

## Council – 11 December, 2017

### Motion

#### 7. **ECONOMIC VIABILITY ASSESSMENTS FROM DEVELOPERS**

*(the Civic Mayor to refer to the Environment Overview and Scrutiny Committee)*

**Proposed** by Councillor Stuart Kelly

**Seconded** by Councillor Chris Carubia

This Council recognises the pressing need to provide quality homes which are affordable to those on low and middle incomes in Wirral and for transparency with regard to planning applications to ensure that the Council's own policies on affordable housing requirements are met.

Regrettably, a recent report from the housing charity, Shelter, has revealed the widespread use and abuse of Economic Viability Assessments (EVAs), resulting in thousands of affordable homes being lost every year because of viability assessments. (Slipping through the loophole: How viability assessments are reducing affordable housing supply in England)

[http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0010/1434439/2017.11.01\\_Slipping\\_through\\_the\\_loophole.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0010/1434439/2017.11.01_Slipping_through_the_loophole.pdf)

Council are dismayed that there are companies who are openly boasting in their promotion that they can help developers to avoid paying Section 106 monies and making appropriate levels of affordable housing provision. These companies produce EVAs in order to demonstrate that developers are not making sufficient profits to enable councils to insist on full 106 or affordable housing contributions.

<http://www.s106management.co.uk/how-it-works>

Whilst some of these EVAs are submitted in good faith, there is sufficient evidence to suggest that the reports can be prepared in such a way as to attempt to confuse local planning committees and present a misleading picture. Some London councils, such as Lambeth LBC, now insist that EVAs are no longer able to be submitted unless they are able to be viewed by members of the public and in open session at planning committee meetings. <https://www.lambeth.gov.uk/sites/default/files/pl-development-viability-spd.pdf>

Accordingly, this Council, which is committed to increasing the delivery of affordable housing, requests that the Cabinet commissions the development of a new Development Viability Supplementary Planning Document to:

1. require any planning application which does not meet the affordable housing requirement to submit an Economic Viability Assessment which must be fully public and will be published online alongside the other planning application documentation.

2. require such Economic Viability Assessments to be in a standard proforma to aid understanding and comparison by members of the planning committee and the public.
3. consider offering a 'fast-track' planning service to applications which deliver 40%, or more, affordable housing, as identified in the Wirral Strategic Housing Market Assessment and Housing needs Study (May 2016) to incentivise this behaviour by developers.
4. consider 'clawback' mechanisms where large applications cannot comply with the affordable housing thresholds, to ensure that any subsequent improvement in viability is accompanied by an appropriate increase in the affordable housing provision.

The Development Viability Supplementary Planning Document (SPD) would enable these factors to become a material consideration for the Planning Committee dependent on the circumstances of individual applications.