Sites, they should be considered under the Habitats Regulations in the same way as any other plan or project. You are required to consult Natural England if the SPD requires a Strategic Environmental Assessment or Habitats Regulations Assessment.	Noted. A screening report for Strategic Environmental Assessment and Habitats Regulations was published for consultation alongside the SPD. The screening report concluded that neither a full Strategic Environmental Assessment nor an ‘appropriate assessment’ was required.
PCL Planning Ltd on behalf of Client Group	<p><b>General comments</b>                      The scope of the SPD goes beyond that which it is necessary to consider for the planning process, as it sets out various housing allocation/ management</p>	<p><b>General comments</b>                      The housing allocation approaches will be set out in the s.106 (where required), so is relevant to</p>

Name or organisation	Comment summary	Council response
<p>(Kier Living, Waddeton Park Ltd, Greendale and Devonshire Homes Ltd)</p>	<p>approaches that are not directly relevant to planning decisions. This should be removed and published separately. Similarly, there’s unnecessary duplication of national policy – the documents’ role is to provide guidance on Local Plan policies.</p> <p><b>Not fettering schemes of 0-5 units</b> If a financial contribution is sought on schemes within a designated rural area of 6-9 units then financial contributions should only be sought from units 6-9 (not 0-5).</p> <p><b>Uncertainty/risk/overage</b> The council need to recognise that viability assessment is a ‘risk based guesstimate’ not a science. Therefore it is not possible, upon submission of applications, to be specific about the amount of affordable housing to be provided given it’s often not clear what other planning obligations are being sought. This uncertainty is why overage payments are not appropriate. If the council wish to seek overage payments, they should bear the costs if the development turns out to be less viable. Re-assessment post completion is unnecessary, bureaucratic and can’t be assessed with accuracy.</p> <p><b>Benchmark land value</b> It is not Government policy that existing use value plus 20% should be adopted as a benchmark, and is at odds with the assessment made in preparing the Local Plan (CIL viability study, 2013). This is a new policy approach that has not been examined and cannot be lawfully pursued via an SPD as it is intended to guide the determination of planning applications. If the council continues to adopt the document as a SPD, rather than a DPD, it will be acting unlawfully and will likely</p>	<p>planning decisions. However, agree that this text can be simplified. Agree that unnecessary duplication of national policy should be avoided. <i>Change to SPD: rationalise text relating to housing allocation/management and national policy.</i></p> <p><b>Not fettering schemes of 0-5 units</b> Agreed, this was set out in figure 3.1 in the SPD.</p> <p><b>Uncertainty/risk/overage</b> Planning applications need to demonstrate how they have complied with Local Plan policies to enable a decision to be made, so are required to set out the level of affordable housing being proposed. Overage is required in the Local Plan, so cannot be changed through the SPD. <i>Change to SPD: Para 3.14, clarify that overage is a requirement of the Local Plan (Strategy 34), and not being introduced by the SPD.</i></p> <p><b>Benchmark land value</b> The SPD states regard will be had to this approach to benchmark land values, and is not intending to guide the determination of applications. However, agree that a blanket percentage uplift to adopt benchmark land value</p>

Name or organisation	Comment summary	Council response
	<p>fail at judicial review as did the <u>Skipton Properties</u> and <u>William Davis</u> decisions in the High Court. Since affordable housing is the residual element in a viability assessment, then the SPD proposes a significant change to the operation and meaning of Strategies 34 and 35.</p>	<p>is not stated in national policy or guidance; and that this approach differs from the CIL viability study.  <i>Change to SPD: amend para 3.11, 2<sup>nd</sup> sentence: "... in determining the premium for the landowner regard will be had to <del>the approach currently taken by Homes England in assessing funding bids which is a 20% uplift on the existing use value</del> up to date evidence of land values, case law and Government policy and guidance (including the approach taken by Government agencies)."</i>  <i>Delete 3<sup>rd</sup> sentence.</i></p>
<p>R Galling</p>	<p>There is no work in Buckerell so it would be inappropriate to have more affordable housing, which should be within walking distance of workplaces and schools.</p>	<p>Noted. Proposals for affordable housing at Buckerell will be considered against Local Plan Strategy 35, which requires schemes to be close to a range of community services and facilities.</p>
<p>Rapleys LLP on behalf of The Crown Estate</p>	<p><b>Section 3: Thresholds and targets</b>                      Table 3.2 confirms the Local Plan affordable housing target of 25% within the Axminster built-up area boundary (BUAB), and 50% outside. The Axminster North Eastern Urban Extension Masterplan (January 2019) establishes that further land (outside of the defined built-up area boundary) is necessary to deliver the objectives of a new relief road for Axminster in addition to new homes and jobs. This is based on viability work at 25% affordable housing, so any increase in affordable housing (to 50%) would have a direct impact on its deliverability.</p>	<p><b>Section 3: Thresholds and targets</b>                      The Axminster masterplan work is noted, but the affordable housing target can only be changed through a revision of the Local Plan, not the SPD. The Axminster masterplan is a material consideration when determining the planning application(s) at the site.</p> <p><b>Commuted sums</b></p>

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	<p>Section 3 and table 3.2 should be amended to make clear that the affordable housing target across the Axminster Masterplan Study Area is 25%.</p> <p><b>Commuted sums</b> Para 3.8 states that where the application of targets does not lead to a ‘round’ number, the remaining proportion will be paid as a commuted sum. This is not required in Strategy 34 and its introduction now is unreasonable and conflicts with national planning guidance.</p> <p><b>Overage clause</b> An overage clause in respect of land to the East of Axminster to claw back up to 50% in respect of that part of the site that falls outside the built-up area boundary would not be reasonable. The endorsed Masterplan for the site establishes a site wide 25% affordable housing target.</p> <p><b>Tenure, Mix and Size</b> It is important that the Council does not rule out alternative tenure mixes that facilitate the delivery of strategic objectives, for example on land to the east of Axminster. Greater flexibility should be included in the SPD to encourage affordable housing to reflect the other tenure mixes in NPPF annex 2 definition, which includes Starter Homes and discounted market sales housing.</p> <p>Whilst the SHMA 2015 evidence on unit sizes is noted, it is important that obligations attached to outline consents do not place prescriptive requirements on the size of affordable housing units. This should be established at the detailed design stage to enable the development to respond to market conditions at the time of construction.</p>	<p>Disagree – Strategy 34 states that “Affordable housing shall be provided on site unless it is...not mathematically possible...In such cases a payment towards an off-site contribution will be required in lieu of on-site provision.” Therefore, the position set out in the SPD para 3.8 does already form part of Strategy 34.</p> <p><b>Overage clause</b> Whilst the Axminster Masterplan has been endorsed by the council, the Local Plan remains the development plan, which should be reflected in the SPD. The Axminster Masterplan is a material consideration when determining the planning application(s) at the site.</p> <p><b>Tenure, Mix and Size</b> The SPD does reflect the NPPF definition of affordable housing, for example in recognising its wider range of tenure mixes (see para 4.4). Whilst para 4.5 sets out the priority is to deliver shared ownership, relevant equity loans and other low cost homes for sale (within the 30% ‘intermediate or other housing’), it does not set this as policy or rule out other tenures. However, the requirement for applicants to provide evidence to justify the mix in the 30% ‘intermediate or other’ category is</p>

Name or organisation	Comment summary	Council response
		<p>considered too onerous and not required in Local Plan policy.  <i>Change to SPD: delete 3<sup>rd</sup> sentence in para 4.5 relating to requiring evidence to justify the mix of 30% intermediate or other housing.</i></p> <p>Whilst outline consents do sometimes contain unit sizes, this is not a requirement.</p>
<p>Savills on behalf of Taylor Wimpey</p>	<p><b>Introduction</b>                      Taylor Wimpey control land at Sherwood Cross, adjacent to the north west of Feniton (location plan appended). In summary, it is considered that the SPD is unduly restrictive and does not accord with the NPPF on the following four issues, which advocates that plans should be sufficiently flexible to adapt to rapid change.</p> <p><b>Overage clause arrangements</b>                      Whilst provisions which enforce the reappraisal of viability at a particular phase in a project may be agreed on a site by site basis where appropriate, this will not necessarily be acceptable either in principle or at 50% of additional profit being recovered by the council. The arrangements should be bespoke and respond to the circumstances of a particular site e.g. in some cases the nature of the land transaction will render such an approach impractical. Therefore, we recommend that the 50% figure be removed from the SPD and the percentage of profit to be agreed between the applicant and EDDC should be determined on an ad-hoc basis in the s.106.</p> <p><b>Evidence of need for intermediate housing</b></p>	<p><b>Introduction</b>                      The land at Sherwood Cross, Feniton is noted, but land allocations are not being considered in the SPD. A response to the four issues is given below.</p> <p><b>Overage clause arrangements</b>                      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.  <i>Change to SPD: amend para 3.15, second sentence: <u>"It is EDDC practice seek to recover the amount of affordable housing that would have</u></i></p>

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Name or organisation	Comment summary	Council response
	<p>Concerned that para 4.5 states that an applicant should provide evidence to justify the mix of affordable housing being proposed within the 30% “intermediate or other” tenures. This is unnecessary and unjustified because all of the additional affordable housing products in the NPPF will meet a need for those unable to afford to buy or rent on the open market. Notwithstanding this, updated evidence is being prepared for the Greater Exeter Strategic Plan which can inform the determination of planning applications. In the meantime, the council should be flexible.</p> <p><b>Size and mix of affordable housing required</b> The proposed dwelling mix in para 4.8 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. Until an updated SHMA or other assessment of local housing need has been published, the proposed dwelling mix should not be prescriptively applied and a bespoke approach should be applied appropriate to the location of the site.</p> <p><b>On-site delivery of affordable housing</b> Para 5.12 restricts the occupation of open market dwellings prior to completion of affordable homes. This places an unnecessary restrictive burden on the delivery of housing. Developers may build affordable housing first in order to obtain grant funding early, or later on because of the specific characteristics of a site (e.g. there may be a need to focus revenue on infrastructure delivery in order to ‘open up’ a site). Therefore, the phasing of affordable housing delivery should be agreed on a bespoke basis and implemented through a s.106, rather than being prescribed in the SPD.</p>	<p><i>been required in a scheme by obtaining 50% of any additional profit, capped to...</i></p> <p><b>Evidence of need for intermediate housing</b> The SPD does reflect the NPPF definition of affordable housing. However, agree that the requirement for applicants to provide evidence to justify the mix is considered too onerous and not required in Local Plan policy. <i>Change to SPD: delete 3<sup>rd</sup> sentence in para 4.5 relating to requiring evidence to justify the mix of 30% intermediate or other housing.</i></p> <p><b>Size and mix of affordable housing required</b> The SPD provides guidance on the size and mix of required affordable dwellings, and is not intended to be “prescriptively applied”. Although the SHMA is now four years old, the latest evidence of bedroom need for those registered on Devon Home Choice broadly reflects the SHMA. The SPD (para 4.10) recognises that specific needs evidence may be available in rural areas where a housing needs study has been produced. Nevertheless, some further clarity would be helpful on this issue. <i>Change to SPD: amend para 4.8-10 to be clear that the SHMA and Devon Home Choice are</i></p>

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Name or organisation	Comment summary	Council response
		<p><i>evidence of need, and not policy requirements. State that the size and type of affordable housing will be a matter for negotiation in the light of all relevant factors, including deliverability and social and community balance.</i></p> <p><b>On-site delivery of affordable housing</b>                      The SPD (para 5.12) provides guidance on the delivery of affordable housing vs market housing, but recognises that feasibility or viability issues could change this at specific sites. It could be made clearer that a bespoke phasing programme could be agreed.  <i>Change to SPD: para 5.12-3, add that “examples of where this phasing may not be feasible or viable could include situations where there is a need to focus revenue from the development on infrastructure delivery in the first instance to ‘open up’ a site.”</i></p>
South West Water	No comment.	Noted.
Sturt and Company Ltd on behalf of	<p><b>Three Dragons Excel toolkit</b>                      Concerns over the use of a non-industry standard Excel viability appraisal for setting CIL and Affordable Housing SPD. Failure to disclose this toolkit questions the Local Authority’s statutory Duty to Co-operate.</p>	<p><b>Three Dragons Excel toolkit</b>                      A viability appraisal is not required for the Affordable Housing SPD, as it does not set policy. The Duty to Co-operate applies to Local Plans</p>

Name or organisation	Comment summary	Council response
Cranbrook LVA LLP	<p><b>Gross Development Value (GDV)</b> Concerns about the private sector sales prices and rate. For affordable housing, the Cranbrook Plan viability study uses a high GDV compared to actual contracts agreed with registered providers (RPs) in the area – the consultation response includes four recently agreed contract prices, which average at £1,532 per sq m, compared to £1,920 sq m in the Cranbrook assessment, some 20% higher. It appears that the draft Policy is based upon unrealistic affordable housing prices which do not reflect the market place.</p> <p>The CIL Review and Cranbrook Plan DPD viability study has incorrectly allowed a tenure mix of 70% equity share and 30% shared ownership, contrary to the proposed tenure mix of 70% affordable rent.</p> <p><b>EDDC viability guidance</b> The SHMA 2014/15 only identifies a housing need of 272 dwellings per year, and should be updated as it is expected the need is now higher.</p> <p><b>Rest of East Devon Affordable Housing targets</b> The target of 50% of all dwellings to be affordable is very high compared to adjoining communities which are only set at 25%. It is extremely unlikely that the scheme comprising 50% affordable housing will be viable in East Devon where the differential in values is modest.</p> <p><b>Suitably qualified professional</b> In para 3.10, we request that any professional providing viability advice should be a Chartered Surveyor with experience of valuing land.</p>	<p>that include policies on strategic matters that cross administrative boundaries, and not SPDs.</p> <p><b>Gross Development Value</b> The SDP does not set policy so is not subject to viability assessment. Nevertheless, the CIL Review and Cranbrook Plan DPD viability study included consultation with Registered Providers which informed the affordable housing values.</p> <p>Foot note 46 in the CIL Review and Cranbrook Plan DPD viability study explains that Affordable Rent Transfer Values are listed under the Equity Share heading within the summary. Therefore, the viability study has applied the correct tenure mix.</p> <p><b>EDDC viability guidance</b> Consultants have been commissioned to undertake a district-wide housing needs study.</p> <p><b>Rest of East Devon Affordable Housing targets</b> Affordable housing targets are set in the Local Plan, and the SPD does not change these.</p> <p><b>Suitably qualified professional</b></p>

Name or organisation	Comment summary	Council response
	<p><b>Existing use value plus premium</b> The approach to calculating benchmark land value outlined in para 3.11 (only 20% of existing use value) does not reflect the multiplier required when assessing the benchmark land value of a greenfield site. There is well documented professional guidance that sets out how this should be assessed (see RICS 2012 guidance and Harman Report). More flexibility is needed to ensure a wide range of sites come forward for development.</p> <p><b>Affordable units mix and size</b> Unclear whether or not the 70% rented element is Social Rent or Affordable Rent. It should be Affordable Rent, as Social Rent would lower values further. The bedroom need in the SPD (50% one bedroom, 40% two bedroom, 10% three and four bedrooms plus) is different to the assumptions used in the Cranbrook viability study.</p> <p>The SPD needs to make it clear that there will be no local rent caps imposed on the Affordable Rent units, as the definition of Affordable Rent is nationally accepted.</p> <p><b>Design Standards</b> The additional costs of meeting part M4(2) of the Building Regulations is a significant cost that needs to be taken into account. The Cranbrook viability study has used the lowest build cost which would not allow essential design requirements.</p> <p><b>Rural Exception Sites</b></p>	<p>Noted, but this is considered to be too prescriptive.</p> <p><b>Existing use value plus premium</b> The SPD states regard will be had to this approach to benchmark land values, but agree that a blanket percentage uplift to adopt benchmark land value is not stated in national policy or guidance. <i>Change to SPD: amend para 3.11, 2<sup>nd</sup> sentence: "... in determining the premium for the landowner regard will be had to <del>the approach currently taken by Homes England in assessing funding bids which is a 20% uplift on the existing use value</del> up to date evidence of land values, case law and Government policy and guidance (including the approach taken by Government agencies)."</i> <i>Delete 3<sup>rd</sup> sentence.</i></p> <p><b>Affordable units mix and size</b> Policy on affordable housing mix is set out in Local Plan Strategy 34 as a target of 70% social or affordable rent and 30% intermediate or other – this cannot be changed through the SPD. The assumptions used in the Cranbrook Plan viability study were appropriate for that plan – the figures quoted from the SHMA are district-wide.</p>

Name or organisation	Comment summary	Council response
	<p>The set figure of 66% having to be affordable on rural exception sites does not provide sufficient flexibility. Instead it should allow the minimum number of private dwellings to justify the delivery of affordable housing. There is no clear guidance on how benchmark land values are to be assessed for rural exception sites.</p> <p><b>Standard section 106 agreement</b> There is no reference to overage in the standard s.106 agreement in appendix three. These overage documents must be subject to a separate consultation with lawyers and valuers. Sites with overage lead to increased risk and cost. This has not been factored into the profit levels used in the viability assessment.</p> <p>The ‘mortgagee in possession’ clause should be circulated to commercial banks for their input to ensure it meets the requirements of lending institutions.</p>	<p>The council cap rents at Local Housing Allowance rates – this cannot be amended through the SPD, the purpose of which is to provide guidance on Local Plan policies.</p> <p><b>Design Standards</b> Policy on accessible and adaptable homes is already set in the Local Plan, and cannot be changed in the SPD. The Cranbrook Plan viability study assumes that all affordable and 20% of market homes meet part M4(2).</p> <p><b>Rural Exception Sites</b> Policy on rural exception sites is already set in the Local Plan and cannot be changed in the SPD. It is not the role of the SPD to provide guidance on benchmark land values.</p> <p><b>Standard section 106 agreement</b> Agree that it would be useful to add the overage clauses to the standard s.106 agreement. The requirement for overage is already set out in the Local Plan. Viability assessment is not required for the SPD. <i>Change to SPD: Overage clauses have been added to the standard s.106 agreement.</i></p>

Name or organisation	Comment summary	Council response
<p>Tetlow King Planning Ltd on behalf of Rentplus UK Ltd</p>	<p>Rentplus UK Ltd are an innovative company providing affordable rent to buy housing, with rent set at the lower 80% market rate (affordable rent) or Local Housing Allowance with a planned route to ownership at 5, 10, 15 or 20 years after delivery.</p> <p><b>Definitions</b> The reproduction of national policy in para 2.1 is unnecessary and should be removed.</p> <p><b>Who delivers new affordable housing?</b> Para 2.3, footnote 5 is only partly true as some for-profit providers of affordable housing are also regulated by Homes England. Therefore, remove reference to not-for-profit.</p> <p>The inclusion of specific references to rent to buy and Rentplus within para 2.4 are welcomed, is in accordance with the new definitions in the NPPF, and mark East Devon District Council out as an authority that wishes to encourage delivery of affordable homes for local people aspiring to purchase.</p> <p><b>What mix of affordable homes should be provided?</b> Support reference to affordable rent to buy in para 4.4 as forming part of the ‘intermediate or other affordable housing’ in Strategy 34. This is useful in providing certainty to developers.</p> <p>Para 4.5 is significantly unhelpful in enabling the full range of affordable housing tenures to be delivered. The council should not wait until new strategic-level evidence to accept a wider mix being delivered; developers may still provide other</p>	<p><b>Definitions</b> Noted and agreed. <i>Change to SPD: in para 2.1, simplify definition of affordable housing with reference the NPPF.</i></p> <p><b>Who delivers new affordable housing?</b> Noted and agreed. <i>Change to SPD: remove “not-for-profit” from footnote 5.</i></p> <p>Support for reference to rent to buy and Rentplus is noted.</p> <p><b>What mix of affordable homes should be provided?</b> Support for reference to affordable rent to buy is noted.</p> <p>The SPD does reflect the NPPF definition of affordable housing, for example in recognising its wider range of tenure mixes (see para 4.4). Whilst para 4.5 sets out the priority is to deliver shared ownership, relevant equity loans and other low cost homes for sale (within the 30% ‘intermediate or other housing’), it does not set this as policy or rule out other tenures. However, the requirement for applicants to provide evidence to justify the</p>

