

<b>REPORT TO:</b>	<b>PLANNING COMMITTEE</b>	<b>AGENDA ITEM: 7</b>
<b>DATE OF MEETING:</b>	<b>22<sup>nd</sup> SEPTEMBER 2020</b>	<b>CATEGORY: Delegated</b>
<b>REPORT FROM:</b>	<b>HEAD OF PLANNING AND STRATEGIC HOUSING</b>	<b>RESTRICTED</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>LUCY MITCHELL</b> <a href="mailto:LUCY.MITCHELL@SOUTHDERBYSHIRE.GOV.UK">LUCY.MITCHELL@SOUTHDERBYSHIRE.GOV.UK</a>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>SECTION 106 VARIATION AT ACRESFORD ROAD, OVERSEAL</b>	<b>REF: 9/2018/0712</b>
<b>WARD(S) AFFECTED:</b>	<b>SEALES</b>	<b>TERMS OF REFERENCE:</b>

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## **1.0 Recommendations**

- 1.1 That the Committee approves the request to amend the Section 106 Agreement (S106) by means of a Deed of Variation (DoV) to alter the tenure mix and affordable rent type on site to allow all of the affordable homes to be let at social rent levels instead of the affordable rent and shared ownership mix originally proposed.
- 1.2 That the Committee delegate authority to the Head of Planning and Strategic Housing to agree the finer detail and wording of the obligations to be secured under the DoV.

## **2.0 Purpose of Report**

- 2.1 To inform the Committee of the proposed changes to the affordable housing tenure mix and affordable rent type at Acresford Road, Overseal (as originally agreed under permission ref. 9/2015/1063 and later carried forward through the implementation of a revised permission ref. 9/2018/0712).

## **3.0 Background**

- 3.1 Members may recall that the site, known as Acresford Road, was granted outline planning permission in March 2016 and later gained an allocation in the Local Plan Part 2. The scheme was proposed as a Local Plan compliant scheme providing a 30% affordable housing contribution; however, following a detailed site investigation a revised scheme was proposed to reduce the affordable housing contribution to 10% on viability grounds.

A reserved matters application was subsequently approved in December 2018, along with a DoV to alter the affordable housing contribution to 10%. The plans approved detailed a development of 70 homes on the site, 63 for market sale and seven affordable homes.

The tenure type prescribed for the affordable homes through the DoV is as follows:

- Two, two-bedroom bungalows for affordable rent
- Three, three-bedroom houses for affordable rent
- Two, two-bedroom houses for shared ownership

#### **4.0 Discussion**

- 4.1 The Strategic Housing Team would like to propose a variation to the formally agreed affordable housing tenure mix and affordable rent levels by means of a further DoV. These changes would allow all of the affordable homes on site to be let at social rent levels, changing the two homes from the shared ownership tenure to social rent and the remaining five homes from affordable rented to social rented homes.
- 4.2 The proposed changes will align the affordable housing mix on site with evidenced housing need from the recently adopted Strategic Housing Market Assessment (SHMA), which evidences an overwhelming need in the District for more affordable homes at social rent levels and will allow the Council to purchase all seven homes to add to its own housing stock to address identified housing need within the District.
- 4.3 The Council have had an offer to purchase the affordable homes accepted by the developer, Cameron Homes, and are currently in legal negotiations to secure the purchase. Without these changes to the tenure mix, the Council will be unable to progress with the option to purchase as it is currently unable to deliver shared ownership homes as a tenure choice.

#### **5.0 Financial Implications**

- 5.1 There are no financial implications associated to the Council for this change as the DoV will be completed by our existing internal resource.

#### **6.0 Corporate Implications**

- 6.1 A 10% affordable housing contribution will still be secured, as previously agreed, and the tenure would be more responsive to meeting the needs of residents in the District.

#### **7.0 Community Implications**

- 7.1 There will be an increase in affordable homes set at social rent levels, which as evidenced by the Council's recently adopted SHMA is the area of critical need within the District. A consequence of this potential increase will mean losing two homes for shared ownership.

#### **8.0 Background Information**

- a. Section 106 Agreement:  
[https://planning.southderbyshire.gov.uk/documents/DN/2015/9\\_2015\\_1063%20Section%20106%20Agreement.pdf](https://planning.southderbyshire.gov.uk/documents/DN/2015/9_2015_1063%20Section%20106%20Agreement.pdf)
- b. Deed of Variation:  
[https://planning.southderbyshire.gov.uk/documents/DN/2015/9\\_2015\\_1063%20Section%20106%20Deed%20of%20Variation%20\(13-12-18\).pdf](https://planning.southderbyshire.gov.uk/documents/DN/2015/9_2015_1063%20Section%20106%20Deed%20of%20Variation%20(13-12-18).pdf)