

The "Shameful" Truth behind Sussex's Missing Affordable homes

Research by the Campaign to Protect Rural England (CPRE) shows that a "shameful" government policy is robbing rural Sussex of hundreds of promised affordable homes.

The missing affordable homes are those which developers are required to build as part of their planning permission on valuable Greenfield sites. Once they have gained permission, they can then apply a controversial formula – known as the 'Viability Assessment' - which allows them to renege on many of their promises. These assessments are not currently made public and it is hard for local people to scrutinise these decisions.

An example of this is the high profile proposal for 2,750 new homes 'North of Horsham', where developers, Liberty Property Trust successfully used a Viability Assessment to cut the site's affordable homes allocation to only 18% because the 35% required by the Local Plan would be 'unprofitable'.

That is a loss of nearly 500 affordable homes - despite recent figures from the Ministry for Housing, Communities and local Government showing 656 families on the waiting list for social housing in the district.

CPRE Sussex's Roger Smith says the situation is "shameful" and is calling on Horsham's MP, Jeremy Quin to take the matter up in parliament:

"Horsham MP, Jeremy Quin has a moral obligation to draw the Secretary of State for Housing's attention to this shaming example of how his Government's policies have been exploited to the detriment of low-income families," he says.

"The District Council accepted the developer's position on grounds of financial viability even though it came to light during the debate that the viability appraisal was out of date and therefore in need of a reassessment."

"There is a political dimension to this shaming episode that should neither be ignored nor forgotten," he adds. "The government's policies prioritise developers' profits when there is a desperate need for new homes for low income families."

CPRE has found a similar story across Sussex with numerous developers reneging on their promises to build affordable homes and hard pressed councils finding they are powerless to challenge them.

Three years ago Wealden District Council granted developers, Muntham Estates Ltd permission to build 12 affordable homes on open countryside in the tiny village of Lower Horsebridge in East Sussex. The site became what's known as an 'exception site' where permission was only allowed on the condition that, "households with a local connection to the Parish will be prioritised when bidding for the accommodation."

However, the homes were never built and within months the developer had claimed that the scheme was not 'viable' and submitted a new application for 32 houses - only half of which were affordable. Then a year later the application had mushroomed to 110 market price homes with just 34% affordable.

We need to make sure viability decisions can be scrutinised by local people," says Director of CPRE Sussex, Kia Trainor. "More and more councils like Brighton and Hove are making a commitment to 'open book' assessments and greater transparency."

"We also want national policy to be stronger in relation to developer accountability when community housing needs are not being met. This is about local need not developer greed."

CPRE research has found that Chichester was the worst performing Sussex district for delivering affordable homes with a 5 year average of just 17.2%. However, the District has been taking part in a new government initiative to build starter homes – agreeing to replace 30% affordable homes with 50% starter homes on a site at Lower Graylingwell.

"There is, to my mind, quite a gap in affordability between "affordable" and "Starter" housing," warns CPRE's Ben Kirk. "Starter homes also only create a reduced value for 5 years, at which time it reverts to normal market price."

"The starter homes initiative has already had an impact on Chichester's 30% targets and long term could have the effect of reducing genuinely affordable housing if developers are allowed to replace affordable homes with starter homes."

Notes for Editors:

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Useful links:

Wealden:

[file:///C:/Users/Richard%20Watson/Downloads/WD-2015-1935-MAO Representations WDC%20Housing%2001.10.15.pdf](file:///C:/Users/Richard%20Watson/Downloads/WD-2015-1935-MAO%20Representations%20WDC%20Housing%2001.10.15.pdf)

http://www.wealden.gov.uk/Wealden/Council/Transparency_Spending_and_Performance/FOI_Disclosure_Log/Web_FOI_Disclosure_Log_PlanningApplications20161948MAOand20152847MAO_383421.aspx

[file:///C:/Users/Richard%20Watson/Downloads/WD-2015-1935-MAO Miscellaneous 04-151001.pdf](file:///C:/Users/Richard%20Watson/Downloads/WD-2015-1935-MAO_Miscellaneous_04-151001.pdf)

Horsham:

<http://horsham.moderngov.co.uk/mgAi.aspx?ID=3087>

Chichester:

<http://www.planningpotential.co.uk/news/chichester-district-council-incorporates-starter-homes-initiative-into-housing-schemes/?id=186>

CPRE Sussex, Affordable Housing / Viability Case Studies

App Number and LPA	Address	Reduction in affordable homes	Was the process transparent?	Background info / Plan position etc
DC/16/1677 Horsham District Council	North of Horsham	18% against a 35% requirement	No	North of Horsham is included as a strategic site in the Horsham District local plan (the Horsham District Planning Framework or HDPF) to accommodate 2,750 houses and a business park. Liberty Property Trust submitted an 'Outline planning application with all matters reserved except access for a mixed use strategic development to include housing (up to 2,750 dwellings), business park (up to 46,450 m2), retail, community center, leisure facilities, education facilities, public open space, landscaping and related infrastructure' in 2016.

