



## **Welborne Planning Application P/17/0266/OA July 2021 updates/changes**

### **Fareham Housing Comments** July 2021

Thank you for consulting Fareham Housing on the recent changes made to the above planning application. The changes relevant to Fareham Housing largely concern any cost over-run for the works to Junction 10 and the implications this could potentially have to affordable housing provision at Welborne.

These comments are intended to supplement my previous comments rather than supersede them.

#### *Cost Over-Run for J10*

From an affordable housing perspective, I could not support any further reduction in affordable housing provision at the site. Previous compromises have been made around tenure mix and the minimum level of affordable housing (reduced to 10%), to ensure the development is viable.

I can however recognise that a planning balance may need to be made that acknowledges and de-risks the potential for cost-overrun at Junction 10. However, the proposed changes could see, on a worst case scenario, the overall affordable housing provision at Welborne go down to 7.3% (approx.. 438 units).

Other matters to be considered as part of the s106 drafting include: -

#### *Potential for additional affordable homes*

With different funding streams available via Homes England there could be some potential for further affordable housing to be delivered outside of the s106 requirements, particularly if an Affordable Housing Provider with Strategic Partnership status were to be involved. Although this would be a positive, it would be important that mixed communities are created; larger phases/parcels of 100% affordable homes may not necessarily provide a mixed community. I would therefore suggest that a form of Community Lettings Plan (CLP) is used for any 'additional affordable housing units' that are delivered outside of the s106. A CLP should not be needed for the affordable homes delivered as part of the s106 if usual FBC expectations around clustering/tenure blind etc. are incorporated within the agreement.

#### *Repayment of HIG (previously HIF) monies*

The priority of the review mechanism (for profit exceeding 20% of cost) will be toward the repayment of HIG working on an 80/20 ratio (80% toward repayment of HIG and 20% for the developer). The 80% proportion toward HIG repayment will then come to FBC to be spent on the provision of affordable housing.

It would strongly be our preference that flexibility is provided in how any HIG repayment/recycling can be used for the following reasons: -

- Flexibility to use these funds throughout Fareham Borough (rather than being restricted to being used in Welborne) will provide the Council with the opportunity to provide additional affordable homes where they are needed most and where their delivery can be most cost effective.
- Limiting the recycled HIG money to be spent on affordable provision at Welborne won't necessarily best meet the affordable need in the Borough at that time.
- Limiting the recycled HIG monies to be spent on affordable provision at Welborne may be difficult/impossible to use on the last (or latter) phases of the development. I.e. if the overall development has been completed or is near completion it is hard to see how using the funds will be possible without buying new homes at open market value.
- Ringfencing recycled HIG for Welborne means that any party using these funds (whether it be FBC or through/via a Registered Provider) will not have any competitive advantage in the bidding process for affordable housing provision.
- If only 10% of the first 3,000 homes are affordable, and the maximum affordable housing in any residential period were capped at 40%, then this may provide an additional challenge to recycling HIG entirely at Welborne.

I am aware that the terms of the HIG funding may prioritise or require the recycled HIG to go to affordable provision at Welborne and this may be a stipulation from Homes England. It is however important that I highlight our concerns and preferences at this stage.

If FBC received any recycled HIG receipts and then needed to administer their spend on affordable housing at Welborne, then more needs to be established about this expected role and how it would work in a practical sense, this includes how it will be resourced.

#### *Steering Group*

With the duration of development at Welborne and various on-going requirements for affordable housing considerations around viability, potential over-spend and potential additional affordable home delivery outside of the s106, I welcome the opportunity for on-going dialogue with the owner/developer in relation to affordable housing matters.

#### *First Homes*

With the NPPF definition of affordable housing shortly expected to include First Homes, and the emerging guidance implying that the First Homes requirement will be carved from the affordable housing requirement *ahead* of the local plan tenure split being applied, we need to ensure that the 50:50 tenure split agreed (and which has factored into the viability work) is not subsequently detrimentally distorted or changed by the introduction of First Homes. With the compromises already made on the amount of affordable housing and the tenure mix, it would not be acceptable for the Social/Affordable Rent proportion to be further reduced at Welborne.

Robyn Lyons  
Head of Housing Development