

# EAST DEVON DISTRICT COUNCIL

## Minutes of a Meeting of the Corporate Overview Committee held at Knowle, Sidmouth on Thursday 5 October 2006

### Present:

Councillors:

G K Liverton (Chairman)  
R C Peachey (Vice Chairman)

Mrs K J Bamsey  
G P Chamberlain  
K George  
C Gibbings

J A Knight  
Ms S M Merritt  
T G Reeves

### Also Present:

Councillors:

Miss V Ash  
T A Cope  
Miss J M Elson  
R G Franklin  
D Key

Mrs A E Liverton  
A T Moulding  
R Mudge  
Mrs H E Parr  
Mrs P A Stott

Teresa Butcher

Chief Executive of Devon & Cornwall  
Housing Association  
Clinton Devon Estates  
Representing FWS Carter & Sons

Clare James  
Janine Banks  
Rowan Carter

### Apologies

Councillors:

J E D Falby  
C H Wale  
Dr H W Waterworth  
S C Wragg

The meeting started at 6.30 pm and ended at 9.10 pm

### \*19 Minutes

The minutes of the meeting of the Corporate Overview Committee held on 31 August 2006, were confirmed and signed as a true record.

### 20 How do we improve the supply of affordable homes within the District, with special focus on bringing forward exception housing sites

#### Welcome and Introduction

The Chairman welcomed Members to the meeting and introduced Teresa Butcher, Chief Executive of Devon & Cornwall Housing Association, Janine Banks and Rowan Carter representing FWS Carter & Sons and Clare James from Clinton Devon Estates, who had been invited to speak on affordable housing issues.

Members acknowledged that affordable housing was the Council's number one priority and that it could be necessary to relax the planning regulations in order to deliver sufficient affordable housing.

20 **How do we improve the supply of affordable homes within the District. With special focus on bringing forward exception housing sites (cont)**

**Presentation by Teresa Butcher. Chief Executive of Devon & Cornwall Housing Association**

Teresa Butcher, Chief Executive of the Devon & Cornwall Housing Association gave a presentation on the findings of the Affordable Rural Housing Commission, of which she had been a member. This had been set up in autumn 2005 by the Office of the Deputy Prime Minister and DEFRA.

The Commission had acknowledged that the problem of affordable housing was that demand for housing in rural areas exceeded supply and that house prices were too high for the people who lived and worked in rural settlements. There were also the problems of slow delivery mechanisms and the cost of development land. The Commission had come to the conclusion that there was no public gain from allowing exception sites.

During discussion the Members of the committee made the following points and questions:

- Would a better use of the housing stock be achieved by suspending the Right to Buy(RTB);
- The focus of the report was on rural housing but the need for homes in urban areas was just as great;
- It was very difficult for people in the East Devon area with low wages;
- What incentive was there for developers to build socially rented housing?
- Housing Associations should be encouraged to consider the acquisition of homes formerly sold under the RTB legislation;
- That East Devon's policy was for mixed development and not just socially rented housing;
- The conversion of agricultural buildings could be relaxed to produce small developments of affordable housing in the countryside;
- The threshold of 15 houses before a developer needed to provide a social housing element was often abused and could be changed;
- That a developer should receive a proportionate reward for the development of his assets;
- South Hams District Council had reduced the threshold for developers in rural areas to 3, which was evenly split between socially rented, full market value and shared ownership, they require 60% affordable housing;
- The possibility of introducing a clause for developers where the contribution from a developer towards affordable housing increased with the number of houses built(roof tax);
- The relaxation of the Inset Plan for mixed building development was a way forward;
- The programme of providing rented housing was essential to 20% of people who will not be able to purchase their home;
- The need for a whole range of affordable housing across the District.

**Presentation by Clare James, Clinton Devon Estates**

Clare James from Clinton Devon Estates gave a presentation on a new approach to the provision of affordable housing. This was the Estate's intended strategy in providing affordable housing without public subsidy across its estates in Devon.

Members noted that the Estate had a very long history in the provision of affordable housing and 76% of its portfolio of houses were rented at or below the government defined threshold of affordability for the area. The Estate had a housing list with at least two families waiting for each property and had recently closed its waiting lists. Some families had been waiting over 4 years and turnover of properties was very low.

20 **Presentation on Affordable Housing within the District (cont)**  
**Presentation by Clare James, Clinton Devon Estates**

Clare James reported that there were four drivers for the Estate to find new solutions to the affordable housing problem:

- a) Recognition of the need to foster economically active communities.
- b) To provide an opportunity for their own employees to get onto the housing ladder, as housing was not provided in retirement.
- c) To facilitate provision of housing for Estate contractors and suppliers who provide essential services throughout the Estate.
- d) Enabling the employees to be able to live close to where they work, which is based on the principles of sustainable development.

