APPEAL BY WADDETON PARK LTD AGAINST MID DEVON DISTRICT COUNCIL'S DECISION TO REFUSE PLANNING PERMISSION

APPEAL REFERENCE: APP/Y1138/W/22/3313401

LAND AT HARTNOLLS FARM, TIVERTON

PROOF OF EVIDENCE OF DAVID SEATON

AFFORDABLE HOUSING SUPPLY

OUTLINE PLANNING APPEAL FOR THE EXTENSION TO THE EXISTING BUSINESS PARK FOR UP TO 3.9HA OF EMPLOYMENT LAND AND UP TO 150 RESIDENTIAL DWELLINGS WITH ASSOCIATED OPEN SPACE AND INFRASTRUCTURE (WITH MEANS OF ACCESS TO BE DETERMINED ONLY).

AUGUST 2023

PCL PLANNING

PCL Planning Ltd
13a-15a Old Park Avenue,
Exeter, Devon, EX1 3WD United Kingdom
t: + 44 (0)1392 363812
www.pclplanning.co.uk

Contents

1. Qualifications and Experience

1.1 My name is David Seaton. I am a Chartered Town Planner and I have been practising in the profession since 1987. I spent some 12 years in Local Government in development control, plan making and finally running a regeneration team. I left the public sector to join Midas Homes Limited (MHL) originally as a Strategic Land Manager. During my time at MHL I was appointed Planning & Development Director and I spent three years on the board of the company with full responsibility for procurement and delivery of sites through to the production team. I was also a member of the team that undertook the due diligence exercise for the acquisitions of Knapp New Homes and Linden Homes during this period. I left MHL at the end of April 2008 to found PCL Planning Ltd. MHL subsequently rebranded to become Linden Homes.

1.2 During my time with MHL I assisted in building and maintaining a business that delivered some 500 units per annum in the south west, including the delivery of a significant amount of affordable housing and numerous award-winning schemes. During this period, I represented the housebuilding industry on the steering group of the South West Regional Housing Board (SWRHB). I represented the SWRHB at the round table sessions during the Barker Review.

1.3 PCL Planning Ltd act for a wide range of clients across the south west. We have given evidence at a number of significant inquiries and examinations across the region.

1.4 The opinion given in this proof has been prepared, and is given, in accordance with the guidance of my professional institution the Royal Town Planning Institute (the RTPI). I confirm that the opinions expressed are my true and professional opinions

2. Importance of Affordable Housing

2.1 Affordable Housing is a key material consideration, and identified in a range of relevant documents, including the DP, the NPPF and the NPPG.

National Planning Policy Framework (NPPF) July 2021

2.2 Section 5 of the NPPF identifies the importance of delivering a sufficient supply of homes.

2.3 Paragraph 62 informs on the importance of providing suitable dwellings for a range of different community members, including those in need of affordable housing.

3. The Strategic Housing Market Assessment

3.1 The most recent assessment of affordable housing need was published within the Exeter Housing Market Area Strategic Housing Market Assessment (SHMA) 2014/15 (CD28). This document was commissioned in August 2013, published in March 2015, and covers the period of 2013 to 2033. The SHMA was an evidence base document to the MDLP.

3.2 This document assessed specific affordable housing needs within Mid Devon. It identifies that there was a need for an average of 124 new affordable dwellings *per year* (Table 1-4, Page 9). This equates to 2,480 new residential units between 2013 and 2033.

3.3 The SHMA (CD28) then went on to state that

> *"An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes."* (Paragraph 11.1.13, Page 110)

And advised that:

> *"Noting that the total affordable need is much higher than the number of homes likely to be delivered by market led development, the authorities of the HMA will need to give consideration to the scope and potential to increase total housing delivery, above objectively assessed needs, as a means to promote additional affordable housing delivery".* (Paragraph 11.1.14, Page 111)

3.4 Paragraph 11.1.14 of the SHMA (CD28) identifies that within the Exeter Housing Market Area the affordable housing need is much higher than the number of homes likely to be developed. In full, it states:

> *"Noting that the total affordable need is much higher than the number of homes likely to be delivered by market led development, the authorities of the HMA will need to give consideration to the scope and <u>potential to increase total housing delivery, above objectively assessed needs</u>, as a means to promote additional affordable housing delivery".* (Paragraph 11.1.14, Page 111)

4. The Development Plan and Meeting Current Affordable Housing Need within Mid Devon

Quantum

4.1 The manner in which housing needs are provided for in Mid Devon is predominately via the provision of new affordable dwellings as a proportion of new homes delivered from 'market led' sites.

