

12 March 2019

Government Agency ‘U-turn’ puts Axminster relief road at risk...

£17m relief road and 850 homes in Masterplan for east of Axminster put at risk by late change in Homes England funding

East Devon District Council has reacted with dismay to news that government agency Homes England has changed how it is assessing the council's £10 million bid for the Axminster relief road.

The council bid for a non-repayable grant in 2017. This bid was accepted in February 2018, to be used to help fund the delivery of the crucial new relief road and associated homes, employment land and community facilities.

The council has now been told by Homes England that a new condition of the funding is that the money must be repaid by the development.

Council leader Cllr Ian Thomas is enormously concerned that the decision potentially puts the Axminster Masterplan in jeopardy.

He said: "We are dismayed by this fundamental change of mind. It throws the whole Axminster scheme up in the air and means that the effort we and our partners have put into this critical scheme over the last 12 months may have been completely wasted.

"Since I was first elected leader, I have been absolutely consistent that we don't simply build homes, we build sustainable communities. The Axminster Masterplan is an excellent example of such a community. It would bring enormous social and economic benefit to Axminster, by delivering high quality affordable housing and employment land, together with other essential community facilities. After this decision from Homes England, it feels like we are back to square one. It's bitterly disappointing.

"We understand that our scheme is one of a number across the country where similar funding decision changes are being made, as Homes England assesses the viability of schemes on a fundamentally different basis, to that applied in our original agreement with them.

"Our council is now considering its options. This includes taking legal advice to investigate whether we may have strong grounds to challenge Homes England's decision."

The masterplan for 850 homes with employment land, open spaces and community facilities was endorsed by the council's strategic planning committee in January. The plan was based on the money from Homes England not being repaid and even then, the development could only be made viable by expanding the site area and increasing the number of homes proposed to around 850. The amount of affordable housing required from the additional 200 homes was also reduced from 50% to 25%.

Following a decision by Homes England last week, it would appear that the development will have to repay the £10 million of government "grant" and the masterplan is no longer viable in its current form.

The council must also consider revisiting the masterplan to understand the consequences of the decision for the amount of affordable housing, employment land and community facilities to make the development viable again.

Throughout the masterplan process, the council has always been clear that the urban extension of Axminster is not just about delivering housing and the relief road but is about helping the town grow as a community in a sustainable way supported by the services and facilities that it needs.

The council is frustrated that Homes England's change in approach puts this all at significant risk and could make the development undeliverable. It will be seeking an urgent meeting with Homes England to discuss this case and other implications for investment in the district.

Ends