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<b>REPORT TO:</b>	<b>PLANNING COMMITTEE</b>	<b>AGENDA ITEM: 6</b>
<b>DATE OF MEETING:</b>	<b>28<sup>th</sup> JUNE 2016</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF COMMUNITY AND PLANNING SERVICES</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>STEVE MOTT (ext. 5748)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>VARIATION TO TENURE SPLIT OF AFFORDABLE HOUSING IN RESPECT OF PLANNING PERMISSION FOR 100 DWELLINGS ON LAND AT WILLINGTON ROAD, ETWALL</b>	<b>REF: 9/2013/1040/O</b>
<b>WARD(S) AFFECTED:</b>	<b>WILLINGTON</b>	<b>TERMS OF REFERENCE: PO1</b>

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## **1.0 Recommendations**

1.1 That the Committee authorises an amendment to the tenure split for the 30% affordable housing (30 homes) secured through the Section 106 Agreement attached to planning permission ref: 9/2013/1040 from 68% rented properties (20 homes) and 32% intermediate housing (10 homes) to 50% rented properties (15 homes) and 50% intermediate housing (15 homes). The overall level of provision would remain unchanged at 30% (30 homes).

## **2.0 Purpose of Report**

2.1 To amend the tenure split of the affordable housing to be provided at Willington Road, Etwall, pursuant to planning permission 9/2013/1040.

## **3.0 Detail**

3.1 The existing Section 106 Agreement was made in early 2015 having been considered by Planning Committee on 16<sup>th</sup> September 2014 where it was resolved to grant planning permission subject to, amongst other things, the provision of 30% affordable housing with a tenure mix of 68% would be rented properties and 32% intermediate housing.

3.2 The Section 106 Agreement secures the appropriate amount of affordable housing and tenure mix but also contains flexibility for that split to be amended within it, provided this is agreed in writing by the Council.

3.3 The applicant has advised that in the current market they have been unable to secure an Affordable Housing Provider to transfer the affordable housing at a price which would make the scheme viable for delivery in line with the current split of 68% rented properties and 32% intermediate housing. They have advised that they a viability assessment indicates the development would support 20% affordable housing (50% social rent, 50% shared ownership).

- 3.4 The developer has informed officers that they have been able to secure an Affordable Housing Provider on the basis of the full 30% (30 homes) but with a tenure split of 50% for rent (15 homes) and 50% shared-ownership (15 homes) and that this is viable.
- 3.5 During the determination of the application the applicant proposed and ultimately provided for the full and appropriate level of affordable housing for the scheme with the appropriate tenure split and as such no review of the viability of the scheme was submitted for consideration.
- 3.6 In November 2015 the Housing and Planning Minister Brandon Lewis wrote to all Local Planning Authorities regarding the impact of social rent changes on the delivery of affordable housing. Following the 1% rent reduction announced in the Budget 2015, many Affordable Housing Providers have reviewed their financial commitments. As a result some of the approved or emerging schemes where housing associations are engaged with house builders through Section 106 agreements are at risk of not being built out. The primary reason being a reduced offer to purchase the affordable housing is making some schemes not financially viable.
- 3.7 In the letter from Brandon Lewis, he stated that *“where it is simply proposed that the tenure mix is adjusted, with the overall affordable housing contribution remaining the same, it is our view that this is unlikely to justify reopening viability on either side.”* It is considered that the revised tenure split is acceptable without need for a viability review being undertaken on the basis that this is not a significant change and does not justify the cost to the Council or the applicant in undertaking a viability review.
- 3.8 As the Section 106 Agreement has sufficient flexibility contained within it to allow the change to the tenure split to be agreed in writing, no formal Deed of Variation is required in this instance. However, authority is required from Planning Committee because the resolution of Members at the meeting specified the provision of a tenure split 68% rented properties (20 homes) and 32% intermediate housing (10 homes).

#### **4.0 Financial Implications**

- 4.1 As no Deed of Variation is required, nor any associated legal costs for producing it, there are thus no financial implications for the Council.

#### **5.0 Corporate Implications**

- 5.1 None

#### **6.0 Background Papers**

- 6.1 File reference 9/2013/1040 and letter from Brandon Lewis MP, Minister of State for Housing and Planning dated 9<sup>th</sup> November 2015.