4.2 Affordable Housing Provisions are set out in Policy S3. This policy states that:

> *"Unless otherwise stated in a site allocation policy, on open market housing sites (i.e. excluding exception sites provided under Rural Exception Sites under policy DM6) of 11 dwellings or more in Tiverton, Cullompton and Crediton a target of 28% affordable dwellings, and on sites elsewhere of 6 dwellings or more a target of 30% affordable dwellings will be applied to the total number of dwellings…"*

4.3 The DP acknowledges that the affordable housing supply is unlikely to meet the anticipated need since:

> *"not all allocations will come forwards or others may be developed with a lower housing number than specified in the policy."* (paragraph 2.28, page 26)

4.4 Further, even at 30% of the requirement figure embedded in the DP (of 7860), that quantum equates to only 2358 affordable dwellings. This is below the identified need figure of 2480 in the SHMA (which was produced for the period 2013 – 2033, the same as the DP).

4.5 The SHMA was an evidence base document for the MDLP, so the Council chose not to seek an increase in the affordable housing policy to meet the affordable housing need.

4.6 In my opinion, factoring in:

- the 28% figure enshrined in policy S3 for sites in Tiverton, Cullompton and Crediton
- the other policy exclusions (exception sites, or schemes of below 11 of 6 units)
- viability cases presented at application stage

then it is inevitable that the level of new affordable homes that will be provided via the planning system, over the plan period will fall significantly below the Council's anticipation:

> *"The application of the affordable housing policy is anticipated to deliver over 2,000 affordable dwellings across the plan period, equating to approximately 30% of total housing supply"* (paragraph 2.28, page 26)

4.7 Firstly I note that 2,000 dwellings is significantly below 30% of the requirement figure of 7860 (it is 2358). Secondly, in my opinion, due to the matters that I have identified above a more realistic estimate is circa 1,000 units (and that is before the matter of losses to stock is factored in).

4.8 The needs assessment model of the SHMA (CD28) identified that 913 households are in bands A-D on the councils waiting list in 2014/15 (Appendix III, Table 1-2, page 147).

4.9 This figure has seen no substantial change. Current registered need in Bands A-D is 860 households (see Devon Home Choice, Quarterly Monitoring Report, April 2023, Table 4 (CD29) – extract below (Figure1)).

Figure 1 – Numbers on the register in Band A to D (per quarter)

	Apr-21	Jul-21	Oct-21	Jan-22	Apr-22	Jul-22	Oct-22	Jan-23	Apr-23
Mid Devon	772	819	820	803	868	899	910	886	860

Ref: Table 4 from Devon Home Choice Quarterly Monitoring Report (April 2023), CD29

4.10 It is therefore evident that, over time, identified affordable housing needs have remained relatively consistent and it appears that, at least in part, this lack of meaningful reduction in needs stems from poor delivery of new affordable dwellings over the plan period.

5. Affordable Housing Delivery in Mid Devon Over the Plan Period

5.1 The table below (Figure 2) sets out the delivery of affordable housing within Mid Devon throughout the plan period (this data was obtained from public documents [CD30] and an FoI [CD33]).

Figure 2 – Affordable Housing Additions in Mid Devon

Monitoring Year (20xx)	Net total housing completions	Additions to Affordable Housing Stock (Gross)	Gross affordable additions (% of total completions)
13/14	320	68	21.3%
14/15	316	57	18.0%
15/16	288	22	7.6%
16/17	304	31	10.2%
17/18	502	115	22.9%
18/19	432	87	20.1%
19/20	425	133	31.3%
20/21	335	30	9.0%
21/22	238	24	10.1%
Total	**3,160**	**567**	**17.9%**
Ave. PA	**351**	**63**	**17.9%**

Ref – CD30, CD32 & CD33*

* The FoI information identified units permitted for holiday use separately to standard housing completions. These have not been included in the net housing completions figure as they do not provide accommodation for the local population.

5.2 Figure 2 identifies that an average of 63 additional affordable dwellings per annum provided in Mid Devon over the plan period to date (2013 – 2022). This equates to 17.9% of all dwellings delivered being affordable.

