

THE FAVERSHAM COMMUNITY LAND TRUST
12 MARKET PLACE, FAVERSHAM, ME13 7AE



*Everyone deserves a warm,
safe, secure place to call
home, they can afford.*

Mr P Gregory
Swale Borough Council
Planning Department
Swale House
East St
Sittingbourne
ME10 H3T

5th April 2022

Dear Mr Gregory,

21/506465/HYBRID - Land at Lady Dane Farm Love Lane Faversham Kent ME13 8YN

We write to submit representations in relation to this hybrid application on two counts.

1. The proposed housing tenure mix is unbalanced. There are no 1 /2 bed homes proposed in the mix for private sale.
2. The developers are proposing an affordable mix which does not comply with the Swale tenure policy mix set at 90% social rent tenure and 10% affordable tenure. If this is approved, we calculate that Swale will be surrendering circa £650,000 of their planning gain entitlement.

We are pleased to note that the applicants are offering a policy compliant allocation of 35% affordable housing and that this is to be delivered as one and two bed apartments where the Faversham Community Land Trust Housing Needs survey has evidenced the greatest demand. We do wish though to register a note of caution as no 1 or bed units are being allocated for market sale. This causes a continuation in the paucity of supply that has endured in Faversham during the life of the prevailing local plan.

The applicants endeavour in their Planning Statement to justify a reduction in the provision of social rented housing and propose substituting them with affordable tenure.

Fernham Homes - DHA Planning Statement

“In accordance with Policy DM8 and the Affordable Housing Manager requests, the proposed scheme will deliver 35% affordable housing. However, the tenure split of 90% affordable rent and 10% intermediate housing is not appropriate on the site. This is due to the requirements of Registered Providers who have request a more even tenure split of 60:40. As the Affordable Housing Manager has confirmed a need for all types and sizes of affordable housing, this tenure split is still in accordance with the Local Development Plan and will ensure the delivery of affordable homes across the site.”

This stance is common practice from volume housebuilders when negotiating the affordable housing provisions of S106 Agreements. They seek to challenge and reduce the cost of complying with policy to enhance their scheme viability and profit. Officers are then obliged to negotiate and accept a non-compliant affordable tenure mix by the veiled threat at the end of this statement *“this will ensure the delivery of affordable homes across the site”*. As a rule, developers will fight tooth and nail to optimise their profit margin through a campaign of attrition during protracted S106 negotiations which compels compromise to avoid delay.

We are concerned that a situation is presented where it is apparent that RSL’s are evidently dictating Swale’s affordable housing mix tenure policy. It is noted that no justification or explanation of the RSL’s stance, as to why they cannot address the policy tenure mix, is evidenced on the planning portal.

A generally accepted affordable viability review precedent is that RSL’s purchase homes from developers for S106 affordable tenure at 65% of their Open Market Value (OMV) and social tenure at 45% OMV. Every social rented tenure home that is substituted by affordable tenure gifts 20% of the OMV of the home to the landowner. We have scheduled the planning gain deficit arising from the applicant’s proposal below.

FERNHAM HOMES LADY DANE - AFFORDABLE HOUSING - PLANNING GAIN DEFICIT

SCENARIOS	Typology	Units	Market Value	Tenure	Aff. Value	Subsidy/plot	TOTAL
COMPLIANT SCHEME 90% Soc Rent 10% Affordable	1b	13	£215,000	Soc Rent	£96,750	£118,250	£1,537,250
	2b	14	£260,000	Soc Rent	£117,000	£143,000	£2,002,000
	2b	3	£260,000	Aff Rent	£169,000	£91,000	£273,000
TOTAL PLANNING GAIN		30					£3,812,250
DEVELOPER PROPOSAL 60% Soc Rent 40% interim	1b	9	£215,000	Soc Rent	£96,750	£118,250	£1,064,250
	1b	8	£215,000	Aff Rent	£139,750	£75,250	£602,000
	2b	6	£260,000	Soc Rent	£117,000	£143,000	£858,000
	2b	7	£260,000	Aff Rent	£169,000	£91,000	£637,000
TOTAL PLANNING GAIN		30					£3,161,250
DEFICIT							(£651,000)

Notes:-

OMV - estimate only subject to comparable verification

Interim Tenure Value 65% OMV

Social Rent Tenure 45% OMV

We believe that if Swale are compelled to compromise on the policy mix, officers should endeavour to secure a commuted sum payment to enable the recovery of the full planning gain entitlement from the site. This sum could be ringfenced for the delivery of much needed social rented housing in Faversham. Community Led housing or specialist Affordable Housing promoters could then access and deploy these funds as equity to secure bank finance to fund the development of the 'lost' social rented allocation. In this scenario the leverage of this equity has the potential to increase the social rented provision, over and above the Lady Dane policy compliant allocation to the benefit of those in greatest need.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Atkins', written on a light-colored background.

Stephen Atkins

Land Director

stephen.atkins@favershamcommunitylandtrust.org