Name or organisation	Comment summary	Council response
	<p>sources of evidence on how each product will meet housing need. Para 4.5 should be amended to ensure the council does not restrict the tenures which can be delivered, and so limit the opportunities for local people who can instead afford to rent to buy. Amend para 4.5 as follows: “...so there is currently a lack of <u>strategic district-wide</u> evidence regarding the need for these types of affordable housing in East Devon. <del>Therefore, the councils’ priority is to deliver shared ownership, relevant equity loans, and other low cost homes for sale.</del>”</p> <p>The council should be prioritising a new SHMA to enable a better appreciation of affordable housing need.</p>	<p>mix is considered too onerous and not required in Local Plan policy.  <i>Change to SPD: delete 3<sup>rd</sup> sentence in para 4.5 relating to requiring evidence to justify the mix of 30% intermediate or other housing.</i></p> <p>The council has commissioned consultants to produce a study on local housing need.</p>
<p>Tetlow King Planning Ltd on behalf of South West HA Planning Consortium</p>	<p><b>Definitions</b>                      Para 2.1 should be removed as it simply reproduces the NPPF Annex 2. To ensure its longevity and consistency, the SPD should only refer to the national definition.</p> <p><b>How “affordable” is housing in East Devon?</b>                      The inclusion of text on the affordability challenge in East Devon is supported. The SPD will play an important role in facilitating the delivery of genuinely affordable housing, with the council working in partnership with local Housing Associations.</p> <p><b>What are the key sources of evidence?</b>                      The SHMA is quite dated and evidence should be updated to inform the Local Plan review. Members of the Planning Consortium would welcome direct input into this evidence, to ensure that this takes into account local experience of affordable housing needs and delivery.</p>	<p><b>Definitions</b>                      Noted and agreed.  <i>Change to SPD: in para 2.1, simplify definition of affordable housing with reference the NPPF.</i></p> <p><b>How “affordable” is housing in East Devon?</b>                      Support noted.</p> <p><b>What are the key sources of evidence?</b>                      The council has commissioned consultants to produce a study on local housing need. It is envisaged that this will include a stakeholder workshop that involves Registered Providers. The council make housing need surveys available to Registered Providers.</p>

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Name or organisation	Comment summary	Council response
	<p>The funding of housing need surveys for three parish councils each year through Devon Communities Together is supported, as this can provide an excellent source of evidence of housing need. The council should make these publicly available to improve transparency and reduce costs in evidencing local needs at application.</p> <p><b>What mix of affordable housing tenures should be provided?</b>                      Para 4.5 suggests that the council will seek to restrict delivery of affordable housing to non-rented affordable housing tenures. This should be removed as it limits the opportunity to meet the need for the wider range of tenures in the revised NPPF.</p> <p><b>What size and type of affordable housing is being sought in East Devon?</b>                      Until the SHMA is updated, the council should not be seeking to restrict the types and sizes of affordable housing. Developers should instead be encouraged to deliver homes that will meet local needs, with reference to the SHMA and any more up to date evidence.</p> <p><b>How should affordable housing be ‘pepper-potted’ or dispersed throughout a development?</b>                      The inclusion of a mix of tenures within an affordable housing cluster can create significant design issues as different tenures cannot always be easily accommodated alongside each other. Therefore, the following text in para 5.7 should be deleted “the affordable housing within each cluster should include a mix of tenures”.</p>	<p><b>What mix of affordable housing tenures should be provided?</b>                      Agree that the SPD should reflect the NPPF definition of affordable housing, and that para 4.5 was worded too restrictively by identifying council priorities without up-to-date evidence.  <i>Change to SPD: delete 3<sup>rd</sup> sentence in para 4.5 relating to requiring evidence to justify the mix of 30% intermediate or other housing.</i></p> <p><b>What size and type of affordable housing is being sought in East Devon?</b>                      Noted and agreed.  <i>Change to SPD: amend para 4.8-10 to be clear that the SHMA and Devon Home Choice are evidence of need, and not policy requirements. State that any more up to date evidence could outweigh the SHMA.</i></p> <p><b>How should affordable housing be ‘pepper-potted’ or dispersed throughout a development?</b>                      Design issues relating to a mix of tenures are noted – suggest greater flexibility so this just relates to larger sites.</p>

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Name or organisation	Comment summary	Council response
	<p><b>Are there any design standards that affordable housing should meet?</b>                      Para 5.11 should be deleted as it introduces uncertainty for developers when seeking to understand the council’s policy on national internal space standards. These standards may only be set in policy and not through an SPD.</p> <p><b>What evidence on housing needs is required to justify a rural exception site?</b>                      It may not always be possible to produce a rural housing needs survey in partnership with a parish council or neighbourhood plan steering group, such as in areas where any residential development is vigorously objected to. Para 6.3 should be amended as follows to allow for flexibility and prevent robust housing needs surveys being rejected because of a lack of formal community support: <i>“...or followed their methodology and, if possible, undertaken in partnership with the parish council and/or neighbourhood plan steering group.”</i></p> <p><b>Where can rural exception sites be built?</b>                      The NPPF (para 78) recognises that development in one village may support services in a village nearby. Provision of affordable housing in one rural village will support local people in accessing housing, but also support neighbouring village services. Therefore, para 6.13 and its accompanying list should be amended. Para 6.14 should either be deleted, as it is reliant on superseded guidance, or amended to allow for access by walking, cycling, other sustainable modes of transport, or car.</p> <p><b>How is the delivery of affordable housing legally secured?</b>                      It is unreasonable to expect submission of a completed unilateral undertaking with the submission of a planning application, given that a development may be</p>	<p><i>Change to SPD: para 5.7, amend to state: “On larger sites, the affordable housing within each cluster should include a mix of tenures.”</i></p> <p><b>Are there any design standards that affordable housing should meet?</b>                      Para 5.11 highlights the importance of dwelling size for design quality, but is clear that there are no space standards in the Local Plan.</p> <p><b>What evidence on housing needs is required to justify a rural exception site?</b>                      Agree that it may not always be possible to work with parish councils or neighbourhood plan steering groups.  <i>Change to SPD: para 6.3, amend 1<sup>st</sup> sentence to: “...or followed their methodology and, if possible, undertaken in partnership with the parish council and/or neighbourhood plan steering group.”</i></p> <p><b>Where can rural exception sites be built?</b>                      The policy position in the NPPF is noted, but the list in para 6.13 is taken from Local Plan Strategy 35, and can’t be amended through the SPD. Agree that reference to superseded guidance should be deleted, and more flexibility should be provided on what constitutes “close”.</p>

Name or organisation	Comment summary	Council response
	<p>subject to additional planning obligation requests, and the detail of a planning permission cannot be confirmed until the point of determination or receipt of an officer’s report. The expectation that a draft heads of terms be submitted is more reasonable, and should replace the text in para 7.5.</p> <p><b>Affordable homes in perpetuity</b> The act of securing affordable housing in perpetuity is exclusively applied to rural exception sites, as noted in NPPF Annex 2. The NPPF refrains from securing all affordable housing in perpetuity as it can cause a number of issues for affordable housing providers and purchasers when attempting to secure mortgages for properties restricted in this manner. This can create barriers to affordable home ownership. Therefore, references to retaining affordable housing in perpetuity should be removed unless relating to rural exception sites.</p>	<p><i>Change to SPD: Amend para 6.14 to state: “Close should mean that these services and facilities can be reasonably accessed by future residents, preferably by walking, cycling, or public transport.” Delete footnote 74.</i></p> <p><b>How is the delivery of affordable housing legally secured?</b> Agree that the submission of a completed unilateral undertaking is unreasonable where additional planning obligation requests are required (which would mean a s.106 is required rather than a unilateral undertaking in any case). <i>Change to SPD: para 7.5, amend 2<sup>nd</sup> sentence: “In these cases, <del>the completed unilateral undertaking securing payment of the contribution a draft heads of terms</del> must be provided with the planning application at the point of submission.”</i></p> <p><b>Affordable homes in perpetuity</b> Disagree – the NPPF Annex 2 definitions allows affordable housing to be secured in perpetuity to all sites, not just exception sites.</p>
The Cavanna Group of Companies	<p><b>What is and overage clause, and when does it apply?</b> Question how reasonable paras 3.14-15 are. Would the council accept this principle in reverse? If the developer makes less than expected profit will the</p>	<p><b>What is and overage clause, and when does it apply?</b></p>

Name or organisation	Comment summary	Council response
	<p>council cover the 50% of the loss of profit? All the risk is with the developer, and none with the council. This should be deleted.</p> <p><b>Cluster size</b> 10 is modest for a cluster size, with many other south west councils using a figure of 12.</p> <p>Registered Providers prefer to separate the tenures because of management and maintenance issues, so the requirement in para 5.7 for affordable housing within each cluster to include a mix of tenures should be deleted.</p> <p>The cluster sizes in figure 5.1 are misleading – the largest cluster is 7 in total which is contrary to the figure of 10 (which should be greater anyway). The clusters shown should all be greater, and a more accurate example should be provided.</p>	<p>Policy on overage is set in the Local Plan (Strategy 34) which requires an overage clause to be sought in respect of future profits where levels of affordable housing fall below policy targets. The council seek to recover 50% of additional profit, capped at the policy target, to incentivise developers to achieve higher profits. The notion of risk is inherent to the development industry. In such examples, a lower level of affordable housing will reduce risk in delivering the development.</p> <p><b>Cluster size</b> Para 5.7 makes clear that clusters of more than 10 dwellings can be justified. Of the south west examples that were reviewed, Exeter state clusters of no more than 10 units, Cornwall state 6-8 dwellings, whilst Mid Devon, Taunton and Teignbridge do not specify a figure.</p> <p>Management issues relating to a mix of tenures in small clusters are noted. <i>Change to SPD: para 5.7, amend to state: “<u>On larger sites</u>, the affordable housing within each cluster should include a mix of tenures.”</i></p>

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Name or organisation	Comment summary	Council response
		<p>Figure 5.1 is titled as an “illustrative example”, but content to amend in light of the comment.  <i>Change to SPD: figure 5.1, increase size of cluster to up to 10.</i></p>
<p>Turley Associates on behalf of Bloor Homes and Stuart Partners</p>	<p><b>Viability guidance</b>                      Para 3.10 states that viability assessments should follow the approach in Planning Practice Guidance (PPG) on viability and the council’s viability guidance. It is essential that the council recognise that each application must be judged on its merits as the viability guidance is highly restrictive, with limited flexibility, especially when considering schemes of a strategic scale.</p> <p><b>Benchmark land value</b>                      Reference to a 20% uplift on the existing use value is highly inappropriate. The specification of an arbitrary minimum does not accord with the methodology in the PPG. Also, the existing use value of some development land (e.g. agricultural) is low, and applying only a 20% premium on the existing use value would generate unacceptable returns, which would deter the landowner from releasing land for development. This is also not consistent with the Parkhurst case<sup>6</sup> that critiques the use of an “arbitrary number and... method (that) does not reflect the workings of the market”. Therefore, the reference to an arbitrary 20% uplift on existing use value should be deleted. The councils’ viability guidance notes should be updated to reflect the NPPF and latest PPG.</p>	<p><b>Viability guidance</b>                      Noted. The guidance will be applied as appropriate.</p> <p><b>Benchmark land value</b>                      It is agreed that the Homes England approach to calculating benchmark land values is not supported by national guidance, and agree it may be misleading. The council will consider these comments in updating the viability guidance notes separately.  <i>Change to SPD: amend para 3.11, 2<sup>nd</sup> sentence: “... in determining the premium for the landowner regard will be had to <del>the approach currently taken by Homes England in assessing funding bids which is a 20% uplift on the existing use value.</del> up to date evidence of land values, case law and Government policy and guidance (including the</i></p>

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<sup>6</sup> Parkhurst Road Limited v Secretary of State for Communities and Local Government and the Council of the London Borough of Islington [2018]

Name or organisation	Comment summary	Council response
	<p><b>Overage clause</b> A requirement for full release of all development information is unusually onerous and very challenging to undertake, especially when considering a scheme of strategic scale involving multiple developers with various infrastructure works to be provided by different parties within a multi-phase cashflow period.</p> <p>Overage clauses usually compare the final sales value of the completed residential units against the originally assessed level of construction costs with potential for abnormal costs to be evidenced. This is a simpler approach than proposed by the council.</p> <p>It appears from the wording within Viability Guidance Note 3 that model overage section 106 clauses were to be provided – this has not occurred.</p> <p><b>Strategic site viability assessment</b> To reflect the reduced affordable housing provision and nil CIL rate at Cranbrook, the cost implications of delivery of strategic sites should be referenced in the SPD. This should make clear that the cost burden of meeting servicing/infrastructure requirements represents a prospective justification for the council accepting reduced levels of affordable housing.</p>	<p><i>approach taken by Government agencies).” Delete 3<sup>rd</sup> sentence.</i></p> <p><b>Overage clause</b> Policy on overage is set in the Local Plan (Strategy 34) which requires an overage clause to be sought in respect of future profits where levels of affordable housing fall below policy targets. The council will consider updating the viability guidance notes in light of the comment, including provision of a model overage clause.</p> <p><b>Strategic site viability assessment</b> The Cranbrook Plan is supported by viability evidence prepared by consultants on behalf of the council which justifies a lower rate of 15% affordable housing. Local Plan policy (Strategy 34) allows proposals to not meet affordable housing targets where it is not viable or otherwise appropriate. This is already explained in the SPD (para 3.9-13) so additional text is not required.</p>

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### 3 Next steps

- 3.1 This Consultation Statement has provided a summary of the main issues raised in consultation on the Draft Affordable Housing SPD from March to May 2019, and the council's response to the comments made. This has informed the revision of the Draft Affordable Housing SPD, which will be published for a second round of public consultation from **XXXX to XXXX**.
- 3.2 The Consultation Statement will be updated following this second round of public consultation, to include comments made at that stage. The Affordable Housing SPD will be revised as necessary in response to the comments made, and will then be adopted by the council.



Affordable housing overlooking the country park in Cranbrook



**Planning policy consultation**

# **Draft Affordable Housing Supplementary Planning Document**



**October 2019**

**East Devon – an outstanding place**

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# 1 Introduction

- 1.1 The East Devon Local Plan 2013 to 2031 (adopted January 2016) promotes the delivery of new affordable housing in the district, through policies relating to affordable housing targets and exceptions sites. The purpose of this Affordable Housing supplementary planning document (SPD) is to provide guidance on the implementation of these affordable housing policies,<sup>1</sup> giving greater clarity to developers and communities about the expectations for affordable housing delivery in East Devon.
- 1.2 By giving clear guidance upfront about the councils' expectations on issues such as tenure mix, how vacant building credit will be operated, and where off-site contributions will be appropriate, it will enable developers and landowners to better understand policy requirements. Therefore, this SPD should assist applicants when making planning applications, and the council in determining them.<sup>2</sup>
- 1.3 The SPD explains when and how affordable housing will be secured in order to deliver sustainable communities in East Devon. It reflects national Government policy on affordable housing in the National Planning Policy Framework, and has been prepared in a manner consistent with the relevant regulations.<sup>3</sup>
- 1.4 The SPD begins by providing some context with a brief overview of affordable housing and related planning policy, and then provides guidance across a variety of chapters on affordable housing issues relevant to Local Plan policies. The SPD is structured around a series of key questions so that the guidance is provided in a clear format.

## Consultation details

- 1.5 This draft Affordable Housing SPD is being published for consultation from **XXXX to XXXX 2019**. The SPD is supported by a screening report for Strategic Environmental Assessment and Habitats Regulations Assessment; along with an Equality Impact Assessment. The screening report concludes that the SPD would not lead to significant effects on the environment or habitats; and no adverse impacts upon people with "protected characteristics" with regards to equalities. The SPD and supporting documents can be seen

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<sup>1</sup> The SPD can also be used to guide implementation of policies in the Cranbrook Plan, when this Plan is adopted.

<sup>2</sup> National Planning Policy Framework, Annex 2, explains that SPDs add further detail to the policies in the development plan; and Planning Practice Guidance Reference ID: 61-008-20190315 states that SPDs should build upon and provide more detailed advice or guidance on the policies in an adopted local plan, and should not add unnecessarily to the financial burdens on development.

<sup>3</sup> The Town and Country Planning (Local Planning) (England) Regulations 2012:  
<http://www.legislation.gov.uk/uksi/2012/767/contents/made>

on our website: <http://eastdevon.gov.uk/planning/planning-policy/housing-issues/affordable-housing/>

- 1.6 Consultation responses on the SPD and screening reports must be submitted in writing by email to [planningpolicy@eastdevon.gov.uk](mailto:planningpolicy@eastdevon.gov.uk) or by post to Planning Policy, East Devon District Council, Blackdown House, Border Road, Heathpark Industrial Estate, Honiton EX14 1EJ. Consultation responses will be published on the council's website, and will include your name and address but contact details and signatures will be redacted.

## Data Protection

- 1.7 Any personal information which you provide will be held and used by East Devon District Council for the purpose of the Affordable Housing supplementary planning document and may inform other planning policy work. Your information may also be shared within East Devon District Council for the purposes of carrying out our lawful functions. Otherwise your personal information will not be disclosed to anybody outside East Devon District Council without your permission, unless there is a lawful reason to do so, for example disclosure is necessary for crime prevention or detection purposes. Your information will be held securely and will not be retained for any longer than is necessary. There are a number of rights available to you in relation to our use of your personal information, depending on the reason for processing. Further detail about our use of your personal information can be found in the relevant Privacy Notice.<sup>4</sup>



Affordable housing in Cranbrook, which has been a significant supply of affordable housing delivery in East Devon over recent years

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<sup>4</sup> The relevant Data Protection Privacy Notice can be seen at: <http://eastdevon.gov.uk/media/2764832/planning-policy-considering-representations-in-respect-of-neighbourhood-plans-and-development-plans.pdf>

## 2 Context and Overview of Policies and Evidence

### What is affordable housing?

- 2.1 Affordable housing is defined as housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers). There are four broad types of affordable housing:
- a) Affordable housing for rent
  - b) Starter homes
  - c) Discounted market sales housing
  - d) Other affordable routes to home ownership<sup>5</sup>

### Who delivers new affordable housing?

- 2.2 Planning policies require a certain proportion of affordable housing, or off-site contribution for their delivery elsewhere, in order for planning permission for new housing to be granted – it is through this process that the vast majority of affordable housing is delivered.
- 2.3 In most cases, new affordable homes to *rent* are constructed by private developers and sold to registered providers<sup>6</sup> (RPs). The RP then lets out these properties to eligible households – the maximum level of rent that is covered by Universal Credit or housing benefit is set according to the number of bedrooms and the location.<sup>7</sup> The RP is responsible for their ongoing management (apart from Build to Rent affordable housing, where the landlord need not be a registered provider). RPs currently operating in East Devon can be seen in [chapter seven](#).
- 2.4 New affordable homes to *buy* are also generally constructed by private developers and either sold to RPs, or made available directly by the developers. These homes can then be purchased by eligible households at below market values. Another route to affordable home ownership is in the form of rent to buy, such as homes provided by ‘Rentplus’, who purchase

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<sup>5</sup> National Planning Policy Framework, 2019, Annex 2, contains the full definition of affordable housing: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740441/National\\_Planning\\_Policy\\_Framework\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf) Nb. this could be amended in future revisions of national policy.