5.3 The affordable housing delivery over the plan period to date fails to meet the identified affordable need of 124 units per year identified in the DP (paragraph 2.27 [p.25]) and SHMA (Table 1-4, page 9) (CD28). It also fails to meet the 118 units per annum that would be achieved through delivery of 30% of the annual housing requirement figure (393 units). This is also prior to accounting for the loss of existing affordable homes.

5.4 The above calculations do not take into account the loss of affordable housing stock. This has a further detrimental impact on the overall provision of affordable housing in Mid Devon, with a significant number of affordable units being lost annually.

Loss of Affordable Dwellings in Mid Devon

5.5 Affordable houses are lost from the existing stock through a range of methods. Two key causes are demolition and sales to sitting tenants.

5.6 This data has been gathered from the “Social housing sales open data” published by the Government (and linked in CD30). In Mid Devon, four disposal methods are identified:

- Other sales
- LCHO Sales [Low cost home ownership]
- Demolition
- Sales to sitting tenants

5.7 In Figure 3 (below), only affordable dwellings disposed of through “Demolition” and “Sales to sitting tenants” have been considered. This is due to the lack of clarity regarding the other two disposal methods. “Other sales” may include the sale of dwellings between registered providers, resulting in no overall loss, whilst “LCHO Sales” are likely to remain at affordable rates in perpetuity as a condition of the purchase (however this may not necessarily be the case).

5.8 Therefore, I adopt the position that Figure 3 provides a conservative quantity.

Figure 3 – Loss of affordable dwellings in Mid Devon

Monitoring Year (20xx)	Sales to sitting tenants	Demolition	Total
13/14	29	0	29
14/15	11	0	11
15/16	19	0	19
16/17	28	0	28
17/18	26	0	26
18/19	13	0	13
19/20	29	0	29
20/21	10	0	10
21/22	29	0	29
Total	**194**	**0**	**194**
Ave. PA	**22**	**0**	**22**

Ref CD30

5.9 It’s therefore evident that an average of 22 affordable homes a year have been lost over the plan period to date.

Figure 4 – Net Additions to Affordable Housing Stock in Mid Devon (2013 – 2022)

	Total housing completions	Gross Additions to Affordable Housing Stock	Total dwellings lost	Net Addition to Affordable Housing Stock	Net affordable addition (% of total completions)
Total (13/14-21/22)	3,160	567	194	**373**	**12%**
Ave. PA	351	63	22	**41**	**12%**

Ref – Figure 2 and Figure 3

5.10 Throughout the DP period to date (2013 – 2022), 194 affordable homes have been lost. This results in a net addition of 373 affordable homes (compared to the gross delivery of 567 dwellings), an average of 41 per annum. When calculated against the total housing delivery, this results in a net affordable dwelling increase of 12%, substantially below DP targets of between 28% and 30%. This is shown in Figure 4.

Housing Delivery Compared to Housing Needs

Figure 5 - Affordable Housing delivery compared to need in Mid Devon

Monitoring Year (20xx)	DP Affordable Housing Annual Target*	Net Addition to Affordable Housing Stock (AH addition – dwellings lost)	Annual Shortfall (-)	Cumulative Shortfall (-)
13/14	118	39	79	79
14/15	118	46	72	151
15/16	118	3	115	266
16/17	118	3	115	381
17/18	118	89	29	410
18/19	118	74	44	454
19/20	118	104	14	468
20/21	118	20	98	566
21/22	118	-5	123	689
Total	**1062**	**373**	**689**	**689**
Ave. PA	**118**	**41.4**	**77**	**77**

**Based off of 30% of the housing requirement figure (393 dwellings) being affordable*

Ref – Figure 2 and Figure 3

5.11 The average net affordable addition (accounting for affordable dwellings lost) over the plan period to date has been consistently poor, with a total shortfall of 689 affordable dwellings. This equates to an annual under-delivery of 77 affordable dwellings.

