

MID DEVON LOCAL PLAN REVIEW

Additional Statement from Persimmon Homes South West in response to Harcourt Kerr's Update Note relating to the delivery of Gypsy and Traveller pitches

14th March 2019

1.0 Additional Comment

- 1.1 Thank you for the opportunity to comment further on this matter and on the submission by Mr Philip Kerr relating to gypsy and traveller pitches. I can confirm that I have had sight of the DLP Planning additional response and concur with the statements within it, and I do not intend to duplicate those points in this supplementary submission.
- 1.2 Mr Kerr's submission outlines points that are valid and reflective of experience in the development industry and by house purchasers. To demonstrate this I provide the following statement that is linked to the points being made by Mr Kerr.
- 1.3 It is well known that there are a number of issues that influence the value of land, both positively and negatively. Valuation takes an impartial view of these matters, and viability studies attempt to cover all costs and values in an effort to provide an accurate result. To be accurate, all relevant factors need to be taken into account.
- 1.4 There are many requirements in policy that impose a cost upon a proposed development. These need to be fully factored into any viability assessment. In this particular instance, there are conflicting views that a proposed imposition in policy has, or has not, got an impact upon land values and an impact upon whether a development goes ahead.
- 1.5 Whilst we are being asked to provide evidence to support our position it is worth pointing out that the District Council has provided limited evidence of their own to state that a) the only/best way to deliver new travellers sites within the plan area and b) such an allocation does not have an impact upon the deliverability or viability of the wider development. Relatively broad national guidance on provision of gypsy and traveller sites has been relied upon but little comment is made on the issue of land viability and deliverability. Their response to the Harcourt Kerr submission is also limited and does not further their case.
- 1.6 The District Council has chosen the submitted strategy to help provide for the identified need for gypsy and traveller sites. The evidence base that supports that approach should therefore a) be sound and b) indicate that this is an effective way to ensure delivery. Whilst the Council could employ an alternative strategy to deliver gypsy and traveller sites, given their preferred approach the Inspector is respectfully asked to consider

whether the evidence base is sufficiently sound to indicate that this is the best approach to delivery.

- 1.7 A positively worded policy which allows for sites to come forward in other locations is one option. Applying for planning permission and use of District or County Council land for this purpose is another. Allocation of a range of sites is a third. As has already been raised, total intransigence on this matter threatens the delivery of the key strategic developments in the Local Plan Review, and whilst the point was made at the Hearing that this only impacts upon around 33% of the Plan's allocation in my opinion this is a significant negative impact upon the delivery of the Plan.
- 1.8 In terms of evidence to support the views put forward, the Inspector is aware of Appendix B of my statement contains a Planning Officer's report from Teignbridge District Council on planning application 18/01759/FUL (Alterations to existing gypsy and traveller site including the relocation of 1 existing pitch and creation of 7 additional pitches (8 pitches in total), amenity buildings, landscaping and surface water drainage).
- 1.9 Paragraph 3.11 of the Officer's report states "*off-site provision is required as a consequence of funding/financial constraints not only on the developers but also potentially on mortgagees*". It goes on to say that this is a difficult Officers were looking to resolve, however it currently remains an unresolved issue and is therefore relevant in this case.
- 1.10 Paragraph 3.11 in my initial Appendix B covers two points made to the Inspector in submissions and during the hearings into the Mid Devon Local Plan Review, namely the impact of an on-site gypsy/traveller allocation on deliverability of the strategic allocation, and the financial implications of an inflexible approach in policy.
- 1.11 Prior to the Mid Devon Local Plan Review hearings PHSW contacted a number of local land and estate agents, and posed the following question:

In your professional opinion what impact, if any, do you consider the setting of a gypsy and traveller site within a new residential allocation will have on the viability of the development?

- 1.12 The response received are attached as supplemental evidence for the Inspector's consideration:
 - 1.12.1 Appendix A – Luscombe Maye
 - 1.12.2 Appendix B – Kitchener Land and Planning
 - 1.12.3 Appendix C – Knight Frank
 - 1.12.4 Appendix D – Mill Green Estates
 - 1.12.5 Appendix E – Greenslade Taylor Hunt
 - 1.12.6 Appendix F – Chesters Commercial
 - 1.12.7 Appendix G – Herridge Property Consulting Ltd