<sup>6</sup> Registered Providers are independent companies set up to provide affordable homes for people in need. They are funded and regulated by Homes England.

<sup>7</sup> Local Housing Allowance rates are used to set the maximum level of rent that can be charged by an RP. The rates in East Devon can be seen here: <http://lha-direct.voa.gov.uk/SearchResults.aspx?LocalAuthorityId=209&LHACategory=999&Month=2&Year=2019&SearchPageParameters=true>

new properties and lease them to RPs to manage and let to eligible households at an affordable rent (set at 80% of market rent).<sup>8</sup>

- 2.5 Other, less common, routes of affordable housing delivery include schemes funded by Government grant, or schemes led by RPs who may obtain planning permission and construct affordable homes to rent or buy themselves.
- 2.6 In some cases, completed affordable homes may be passed to East Devon District Council (EDDC) to add to its own housing stock or to the councils' local housing company East Devon Homes.
- 2.7 Community land trusts (CLTs) can also deliver affordable housing. These are non-profit organisations for the ownership and/or management of assets (e.g. housing) for the benefit of the local community, and can be set up by communities in towns as well as more rural areas. Once a CLT has been set up, they can own land and commission the construction of homes that are made affordable to rent or buy for local people (for example through leasing the homes to a RP). The CLT then remains a long term steward of homes and assets.<sup>9</sup> A notable CLT in East Devon is Beer Community Land Trust, which has already delivered affordable housing in the village, and has plans to deliver more.<sup>10</sup>



Affordable housing delivered by Beer Community Land Trust

- 2.8 Finally in terms of delivery, EDDC spend receipts from the 'Right to Buy' to purchase dwellings on the open market, which are then managed by the council as affordable housing

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<sup>8</sup> Further information can be seen on the Rentplus website: <http://rentplus-uk.com/>

<sup>9</sup> Further information on CLTs is available here: <http://www.communitylandtrusts.org.uk/>

<sup>10</sup> Beer Community Land Trust: <http://www.beerclt.org/>

to rent. The council has a target of acquiring 20 dwellings per year via this method.<sup>11</sup> Right to Buy receipts have to be spent within three years, otherwise they are returned to Government (with interest).<sup>12</sup>

### How much affordable housing is there in East Devon?

- 2.9 There are a total of 69,250 dwellings in East Devon, of which 6,640 are “affordable”. East Devon District Council own 4,200 of these affordable dwellings, and the other 2,440 are owned by RPs.<sup>13</sup>
- 2.10 Around 25 social rented homes are purchased by tenants from the council each year under the ‘Right to Buy’ – where council housing tenants have a right to buy their home at a discount, with the amount of discount dependent upon the length of time as a social tenant.<sup>14</sup>

### How “affordable” is housing in East Devon?

- 2.11 The average house price in East Devon is £277,000, which is 9.97 times average earnings.<sup>15</sup> This makes East Devon a less affordable place to buy a house than both the England (7.83) and south west region (8.9) average.<sup>16</sup> The following graphs show average house prices in East Devon since 1997, along with the affordability ratio that compares house prices to earnings. These indicate that house prices trebled between 1997 and 2007, but were then broadly stable until a rise in 2017-18. The affordability ratio doubled from 5 to 10 between 1997 and the mid-2000s, and house prices have remained around 10 times earnings ever since. It is worth noting that house prices vary across East Devon – for

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<sup>11</sup> East Devon District Council Housing Strategy 2017: <http://eastdevon.gov.uk/housing/housing-strategies-and-policies/housing-strategy/>

<sup>12</sup> The Government are considering greater flexibility on this – see consultation on ‘Use of receipts from Right to Buy sales’ August – October 2018: <https://www.gov.uk/government/consultations/use-of-receipts-from-right-to-buy-sales>

<sup>13</sup> Number of dwellings by tenure and district, England, 2018, Table 100: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

<sup>14</sup> In 2012, the Government significantly raised the maximum cash discount under the Right to Buy. This had the effect of increasing the number of social rented homes purchased under the Right to Buy in East Devon from around 3-4 dwellings per year between 2007 and 2012, to around 25 dwellings per year from 2012 to 2018.

Source: Annual Right to Buy Sales: Sales by Local Authority, Table 685: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales#other-schemes>

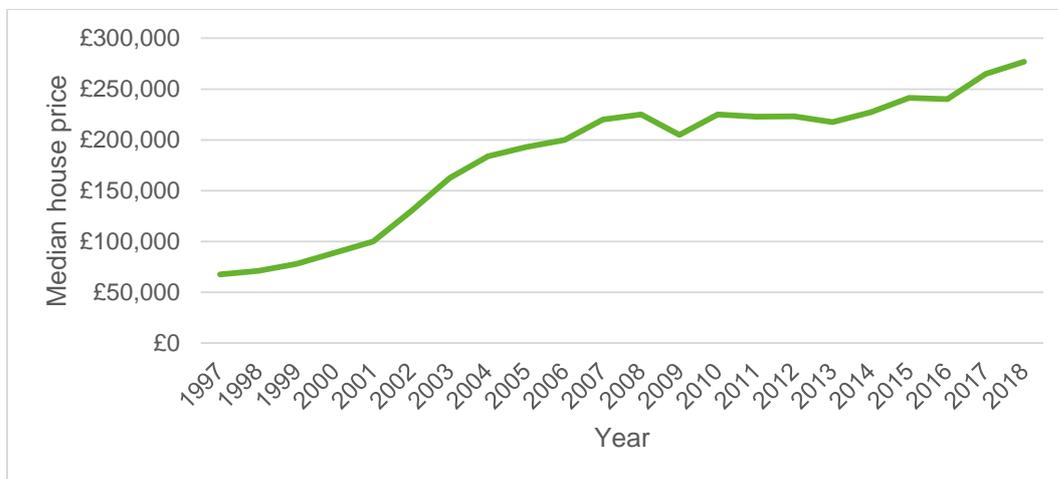
<sup>15</sup> Ratio of median house price to median gross annual workplace-based earnings by local authority district, 2018, Office for National Statistics:

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2018>

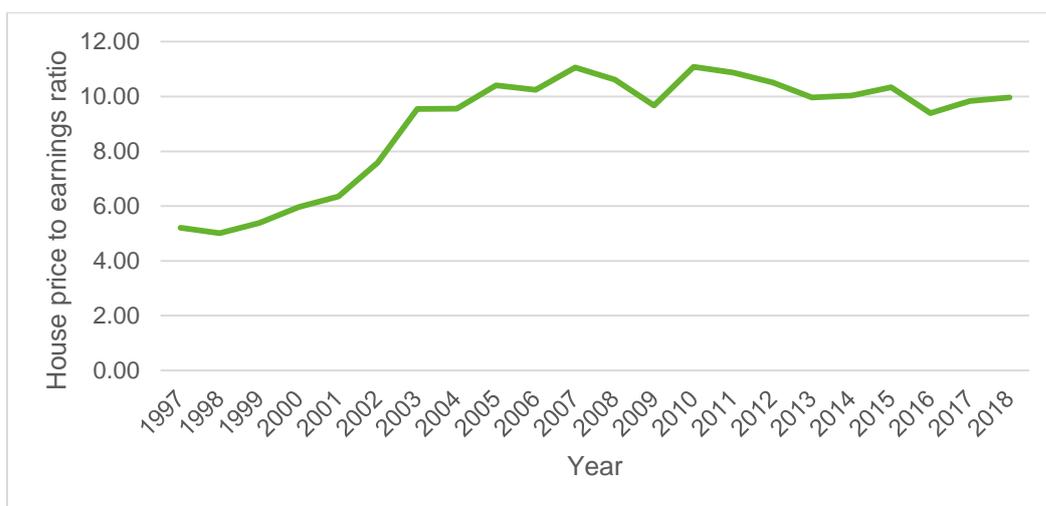
<sup>16</sup> As above.

example, in general, the coastal towns of Sidmouth and Budleigh Salterton are more expensive than elsewhere.

**Figure 2.1: Average house price in East Devon 1997 – 2018<sup>17</sup>**



**Figure 2.2: Affordability ratio in East Devon 1997 – 2018<sup>18</sup>**



<sup>17</sup> Median house price by local authority district, 2018, Office for National Statistics: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2018>

<sup>18</sup> Ratio of median house price to median gross annual workplace-based earnings by local authority district, 2018, Office for National Statistics: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2018>

## What is national Government policy on the delivery of affordable housing?

- 2.12 The National Planning Policy Framework (NPPF) supports the Government’s objective to significantly boost the supply of homes.<sup>19</sup> The type of affordable housing required should be set out in planning policies, and this need should be met on-site unless off-site provision or a financial contribution can be robustly justified and it would contribute to creating mixed and balanced communities.<sup>20</sup>
- 2.13 In general, affordable housing can only be sought from “major development” i.e. 10 dwellings or more, or a site area of 0.5 ha or more. However, in ‘designated rural areas’,<sup>21</sup> policies may set out a lower threshold of 5 units or fewer – most of East Devon falls within this area (explained in [figure 3.1](#)). Affordable housing contributions should be reduced where vacant buildings are being reused or redeveloped.<sup>22</sup>
- 2.14 As part of the overall affordable housing contribution on major sites, at least 10% of the affordable homes should be available for affordable home ownership, subject to various exemptions (e.g. significantly prejudicing the ability to meet the needs of specific groups).<sup>23</sup>
- 2.15 Local authorities should support entry-level exception sites of affordable housing for first time buyers or renters, unless such need is already being met elsewhere in the area. Opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs should also be supported, allowing some market housing where necessary to facilitate this.<sup>24</sup> These exception sites are discussed further in [chapter 6](#).

## Which Local Plan policies discuss affordable housing?

- 2.16 The East Devon Local Plan 2013 to 2031<sup>25</sup> contains two policies that solely related to affordable housing:
- Strategy 34 – ‘District Wide Affordable Housing Provision Targets’ is the overarching policy on affordable housing, setting targets for different parts of East Devon, the tenure mix, and thresholds, amongst other issues.

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<sup>19</sup> National Planning Policy Framework, paragraph 59:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740441/National\\_Planning\\_Policy\\_Framework\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf)

<sup>20</sup> National Planning Policy Framework, paragraph 62.

<sup>21</sup> Defined in the NPPF as “National Parks, Areas of Outstanding Natural Beauty and areas designated as ‘rural’ under section 157 of the Housing Act 1985.”

<sup>22</sup> National Planning Policy Framework, paragraph 63.

<sup>23</sup> National Planning Policy Framework, paragraph 64.

<sup>24</sup> National Planning Policy Framework, paragraph 77.

<sup>25</sup> East Devon Local Plan 2013 to 2031: <http://eastdevon.gov.uk/media/1772841/local-plan-final-adopted-plan-2016.pdf>

- Strategy 35 – ‘Exception Mixed Market and Affordable Housing At Villages, Small Towns and Outside Built-up Area Boundaries’ provides for exceptions housing schemes, subject to robust evidence.

2.17 In addition, Strategy 36 states that, on sites of 10 dwellings or more, all of the affordable housing should meet part M4(2) of the Building Regulations relating to accessible and adaptable dwellings.

### **What other local guidance is there on affordable housing in East Devon?**

2.18 East Devon’s Planning Obligations SPD (June 2017) reflects the affordable housing targets and tenures in the Local Plan, setting out national policy thresholds.<sup>26</sup> Affordable housing should be delivered in phase with the market housing, and proposals for non-policy compliant tenure splits must be justified and evidenced by the applicant. Rural exception sites should reflect the need in a Rural Housing Needs Survey. The SPD also contains guidance on overage and viability.

2.19 East Devon District Council’s Housing Strategy<sup>27</sup> sets out its responsibilities to:

- Provide a housing options service for all who are homeless or threatened with homelessness
- Provide, maintain, and manage our own council housing stock
- Work with housing developers and housing associations to deliver more affordable housing
- Regulate and improve other social rented, private rented and owner occupier housing

2.20 Guidance on how to find affordable housing, what the council is doing to increase the number of properties, and how affordable housing need is assessed, can be seen on the councils’ website.<sup>28</sup>

2.21 Viability guidance notes are also available on the councils’ website, several of which are relevant in cases where an applicant is seeking to justify less affordable housing than required in the Local Plan.<sup>29</sup>

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<sup>26</sup> East Devon Planning Obligations Supplementary Planning Document, June 2017:

<http://eastdevon.gov.uk/media/2140634/final-version-for-adoption.pdf>

<sup>27</sup> EDDC Housing Strategy: <http://eastdevon.gov.uk/housing/housing-strategies-and-policies/housing-strategy/>

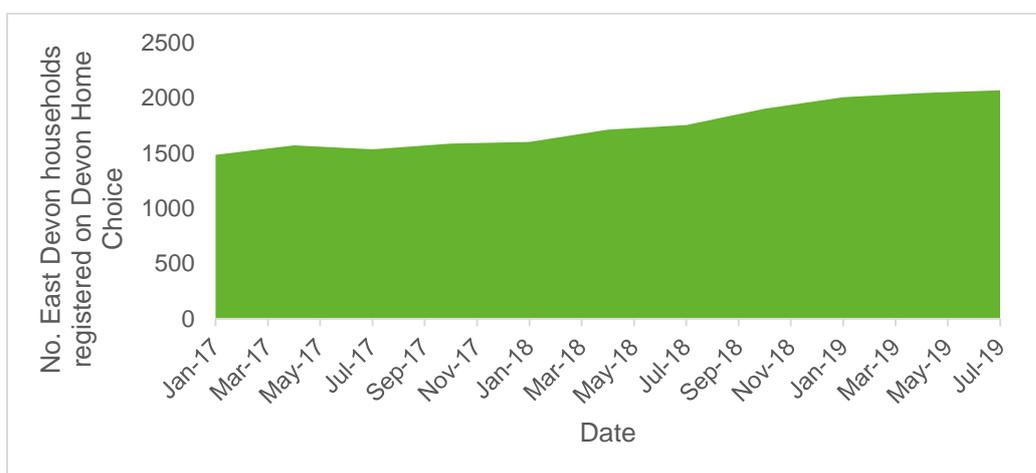
<sup>28</sup> This guidance can be seen at: <http://eastdevon.gov.uk/housing/affordable-housing-in-east-devon/>

<sup>29</sup> EDDC viability guidance notes can be seen at: <http://eastdevon.gov.uk/planning/planning-services/planning-development-management/viability-guidance-notes/>

## What are the key sources of evidence regarding affordable housing need in East Devon?

- 2.22 The Strategic Housing Market Assessment (SHMA) 2014/15 identifies an annual affordable housing need of 272 dwellings per year in East Devon.<sup>30</sup> It also makes recommendations on the future delivery of affordable housing need on issues such as tenure mix and number of bedrooms required, which informed the Local Plan.
- 2.23 Devon Home Choice (a choice-based letting scheme) produce a quarterly monitoring report with information on the number of households registered for social and affordable rented affordable housing, which gives an indication of housing need.<sup>31</sup> There are 2,000 households registered in East Devon, which has increased over the period 2017-19 as shown in figure 2.3 below. There were an average of 47 bids per property in East Devon during the first quarter of 2019/20.<sup>32</sup>

**Figure 2.3: Number of households in East Devon registered on Devon Home Choice, 2017-19**



- 2.24 EDDC fund Devon Communities Together (DCT) to undertake housing need surveys for three parish councils each year. DCT will also undertake surveys on behalf of landowners, developers, and planning agents, which can provide evidence to justify development in an area, particularly for affordable housing.

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<sup>30</sup> Exeter Housing Market Area, Strategic Housing Market Assessment 2014/15: <http://eastdevon.gov.uk/media/996504/exeter-shma-final-report-16-03-15.pdf>

<sup>31</sup> Devon Home Choice Quarterly Monitoring Reports can be seen at: <https://www.devonhomechoice.com/useful-information-0>

<sup>32</sup> Devon Home Choice Quarterly Monitoring Report, July 2019, table 7: [https://www.devonhomechoice.com/sites/default/files/DHC/monitoring\\_report\\_july\\_2019.pdf](https://www.devonhomechoice.com/sites/default/files/DHC/monitoring_report_july_2019.pdf)

### 3 Thresholds and Targets

#### When should affordable housing be sought in new development?

- 3.1 Local Plan Strategy 34 states that the thresholds as to when affordable housing is required will be the minimum set out in Government policy or guidance, subject to an up to date council viability assessment showing that these thresholds can be justified.
- 3.2 This means that affordable housing will be sought from ‘major’ residential development i.e. where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. In ‘designated rural areas’ affordable housing can be sought from schemes of between 6 and 9 dwellings in the form of an off-site contribution, paid upon completion of the development, to the delivery of affordable housing elsewhere. The vast majority of East Devon is within a designated rural area, with only the parishes of Exmouth, Sidmouth, Seaton and Honiton excluded. These affordable housing thresholds are set out in figure 3.1 below.

**Figure 3.1: Affordable housing thresholds<sup>33</sup>**

Location	Residential development of...		
	1 – 5 dwellings	6 – 9 dwellings	10 dwellings or more, or site area of 0.5 ha or more
The parishes of Exmouth, Sidmouth, Seaton and Honiton	No affordable housing	No affordable housing	On-site affordable housing
Rest of East Devon (including areas within the AONB in the parishes above)	No affordable housing	No affordable housing on-site; financial contribution towards off-site affordable housing	On-site affordable housing

- 3.3 The maps in [Appendix One](#) show how these thresholds apply across East Devon.<sup>34</sup>
- 3.4 Housing proposals with a low density that is below these affordable housing thresholds will be carefully scrutinised in light of national policy to promote an effective use of land.

<sup>33</sup> These thresholds do not apply to exceptions sites, which are explained further in chapter 6.

<sup>34</sup> The boundaries on the maps relate to parishes and Areas of Outstanding Natural Beauty.

National policy makes clear that “local planning authorities should refuse applications which they consider fail to make efficient use of land, taking into account the policies in this Framework”.<sup>35</sup>

- 3.5 Similarly, proposals that artificially sub-divide sites within the same ownership or allocation will also be closely examined, so that the affordable housing threshold is not circumnavigated. In these circumstances, the council will consider whether the proposal should be treated as a single site for the purposes of the affordable housing threshold.

### How much affordable housing should be provided in new development?

- 3.6 When proposals for residential development meet the thresholds for providing affordable housing (set out above), the amount of affordable housing that should be provided depends upon the location. Figure 3.2 sets out the targets in Local Plan Strategy 34.

**Figure 3.2: Affordable housing targets**

Location	Target
Axminster	25%
Exmouth	25%
Honiton	25%
Ottery St Mary	25%
Seaton	25%
Major strategic ‘West End’ development sites: Cranbrook <sup>36</sup> , adjacent to Pinhoe, north of Blackhorse	25%
Rest of East Devon (apart from exception sites), including the towns of Sidmouth and Budleigh Salterton	50%
Exception sites at villages, small towns and outside built-up area boundaries	At least 66%

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<sup>35</sup> National Planning Policy Framework, paragraph 123. c):

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740441/National\\_Planning\\_Policy\\_Framework\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf)

<sup>36</sup> Nb. Cranbrook Plan Submission Draft proposes 15% affordable housing in the expansion areas, although this is subject to Examination before it can be adopted.

