Swindon Local Policy Forum

Delivering Development in a Recession – Providing Clarity, Certainty and Consistency through Development Plan Documents

Yellow Group Delegates

Mark Fox – Pegasus Plannins
George Paton – Webbpaton
Kevin Ayrton – Drewatt Neate
Graham Singer – Graham Singer Chartered Surveyors
James Lockhart – Whitmarsh Lockhart
Chris Hitchings – The New Swindon Company
Simon Chapman - Colliers
Nathan McLoughlin – CGMS
Jan W Molyneux – Terrence O'Rourke
Sarah Smith – DPDS
Simon Bayliss – GVA Grimley
Claire Fisher – Turley Associates
Michael Shirley -Webbpaton

Introduction

Following on from the five update presentations from Officers of Swindon Borough Council, the extremely well represented Yellow Group had an extensive debate about the challenges facing developers and planning authorities in this period of economic instability. A detailed discussion was then had about how planning policy in Swindon in the form of the evolving Core Strategy and Site Allocations Development Plan Documents (DPDs) should respond to these challenges.

State of the Market

There was a general discussion in the group about the volatile state of the economy in the wider sense, the availability of mortgages and the lack of first time buyers, and the implications this is having for developers and the housing market. The general consensus was that the market will take a year or two to stablise and up to 3-5 years to return to healthy growth.

One delegate said that a consultancy had reported it would take 17 years before we get back to where we were two years ago, but that this statement was retracted as it caused too much panic. The group questioned whether we should aim to be where we were two years ago as this was the source of today's problems. A more steady growth is needed in the future to avoid a repeat of the current problems.

As an aside, one delegate raised the issue of further uncertainty that would be caused by a potential change in Government, with the Shadow Housing Minister believed to be against Regional Spatial Strategies and likely to deliver a new policy direction and ethos.

Market and Affordable Housing, and Commercial Development

There was general consensus amongst the delegates that the next five years will be very tough times and a halt in the market for private developers. It is conceivable by many that affordable housing developments could be the only housing which comes forward as viability decreases further. The percentage of commercial buildings being constructed has fallen significantly.

A view was expressed that any market development which is likely to take place in the next year or two will already have planning permission, although many developers will now be 'sitting' on their planning permissions. Given covenants on land agreements, developers will be cautious about applying for and securing new planning permissions if this triggers a land sale. Similarly landowners are reluctant to sell land until prices are more favourable. A stalemate is ensuing.

Planning Obligations and Government Funding

There was consensus around the table that Section 106 agreements are a key consideration in these new economic conditions. The question was raised: *Is it now, given the problems in current times, necessary to ask people to pay the contributions even though they are not part of the development?* One delegate explained that whilst in the past developers may have accepted onerous Section 106 agreements, now that times are leaner, developers are less inclined to accept all but the most relevant and direct Section 106 agreements. The Officer from Swindon Borough Council who was present in the group responded by explaining that '*anyone who wishes to use Swindon's infrastructure must understand the need for regeneration of the area and the contributions that are needed to achieve this'*.

This view was echoed by the delegate from the New Swindon Company who disagreed with the sentiment that many obligations are not sufficiently linked to the development proposed, by explaining that there is always a link between new developments in Swindon and wider urban infrastructure and public realm improvements in the urban area it occupies and impacts upon. He felt the real problem was that developers are paying too much for the land in the first place which makes the 106 agreements much more difficult to achieve. One of the land consultant delegates explained that in a fair and democratic society in a buoyant market, it was acceptable to pay 'top dollar' for land.

Many of the private sector agents and developers in the group expressed the view that local planning authorities have to make a decision about whether they want development or not, although it was accepted that planning authorities have a duty to secure sustainable development and communities by ensuring social infrastructure is in place. A balance is needed.

A view was expressed about developers needing to adopt an 'open book' policy to demonstrate the impact planning obligations and affordable housing requirements (considered by some to be a stealth tax) have on deliverability of developments. It's '*crunch time'*.

The issue of Section 106 ‘clawback’ and deferred charges was generally considered to be problematic. The question of how this would work was raised and it was generally dismissed as developers would rather have the certainty of paying something up front.

Many members of the group felt that the government needs to look at more ways of funding / subsidising the commercial market and the infrastructure it requires, encouraging the market and increasing employment. Councils feel the government money is not enough and that due to time limits to use funds, money is often lost when if could be put to better effect. There has been, since the economic trouble began, no injection of cash from the government - money tends to get directed towards priority growth areas. The government needs to have greater communication with Councils and their needs.

The Milton Keynes Model

The success and relative strength of Milton Keynes even in current economic conditions was discussed by the group. Some felt this is a model that Swindon can learn from although it was noted that whilst the two towns are a similar size, they have very different funding dynamics.

English Partnership is the main banker for the town and has put a vast amount of money into the marketing of Milton Keynes and infrastructure improvements, which has helped tremendously. Swindon however does have the advantages of a being a better location and this should be exploited in future marketing long-term aims.

Deliverability and Proportionality

Another issue raised by one delegate, with some support, was the need to have smaller sites – this is a proportionality issue – the ground rules have changed. There needs to be a steady stream to control the market and nurture it back to growth in Swindon. Smaller SHLAA sites in the urban area are good examples.

Evidence Base and the Role of Planning Policy

It was identified by the group that the current Housing Market Assessment for the Borough is in need of updating.

There was consensus that the Site Allocations DPD and Core Strategy should not be prescriptive about the housing mix, types, tenures etc. on any one particular site, rather this should be left to Supplementary Planning Documents (SPDs) which can be more flexible and readily reviewed as circumstances change. Oxford City SPD was cited as a particularly good example of an SPD providing this level of information. If DPDs were to specify this type of information, there is a danger they could become too prescriptive, rigid and out of date rather quickly. Instead DPDs should provide a clear indication of the desires ‘direction of travel’.

Thought needs to be given to where affordable housing goes and there needs to be a more careful review of the term ‘mix’ and more discussion on whether affordable housing would fit, by looking at the development plan, or whether more executive homes would be greater suited to a certain location. It was felt the DPD could be improved in this area.

There is a danger of creating a '*modern ghetto*', to provide what's required but to plan where it's situated in accordance with a robust evidence base. Another issue is Registered Social Landlords (RSL) - developers are falling over themselves to sell their land to RSL but RSL are very picky about which sites they choose.