The Estates proposed model consisted of a ring fenced transparent “vehicle”. The land would be transferred to this vehicle at nil or nominal cost. Governance would be by local bodies. There would be a mix of shared equity and rented properties. Control and affordability in perpetuity would be governed by the granting of 999 year leases rather than the sale of the freehold. Some higher value shared equity would be included to help the cross subsidy. The Estate could provide this without the need for public subsidy, and the local authority would have nomination rights.

The issues were that this model was economically viable, had obtained parish support and could possibly meet planning policy. Clinton Devon Estates had several possible sites in mind including those in East Devon for possible development under this scheme. The Estate was happy to enter into S106 agreements even if onerous.

During discussion the Members of the Committee made the following points and questions:

- Did the limited infrastructure and services in some villages present a problem to such developments;
- Sustainability was an issue for developments on green field sites;
- Planning policy limited the number of houses that could be developed on an exception site;
- Was there staircasing out of shared ownership?
- The survival of villages as thriving communities was important;
- That it was not a concern who provided affordable housing, but it was important that it was provided.

**Presentation by Janine Banks, representing FWS Carter & Sons**

Janine Banks representing FWS Carter, gave a presentation on the possible development of two sites under her client’s ownership in East Devon for affordable housing. She reported that there were three key themes on how the crisis was addressed - policy, prejudice and practicalities. There was also the need to look after young people in rural areas otherwise villages would become elderly dormitories.

Concern was expressed over the onerous Section 106 agreements often imposed on developers. As a result Housing Associations were looking for land that developers were reluctant to sell to them due to the low level of return they would receive. The District Council had an opportunity to allow landowners the opportunity to provide affordable housing. If Councillors were concerned about the perpetuity issue it could be added into Section 106 agreements.

During discussion the Members of the Committee made the following points and questions:

- The need to protect areas of East Devon for future generations;
- The desire to see development on brown field sites;

**Presentation on Affordable Housing within the District (cont)****Presentation by Janine Banks, representing FWS Carter & Sons**

- The importance of sufficient infrastructure to support new housing;
- That open market cross subsidy was contrary to planning policy at present and in the foreseeable future;
- That the exceptions policy would never solve the problem of affordable housing by itself;
- Setting up a Think Tank for Affordable housing;
- South Hams District Council has been a beacon authority for affordable housing;
- The Regional Spatial Strategy had halved the number of houses which could be allocated in rural villages;
- The need to allocate sufficient sites for affordable housing;
- There was a constraint through availability of public subsidy, for affordable housing, as it dwindled the private sector would need to get more involved with its provision;
- The need to look at the reuse of the existing stock and possible subdivision of existing properties as there was the need in particular for smaller properties;
- Planning policy issues can be a barrier to affordable housing delivery;
- The need for planning officers to work with the need for affordable housing;
- Development of a exceptions policy for sites in towns;
- Modern methods of construction (including timber framed properties) could be a cheaper way for building affordable homes;
- The need to be brave to solve the problem, despite the likelihood of local prejudice and opposition.

**Summing up and thanks**

John Golding presented the current affordable housing development programme. Members noted that there were approximately 4,100 households on the Housing Register in East Devon, with 1,000 in priority housing need. The Housing Needs Survey identified a need for 736 new affordable homes per annum over a five year period. The output of affordable homes had doubled in recent years with 57 homes completed in 2004/05 and 62 in 2005/06.

There were 1,437 homes in the development programme. (This included 1,160 homes at Cranbrook). It was noted that, due to the nature of the development process, not all 1437 would be delivered.

The Chairman thanked all those who had attended the meeting and for taking such an active part in the discussion. He thanked the speakers for their valuable time and contribution. He also thanked Karime Hassan and John Golding for setting up the meeting and arranging the speakers.

**RESOLVED**

that a special meeting be held in December to discuss the issue of Affordable Housing, with the Head of Planning & Countryside being invited along with speakers who made a presentation to this meeting.

**RECOMMENDED**

- (1) that a Think Tank be set up jointly between the Communities and Environment portfolios to consider the issue of Affordable Housing, to feedback to the December meeting;
- (2) that a policy document be produced, including the testing of those models presented, so the Planning Department can look at this issue and advise whether they could progress some of the proposals made at this meeting.

Chairman .....

Date .....