- 3.7 The towns listed in the table above are geographically defined by their Built-up Area Boundary (BUAB). These, and the major strategic 'West End' development sites, are shown on the Local Plan policies map.<sup>37</sup> For clarity, within the BUABs the 25% target applies, whilst outside of the BUABs the target is 50% affordable housing (apart from at exception sites).
- 3.8 The application of these targets will not always result in a 'round' number of affordable dwellings being required. For example, a scheme of 10 dwellings in Honiton will require 2.5 affordable dwellings. Clearly, it is not possible to provide half a house. In these circumstances, the remaining proportion should be paid as a commuted sum towards off-site affordable housing – these contributions are [explained below](#).



A terrace of four affordable homes, part of a larger housing development in Ottery St Mary

### **Under what circumstances might a lower amount of affordable housing be acceptable?**

- 3.9 Development proposals which do not meet the affordable housing targets must be supported by evidence that explains why the affordable housing target is "*not viable or otherwise appropriate*" (Local Plan Strategy 34). The applicant should notify EDDC as early as possible through pre-application discussions if lower levels of affordable housing are being proposed.

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<sup>37</sup> East Devon Local Plan 2013 - 2031 policies maps: <http://eastdevon.gov.uk/planning/planning-policy/local-plan-2013-2031/>

- 3.10 Evidence on viability should be undertaken by a suitably qualified professional, and should explain the viability issue, what has been done to address it, and what level of affordable housing is now being proposed. The viability assessment should follow the approach set out in national guidance<sup>38</sup> and the council's published guidance on viability.<sup>39</sup> The viability assessment will be reviewed by a suitably qualified (MRICS) officer, or an external consultant commissioned by the council – the cost of this review will be covered by the applicant – and will be made available on our website.
- 3.11 The value paid for the land is often the biggest factor affecting the viability of a development. Viability appraisals will be expected to be based not on the price paid for the site, but the existing use value of the land plus a premium for the landowner. In determining the premium for the landowner regard will be had to up to date evidence of land values, case law, and Government policy and guidance (including the approach taken by Government agencies).
- 3.12 The applicant may also suggest reasons where it might not be “*otherwise appropriate*” to meet the Local Plan affordable housing targets. This would be for the applicant to justify, with regards to the specific circumstances of the proposal and site in question. An example could be that the proposal is a residential institution (use class C2) rather than a dwelling (use class C3) as there is generally not a requirement for affordable housing from C2 uses.

#### **What is an overage clause, and when does it apply?**

- 3.13 The Local Plan (Strategy 34) includes an overage clause for situations where levels of affordable housing fall below policy targets. 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.
- 3.14 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

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<sup>38</sup> Planning Practice Guidance: <https://www.gov.uk/guidance/viability>

<sup>39</sup> Available at: <http://eastdevon.gov.uk/planning/planning-services/planning-development-management/viability-guidance-notes/>

50%<sup>40</sup> 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.<sup>41</sup>

### **When might it be appropriate to provide affordable housing off-site?**

3.15 The clear preference is for affordable housing to be provided on the same site (as the market housing). However, the Local Plan allows affordable housing to be provided off-site in some cases, as explained below:

- *Exempted through Government policy or guidance* – Government policy<sup>42</sup> enables off-site financial contributions to be sought for sites of 6-9 dwellings in designated rural areas, therefore exempting such sites from providing affordable housing on-site.
- *Not mathematically possible* – where the affordable housing requirement results in a proportion of a dwelling (e.g. 10 dwellings in most towns would require 2.5 affordable homes) then it will clearly not be possible to provide this on-site, so the remaining proportion should be an off-site contribution.
- *No registered provider being willing to manage the new affordable units* – this may occur where a proposal includes a block of flats with mixed market and affordable dwellings that are difficult to manage separately (e.g. if they have the same block entrance), where only a few affordable homes are being proposed on-site and/or the remote location of the site. In these instances, EDDC will require evidence that a registered provider cannot be secured, along with an explanation.
- *Other planning reasons* – these reasons would be for the applicant to justify, but could include situations where off-site contributions would better achieve a mixed and balanced community such as where there is a dominance of affordable housing in the immediate locality, or where an appropriate form of affordable housing cannot be provided within a scheme.

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<sup>40</sup> 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.

<sup>41</sup> <http://eastdevon.gov.uk/planning/planning-services/planning-development-management/viability-guidance-notes/viability-guidance-note-3-overage/> The East Devon Planning Obligations SPD, paragraph 6.22, also contains guidance on overage: <http://eastdevon.gov.uk/media/2140634/final-version-for-adoption.pdf>

<sup>42</sup> National Planning Policy Framework, paragraph 63:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740441/National\\_Planning\\_Policy\\_Framework\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf)

### **How do we calculate the contribution towards off-site affordable housing?**

- 3.16 If the council agrees that it is appropriate for affordable housing to be provided off-site, then a financial contribution, known as a “commuted sum”, will be accepted instead. This payment is due after completion of units within the development, and will be secured through a legal agreement.
- 3.17 A commuted sum calculator works out the off-site financial payment.<sup>43</sup> This approach has been adopted by the council,<sup>44</sup> and applicants should use this calculator to demonstrate compliance with Local Plan Strategy 34.
- 3.18 The commuted sum is the difference in residual value<sup>45</sup> of a scheme made up entirely of market dwellings, compared to a scheme with a policy compliant level of affordable housing (or lower level where demonstrated by a viability assessment). The contribution varies according to the market area, and whether the affordable housing target is 25% or 50%. The commuted sum is worked out by multiplying the total number of dwellings (market and affordable) in the scheme, by the contribution per dwelling in the calculator.
- 3.19 The commuted sum calculator ensures that a developer will be no better or worse off financially, whether affordable housing is provided on-site or as a commuted sum. The calculator is periodically updated to reflect market changes – for the latest figures see the commuted sum calculator on the council’s website.<sup>46</sup>

### **Where and when does the money from off-site contributions get spent?**

- 3.20 The council will spend the money secured from off-site contributions – the “commuted sum” – on the delivery of affordable housing in East Devon. The legal agreement will impose a time limit of a minimum of 10 years on the council, within which time the contribution must be spent. This time limit will begin from the date of the council receiving the commuted sum.
- 3.21 The council aspires to spend the commuted sum on the provision of affordable housing within the same parish from which the sum was received, in order to create mixed and

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<sup>43</sup> Further information on the commuted sum calculator can be seen on the council’s website:

<http://eastdevon.gov.uk/planning/planning-services/planning-development-management/unilateral-undertakings-section-106-agreements-habitat-mitigation-and-affordable-housing-contributions/commuted-sum-calculator-stage-1a/>

<sup>44</sup> Agenda for Development Management Committee, 3 June 2015, minutes of the Committee held on 21 April 2015: <http://eastdevon.gov.uk/media/1140473/030615-combined-dmc-agenda.pdf>

<sup>45</sup> Residual value is the difference between the total scheme revenue (from residential development) and the cost of delivering the scheme.

<sup>46</sup> The commuted sum calculator can be seen at: <http://eastdevon.gov.uk/planning/planning-services/planning-development-management/unilateral-undertakings-section-106-agreements-habitat-mitigation-and-affordable-housing-contributions/commuted-sum-calculator-stages-2-and-3/>

balanced communities. However, if this is not possible (e.g. if a suitable site cannot be found within a reasonable period of time), then the contribution will be spent elsewhere in East Devon. Generally, commuted sums are combined with right to buy receipts to purchase property to add to the council's social rented housing stock.

### **What is “vacant building credit” and how can it affect the affordable housing requirement?**

- 3.22 To support the re-use of brownfield land, national policy permits the reduction of affordable housing contributions where vacant buildings are being reused or redeveloped, known as “vacant building credit” (VBC).<sup>47</sup> In such cases, the affordable housing requirement should be reduced by a proportionate amount, equivalent to the existing gross floor space of existing buildings. If the total floor space of existing buildings to be reused or redeveloped is equal to or exceeds the total floor space created, then no affordable housing would be required.
- 3.23 VBC applies where the building has not been abandoned. The floor space is measured as the gross internal area (GIA) – best practice for measuring GIA is set out by the Royal Institute of Chartered Surveyors.<sup>48</sup>
- 3.24 An applicant should make clear they are seeking to apply vacant building credit as part of their planning application, by following the steps below:
- a) Set out the ‘expected’ number of affordable dwellings for the site, before applying VBC (i.e. 25% or 50% of the total number of dwellings, depending upon the location)
  - b) Divide the existing floor space by proposed floor space, to work out what proportion the existing floor space is of the total combined floor space proposed
  - c) Apply a discount to the ‘expected’ affordable housing requirement, equivalent to the proportion of the scheme that is existing floor space
- 3.25 As an example, under step a) above, a proposal for 120 dwellings in Axminster would be expected to provide 30 affordable homes (25% of total). The existing floor space of a vacant building to be reused or redeveloped is 6,000 square metres, and the proposed floor space is 12,000 square metres. Therefore, step b) is 6,000 divided by 12,000, which equals 0.5 (or

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<sup>47</sup> National Planning Policy Framework, paragraph 63 and footnote 28:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740441/National\\_Planning\\_Policy\\_Framework\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf)

<sup>48</sup> Code of Measuring Practice, Royal Institute of Chartered Surveyors: <https://www.rics.org/uk/upholding-professional-standards/sector-standards/real-estate/code-of-measuring-practice/>

50%). This results in the discount to be applied under step c) being 50%, making the affordable housing requirement 15 dwellings (rather than 30).

3.26 The application of these steps can be explained by the following calculation:

$$\mathbf{AH \times (EFS / PFS) = RAH}$$

- AH = expected number of affordable dwellings prior to application of VCB
- EFS = Existing floor space to be demolished in square metres
- PFS = Proposed floor space to be created in square metres
- RAH = Revised number of affordable dwellings

3.27 Effectively, vacant building credit results in an affordable housing requirement that is based on only the net increase in floor space. The revised requirement may result in a 'proportion' of an affordable dwelling being required – in these cases, the commuted sum calculator should be used to identify the financial contribution required from that 'proportion'.

3.28 Bearing in mind its intention to incentivise brownfield development, in applying VBC, national guidance allows authorities to consider whether:

- the building has been made vacant for the sole purposes of re-development
- the building is covered by an extant or recently expired permission for the same or substantially the same development<sup>49</sup>

3.29 If a proposal benefits from vacant building credit, and then provides a policy compliant level of affordable housing for the remainder of the development, an overage clause will not be applied as the proposal is, in effect, consistent with policy targets.



Affordable housing overlooking the country park in Cranbrook

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<sup>49</sup> Planning Practice Guidance, Reference ID: 23b-028-20190315: <https://www.gov.uk/guidance/planning-obligations>

## 4 Tenure and Mix

### What mix of affordable housing tenures should be provided?

- 4.1 Over the period of the Local Plan (2013 to 2031), the following affordable housing tenures are sought:
- 70% social or affordable rent
  - 30% intermediate or other affordable housing<sup>50</sup>
- 4.2 These figures reflect long term affordable housing need in East Devon, as identified in the Strategic Housing Market Assessment,<sup>51</sup> but this tenure mix could vary in periods of depressed markets to reflect viability considerations and aid delivery. What constitutes a “depressed market” will need to be justified by the applicant, but could include a recession or similar significant economic changes, or particular areas where house prices or sales are falling. In these circumstances, the council will consider whether additional costs associated with brownfield sites, mitigation of contamination and the provision of significant community benefits should change the housing mix. The council will require viability evidence from the applicant to justify an alternative tenure mix, along with evidence that there is a need for the proposed affordable housing product.
- 4.3 In terms of the 70% ‘social or affordable rent’, Social Rent is set at a level that takes into account local earnings and property values, typically around 50-60% of market rents; whilst Affordable Rent levels are set at a maximum of 80% of market rent.<sup>52</sup>
- 4.4 Applicants will be encouraged to provide evidence to justify the mix being proposed within the 30% ‘intermediate or other housing’, given this can comprise of:
- other affordable routes to home ownership (which include shared ownership, relevant equity loans, other low cost homes for sale, and rent to buy e.g. ‘Rentplus’)
  - discounted market sales housing

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<sup>50</sup> This tenure split does not apply to rural exception sites (see [chapter 6](#)), where schemes will be informed by more localised housing needs evidence.

<sup>51</sup> Exeter Housing Market Area, Strategic Housing Market Assessment 2014/15, section 13.5:  
<http://eastdevon.gov.uk/media/996504/exeter-shma-final-report-16-03-15.pdf>

<sup>52</sup> National figure, A new deal for social housing, MHCLG, August 2018, paragraph 2:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/733605/A\\_new\\_deal\\_for\\_social\\_housing\\_web\\_accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733605/A_new_deal_for_social_housing_web_accessible.pdf)

- starter homes

- 4.5 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' current priority is to deliver shared ownership, relevant equity loans, and other low cost homes for sale.
- 4.6 Discounted market sales housing and other low cost homes for sale should be priced at least 20% below local market values. Starter homes should cost no more than £250,000, with Government guidance stating that they are not expected to be priced significantly more than the average price paid by a first time buyer<sup>53</sup> – in East Devon, the average price paid by a first time buyer is currently £215,415.<sup>54</sup> As part of the overall affordable housing contribution on major development, national policy states that at least 10% of affordable homes should be available for affordable home ownership, subject to certain exemptions.<sup>55</sup>

### **What size and type of affordable housing is sought in East Devon?**

- 4.7 Evidence indicates that social and affordable rented housing need is primarily for properties that are 1-2 bedrooms in size, with 50% of need for 1 bedroom properties, and 40% for 2 bedrooms, and the remaining 10% should be 3-4 bedrooms or more.<sup>56</sup> These long term forecasts of need are reflected in the latest quarterly 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.

### **Figure 4.1: Bedroom need of households registered on Devon Home Choice (Bands A – D) in East Devon, April 2019<sup>57</sup>**

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<sup>53</sup> Planning Practice Guidance, Reference ID: 55-002-20150318: <https://www.gov.uk/guidance/starter-homes>

<sup>54</sup> UK House Price Index, Land Registry, June 2019: <http://landregistry.data.gov.uk/app/ukhpi/browse?from=2018-07-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2F-east-devon&to=2019-07-01>

<sup>55</sup> National Planning Policy Framework, paragraph 64:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740441/National\\_Planning\\_Policy\\_Framework\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf)

<sup>56</sup> Exeter Housing Market Area, Strategic Housing Market Assessment 2014/15, Table 13-1:

<http://eastdevon.gov.uk/media/996504/exeter-shma-final-report-16-03-15.pdf>

<sup>57</sup> Devon Home Choice Quarterly Monitoring Report, July 2019:

[https://www.devonhomechoice.com/sites/default/files/DHC/monitoring\\_report\\_july\\_2019.pdf](https://www.devonhomechoice.com/sites/default/files/DHC/monitoring_report_july_2019.pdf)



- 4.8 The property sizes for intermediate or other affordable housing need is also focused on mainly 1-2 bedroom units, to meet the needs of concealed households forming and unable to access the market sector as a first time buyer. Evidence indicates that the overall property sizes required for intermediate or other affordable housing is the same as for social and rented i.e. 50% one bedroom, 40% two bedroom and 10% for three bedrooms.<sup>58</sup>
- 4.9 On individual sites, the size and type of affordable housing will be a matter for negotiation in light of this evidence, any more up-to-date evidence, and other relevant factors, including deliverability and social/community balance. Specific needs evidence may be available in rural areas where a housing needs study has been produced.

#### Is it possible to purchase extra shares of a shared ownership affordable dwelling?

- 4.10 Shared ownership offers affordable homes for sale that are partly owned and partly rented by the occupier. Shares of between 25% and 75% of the market value can be purchased, with a subsidised rent to be paid on the remaining share. Additional shares can be bought by occupiers of shared ownership dwellings, in a process known as “staircasing”.<sup>59</sup>
- 4.11 It is important to note that rural parts of East Devon are within a ‘Designated Protected Area’ (DPA) where there are restrictions on the proportion of shares that can be purchased.<sup>60</sup> In these cases, either staircasing is restricted to no more than an 80% share of the property; or in instances where the occupier can purchase more than an 80% (i.e. up to full ownership)

<sup>58</sup> Exeter Housing Market Area, Strategic Housing Market Assessment 2014/15, section 13.7:

<http://eastdevon.gov.uk/media/996504/exeter-shma-final-report-16-03-15.pdf>

<sup>59</sup> Social housing benefits from being exempt from paying Community Infrastructure Levy (CIL), as long as it is occupied as such for at least 7 years. If staircasing to 100% is achieved within this time, and then sold on the open market, the owner may be liable to pay CIL.

<sup>60</sup> The Designated Protected Areas are set out in a Government Order:

[http://www.legislation.gov.uk/uksi/2009/2098/pdfs/ukxi\\_20092098\\_en.pdf](http://www.legislation.gov.uk/uksi/2009/2098/pdfs/ukxi_20092098_en.pdf) Areas outside the towns of Axminster, Budleigh Salterton, Exmouth, Honiton, Ottery St Mary, Sidmouth and a small part of Broadclyst adjacent to Exeter are within the DPA, shown on the maps at: <https://digitalservices.homesengland.org.uk/designated-protected-areas/>

share, there is an obligation on the landlord to repurchase the property when the occupier wishes to sell. These areas are set by the Government with the intention of retaining shared ownership houses in locations where they would be difficult to replace.<sup>61</sup>

- 4.12 For grant-funded shared ownership dwellings within a DPA, EDDC can apply to the Government (Homes England) to remove these restrictions on staircasing (known as a “waiver”), under certain conditions. The Government recognise that retaining shared ownership dwellings is not an issue in some parts of DPAs, such as planned urban extensions, new towns, and suburban sites.<sup>62</sup> For example, the shared ownership dwellings in phase one of Cranbrook have been “waivered” by the Government.



Shared ownership affordable homes in Cranbrook

- 4.13 For non-grant funded shared ownership dwellings in DPAs, Registered Providers are able to apply to EDDC to remove the restrictions on staircasing.<sup>63</sup> The council will lift the restrictions where evidence shows there is either a surplus of shared ownership units, that

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<sup>61</sup> Designated Protected Areas explanatory note, HCA, December 2016:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/582207/DPA\\_explanatory\\_note.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/582207/DPA_explanatory_note.pdf)

<sup>62</sup> Designated Protected Area waiver form, HCA:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/530061/2016.06.17\\_-\\_DPA\\_waiver\\_form.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/530061/2016.06.17_-_DPA_waiver_form.pdf)

<sup>63</sup> This approach is set out in the EDDC Cabinet report, June 2014 (item 19):

<http://eastdevon.gov.uk/media/131741/cabinet-040614-public-version.pdf> and minutes (item 17):

<http://eastdevon.gov.uk/media/1465787/cabinet-mins-040614.pdf>

they can be easily replaced, or that the restriction is making the shared ownership unit(s) unaffordable to potential occupants due to high interest rates or high deposits required by lenders. Where a waiver is given, the s.106 agreement will be amended so that staircasing receipts are recycled for the provision of affordable housing East Devon.

### **Can self-build and custom-build housing be considered affordable housing?**

- 4.14 Self-build and custom-build housing is built by an individual, a group of individuals or persons working with or for them, to be occupied by that individual.<sup>64</sup> The Local Plan (policy H2) encourages developers to make at least 10% of plots available for self/custom build.
- 4.15 Although self/custom-build can often be a cheaper way of buying a house, it will typically not be considered as “affordable housing,” unless it meets the [definition in national policy](#) (see paragraph 2.1). It may be possible for self-builders to work with a registered provider or Community Land Trust to deliver affordable self/custom build housing.