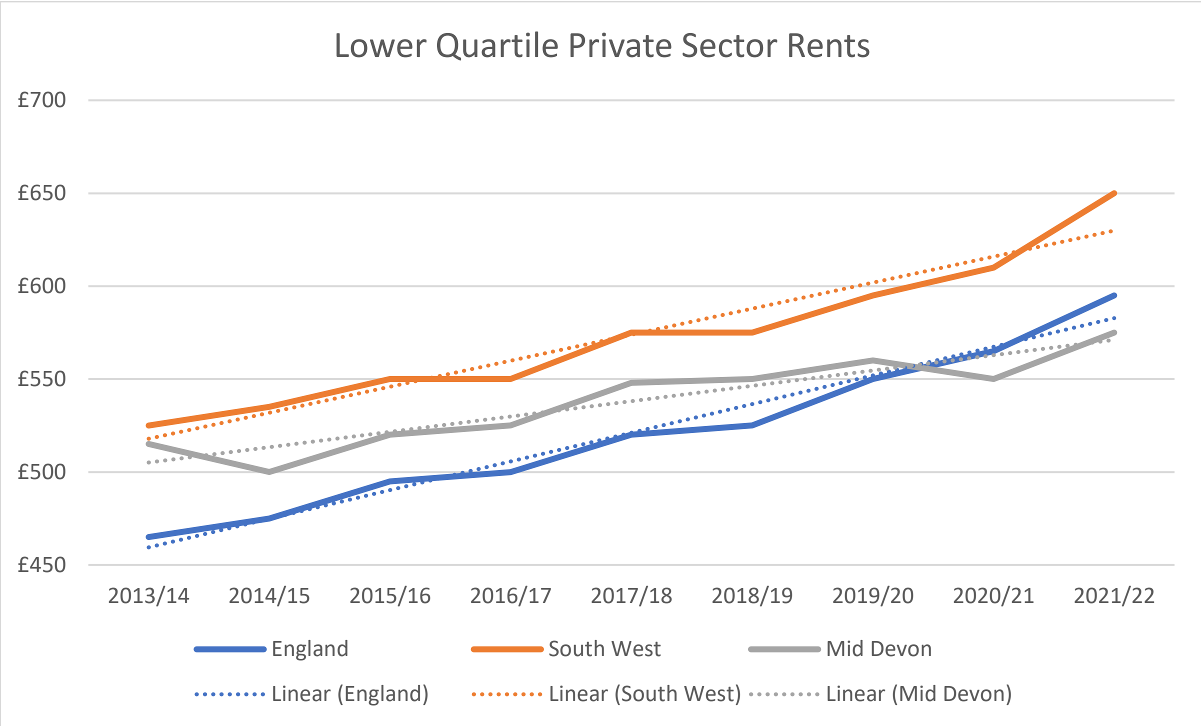
5.12 When this shortfall is compared against the identified Affordable Housing need in the SHMA (of 124 dwellings per annum), the shortfall for 2013 – 2022 increases to 743 dwellings. This is a shortfall of 83 dwellings per annum.

6. Increasing Lack of Housing Affordability

Private Rental Market

6.1 The average lower quartile monthly rent in Mid Devon for the year of 2021/22 was £575 pcm (for data sources see CD30). This equates to approximately a 12% increases since 2013, where this rent figure was £515 pcm. This is shown in Figure 6.

