

REPORT TO:	Planning Committee	AGENDA ITEM: 5
DATE OF MEETING:	25 June 2013	CATEGORY: RECOMMENDED
REPORT FROM:	Director of Community and Planning Services	OPEN
MEMBERS' CONTACT POINT:	Tony Burdett 01283 595746 Tony.Burdett@south-derbys.gov.uk	DOC:
SUBJECT:	Deed of variation to Section 106 Agreement (Affordable housing definitions) pursuant to planning permission 9/2012/0555 for residential development at Stenson Fields Farm Stenson Fields	REF:
WARD(S) AFFECTED:	Stenson	TERMS OF REFERENCE: PL01

1.0 Recommendations

- 1.1 To authorise a Deed of Variation to the Section 106 Agreement attached to Planning Permission 9/2012/0555 for residential development at Stenson Fields Farm Stenson Fields, to enable the affordable housing to be delivered in the following proportions, with the Deed of Variation including flexibility for any subsequent changes that may be consistent with the evidence base for the time being:

Percentage of houses 2-bed Shared Ownership	9%
Percentage of houses 3-bed Shared Ownership	21%
Percentage of houses 2-bed Social Rented	42%
Percentage of houses 3-bed Social Rented	22%
Percentage of houses 4-bed Social Rented	6%

2.0 Purpose of Report

- 2.1 To explain the constraints of the existing Section 106 Agreement, to set out current circumstances, and to seek the Committee's authority to vary the Section 106 Agreement to enable the delivery of affordable housing in the proportions referred to above.

3.0 Detail

- 3.1 Outline planning permission for the residential development of the site for up to 500 dwellings including the erection of a community building and the formation of roads and open space (all matters reserved) was granted on appeal by the Secretary of State in January 2009 (9/2007/0020), following the conjoined Public Inquiry which considered a number of housing sites within the District. The approval was subject to a Section 106 Agreement to provide (inter alia) 40% affordable housing. The outline permission was subsequently extended on 4 January 2012 under application

9/2011/0484, subject to a Deed of Variation that maintained all the Section 106 obligations of the original outline consent.

- 3.2 Alongside consideration of the reserved matters application (9/2012/0039), the applicants also made an application (9/2012/0555) to vary several conditions attached to the outline permission and concurrently made the case that the scheme would not be viable under the terms of the original Section 106 Agreement, therefore seeking to renegotiate the terms approved under the outline consent. The District Valuer, on behalf of the Council, undertook an analysis of the applicants' viability assessment. Insofar as affordable housing is concerned the outcome was that it would be provided at a reduced level of 20% overall (despite the fact that the District Valuer's analysis showed that, even at this level, the development would remain unviable). The tenure mix was agreed at 50% Social Rented/50% Intermediate or other mix as agreed. Specifically the agreement made provision for the developer to allocate up to 70% as Social Rented. Within the tenure types a rigid formula for house sizes was agreed. For Intermediate the requirement is 27% 2-bed, 23% 3-bed. For Social Rented the proportions are 24% 2-bed, 20% 3-bed and 6% 4-bed.
- 3.3 The applicant has now engaged a Registered Provider and proposes 70% Social Rented and 30% Shared Ownership, which is in accord with the existing Section 106 Agreement. However whilst the overall numbers of two, three and four bedroom houses would remain the same, the proportions do not fit in with the formula described in the preceding paragraph. The percentages now proposed are; for Shared Ownership 9% 2-bed, 21% 3-bed and for Social Rented 42% 2-bed, 22% 3-bed and 6% 4-bed.
- 3.4 The Strategic Housing Manager has confirmed that the applicants' proposals reflect the current evidence base and therefore supports the variation to the agreement.

4.0 Financial Implications

- 4.1 The legal costs of the Deed of Variation would be met by the applicants.

5.0 Corporate Implications

- 5.1 The provision of affordable housing contributes towards the Corporate Plan theme of Sustainable Development.

6.0 Community Implications

- 6.1 By providing affordable housing the proposal would help to meet the objectives of 'Creating opportunities for all' in the Community Strategy.

7.0 Background Papers

- 7.1 Planning application file 9/2012/0555 and letter from Barratt Homes dated 15 May 2013.