### **How can affordable sheltered housing be delivered?**

- 4.16 Sheltered housing usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently.<sup>65</sup> Most sheltered housing for rent is provided by the council and registered providers, whilst private developers offer the majority of sheltered housing for sale.
- 4.17 If a proposal falls with C3 of the Use Classes Order, proposals for new sheltered housing should provide affordable housing consistent with policies in the Local Plan. This means that affordable sheltered housing should be provided on-site above the set thresholds, meeting the relevant target (25% or 50%) depending upon the location. Off-site contributions may also be acceptable.
- 4.18 The older age profile in East Devon makes it important to deliver affordable sheltered housing, particularly given the ageing population is forecast to grow. The movement of older people who are living in (under-occupied) affordable housing into sheltered housing will also release affordable housing stock for families in need.<sup>66 67</sup>

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<sup>64</sup> Further information can be seen on council’s website: <http://eastdevon.gov.uk/planning/planning-policy/housing-issues/self-build-and-custom-build/>

<sup>65</sup> Planning Practice Guidance, Reference ID: 63-010-20190626.

<sup>66</sup> Exeter Housing Market Area, Strategic Housing Market Assessment 2014/15, para 12.6.8: <http://eastdevon.gov.uk/media/996504/exeter-shma-final-report-16-03-15.pdf>

<sup>67</sup> The Devon Home Choice quarterly monitoring report includes information on the number of bids for sheltered homes, indicating a continued need for this type of affordable accommodation: [https://www.devonhomechoice.com/useful-information-0#Monitoring\\_reports](https://www.devonhomechoice.com/useful-information-0#Monitoring_reports)

## 5 Design and Layout

### How can affordable housing be well-designed?

- 5.1 The NPPF makes clear the importance of achieving well-designed places, stating that the creation of high quality buildings and places is fundamental to what the planning and development process should achieve.<sup>68</sup> Local Plan policy D1 requires high quality, locally distinctive design that respects the key characteristics and special qualities of the area, with buildings that are well-related to their context. This can include crime prevention through environmental design.
- 5.2 The design of affordable housing should therefore be consistent with these national and local planning policies. New homes and streets should be “tenure-blind,” meaning that market and affordable dwellings cannot be distinguished from each other in terms of design, build quality, appearance, materials and site location.



“Tenure blind” market and affordable dwellings in Ottery St Mary

- 5.3 Where it is intended that a registered provider (RP) will take on responsibility for the affordable housing, these bodies should be engaged at an early stage to ensure that their

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<sup>68</sup> National Planning Policy Framework, paragraph 124, 129:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740441/National\\_Planning\\_Policy\\_Framework\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf)

design and layout requirements can be met. For example, management requirements within flatted development means that social or affordable rented dwellings should have separate floors, entrances or blocks to open market units.

### How should affordable housing be ‘pepper-potted’ or dispersed throughout a development?

- 5.4 Local Plan Strategy 34 states that “*on any development site affordable housing should be ‘pepper potted’ or dispersed throughout the scheme*”. The distribution of affordable housing throughout a development promotes social cohesion, creating a mixed and balanced community.
- 5.5 Pepper potting or dispersal of affordable housing will likely mean “clusters” of affordable homes – these are defined as groups of dwellings that share: adjacent side boundaries, share the same road frontage, and/or are located directly opposite each other.
- 5.6 Affordable housing should generally be provided in clusters of no more than 10 dwellings, unless the applicant can justify that greater than 10 dwellings is necessary, and can still be delivered in a manner that promotes social cohesion and creates a mixed and balanced community. On larger sites, the affordable housing within each cluster should include a mix of tenures.

**Figure 5.1: Illustrative example of the dispersal of affordable housing throughout a development – good on the left, poor on the right**



- 5.7 It is acknowledged that exception sites (which could be entirely affordable housing) can be up to or around 15 dwellings, so may involve a cluster greater than 10 dwellings. Nevertheless, affordable housing on exception sites should still be dispersed if possible.

**Are there any design standards that affordable housing should meet?**

- 5.8 The Local Plan (Strategy 36) makes clear that on developments of 10 dwellings or more, all of the affordable housing should meet part M4(2) of the Building Regulations relating to accessible and adaptable dwellings, unless viability evidence indicates it is not possible. The Building Regulations contain detail on how to achieve this standard.<sup>69</sup> There are several, wide ranging benefits to making homes accessible and adaptable, such as:
- Meeting the needs of an ageing population
  - Meeting the housing need of people with disabilities
  - Reduction in care costs by allowing people to remain at home
  - Limited/nil costs necessary to adapt an existing home
  - Providing flexible living arrangements to suit changing needs
  - Providing an option for elderly residents to move out of family homes, freeing up such homes for younger people
- 5.9 National policy allows the use of a minimum internal space standard for new dwellings, where a need can be justified. There are no space standards in the East Devon Local Plan 2013-2031,<sup>70</sup> but dwelling size is seen as an important issue for design quality, and to avoid overcrowding in affordable homes.<sup>71</sup>

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<sup>69</sup> The Building Regulations 2010, Approved Document M, Volume 1: Dwellings:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/540330/BR\\_PDF\\_AD\\_M1\\_2015\\_wit\\_h\\_2016\\_amendments\\_V3.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/540330/BR_PDF_AD_M1_2015_wit_h_2016_amendments_V3.pdf)

<sup>70</sup> The Cranbrook Plan Submission Draft includes a policy requiring new dwellings to meet the Nationally Described Space Standards – this is subject to Examination before it can be adopted.

<sup>71</sup> For example, the Government consider house size when assessing bids for affordable housing funding, by benchmarking against the Nationally Described Space Standards, as detailed in Shared Ownership and Affordable Home Ownership supplementary information: <https://www.gov.uk/government/publications/shared-ownership-and-affordable-home-ownership-supplementary-information>



Meadow Haze, Woodbury, a scheme of 20 dwellings (12 market, 8 affordable) which was runner up at the Devon Affordable Housing Awards 2018

**At what stage in the development should on-site affordable housing be delivered?**

- 5.10 In order to foster social cohesion and a mixed and balanced community from the outset, on-site affordable housing should be delivered alongside market dwellings. The design and layout of the site should ensure that affordable housing can be delivered alongside the market dwellings; and this phasing will be set out in the section 106 agreement. As an example, the council will expect the following phasing for schemes of 20 dwellings or more:
- 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
- 5.11 Examples of where this phasing may not be feasible or viable could include situations where there is a need to focus revenue from the development on infrastructure delivery to initially 'open up' a site.

## 6 Rural Exception Sites

### What are rural exception sites?

- 6.1 The Local Plan (Strategy 35) allows exception sites for mixed affordable and open market housing schemes at villages, small towns and outside Built-up Area Boundaries, where residential development would not normally be acceptable. These are commonly known as “rural exception sites.” Up to or around 15 dwellings will be allowed on such sites, where justified by local housing needs. At least 66% of the housing should be affordable – for example, a scheme of 10 dwellings should provide at least seven affordable homes, as six would be below the policy requirement.

### What evidence on housing needs is required to justify a rural exception site?

- 6.2 Local Plan Strategy 35 makes clear that “a proven local need demonstrated through an up to date robust housing needs survey” will be required to justify a rural exception site, along with evidence that affordable housing need in any given locality would not otherwise be met.
- 6.3 A “robust housing needs survey” should have either been produced by rural housing enablers at Devon Communities Together,<sup>72</sup> or followed their methodology and, if possible, undertaken in partnership with the parish council and/or neighbourhood plan steering group.<sup>73</sup> The survey will gather factual information on the scale and nature of housing need at a local level. This will give an indication on the number, type and tenure of affordable homes that are needed by those that have a local connection to the parish or parish grouping.<sup>74</sup>
- 6.4 Housing need surveys represent a snapshot in time, and will become out of date as housing circumstances change. Therefore, an “up to date” housing needs survey is one that has been completed within the last five years; unless there has been significant development of affordable housing subject to a local connection within this period, in which case an update of the survey is likely to be necessary.
- 6.5 Evidence on the tenure of affordable housing in the needs survey at the small town or village may be different to the 70/30 social or affordable rent/intermediate or other affordable

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<sup>72</sup> Devon Communities Together, Rural Housing services: <https://www.devoncommunities.org.uk/services/rural-housing>

<sup>73</sup> See further guidance on ‘Producing robust and influential rural housing needs surveys’:

<http://www.acre.org.uk/cms/resources/rhe-surveys-principles-and-guidance.pdf>

<sup>74</sup> East Devon Local Plan 2013 – 2031, paragraph 16.29, sets out the grouping of parishes for assessing housing need: <http://eastdevon.gov.uk/media/1772841/local-plan-final-adopted-plan-2016.pdf>

housing split in the Local Plan (Strategy 34). In these cases, the findings from the housing needs survey will supersede the tenure requirements in Strategy 34.



Six affordable homes on a rural exception site in Dalwood, delivered by Corry Valley Community Land Trust

### **What is the process for producing a Rural Housing Needs Survey?**

- 6.6 EDDC work in partnership with rural housing enablers at Devon Communities Together (DCT) on rural housing needs. The council fund DCT to carry out three housing needs surveys each year, often as the result of an approach by a town/parish council, Community Land Trust, or through the planning process. Landowners, developers and agents can also commission DCT to undertake such surveys.
- 6.7 When instructed, rural housing enablers at DCT will initiate the survey by attending a town/parish council meeting to explain the survey, which the council should then agree at a subsequent meeting – if the town/parish council is not supportive, DCT will not progress the survey.
- 6.8 The surveys are distributed to households within the parish, and responses are collated and analysed by DCT, who then prepare a report on the number of households in need based on their finances and local connection. This report focusses on affordable housing need, but also covers market need for residents of the parish. DCT will also produce an options appraisal that will set out the next steps for the town/parish council to deliver the identified need; such as through a Community Land Trust, partnering with a Registered Provider, or working with a developer. Altogether, a rural housing needs survey will likely take 3 to 4 months to produce.

### **Where can rural exception sites be built?**

- 6.9 In accordance with Local Plan Strategy 35, rural exception sites will only be considered at small towns or villages that have a population of below 3,000 people. There are eight

settlements in East Devon with more than 3,000 people – Exmouth, Sidmouth, Honiton, Seaton, Axminster, Budleigh Salterton, Ottery St Mary and Cranbrook – so the potential for rural exception sites in these settlements can immediately be ruled out.<sup>75</sup> There is an expectation that, in proposing a rural exception site, applicants will have worked closely with the parish council prior to submission of a planning application.

- 6.10 At small towns and villages with a Built-up Area Boundary (BUAB), rural exception sites “*must be abutting or physically closely related to that boundary*”.<sup>76</sup> For villages without a BUAB, the site should be “*physically very well-related to the built form of the village*”.
- 6.11 Whether a site is *physically closely* or *very well-related* to the boundary/built form will be considered on a case-by-case basis, depending upon the characteristics of the village in question. In general terms, the built form will be a group of buildings and associated land (e.g. residential gardens) that together take the physical form of a settlement – outlying land and buildings are not likely to be part of the built form. To be physical closely or very well-related, a site should either be adjacent to the built form or otherwise shown by the applicant to be closely or very well related to the village.
- 6.12 The rural exception site should also be close to a range of community services and facilities, meaning at least four of the following:
- School
  - Pub
  - Village hall
  - Shop/post office
  - Doctors surgery
  - Place of worship
  - Public transport service
- 6.13 “Close” should mean that these services and facilities can be reasonably accessed by future residents, preferably by walking, cycling, or public transport in order to minimise the need to travel by car on a day-to-day basis.

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<sup>75</sup> Unless a made Neighbourhood Plan includes such a policy.

<sup>76</sup> There are 15 villages with a BUAB in the East Devon Villages Plan:  
<http://eastdevon.gov.uk/media/2558248/edvp-adopted-version.pdf> Neighbourhood plans may also identify BUABs.



Rural exception site in Colyton

### **Who can live in an affordable dwelling at a rural exception site?**

6.14 The first and subsequent occupancy of affordable housing on a rural exception site is restricted to those who:

- do not have access to general market housing (i.e. in housing need); and
- is a resident of that parish group<sup>77</sup> or has a local connection due to family ties or a need to be near their place of work.

6.15 To be considered in *housing need* for affordable housing to rent, an occupant will need to be registered with Devon Home Choice and then placed within bands A – E. For shared ownership or equity loan schemes, an occupant should be registered on Help to Buy South West, the Government appointed local help to buy agency which provides a one stop shop for households seeking all forms of low cost home ownership. Eligibility to purchase starter homes and other discounted market sales housing will be based upon household income, age (under 40 for starter homes), and whether the proposed occupant is a first time buyer (starter homes).

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<sup>77</sup> Parish groups are defined in the Local Plan 2013-2031, paragraph 16.29:  
<http://eastdevon.gov.uk/media/1772841/local-plan-final-adopted-plan-2016.pdf>

6.16 The restrictions on residency and local connection, along with the evidence required to demonstrate compliance with these restrictions, are shown in figure 6.1 below. Further detail is given in the standard section 106 agreement for affordable housing in [appendix three](#). For social and affordable rented dwellings, Devon Home Choice undertake these checks on behalf of the council.

**Figure 6.1: Local connection requirements to occupy affordable housing on a Rural Exception Site**

Local connection to the parish or parish grouping (in order of priority)	Examples of evidence to demonstrate local connection
i) Persons who have been permanently resident therein for a continuous period of three years out of the five years immediately prior to the affordable dwelling being offered to them; or	Proof of address history such as utility bills, mobile phone bills, council tax bills, bank/credit card statements
ii) Being formerly permanently a resident therein for a continuous period of five years at some time in the past	Proof of address history such as utility bills, mobile phone bills, council tax bills, bank/credit card statements
iii) Having his or her place of permanent work (normally regarded as 16 hours or more a week and not including seasonal employment) therein for a continuous period of at least 12 months immediately prior to being offered the affordable dwelling; or	Pay slips and/or written confirmation from employer
iv) Persons who can demonstrate a close family connection to the District in that the person's mother, father, son, daughter or sibling has been permanently resident therein for a continuous period of five years immediately prior to the affordable dwelling being offered to them and where there is independent evidence of a caring dependency relationship	Proof of address history from close family, such as utility bills, mobile phone bills, council tax bills, bank/credit card statements  Independent evidence of a caring dependency

6.17 Further detail on who can live in affordable housing on other (non-exception) sites can be seen in [chapter 7](#).

**What if the rural exception site is not viable?**

6.18 Local Plan policy (Strategy 35) does not allow viability to be considered on rural exception sites. The purpose of allowing up to 34% market housing on rural exception sites is to provide a cross-subsidy that enables such sites to be viable. The cost of land, in particular,

should be low on rural exception sites. Therefore, viability cannot be used to justify the delivery of less than 66% affordable housing on a rural exception site.<sup>78</sup>

### **Who will manage rural exception site affordable housing?**

- 6.19 In the majority of cases, rural exception site affordable housing to rent will be purchased and then leased out and managed by a Registered Provider (RP). However, the small-scale nature and/or remote location of some exception sites mean that it can sometimes be difficult to secure an RP where only a few affordable homes are being delivered, as such sites lack the economies of scale to be managed by the RP in a viable manner.
- 6.20 Community land trusts (CLTs) can also deliver rural exception site affordable housing, and then lease the homes to an RP to manage.
- 6.21 Alternatively, it may be possible to pass properties on to the district council to manage alongside its existing rented stock.
- 6.22 Affordable housing to buy on rural exception sites may also be subject to management conditions; for example, shared ownership homes will involve the purchaser buying shares worth between 25% and 75% of the property's value, with a subsidised rent to an RP or sometimes private developer being paid on the remaining element.

### **How do rural exception sites differ from entry-level exception sites?**

- 6.23 As described in [paragraph 2.15](#), entry-level exception sites provide homes suitable for first time buyers or those looking to rent their first home, on land not already allocated for housing. They were introduced by the revised National Planning Policy Framework (NPPF)<sup>79</sup> – as the Local Plan was adopted prior to this revision, it does not mention such sites. Therefore, proposals for entry-level exception sites will be judged against existing policies in the Local Plan, with the NPPF being a material consideration.<sup>80</sup>
- 6.24 There are several key differences between rural exception sites and entry-level exception sites, illustrated in the table below (figure 6.2).

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<sup>78</sup> Further guidance on viability and exception sites has been published by the council:  
<http://eastdevon.gov.uk/planning/planning-services/planning-development-management/viability-guidance-notes/viability-guidance-note-5-viability-and-exception-sites/>

<sup>79</sup> National Planning Policy Framework, paragraph 71:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740441/National\\_Planning\\_Policy\\_Framework\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf)

<sup>80</sup> Planning law requires that applications for planning permission be determined in accordance with the development plan, unless material considerations indicate otherwise.

**Figure 6.2: Key differences between rural exception sites and entry-level exception sites**

<b>Issue</b>	<b>Rural exception site</b>	<b>Entry-level exception site</b>
<i>Affordable housing proportion</i>	At least 66%	100%
<i>Type of affordable housing</i>	Justified by up to date robust housing needs survey	Suitable for first time buyers or those looking to rent their first home
<i>Site size</i>	Up to or around 15 dwellings	No larger than one hectare in size or exceed 5% of the size of the existing settlement
<i>Location</i>	In settlements with a population of 3,000 people or less, close to a range of community services and facilities. Sites must abut or be physically closely related to a Built-up Area Boundary, or physically very well related to built form of village (where no BUAB exists)	Adjacent to existing settlements, but not within an Area of Outstanding Natural Beauty



Affordable housing on a rural exception site in Kilmington

## 7 Pre-application, Legal agreements, and Occupancy

### What should an applicant discuss with the council at pre-application stage?

- 7.1 As advised in the Planning Obligations SPD, it is extremely important that developers enter into pre-application discussion with the councils' Development Management team at an early stage.<sup>81</sup>
- 7.2 As a minimum, pre-application discussions should cover the following affordable housing issues, to ensure consistency with the Local Plan and this SPD:
- Proposed number of affordable dwellings
  - Legal agreement to secure the affordable dwellings
  - Viability issues if proposing less affordable housing than the policy requirement
  - Tenure
  - Type
  - Design
  - Layout
  - Phasing of affordable housing delivery
  - Engagement with potential Registered Providers (including EDDC)

### How is the delivery of affordable housing legally secured?

- 7.3 A planning obligation, entered into as part of the planning application, will ensure that the delivery of affordable housing is legally secured. Planning obligations can be secured through either a section 106 agreement, or a unilateral undertaking.
- 7.4 A section 106 agreement should be used to secure the provision of on-site affordable housing. This will set out how much affordable housing will be provided, the tenure, type, and who can be considered as occupants of the housing. Planning applications should be accompanied by Heads of Terms for the section 106 agreement, which outline details of the proposed affordable housing being delivered in the scheme. The council has prepared a standard section 106 agreement for securing affordable housing (see [appendix three](#)) – this may be negotiable and can be adapted to suit site-specific circumstances.

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<sup>81</sup> East Devon Planning Obligations Supplementary Planning Document, paragraph 5.1:  
<http://eastdevon.gov.uk/media/2140634/final-version-for-adoption.pdf>

- 7.5 A unilateral undertaking is used for proposals for affordable housing where only a financial contribution is being provided. In these cases, a draft heads of terms must be provided with the planning application at the point of submission. The financial contribution itself should be paid after completion of units within the development and prior to first occupation.
- 7.6 For both section 106 agreements and unilateral undertakings, a fee is payable to the council to cover the costs in registering and assessing the agreement, and for ongoing monitoring.