Figure 6 - Lower Quartile Private Sector Rents 2013/14 to 2021/22



Ref: CD30

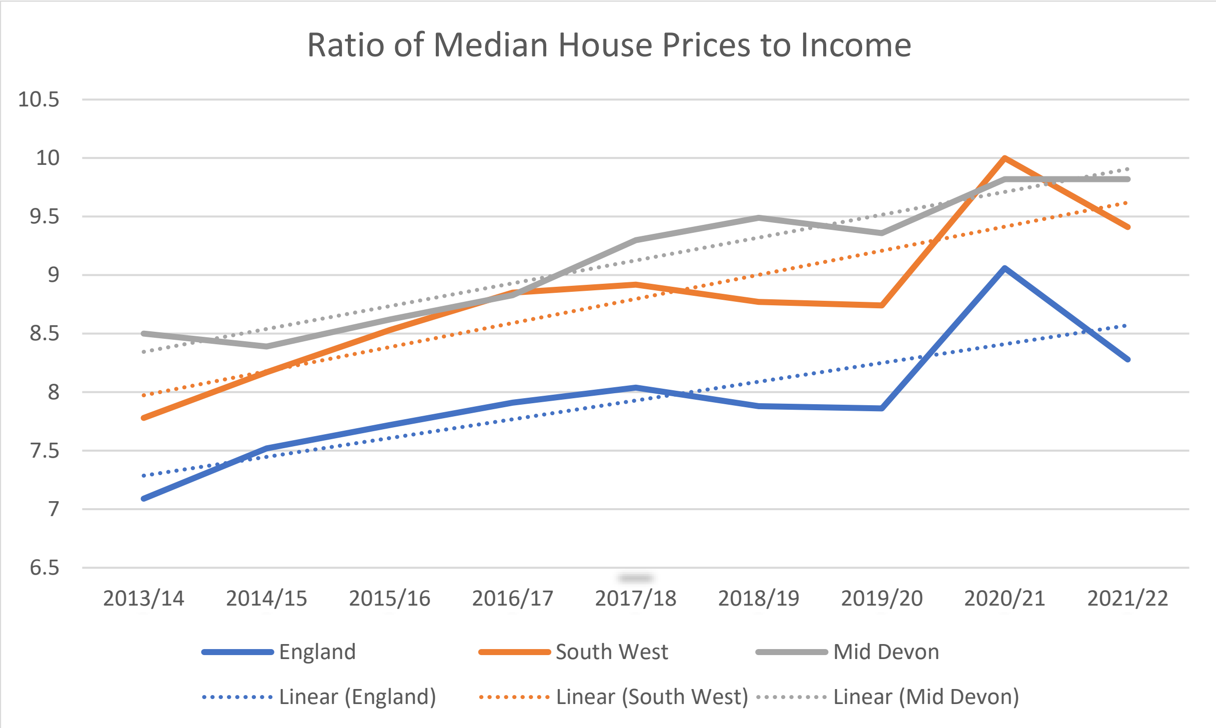
Median House Prices

6.2 The ratio of median house prices to median incomes has increased by 15.5% throughout the development plan period. In 2013 the ratio was 8.5, whilst it is currently 9.82.

6.3 Figure 7 shows that the affordability ratio is showing no clear improvement trend, with linear lines for each area identifying a continuous upward trend.

6.4 Mid Devon continues to stand above the national average of 8.28 and the South West average of 9.41.

Figure 7 - Ratio of Median House Prices to Incomes



Ref: CD30

7. Conclusions

7.1 The 2014/15 SHMA (that covers the period 2013 – 2033, CD28) identified the need for 124 affordable dwellings per annum to be delivered in Mid Devon.

7.2 The SHMA is an evidence base document for the DP. However, the DP fails to make suitable provisions to meet the annual affordable housing need identified in the SHMA.

7.3 Furthermore, from the data available, since the start of the plan period, there has been a significant lack of affordable housing provision compared with anticipated (and needed) delivery with an average production of 63 affordable houses per annum throughout the plan period, (compared with an anticipated delivery rate of 118 affordable dwellings per year pursuant to the DP (policy S3), and an identified need for 124 affordable dwellings per year in the SHMA (CD28).

7.4 When the loss of homes is considered, this results in the net additional affordable homes dropping from 63 to 41 pa. This results in a net delivery of 12% affordable dwellings, substantially below DP targets of between 28% and 30%.

7.5 From the start of the DP period to date, there is a cumulative affordable housing shortfall of 689 dwellings, with this figure increasing year on year (at an average of 77 dwellings per annum). It is also worth noting that this shortfall is against the DP affordable housing target. When compared against the identified need in the SHMA, this figure will be greater (increasing by 54 dwellings, to a shortfall of 743 dwellings).

7.6 It is therefore clear that identified affordable housing needs are significant.

7.7 It is also evident that the Council has, over a sustained period of time, failed to satisfactorily address the housing needs of the most vulnerable in our society. Furthermore, it is clear that the need of 124 affordable homes per annum identified by the 2014/15 SHMA remains valid.

7.8 The appeal proposal makes full provision for meeting the Council's policy target of 28% for residential units in Tiverton (policy S3). This equates to 42 dwellings (assuming 150 dwellings are developed).

7.9 In Mid Devon's particular circumstances (where the identified affordable needs will not be met by a significant margin) then the contribution that the appeal proposals could make to meeting those identified affordable needs is a very important material consideration that further points towards allowing the appeal.

7.10 Therefore, the provision of up to 42 affordable houses in accordance with Policy S3 should be accorded very significant weight.