- 1.13 As can be noted from the responses, a number of these individuals have direct experience with this particular issue. The responses are consistent; there is an impact upon development viability, property values and sales rates.
- 1.14 Viability Studies/Assessment should identify this impact and give it proper consideration. It is not for PHSW or others to give a value to the impact; at this stage it is merely important that the impact is acknowledged and subsequently considered. Failure to do so leaves a chasm in the accuracy of a viability assessment and the consideration of deliverability of Mid Devon's most strategic developments.
- 1.15 It follows that as there is a likely impact upon the viability and deliverability of these developments that the District Council should re-assess their insistence on provision of sites within their strategic allocations. Put simply, a flexible approach that provides a more realistic policy basis is much more likely to see these important sites come forward and be developed as the Council expects, as well as facilitating the provision of gypsy and traveller sites within their area to meet identified need.
- 1.16 From a financial perspective, it is appreciated that the Inspector needs to see tangible evidence to support the stated position of Mr Kerr and others, and in particular that an existing/proposed gypsy and traveller site can impact upon a potential mortgage decision. Such decisions are by their nature risk averse and there are many variables taken into account. This makes it difficult to quantify specific parameters. There is also a perceived sensitivity of the particular issue in question. The combination is that it is not easy to get hard evidence in writing. The DLP Planning response notes that most "hard evidence" of the impact upon the delivery of strategic sites in the Plan area will probably only become evident after construction commences.
- 1.17 That said, [REDACTED] were asked for their thoughts and responded as follows (see Appendix H):
- 1.17.1 *"The proximity of the gypsy and traveller accommodation is a factor that would be reflected in any mortgage valuations and may affect market value or even make some properties unmortgageable, but this would be for the valuer to decide depending on the precise circumstances of each case".*
- 1.18 This provides further evidence beyond the anecdotal to support the view of the development industry, land agents, estate agents, and mortgagees that there is a tangible impact that needs to be given proper consideration in both setting policy and viability studies.
- 1.19 In other related issues, during the hearings reference was made to the value of gypsy pitches. As comparable evidence I orally referred to

recent Viability Assessment work commissioned by East Devon District Council by Three Dragons and Ward Williams Associates (see extract in Appendix I). In paragraph 6.3.2 the report notes that the value of the 15 pitches, based on comparables provided across the country, would be £825,000 (i.e. £55,000 per pitch). The comparables are taken from across the country.

- 1.20 Given the views of land agents and the financial implications of an allocation it is disappointing that the Three Dragons report is silent on the negative impact of providing gypsy and traveller pitches on land/property values beyond the pitches themselves, and upon development viability. As stated in 1.14 above, to be accurate and useful such assessment work has to consider all identifiable costs; not to do so renders it defective. The extract in Appendix I is therefore an example of viability work which does not cover all relevant considerations. (PHSW and others are in the process of questioning the report prior to it, and associated documents, being finalised).
- 1.21 As previously submitted to the Inspector, one solution to the situation is to allow flexibility within the relevant policies (TIV1, CU1, CU7) to allow for off-site development to deliver an identified need. As stated at the hearing it is fully appreciated that gypsy and traveller provision/allocations are needed, and an appropriately worded positive policy could allow for development in other locations, not linked to strategic allocations, to come forward for development.
- 1.22 As an example, Policy WE6 of the Teignbridge Local Plan 2013-2033 is a criteria-based, positively worded, policy that another local authority within the GESP area has adopted. Policy WE6 is included in Appendix J. The Teignbridge Local Plan also makes a specific allocation, on a site which a registered provider will manage. Whilst exact replication may not be the best solution for Mid Devon it is submitted that this approach provides a way forward for the Plan area which can be flexible, positive and overcome the identified and evidenced concerns.
- 1.23 More anecdotally there are online forums – for example www.moneysavingexpert.com – that contain contributors who have either failed to get mortgages or have had offers withdrawn when the knowledge of a traveller site has been raised. It is appreciated that limited weight can be given to the content of forums such as this however they do contribute to the overall picture:

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2.0 Conclusion

- 2.1 I speak on this matter from considerable experience having been responsible for the Gypsy and Traveller Service in Somerset for many

years, managing four sites across the county with 56 permanent pitches, a transit site of 24 pitches, and dealing with unauthorised encampments on both County Council land and highways. The issue can be a sensitive one, it is important to separate economic considerations from any allegations of prejudice, and to focus on facts relating to the former. This sensitivity can mean it is difficult to get written evidence to support the factual position. However, my appendices, along with previous submissions, provide evidence of the facts for the Inspector's consideration.

- 2.2 The economic considerations and impacts upon development viability present us with a clear fact: that the presence of a gypsy and traveller site, or proposed site, has a financial impact. This may appear unpalatable and prejudicial however we have to focus upon the economic facts of the situation, and the likely impacts of the policy. Whilst there is value in the traveller pitches themselves the impact beyond a traveller site allocation translates into reduced land and property values, likely reduced initial sales rates, ongoing impact on sales, and impact upon the viability and deliverability of a development, or build-out of sites.
- 2.3 Mr Kerr's statement reflects the growing knowledge in the development industry, and specifically around the difficulties of getting finance. It was telling that this issue was raised by a number of parties at the hearings.
- 2.4 As submitted in my statement, in order to progress with a sound plan Mid Devon District Council should acknowledge the potential impacts of insisting on gypsy and traveller sites within strategic allocations, acknowledge the impact upon deliverability, and provide for flexibility within the policy that allows for off-site provision.
- 2.5 The Inspector is respectfully asked to:
 - 2.5.1 review the evidence used to support the current approach;
 - 2.5.2 amend policies TIV1, CU1 and CU7 to allow for off-site provision of gypsy and traveller pitches; **or**
 - 2.5.3 remove the requirement for on-site allocation.

Appendices

- Appendix A – Luscombe Maye
- Appendix B – Kitchener Land and Planning
- Appendix C – Knight Frank
- Appendix D – Mill Green Estates
- Appendix E – Greenslade Taylor Hunt
- Appendix F – Chesters Commercial
- Appendix G – Herridge Property Consulting Ltd
- Appendix H – Three Dragons and Ward Williams Associates extract of report
- Appendix I – Natwest email response
- Appendix J – Policy WE6 of the Teignbridge Local Plan