### **Who can live in an affordable dwelling?**

- 7.7 Affordable homes for social and affordable rent from the council or a registered provider are allocated to occupants through Devon Home Choice, a choice based lettings scheme.<sup>82</sup> Potential occupants are assessed and placed into one of five priority bands, ranging from band A (emergency housing need) to band E (no housing need). An applicant can then 'bid' to live in properties that match their household needs. An occupant is chosen according to the band they have been placed in, and how long they have been waiting for a property.
- 7.8 For shared ownership, equity loans, discounted market sales housing, and rent to buy, potential occupants must apply to Help to Buy South West, who will check their eligibility to be registered.<sup>83</sup> A series of criteria are considered on whether to accept potential occupants on to the register, principally being those who are unable to afford to purchase a home suitable for their needs on the open market. Starter homes are available to first time buyers who are under the age of 40 at the time of purchase.<sup>84</sup>
- 7.9 Due to the high demand for affordable housing and limited supply to meet local housing needs, current practice is that local connection criteria to the parish in which the affordable housing is located will be applied, in the following priority order:
- i. Being permanently resident therein for a continuous period of at least six months out of the last 12 months or for a continuous period of three years out of the last five years immediately prior to being offered the Affordable Housing unit; or
  - ii. Being formerly permanently resident therein for a continuous period of five years at some point in the past; or
  - iii. Having his or her place of permanent work (normally regarded as 16 hours or more a week and not including seasonal employment) therein immediately prior to being offered the Affordable Housing unit; or

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<sup>82</sup> Further information can be seen on the Devon Home Choice website: <https://www.devonhomechoice.com/>

<sup>83</sup> Further information can be seen on the Help to Buy South West website: <https://www.helptobuysw.org.uk/>

<sup>84</sup> Full requirements relating to starter homes will be set out in legislation to be published later in 2019.

- iv. Having a connection through a close family member (normally mother, father, brother, sister, son or daughter) where the family member is currently resident therein and has been so for a continuous period of at least five years immediately prior to being offered the Affordable Housing unit

7.10 In the event that no-one satisfying the above criteria can be found within the parish where the affordable housing is being provided, the above process will be repeated considering persons from the following areas, in the following priority order:

- i. Neighbouring parishes
- ii. Elsewhere in East Devon
- iii. At strategic sites in the “West End”: those with a connection to Exeter<sup>85</sup>
- iv. For sites elsewhere in East Devon: those with a connection to the county of Devon

7.11 Potential occupants can be sought from these areas simultaneously, with priority given according to the hierarchy set out above. The council will work with Registered Providers to ensure that new affordable homes are occupied by people that meet this local connection test.

7.12 As [previously explained](#) in chapter 6, Local Plan policy requires a “local connection” to a parish or parish grouping to occupy affordable homes at exception sites.

### **How long will an affordable dwelling remain “affordable”?**

7.13 The length of time that a home will remain “affordable” will depend upon the type of affordable dwelling. Any restrictions required to ensure the dwelling remains affordable into the future will be specified in a section 106 agreement.

7.14 For affordable housing to rent and discounted market sales housing, provisions should be in place to ensure housing remains at a discount for future eligible households. Where public grant funding has been provided to deliver other affordable routes to home ownership (including shared ownership, equity loans, rent to buy), homes should remain affordable for future eligible households, or receipts recycled for alternative affordable housing provision, or refunded to the Government or council.

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<sup>85</sup> Defined as the administrative area covered by Exeter City Council.

- 7.15 Where possible (i.e. allowed in the NPPF definition of affordable housing, as explained above), the homes will be subject to a perpetuity restriction in the section 106 meaning the homes will remain affordable for a period of at least 80 years.
- 7.16 The Government propose that starter homes are only sold as such the first time they are bought by a qualifying first time buyer – subsequent sales will be made at full market value (although the seller will need to pay some money back, depending on how long they have lived there).<sup>86</sup>

### **Which Registered Providers are currently operating in East Devon?**

- 7.17 There are 14 Registered Providers that are currently operating in East Devon, listed in the bullet points below.<sup>87</sup> The council is open to new providers working in the district, and would be happy to hold discussions with any prospective registered providers.
- Aster
  - Cornerstone
  - East Devon District Council
  - Guinness Trust Housing Association
  - Hastoe Housing Association
  - Heylo Housing
  - LiveWest
  - Rural Homes Ltd
  - Sage Housing
  - South Devon Rural Housing Association Limited
  - South Western Housing Society
  - Sovereign
  - Teign Housing
  - Yarlinton Housing Group

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<sup>86</sup> The Government intend to publish legislation on starter homes later in 2019 – ‘Government response to reforming contributions’, June 2019:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/806284/Developer\\_contributions\\_government\\_response.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/806284/Developer_contributions_government_response.pdf)

<sup>87</sup> Rural specialists who have worked with community land trusts and in rural areas include: Hastoe Housing Association, South Devon Rural Housing Association Ltd, South Western Housing Society and Rural Homes Ltd.

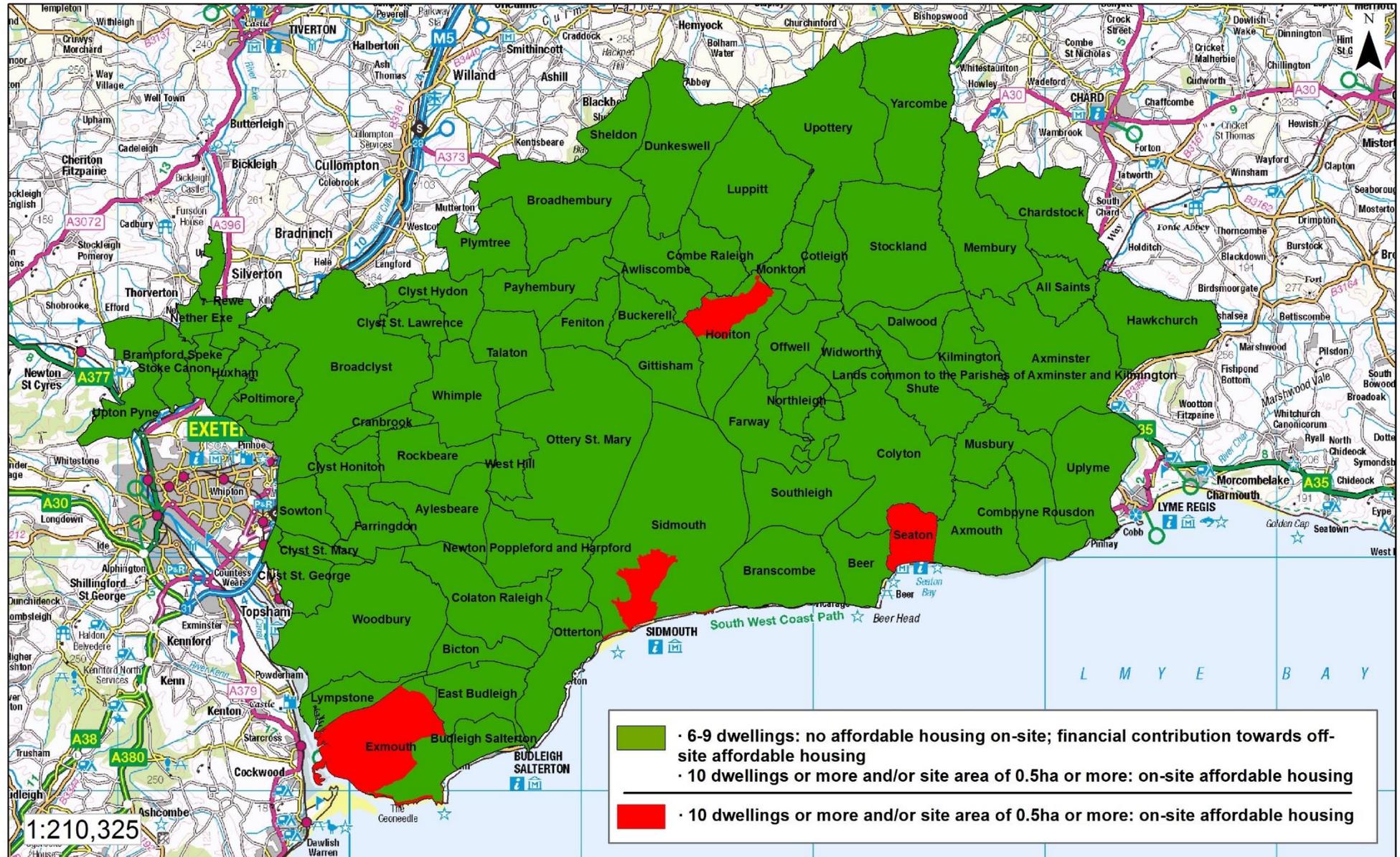
## Appendices

### Appendix One – Maps showing affordable housing thresholds<sup>88</sup>

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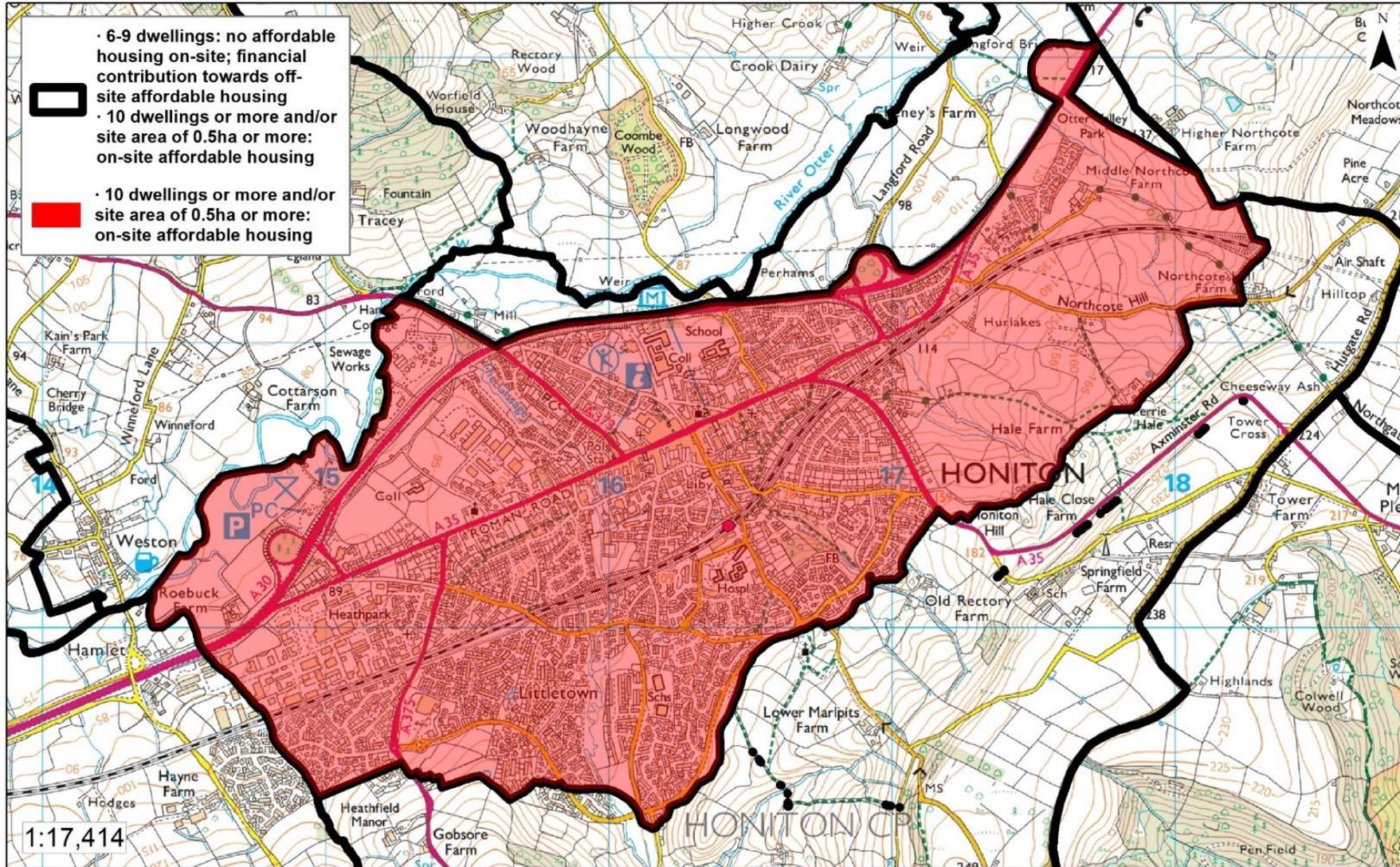
<sup>88</sup> The maps of Exmouth and Sidmouth show the area up to the mean low water mark (the jurisdiction covered by East Devon District Council), which includes areas out at sea.

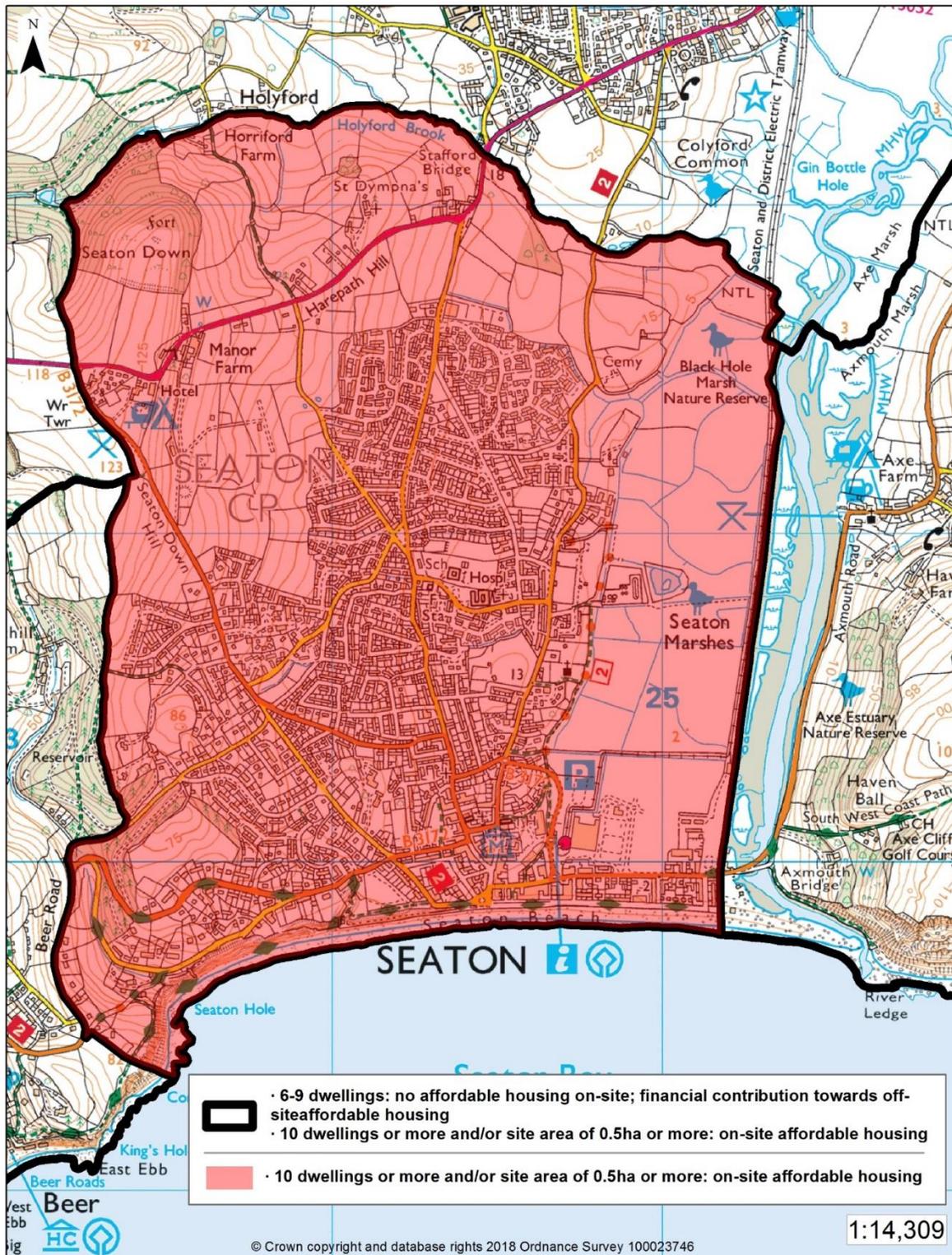
## Affordable Housing Thresholds



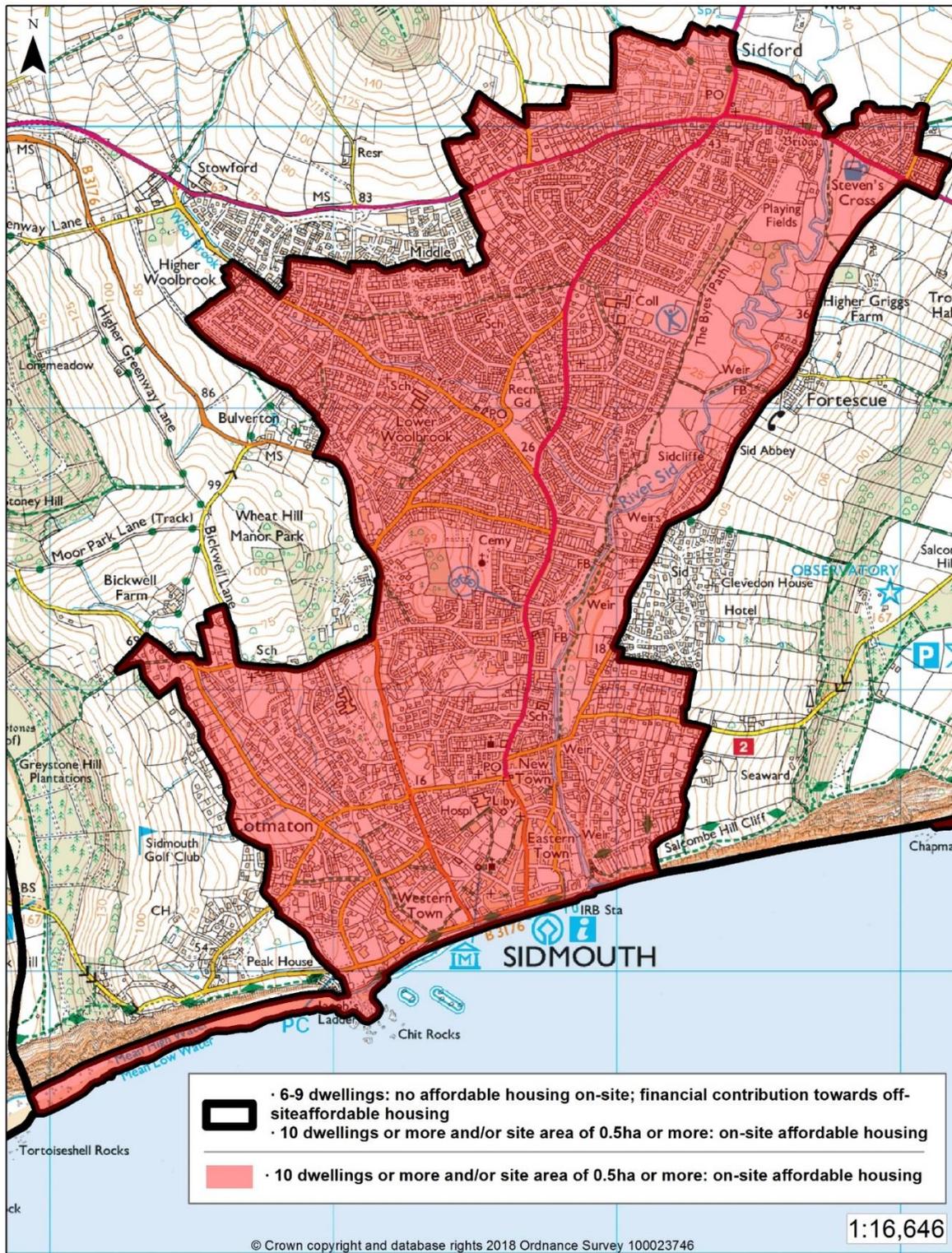


## Affordable Housing Thresholds - Honiton





### Affordable Housing Thresholds - Seaton



## Affordable Housing Thresholds - Sidmouth

## Appendix Two – Affordable housing policies in the East Devon Local Plan 2013-2031

### **Strategy 34 - District Wide Affordable Housing Provision Targets**

Affordable housing will be required on residential developments in East Devon as follows.

