

Report to: Cabinet



Date of Meeting 3 January 2023

Document classification: Part A Public Document

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## Gypsy and Traveller Site Provision at Cranbrook

### Report summary:

Members have previously resolved that they favoured securing gypsy and traveller pitches at Cranbrook through a free transfer of serviced land and a financial contribution from the developers to enable the Council to deliver the pitches itself and then operate them. Following further negotiations with developers' agreement cannot be reached on this approach as it fails to adequately give regard to the approach set out in the Council instructed viability appraisal that accompanied the Cranbrook Plan and therefore Members views on an alternative option are sought.

This approach would see developers undertake the on-site works to deliver pitches including day rooms etc with the cost of this partially compensated through adjustments to financial contributions sought elsewhere in the associated Section 106 agreement. Although this funding for it does not affect contributions towards schools, open spaces and habitat regulations. Overall, the proposal is considered to fairly share cost, risk and value, represents good value for money and would secure the delivery of affordable gypsy and traveller pitches in a timely and appropriate way.

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

**That Members endorse the proposed approach to the delivery of gypsy and traveller pitches at Cranbrook and give delegated authority to the Assistant Director – Planning Strategy and Development Management to agree the detailed wording of the S106 agreement in relation to this issue in line with the heads of terms set out in this report.**

### Reason for recommendation:

To ensure the timely delivery of gypsy and traveller pitches and the future operation of them by the Council for the benefit of the gypsy and traveller community.

Officer: Ed Freeman – Assistant Director – Planning Strategy and Development Management

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Communications and Democracy
- Economy

- Finance and Assets
- Strategic Planning
- Sustainable Homes and Communities
- Culture, Leisure, Sport and Tourism

### **Equalities impact** Medium Impact

The delivery of gypsy and traveller pitches within Cranbrook will help to meet the unmet housing needs of the community in the area and ensure a diverse and mixed community.

### **Climate change** Low Impact

**Risk:** Low Risk;

**Links to background information** Strategic Planning Committee Report to 5<sup>th</sup> September Meeting: <https://democracy.eastdevon.gov.uk/documents/s21217/4.%20Gypsy%20and%20Traveller%20Report%20SPC%20Sept%202023.pdf> ; Minutes of Cabinet 10<sup>th</sup> October: [Agenda for Cabinet on Tuesday, 10th October, 2023, 6.00 pm - East Devon](#)

### **Link to [Council Plan](#)**

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

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An application for 1495 homes, under planning application reference 22/0406/MOUT and which forms part of the Cobdens expansion area at Cranbrook, was considered and received a resolution to grant permission by the Planning Committee on the 25<sup>th</sup> April 2023. Since that time, Officers have been in negotiation with the developers (Persimmon Homes), to secure the range of infrastructure and facilities that were required by policy and the associated resolution.

One component of this is the gypsy and traveller pitches of which the site includes 10 of the 15 pitches that were allocated in the expansion areas through the adopted Cranbrook Plan. As part of those negotiations, Members views were previously sought on options for the delivery of gypsy and traveller pitches as part of a report to Strategic Planning Committee on the 5<sup>th</sup> September 2023 with a recommendation from the committee then considered by Cabinet at its meeting on the 10<sup>th</sup> October. Members resolution was that their preferred approach was that described as option 3 which proposed the:

“...free transfer of all of the pitches (as serviced land) and a financial contribution from the developers to enable their delivery. The council then makes the plots available either directly or through a registered provider.”

Since October, negotiations have progressed with Persimmon Homes regarding the 10 pitches over which they have control. While the developers recognise their commitment and responsibility, they are concerned that the offer from the Council (based on option 3) fails to recognise the value that they could reasonably aspire to achieve.

As part of the evidence base for the Cranbrook Plan, the Council had to prepare a site wide viability appraisal that considered all costs and receipts as part of the delivery. This included all 15 pitches, which based on a realistic specification, had a headline cost of £1.47m for delivery (this equates to ca £0.98m for the 10 pitches at Cobdens). The appraisal also recognised an open market sales value of £55k per plot (or £550k for the 10 pitches at Cobdens). This means that if option 3 was pursued, whereby the developers provided a full financial contribution but with no

value being returned, they would be substantially worse off than allowed for in the viability modelling that the Council had set out at examination.

Officers have identified a mechanism to resolve this situation based on the additional homes that the application proposes over above the numbers that were envisaged at Cobdens in the Cranbrook Plan. Under the Cranbrook Plan, these additional homes would be required to pay a contribution of £8,003 per dwelling towards infrastructure. This contribution relates to infrastructure other than education, habitat regulations, open space, play areas etc all of which are ring fenced and would still be secured.

What is being suggested is a solution that narrows the funding gap so that it more closely aligns with the principles set out in the viability appraisal work. Essentially, it would work on the basis that the Developers lay out and deliver the 10 pitches themselves (and access their greater buying power to reduce their costs), transfer the delivered pitches to the Council at a peppercorn rate and that as a result of reduced risk and cost, the value that can reasonably be expected by Persimmon is also reduced.

The value that Persimmon would receive would be in the form of a delayed trigger for payment of the additional homes contributions. If for example around 24 of these additional homes were allowed without having to pay the contribution this would amount to around £192,000 of monies that would have come to us through this mechanism for other infrastructure at Cranbrook but would instead be in effect funding the the delivery of the gypsy and traveller pitches. While this reduces the future S106 receipts for infrastructure in the town, it only affects receipts from the additional housing and would in any event not have materialised until developers reached 1213 homes (a milestone that is many years away). Shortfalls in the funding of some infrastructure are already identified and while this approach makes the situation for those items slightly worse, external funding bids are likely to be needed in any event.

Members views on this issue are being sought as this approach represents a hybrid of the options previously presented to Members and does not align with the previous resolutions of Strategic Planning Committee or Cabinet. It is brought as a Chair's urgent item because completion of the Section 106 agreement for the Cobden's expansion area is time critical. There is potential funding available for the Special Educational Needs school planned as part of the Cobden's expansion area which would cover its entire cost but this money is at risk if planning permission for the development is not granted by mid/late January.

The proposed heads of terms for the transfer of the pitches are currently as follows:

- Prior to the commencement of 100<sup>th</sup> dwelling to have agreed a specification for 10 gypsy and traveller pitches having regard to the adopted East Devon Gypsy and Traveller Site Design and Layout SPD
- Prior to the commencement of the 300<sup>th</sup> dwelling Persimmon to have laid out the 10 pitches in accordance with the agreed specification
- Prior to the commencement of the 400<sup>th</sup> dwelling to have transferred the pitches to the District Council for £1

- To push back the trigger for the payment of the Excess Housing contributions from 1213 to 1237 dwellings

The alternative to this solution from Persimmon's perspective is that they retain the gypsy and traveller pitches and market them in the hope of maximising the value from them. This would significantly delay their delivery and would mean that the council would not have control over their delivery and operation which it was hoped to achieve through Members previous resolution. Members are asked to agree the approach as set out in this report.

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**Financial implications:**

The financial implications are laid out within the report as a hybrid of the options previously presented to Members.

**Legal implications:**

There are no substantive legal issues to be added to this report.