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				<p>In deciding the application (May 2017), Officers and the majority of District Councillors accepted the Trust's position that the development could only provide 495 (18%) affordable homes on grounds of viability, instead of the nearly 1000 affordable homes (35%) required by HDPF policy, even though it came to light during the debate that the viability appraisal was deemed to be out of date and therefore in need of a reassessment - with the likelihood that a new appraisal would show that the site could deliver more than 18% affordable homes.</p> <p>A motion was proposed that the Council defer permitting the application in order to enable a reassessment of viability to be made using up-to-date information, in expectation that a new appraisal would show that the site could deliver more than 18% affordable homes.</p> <p>Following the ensuing debate, the majority voted against, on the grounds that the Trust, enabled by the NPPF, would probably secure permission at Appeal should they defer permitting the application to enable a reassessment to be made.</p> <p>Note that following a complaint by a fellow Horsham resident, the ICO has in last few days directed Horsham District Council to release and make accessible to the public the un-redacted version of the viability appraisal.</p>
<p>HS/LA/16/00344 Hastings Borough Council</p>	<p>Station Plaza, station approach, Hastings</p>	<p>Affordable housing element removed</p>	<p>No</p>	<p>Application to modify existing planning obligation - namely Section 106 agreement relating to Planning Permission HS/FA/06/00983, amendment to Affordable Housing Requirements</p>

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WD/2017/1368/MRM Wealden District Council	Land West of Uckfield	Reduction from 35% to 15%		RESERVED MATTERS APPLICATION FOR PHASES 1A & 1B OF DEVELOPMENT AT RIDGEWOOD FARM (DETAILS OF APPEARANCE, LANDSCAPING, LAYOUT AND SCALE) PURSUANT TO PLANNING CONSENT WD/2015/0209/MEA FOR THE ERECTION OF 250 NO. DWELLINGS AND ASSOCIATED CAR PARKING, PLAY AREAS, HARD AND SOFT LANDSCAPING, DRAINAGE PONDS AND EARTHWORKS. This is the first phase of a 1,000-home development on a large greenfield site.
WD/2017/2729/MFA Wealden District Council	Parklands, Burwash Road Heathfield TN21 8QX	Currently outstanding application to remove planning condition requiring 7 affordable homes as part of a proposed development of 20 homes, which should have included 35% affordable homes.		Objections to this application from the Parish Council, from a number of individuals and from Wealden's housing development officer, whose comments include: <i>It is disappointing that a viability assessment has been submitted as support was given to application WD/2016/2064/MEA on the basis that 7 affordable homes would be provided, in line with Policy AFH1. I would like to request that a full independent assessment is carried out on the Council's behalf, to determine the viability of the site, on an open book basis. The closest alternative target for the provision of affordable housing can then be determined. If the affordable percentage is reduced below the 35% policy requirement after this independent assessment, I would like to ask for an overage agreement written in to the S106 Legal Agreement. This would capture any increase in values and enable a commuted sum payment for a contribution towards affordable housing elsewhere in the District in the event that the financial viability of the site increases as the development is implemented, to capture any increase in values when the market units are sold. It is important that all developments provide the percentage of affordable housing as required by Policy given the high housing need in the locality and constraints to new development within these areas. There are currently just under 1000 applicants on the Waiting List, 61 applicants are registered for Heathfield. All of these households are unable to afford to buy or rent at market rates due to the significant constraints to supply and affordability. There is also high demand from local people for Shared Ownership properties,</i>

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				<i>registration for which is carried out by BPHA. We also need to take into account future projections of need for affordable homes from growing families and newly forming households in the parish. The recently published SHMA has identified an annual affordable housing need for 331 new affordable homes per year up to 2027 and there is a continued need to maintain supply of affordable homes to address both current and future projected demand.</i>
WD/2017/0261/FA Wealden District Council	The Beehive Public House, Burwash Road, Heathfield TN21 8RA	Affordable housing contribution removed	No	Application approved for removal of a condition attached to WD/2016/1989/MAJ (demolition of the existing public house and outbuildings and the erection of a mixed use commercial and residential development comprising 3 x b1 commercial units, 2 x live-work dwelling units and 17 x apartments). The condition required a payment of £375,000 by way of a commuted sum payable in lieu of the provision of 6 affordable homes (35%) within the development approved in 2016. The applicant argued successfully that the costs of the proposed development had unexpectedly escalated to a level that made any commuted payment financially unviable. Wealden's district valuer concluded that, instead of providing the developer with a 17.5% profit, the cost of development would generate a deficit and no increased land value.
CURRENT APPLICATION IS: WD/2016/1948/MAO (110 homes, 38 affordable) Previous application:	Land to the East of North Street, Lower Horsebridge, BN27 4DR	This is a good example of 'gaming the system' whereby a site which was only approved	The latest application is undecided but the first 2 were approved.	here are the details about the rural exception site in Wealden which is now a planning application for 110 homes, 38 affordable (originally the application talked about 120 homes of which 42 affordable but this has been reduced) so although this meets the Policy requirement for affordable homes, if they hadn't used the affordable homes argument to get the first permission the council would not even be considering this application. See the rather strange committee minutes.