**Within the areas defined below a target of 25% of the dwellings shall be affordable :**

- a) Axminster;
- b) Exmouth;
- c) Honiton;
- d) Ottery St Mary;
- e) Seaton; and
- f) Major strategic 'West End' development sites.

Under this policy:

- 1 the towns listed above are defined by the area within the Built-up Area Boundary
- 2 the major strategic West End development sites to which policy will apply are
  - a) Cranbrook,
  - b) adjacent to Pinhoe and
  - c) North of Blackhorseas shown on the West End inset map (to the Proposals Plan)

**Areas to which higher (50%) affordable housing targets apply:** Outside of the areas listed above (i.e. all other parts of East Devon including all settlements not listed, coastal and rural areas and Budleigh Salterton and Sidmouth) 50% of the dwellings shall be affordable subject to viability considerations. The 50% figure applies to all areas that do not come under the 25% classification and which are permitted under Strategy 35 'Exceptions' policy.

Where a proposal does not meet the above targets it will be necessary to submit evidence to demonstrate why provision is not viable or otherwise appropriate. An overage clause will be sought in respect of future profits and affordable housing provision, where levels of affordable housing fall below policy targets.

Looking across the lifespan of the plan an affordable housing policy provision target of 70% social or affordable rent accommodation and 30% intermediate or other affordable housing is sought. However in periods of depressed markets an alternative negotiated mix to reflect viability considerations and help deliver schemes will be acceptable. The District Council will consider issues of development viability and housing mix including additional costs associated with the development of brownfield sites, mitigation of contamination and the provision of significant community benefits provided the assessment process is completely transparent and there is full financial disclosure by stakeholders.

The thresholds at which this policy shall apply will be the minimum set out in Government policy or guidance (including any lower thresholds which Local Planning Authorities have the discretion to establish) subject to an up to date Council viability assessment showing that these thresholds

can be justified. Where there is no applicable Government Policy or Guidance there will be no minimum size threshold at which affordable housing will be sought, subject to there being up to date strategic evidence that the general delivery of housing would not be significantly undermined.

Affordable housing shall be provided on site unless it is exempted through Government Policy or Guidance, is not mathematically possible or where off site provision of equivalent value is justified by circumstances such as no registered provider being willing to manage the new affordable units or other planning reasons. In such cases a payment towards an off site contribution will be required in lieu of on site provision. On any development site affordable housing should be 'pepper-potted' or dispersed throughout the scheme.

**Strategy 35 – Exception Mixed Market and Affordable Housing At Villages, Small Towns and Outside Built-up Area Boundaries**

Exception site mixed affordable and open market housing schemes, at villages and outside of Built-up Area Boundaries, for up to or around 15 dwellings will be allowed where there is a proven local need demonstrated through an up to date robust housing needs survey. Affordable housing must account for at least 66% of the houses built.

For:

- a) Villages WITH a Built-up Area Boundary the scheme must be abutting or physically closely related to that boundary; or
- b) Villages WITHOUT a Built-up Area Boundary the scheme should be physically very well related to the built form of the village.

To be permitted evidence will need to show

- 1. The affordable housing need in any given locality would not otherwise be met, and
- 2. The village or small town has a population that falls below 3,000 persons, the scheme is well designed using local materials, close to a range of community services and facilities (including four or more of a school, pub, village hall, shop/post office, doctors surgery, place of worship or public transport service) and sympathetic to the character of the settlement and has a satisfactory highway access.
- 3. Initial and subsequent occupancy of the affordable housing is restricted to a person(s) who:
  - a) Does not have access to general market housing and is in housing need; and
  - b) Is a resident of that Parish group, or has a local connection with that parish group because of family ties or a need to be near their workplace.

In the event that an occupier who fulfils both criterion (a) or (b) cannot be found within a reasonable period of time, then the criterion will be widened firstly to a person(s) with a local connection to the parish group because of family ties or a need to be near their workplace, and subsequently to a person(s) with an East Devon connection.

**In this policy, local connection** means one or more of the following connections in priority order in respect of parishes or the parish grouping:

- i) persons who have been permanently resident therein for a continuous period of three years out of the five years immediately prior to the Affordable Dwelling being offered to them; or
- ii) being formerly permanently resident therein for a continuous period of five years at some time in the past;
- iii) having his or her place of permanent work (normally regarded as 16 hours or more a week and not including seasonal employment) therein for a continuous period of at least twelve (12) months immediately prior to being offered the Affordable Dwelling; or
- iv) persons who can demonstrate a close family connection to the District in that the person's mother, father, son, daughter or sibling has been permanently resident therein for a continuous period of five years immediately prior to the Affordable Dwelling being offered to them and where there is independent evidence of a caring dependency relationship.

## **Strategy 36 - Accessible and Adaptable Homes and Care/Extra Care Homes**

### **Accessible and Adaptable Homes**

On residential development schemes for 10 dwellings or more developers should demonstrate that all of the affordable housing and around 20% of market units will meet part M4(2) of the Building Regulations, Category 2: accessible and adaptable dwellings (or any comparable updated nationally set standards) unless viability evidence indicates it is not possible.

Where there are elderly population levels in a settlement that substantially exceed East Devon average levels, for any housing planning application in that settlement the council will seek to negotiate a greater proportion and/or a lower threshold for accessible and adaptable dwellings (or any comparable updated nationally set standards) unless viability evidence indicates it is not possible. The expectation is that the majority of units would be of two bedrooms or more.

### **Care/Extra Care Homes and Other Forms of Specialist Older Person's Housing**

**We will aim to secure Care and Extra Care homes in all of our Towns and Larger Villages in line with provision of:**

- a) 150 Care/Extra Care Home Spaces at Exmouth;
- b) 50 Care/Extra Care Home Spaces at Axminster, Honiton, Sidmouth, Seaton and Ottery St Mary; and
- c) 10 (or more) at larger settlements with a range of facilities that have easy accessibility to a GP surgery.

Care/Extra Care home proposals will be acceptable on sites allocated for residential development (or which include residential uses as part of an allocation, though in such cases provision should be 'off-set' against the residential element/land). Proposals for specialist housing should be accompanied by a Care Needs Assessment which justifies the proposal's scale, tenure and accommodation type. Where such provision is proposed on an allocated housing site the actual need for provision should also be established. The Council will take account of financial viability considerations, and overall contributions for affordable housing, where older person housing is proposed on or as part of a site for residential development and such provision impacts on site viability.

## Appendix Three – Standard section 106 agreement for affordable housing

### SCHEDULE 1

#### COVENANTS WITH THE DISTRICT COUNCIL

#### Part A: Affordable Housing Provisions

The Owner hereby covenants with the Council as follows:-

##### 1. Definitions

For the purposes of this Schedule the following words will have the following meanings:

“Affordable Housing”	Means (subject to the provisions of this Agreement units of subsidised housing within the meaning of National Planning Policy Framework or any Government Policy Statement or Circular that replaces it
Affordable Rent	means a rent of up to 80% of local market rent to include the service charge (where applicable) and in any event should not exceed the published Local Housing Allowance for the relevant property type and in the relevant market area
“Affordable Rented Dwelling”	means a Dwelling available to those whose needs are not adequately served by the commercial housing market let at an Affordable Rent and which complies with the definition of affordable rented housing in Annex 2 of the National Planning Policy Framework
“Affordable Shared Ownership Dwelling”	means a Dwelling for sale on a shared ownership basis solely by way of a Shared Ownership Lease
“Affordable Housing Units”	means the <del>XX</del> Dwellings to be provided as Affordable Housing comprising <del>X</del> Affordable Shared Ownership Dwellings and <del>XX</del> Affordable Rented Dwellings

	to be provided in accordance with the provisions of this Schedule on the Affordable Housing Site
“Affordable Housing Scheme”	means the scheme for securing the provision of the Affordable Housing Units on the Affordable Housing Site as hereinafter defined more particularly; <ul style="list-style-type: none"> <li>- the location of, and proposed address for each Affordable Housing Unit</li> <li>-mix of unit types</li> <li>- name of proposed AHP</li> <li>- details of the proposed unit size and applicable Design Standard</li> <li>- proposed tenure for those units; and</li> <li>- the proposed timetable for such provision</li> </ul>
“Affordable Housing Site”	means the land to accommodate the Affordable Housing Units including curtilage as shown within the land shown edged [yellow] on the Plan annexed hereto
“Affordable Home Ownership”	Means (subject to the provisions of this Agreement units of subsidised housing for sale within the meaning of Other Affordable Routes to Home Ownership within the National Planning Policy Framework or any Government Policy Statement or Circular that replaces it
“Affordable Housing Provider” or “AHP”	means a housing association or similar organisation or a social landlord in each such case registered with the Housing Corporation under Section 1 of the Housing Act 1996 or such other body or organisation whose main object is the provision of Affordable Housing as agreed in writing by the Council
“Design Standards”	Means that the Affordable Housing Units shall be constructed; <ul style="list-style-type: none"> <li>(i) to meet part M4(2) of the Building Regulations Category 2: accessible and adaptable dwellings (or any comparable updated nationally set standards)</li> </ul>

	<p>(ii) (in so far as the Affordable Housing Units will be funded through grant or public subsidy) in accordance with Homes England’s design and quality standards applicable at the time of the grant of Planning Permission</p> <p>(iii) Tenure blind so as to be materially indistinguishable from Private Dwellings in respect of their external appearance</p>
“Designated Person”	Means a person or household who is registered with Devon Home Choice or Help to Buy South West and is in Housing Need
“District”	means the administrative area of the East Devon District Council
“Devon Home Choice”	means a choice based lettings scheme developed and operated in partnership between the Council and the AHP or any successor scheme or arrangement agreed between the Council and the AHP as a replacement for Devon Home Choice
“Help to Buy South West”	Means the Government appointed local help to buy agency which provides a one stop shop for households seeking all forms of low cost home ownership
“Housing Need”	Means being homeless or threatened with homelessness or living in accommodation which in the opinion of the Council is Insecure or unsuitable and being unable to purchase or rent reasonably suitable accommodation in the open market for property in the locality where the Affordable Housing Unit is situated taking into account the person’s income and capital and other financial circumstances. Accommodation may be unsuitable on the grounds of cost, overcrowding, unfitness or lack of basic amenities or because of a person’s infirmity, physical disability, mental disability or specific social or care needs
“Insecure”	means accommodation which the Designated Person does not have a legal right to occupy in the long term

<p>“Lettings Notice”</p>	<p>Means a notice (the content of which is to be agreed with the Council) which contains details of the property to be let and which shall include unless otherwise agreed with the Council</p> <ul style="list-style-type: none"> <li>a) The name and address of the landlord and the Owner</li> <li>b) The postal address of the property</li> <li>c) The amount of the weekly or monthly rent (not to exceed the Affordable Rent)</li> <li>d) Amount and breakdown of any service charge per week/month/annum</li> <li>e) Details of any additional charges</li> <li>f) Any age or other occupancy restrictions</li> <li>g) Property type</li> <li>h) Property size</li> <li>i) Heating type</li> <li>j) Details of mains services in the property</li> <li>k) Availability of parking space/garage</li> <li>l) Any disabled adaptations</li> <li>m) Provision of any support services</li> </ul> <p>And which is delivered to the Council clearly addressed and marked for the attention of Housing Enabling and Allocations Manager PROVIDED THAT for the avoidance of doubt an advertisement for the Affordable Rented dwelling placed on Devon Home Choice and approved by the Council shall be considered a Letting Notice for the purpose of paragraph ##### of schedule 1</p>
<p>“Local Connection”</p>	<p>means a connection to the Parish of ##### demonstrated by one or more of the following in priority order:</p> <ul style="list-style-type: none"> <li>(1) being permanently resident therein for a continuous period of at least six (6) months out of the last twelve (12) months or for a continuous period of three (3) years out of the last five (5) years immediately prior to being offered the Affordable Housing Unit; or</li> </ul>

	<p>(2) being formerly permanently resident therein for a continuous period of five (5) years; or</p> <p>(3) having his or her place of permanent work (normally regarded as 16 hours or more a week [and not including seasonal employment] therein and in the case of where the Affordable Housing Unit is within a village, small town and outside a built up area boundary as set out in the East Devon Local Plan, has also been in permanent employment for a continuous period of at least twelve (12) months immediately prior to being offered the Affordable Housing Unit][where strategy 36 applies only]; or</p> <p>(4) having a connection through a close family member (normally mother, father, brother, sister, son or daughter) where the family member is currently resident therein and has been so for a continuous period of at least five (5) years immediately prior to being offered the Affordable Housing Unit [and in the case where the Affordable Housing Unit is within a village, small town and outside a built up area boundary as set out in the East Devon Local Plan, there is independent evidence that the family member is in need of support or can give support][where strategy 36 applies only]; or</p> <p>(5) such person as is prescribed by the Allocation of Housing (Qualification Criteria for Right to Move) (England) Regulations 2015</p> <p>and in the event that no-one satisfying the above requirements can be found within the Parish of <b>XXXXXXXX</b> then the process shall be repeated considering persons from the following areas in the following priority order;</p> <p>(1) the Neighbouring Parishes,</p> <p>(2) persons from the District</p> <p>(3) [persons from the administrative area of the city of Exeter with the prior written approval of the Council][Site specific extension only]</p> <p>(4) [persons from the county of Devon with prior written approval of the Council][site specific extension only]</p>
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<p>Local Housing Allowance</p>	<p>means the flat rate rental allowance providing financial assistance towards the housing costs of low income households for different rental market areas and property types set out and reviewed by the valuation office agency under a framework introduced by the Department of Works and Pensions or such similar framework that may replace it.</p>
<p>“Neighbouring Parishes”</p>	<p>means the parishes of <del>XXXXXX</del>,</p>
<p>“Scheme of Advertising”</p>	<p>means the advertising for sale or letting of any interest in the relevant Affordable Housing Units in accordance with a scheme to be approved in writing by the Council (such approval not to be unreasonably withheld or delayed) which scheme shall include unless otherwise agreed with the Council</p> <ul style="list-style-type: none"> <li>a) in the case of Affordable Rented Dwellings an advertisement on the website of Devon Home Choice or such other similar website for advertising of Affordable Housing Units as agreed by the Council; or</li> <li>b) in the case of the Shared Ownership Dwellings and Affordable Home Ownership Units an advertisement on the website of Help to Buy South West being the Government appointed help to buy agent for Devon or other successor organisation</li> <li>c) in the case of Affordable Home Ownership Units an advertisement on a relevant website as agreed by the Council</li> </ul>
<p>“Shared Ownership Lease”</p>	<p>means a long shared ownership lease (as defined in section 622 of the Housing Act 1985 or successor provision) with a Affordable Housing Provider substantially in accordance with Homes England (or successor body) Model as at the date of any such lease where the purchaser purchases an initial share of the equity between 25 – 80% and pays rent on the remaining unsold equity provided that such rent per annum shall initially be at a level not exceeding 2.75% of the Open Market Value of the affordable housing providers retained share of the relevant affordable housing unit: and not be at a level which is in conflict with any applicable Homes England restrictions relating to charges payable by the tenant [and where additional share of the equity can be</p>

	purchased provided that no more than 80% of the equity can be purchased] [DPA areas only]
“Staircasing Receipts”	Means any monies received by the approved Affordable Housing Provider of an Affordable Shared Ownership Dwelling as a result of the leaseholder exercising a right to increase their share of the equity less the amount of any outstanding loan amount secured on the Affordable Shared Ownership Dwelling and the reasonable costs of administration or legal or other expenses (and any part of such monies)

## 2. Affordable Housing Provision

- 2.1 Not to carry out or otherwise cause or permit the [Commencement of Development][construction of any Development] unless and until the Affordable Housing Scheme has been submitted to and approved in writing by the Council
- 2.2 To construct and provide the Affordable Housing Units in accordance with the approved Affordable Housing Scheme and in accordance with the Design Standards
- 2.3 Notwithstanding the requirements of paragraphs 2.1 and 2.2 above not to cause or permit the Occupation of more than [#### (#th) Private Dwellings until the Owner has transferred the freehold interest or leasehold (of a minimum period of 80 years) interest in the Affordable Housing Site to the Affordable Housing Provider and to have completed all of the Affordable Housing Units and all of the Affordable Housing Units have been completed and are available for Occupation
- 2.4 The Affordable Housing Units shall only be used for the purpose of providing Affordable Housing and shall be so used in perpetuity (here meaning for a minimum period of 80 years)
- 2.5 The transfer of the Affordable Housing Site and / or the Affordable Housing Units to the Affordable Housing Provider shall be in such form as the Owners shall reasonably require to ensure that the Affordable Housing Site and / or the Affordable Housing Units are subject to substantially the same rights and easements and covenants (both restrictive and positive) as are to be granted and reserved in sales of the Private Dwellings
- 2.6 To ensure that the Affordable Housing Site and / or Affordable Housing Units together with their respective curtilages will abut a publicly adopted highway or roads and footways the subject of a bonded road making agreement under section 38 of the Highways Act 1980 (or enjoy ready and free access thereto via an intervening private drive) and have ready and free access to all usual domestic services needed for residential occupation of such Affordable Housing Units 2.7  
At least 10 Working Days prior to Occupation of the [##### (#th)] Private Dwelling to serve

on the Council a Trigger Point Notice to notify date of Occupation of the [#####(##)] Private Dwelling

- 2.8 The Owner shall provide the Council with at least one month's prior written notice of the address/addresses and UPRN and anticipated date on which the Affordable Housing Units shall be available for Occupation.

**3. Restrictions on Occupation of Affordable Housing Units**

- 3.1 Subject to the provisions of this Deed the Owners as appropriate shall not at any time permit the Affordable Housing Units to be occupied other than as Affordable Housing by a Designated Person (and their dependents) who has a Local Connection

Affordable Rented dwellings

- 4.1 Not to permit or otherwise allow any of the Affordable Rented Dwellings to be let other than:
- 4.1.1 At a sum not exceeding the Affordable Rent; and
- 4.1.2 To persons selected in accordance with the principles of the Devon Home Choice policy whether or not the Affordable Housing Provider is a member of the Devon Home Choice scheme
- 4.2 Not to permit or otherwise allow any of the Affordable Rented Dwellings to be let on initial or subsequent letting prior to the submission to and approval by the Council of a Scheme of Advertising for the Affordable Rented Dwellings
- 4.3 To serve upon the Council a Letting Notice each time an Affordable Rented Dwelling becomes available for letting
- 4.4 To advertise the relevant Affordable Rented Dwelling in accordance with the Scheme of Advertising approved in accordance with paragraph 4.2 of this First Schedule immediately following the service of a Letting Notice in accordance with paragraph 4.3 of this First Schedule
- 4.5 Not to grant a tenancy of the relevant Affordable Rented Dwelling until the Owner has submitted written verification to the Council that the prospective tenant satisfies the obligations contained in this Deed and the Council has given its approval that the prospective tenant would satisfy the obligations contained in the Deed (such approval not to be unreasonably withheld) and if no response is given by the Council within 10 Working Days of receipt of written verification from the Affordable Housing Provider then approval will be deemed to have been given PROVIDED THAT such written verification is served upon the Council clearly addressed and marked for the urgent attention of the Housing Enabling and Allocations Manager
- 4.6 The Affordable Housing Provider shall if so required by the Council provide to the Council (together with the written verification detailed in paragraph 4.2 above) all necessary

documentation as stipulated in Annex 2 as evidence that the prospective tenant satisfies the obligations contained in this Deed.

#### Affordable Home Ownership

5.1 Not to cause or permit any of the Affordable Home Ownership Units to be sold or let other than:

5.1.1 by way of a Shared Ownership Lease; or

5.1.2 by way of another Affordable Home Ownership product which shall be agreed in writing with the Council and

5.1.3 to a Designated Person who is either releasing an Affordable Housing Unit elsewhere in the District or is in Housing Need

5.2 Unless otherwise agreed in writing by the Council not to cause or permit any of the Affordable Home Ownership Units to be sold or let on initial or subsequent sale or letting prior to:

5.2.1 the submission to and subsequent approval by the Council of a Scheme of Advertising for the Affordable Home Ownership Units; and

5.2.2 advertising the relevant Affordable Home Ownership Units in accordance with the approved Scheme of Advertising at 5.2.1 above

5.3 In the event that the Owner is unable to sell an Affordable Home Ownership Unit in accordance with paragraph 5.1.3 above within a period of 60 Working Days of advertising, the relevant Affordable Home Ownership Unit may be:

5.3.1 let to any person at 80% of the Open Market Rent; or

5.3.2 sold or let to any willing purchaser by way of an Alternative Affordable Housing product that shall have first been approved in writing by the Council (such approval not to be unreasonably withheld or delayed)

5.4 Not to exchange or complete contracts for the sale of any interest in the relevant Affordable Home Ownership Units until the Owner has submitted written verification to the Council that the prospective purchaser satisfies the criteria contained in this Deed and the Council has given its approval that the prospective purchaser satisfies the obligations (such approval not to be unreasonably withheld) and if no response is given by the Council within 10 Working Days of receipt of written verification from the Affordable Housing Provider then approval will be deemed to have been given PROVIDED THAT such written verification is served upon the Council clearly addressed and marked for the urgent attention of the Housing Enabling and Allocations Manager

5.5 The Affordable Housing Provider or Owner of the Affordable Home Ownership Units shall if so required by the Council provide to the Council (together with the written verification detailed in

paragraph 5.4 above) all necessary documentation as stipulated in Annex 2 as evidence that the prospective purchaser satisfies the obligations contained in this Deed.

## **6 Release**

- 6.1 None of the obligations and restrictions referred to in Part A of this Schedule will be enforceable in respect of any Chargee PROVIDED ALWAYS that the Chargee has complied with its obligations contained in paragraphs 6.2 below
- 6.2 The Chargee shall prior to seeking to dispose of the Affordable Housing Site or any Affordable Housing Unit(s) pursuant to any default under the terms of its mortgage or charge shall give prior notice in writing to the Council of its intention to dispose and;
- (i) In the event that the Council responds within three months from receipt of the written notice indicating that arrangements for the transfer of the Affordable Housing Site or Affordable Housing Unit(s) can be made in such a way as to safeguard them as Affordable Housing for a consideration not less than the amount due and outstanding under the terms of the relevant security document including all accrued principal monies interest and costs and expenses then the Chargee shall cooperate with such arrangements and use its reasonable endeavours to complete such a transfer
- (ii) If the Council or any other person cannot within three months of the date of service of its response under paragraph 6.2 (i) complete such transfer then provided that the Chargee shall have complied with its obligations under paragraph 6.2 the mortgagee or chargee or Receiver shall be entitled to dispose of the Affordable Housing Site or Affordable Housing Unit(s) free of the restriction set out in this First Schedule which provisions shall (in relation to the relevant Affordable Housing Unit(s) cease and determine absolutely
- PROVIDED THAT at all times the rights and obligations in paragraph 6.2 shall not require the Chargee to act contrary to its duties under the charge or mortgage and that the Council must give full consideration to protecting the interests of the Chargee in respect of monies outstanding under the charge or mortgage
- 6.3 In relation to any Affordable Housing Units the Affordable Housing obligations in this Deed shall not apply to;
- 6.3.1 any sale to a tenant in exercising their right to acquire or purchase under a statutory power or a tenant who acquires the said rented dwelling pursuant to any voluntary policy of its landlord or to the successors in title to any such persons to the intent that such provisions shall determine absolutely in respect of that unit
- 6.3.2 in relation to any Affordable Shared Ownership Dwelling where if required the owner of the said unit has been granted a waiver to the requirements of the Designated Protected Area Order (SI 2009/2098) (or such other regulations restricting the ability to achieve

100% staircasing) the owner subsequently acquires such percentage that will take their ownership to 100% of the said unit or to the successors in title to any such persons to the intent that such provisions shall determine absolutely in respect of that unit

- 6.4 In the event of any Affordable Shared Ownership Dwelling being released from the Affordable Housing restrictions herein contained by virtue of the operation of paragraph 4.3.2 above the Owner shall provide the Council with details of Staircasing Receipts from the Affordable Shared Ownership Dwellings and in co-operation with the Council to invest 100% of the Staircasing Receipts, if any, arising from the Affordable Shared Ownership Dwellings in the provision of new build Affordable Housing or to invest in measures to enhance the provision of Affordable Housing within the administrative area of the Council including facilitating the acquisition of market housing or the conversion or refurbishment of existing housing to bring such housing back into beneficial use to enable it to be occupied provided that the use of the Staircasing Receipts is limited to the provision within District

## 7. Provision of Information

- 7.1 The Affordable Housing Provider will on request from the Council allow the Council to inspect or provide to the Council such information as is necessary in order to enable the Council to verify that the AHP has sold or let the Affordable Housing in accordance with the terms of this Schedule

### Part B Overage [if required]

#### “Development Account”

means the return to be provided by the Owner to the Council such return to detail;

(1) the independently audited account for the Development setting out the actual costs, expenditure and income from the Development

(2) the Owner’s profit at [20%] of gross development value

#### “Development Costs”

means all actual costs incurred by the Owner in constructing the Development and which shall include:

- a. land acquisition costs and any SDLT
- b. legal fees and other professional fees in connection with land acquisition and plot sales
- c. costs of obtaining planning permission (including all legal and professional fees)
- d. construction and labour costs
- e. marketing costs
- f. interest payments on borrowing

g. any costs associated with complying with the requirements of this Agreement and/or the conditions imposed on the Planning Permission

**“Disposal”**

means the disposal of the Owner’s interest by way of the sale of the freehold interest or the granting of a long leasehold interest and ‘Disposed of’ shall be construed accordingly

**“Overage Cap”**

means the sum equal to £[##### (##### pounds)]

**“Overage Payment”**

Means 50% of the amount of the Overage Value which shall be paid to Council

**“Overage Payment Date”**

means the first Working Day falling 20 Working Days after the date upon which Council confirm in writing that the Development Account is agreed and the amount of Overage Payment due.

**“Overage Trigger”**

Means any surplus amount in the Development Account when compared with the Viability Appraisal

**“Overage Value”**

Means the potential additional profit made by the Owner calculated in accordance with the following formula, namely;

$$P = A - B - C$$

Where;

P = Overage Value (profit element)

A = actual gross development value (i.e. receipts from actual sales)

B = Development Costs

C = Owner’s profit element in accordance with the [20%] of the gross development value set out in the Viability Appraisal [ and in the alternative should the Owner provide the Discount Market Housing Units the Owner’s profit] at [20%]

**Viability Appraisal**

means the [Plymouth City Council report named ##### PCC Review Version Development Appraisal dated #####] which reviewed the Applicant’s viability report [dated August 2017]

**Viability Fee** Means the amount payable by the Owner towards the costs of obtaining the external review of the Development Account as advised by the Council

**Working Day”** Means a weekday which is neither a statutory bank holiday, nor Good Friday, nor any day falling between 22 December in any year and 2 January in the following year (both dates inclusive)

**“Part B: Overage**

1. The Owner hereby covenants with the Council as follows:-
  - a. To provide the Development Account to the Council within twenty five (25) Working Days of the Disposal of the last Dwelling
  - b. Following submission of the Development Account the Owner shall pay to the Council the Viability Fee within 5 Working Days of written notification of the amount due
2. In the event of the Council providing written confirmation that the Development Account is agreed and where the Development Account demonstrates that there is a positive Overage Value the Owner shall pay to the Council the Overage Payment by the Overage Payment Date PROVIDED ALWAYS THAT any Overage Payment shall not exceed the Overage Cap

**ANNEX 2**

to the

**FIRST SCHEDULE**

**(Evidence of eligibility of Qualifying Persons)**

Pursuant to paragraphs 4.5 and 4.6 of Part A and paragraphs 5.5 and 5.6 of Part A of the First Schedule the Owner shall verify to the Council or its agent that the prospective purchaser or tenant meets the terms of this Deed by obtaining appropriate documentation from section A and B and C below or such other evidence or confirmation as the Council or its agent shall deem necessary or sufficient and if required by the Council or its agent provide copies of such evidence to the Council or its agent

**SECTION A:**

**Proof of identity (of prospective purchaser or tenant and where applicable close family member)**

A current and valid passport

UK residence permit

A valid UK driving licence National Insurance number card

Marriage certificate

Medical card

Letters about asylum from the Home Office

**Section B:**

**Local connection**

**Residency – sufficient evidence to cover the relevant local connection period for prospective purchaser/tenant/close family member as appropriate**

Utility bills (gas electric phone etc)

Council tax bills

Bank/Building Society account/credit card statements

State benefit books or receipts showing rent paid

Payslips showing home address

Written certification from either a Solicitor / Social Worker / Probation Officer / Inland

Revenue Officer / Police Officer / Teacher or Doctor

**Employment – sufficient evidence to cover the relevant local connection period**

Payslips showing employer's address

Employer's letter confirming length and terms of employment (including hours worked if applicable)

**Section C:**

**Housing Need**

Tenancy or licence agreement

Rent book showing name and address of applicant

Where applicable letter from friend or family member confirming residence at their address

P60 annual statement of earnings for the most recent complete tax year

Payslips covering last 3 months

For self- employed persons a set of accounts no older than 12 months

Bank/Building Society account or other statements showing savings/capital

Evidence of any other income including state benefits

## SCHEDULE







**Report to:** **Strategic Planning Committee**

**Date of Meeting:** 17 December 2019

**Public Document:** Yes

**Exemption:** None

**Review date for release** None

**Subject:** **Employment Land Review to year ending 31 March 2019**

**Purpose of report:** This report provides summary details of the Employment Land Review produced by the Planning Policy section for 2018-19.

**Recommendation:** **That Members acknowledge this report.**

**Reason for recommendation:** To ensure that the Council has an up to date report monitoring employment land availability and use within the district and also to provide information on numbers of residents of East Devon in employment and job numbers in the District.

**Officer:** James Coles, [jcoles@eastdevon.gov.uk](mailto:jcoles@eastdevon.gov.uk) – 01395 571745

**Financial implications:** There are no direct financial implications requiring comment.

**Legal implications:** The Employment Land Review is a technical document which the Council is legally required to regularly review, thereby ensuring local plan policies and decision making is based upon adequate, up to date and relevant evidence.

**Equalities impact:** Low Impact

**Climate change:** Low Impact

The delivery of new factories, offices, warehouses, etc, has a significant impact on climate change, however the purpose of this report is to record the number of such premises delivered. The developments referred to in this report have all been previously granted consent and in making those decisions their impact on climate change has been considered.

**Risk:** Low Risk

**Links to background information:**

- <https://eastdevon.gov.uk/planning/planning-policy/monitoring>
- [East Devon Employment Land Review to year ending 31 March 2019](#)

**Link to Council Plan:** This review has direct links to the Council priority of 'developing an outstanding local economy' and also explicitly to Strategies 1, 31 & 32 and Chapter 24 of the East Devon Local Plan 2013-2021.

## **1 Background Information**

- 1.1 The National Planning Policy Framework requires Local Authorities to support sustainable economic growth by setting out a clear economic vision and strategy for their area and to ensure there is sufficient land available to support growth. National Planning Policy Guidance advises on what employment considerations can be monitored, which form the basis of this report.
- 1.2 The current Employment Land Review report for East Devon provides monitoring records up to March 31st 2019.

## **2 Employment Land Use Monitoring**

- 2.1 Monitoring is based mainly on the assessment of 'B' use classes which includes B1: Business, B2: General Industrial and B8: Storage and Distribution. Some 'Sui Generis' or other uses that occupy employment sites and which do not fall into a B category but which are similar in nature are also monitored.
- 2.2 Employment sites which typically cover at least 1,000 square metres (0.1 ha) containing B uses are mapped out. For avoidance of any confusion, "site" in this context constitutes a whole employment area of estate rather than an individual plot of land; so, for example, Heathpark in Honiton is classified as an employment site and within Heathpark there are vacant plots of land, as well as many existing businesses and buildings.
- 2.3 A list of small sites are also monitored on an annual basis with a threshold of 100 square metres of site area or buildings with 50 square metres of floor space, above which sites are recorded.
- 2.4 A full schedule of relevant planning permissions and completions since inception of the Local Plan in 2013 is provided for all major sites and small sites, with further information on sites and plots under construction, outstanding permissions and lapsed permissions.
- 2.5 Records are also provided on the completion of planning permissions during the last six years.
- 2.6 Vacant, available sites by virtue of a Local Plan allocation or planning permission, which are likely to be policy compliant and with scope for development, are identified. Plots within employment sites that are not identified as necessarily being policy compliant but which may offer scope for development are also shown in the same category.
- 2.7 Plans of each site are provided illustrating the detail of activity for individual properties during the last five years. Each plan also maps out vacant land as described in paragraph 2.6.
- 2.8 Information is also given on non-domestic rated units within employment sites which are occupied or empty at each site on separate plans.

### **3. Overview of Employment Land Review for 2018-19**

#### **3.1 Planning Permissions**

Seventeen planning permissions granted during 2018-19 amounted to approximately 20.85 hectares of net additional site area; seven permissions were for plots within major sites and ten were at small sites. This total includes two permissions for the loss of employment use.

#### **3.2 Permissions Under Construction at March 31st 2019**

There were nine plots under construction, amounting to approximately 2.98 hectares of net additional site area, as of March 31st 2019. This figure includes work on plots at Woodbury Business Park, Dunkeswell Airfield and at a number of smaller sites.

#### **3.3 Outstanding Permissions**

At March 31st 2019, there were 40 site areas with extant planning permission amounting to approximately 58.84 hectares.

#### **3.4 Completions**

Fourteen completions during 2017-19 amounted to 5.81 hectares of net additional site area. This figure includes plots at: Alexandra Road Trading Estate, Sidmouth; Heathpark Industrial Estate, Honiton; Skypark, near Clyst Honiton; Exeter Science Park; Hunthay Farm, near Axminster; Dunkeswell Airfield and at a number of smaller sites.

#### **3.5 Allocated Sites**

The report details 25 plots of land across a number of employment sites that are specifically allocated in the Local Plan for employment use or are otherwise seen as having possible development potential / being available; these allocations amount to approximately 64.16 hectares. This includes allocations within mixed use sites where specific plots are not yet identified; where this is the case, only one plot has been included in the total of 25 for each site but the overall area of land allocated for employment has been included in full within the stated total of 64.16ha.

#### **3.6 Non-Domestic Rated Properties**

At March 31st 2019, there were 1,328 premises within East Devon employment sites rated for non-domestic use; 119 of which (or around 8.96%) were classed as empty.

### **4. Employment Numbers in East Devon**

4.1 This section of the report provides background information on job numbers and employment statistics relevant to East Devon as reported in the monitoring report.

4.2 The monitoring report notes that East Devon is characterised by comparatively low wage levels. Drawing on Government data, from the NOMIS web site for 2018, see: <https://www.nomisweb.co.uk/reports/lmp/la/1946157358/report.aspx?#tabearn> East Devon has the 50<sup>th</sup> lowest, of the 378 recorded local authorities in Great Britain, median gross weekly resident pay level for full time workers. This places it in the lowest 14% nationally

and in Devon terms only North Devon, Torbay and Teignbridge have lower median wage levels.

- 4.3 Unemployment rates, reported on NOMIS (see: [https://www.nomisweb.co.uk/reports/lmp/la/1946157358/subreports/ea\\_time\\_series/report.aspx?](https://www.nomisweb.co.uk/reports/lmp/la/1946157358/subreports/ea_time_series/report.aspx?)) for East Devon measured for the April 2018 to March 2019 period are also low (despite the low wage levels). East Devon has a reported unemployment rate of 1.9% (a total of 1,300 people down from 1,550 in the previous monitoring period); this places the District as the joint second lowest (along with Eden in Cumbria) of the 378 measured local authorities in Great Britain.
- 4.4 It should be noted, however, that the unemployment rate does not show a complete picture of people that are **not** economically active (i.e. not in work) but that may like a job. The Nomis web site (see: <https://www.nomisweb.co.uk/reports/lmp/la/1946157358/report.aspx>) reports on there being 10,400 economically inactive residents of East Devon aged 16 to 64 – these are people that are neither in employment or counted as unemployed and, of this total, the Nomis website records that 7,200 are under a category of ‘does not want a job’ (Apr 2018 to Mar 2019).
- 4.5 The number of actual jobs located in East Devon, drawing on NOMIS data, fluctuates quite markedly from year-to-year, see: [https://www.nomisweb.co.uk/reports/lmp/la/1946157358/subreports/bres\\_time\\_series/report.aspx](https://www.nomisweb.co.uk/reports/lmp/la/1946157358/subreports/bres_time_series/report.aspx)

Year	East Devon (employee jobs)	South West (employee jobs)	Great Britain (employee jobs)
2015	45,000	2,366,000	28,565,000
2016	45,000	2,398,000	29,045,000
2017	44,000	2,415,000	29,368,000
2018	48,000	2,447,000	29,583,000

- 4.6 What can be clearly seen is that the reported job numbers located in East Devon can show very marked changes over short time periods. For example, a decrease of 1,000 jobs (down 2.22%) from 2016 to 2017, and an increase of 4,000 jobs (up 9.09%) from 2017 to 2018. The data shows that over the four years from 2015 to 2018 job numbers were at their highest in the most recent survey year, 2018.
- 4.7 It should be noted that whilst many of the jobs that are based in East Devon will be filled by East Devon residents, there are also large numbers of people that live elsewhere that commute into the District for work purposes. The 2011 census – see: <https://www.nomisweb.co.uk/census/2011/WU03UK/chart/1132462159> – showed 12,500 people travelling into the District for jobs, but a higher number, 18,405 East Devon residents, travelled out of the District for jobs (most of these, 11,430, were to Exeter).