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<p>WD/2015/2847/MAO (32 dwellings, 18 affordable – approved)</p> <p>FIRST APPLICATION AS A RURAL EXCEPTION SITE: WD/2015/1935/MAO (12 affordable homes as a rural exception site)</p>		<p>because it was a rural exception site is now a full blown planning application.</p>		
				<p>In Lewes we have one major Newhaven example of a proposal that came forward as a large mixed-use brownfield application that included about 200 houses (40% affordable), an ASDA supermarket, a new port-access road and some business space.</p> <p>Then after approval ASDA dropped out. The developer then said the housing side could go ahead, but the affordable housing had become unaffordable, due to the loss of the supermarket element. Lewes planners were of a mind to roll over but the Planning Committee stuck out for a minimum of 8%, which the applicant eventually agreed to. There has been some work started on the Port access road, but otherwise no actual development.</p> <p>The story of actual development in Lewes in the past several years is of large brownfield town-centre developments being approved but very very slow to actually deliver, while greenfield village-edge sites and smaller urban redevelopments have been delivered promptly after approval. The small urban sites rarely include any affordables, as mostly too small. None of the greenfield developers has dared suggest they can't afford the affordable 40% - they obviously can. They have just focuses on getting all the affordables as micro 1-bed flats, and as many 5-bed executive homes in the mix as they can get away with. Lewes DC has been entirely accommodating.</p>

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				<p>We did have one minor 10-unit countryside scheme that very narrowly scraped through the Planning Committee only when, at the hearing, the developer offered to make the two smallest units affordable. That was at a time when Lewes wasn't claiming a 5yrHLS.</p> <p>Two years later (by which time there was a 5-yrHLS) the developer came back wanting to make the market houses bigger and more detached and get rid of the affordable commitment, claiming no HA was interested in just two units. They couldn't claim they couldn't afford them. By that date there had been other planning changes - national rules exempted sites as small as ten from affordable rules, and CIL had been introduced in Lewes. A local charity came forward saying it would like the affordables. The officers supported the developer but the Planning Committee stood its ground. It refused to remove the affordable commitment. Officers said the developer could just put in a new application and thereby lose the affordables anyway, to which Councillors replied that yes, they could, but then the development would have to pay CIL, and would risk being refused as outside the plan. As the market element is very large units, so CIL heavy, the developer's bluff was called, and they agreed to back down. In so doing they managed to get the affordables cut from 100 sqm to 75 sqm, and most of their gardens added to their neighbour's. All very grubby, with the developer's agent a recent ex-Lewes DC planner who had been a close colleague of the case officer. This development is under construction. Have we seen the last wriggle yet?</p>
				<p>We also had a third application for a rural greenfield care village that mutated this year to lose the care home element and become entirely retirement flats. That isn't including any affordables on the probably-entirely-specious basis that the development is still C2 rather than C3. Lewes policy is clear that the retirement flats in such schemes should be considered C3, but when the</p>

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				<p>developer wheels out a brief who claims they are C2 they never actually insist on their policy. Councillors waved that through, as C2 and without affordables.</p>
<p>RR/15/1514/P Rother DC</p>	<p>Site at Land West of Rock Lane, Guestling</p>	<p>Request to drop the affordable element – unclear why the project costs are higher than anticipated.</p>	<p>Pending decision.</p>	<p>On 21st March 2016 Rother District Council granted full planning permission for a development of 26 residential dwellings, parking, refuse storage, cycle storage, landscaping and the provision of land for a public footpath. The planning permission was granted subject to a Planning Obligation under S106 of the Town and Country Planning Act 1990 as amended which, amongst other things, required the provision of 7No. on-site affordable homes and a further financial contribution of £95,926.00. The trigger point for the delivery of the affordable units is the occupation of the 10th dwelling within the development. The development has commenced and the developer has identified that the costs of delivery are such that the development cannot deliver sufficient returns to cover the cost of the affordable homes.</p>