Planning Committee: 31 January 2017 **Item Number:** **5**

Application No: W/02/1472

Town/Parish Council: Warwick
Case Officer: Gary Fisher
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Portobello Works, Emscote Road, Warwick, CV34 5QU
Residential and Office Development; New road bridge across the River Avon together with appropriate supporting infrastructure

For Gallagher and Pettifer Estates

INTRODUCTION

This report relates to the above planning permission which was granted by Planning Committee in August 2004. That permission was subject to a Section 106 Agreement which imposed a range of obligations on the developer. This included a requirement for affordable housing. The applicant has requested that the provisions of the Section 106 agreement in relation to affordable housing are varied.

This report is being brought back to Planning Committee following the consideration of this matter at your meeting of 8 November 2016 when Planning Committee deferred the making of a decision until further information and clarification was provided particularly with regard to the consideration of the quantum of the contribution to be paid in lieu of the provision of 2 affordable properties on site.

RECOMMENDATION

Planning Committee are recommended to resolve to vary the Section 106 agreement to allow changes to the affordable housing provision as requested by the applicant.

DETAILS OF THE VARIATION

The applicant has requested that the affordable housing provisions of the Section 106 Agreement be revised to enable the provision of the last 2 affordable homes to be provided by way of a financial contribution of £150,000 towards the provision of affordable housing within the District as opposed to their provision within the site as required by the agreement.

RELEVANT POLICIES

- National Planning Policy Framework
- SC1 - Securing a Greater Choice of Housing (Warwick District Local Plan 1996 - 2011)

- SC11 - Affordable Housing (Warwick District Local Plan 1996 - 2011)
- Affordable Housing (Supplementary Planning Document - January 2008)
- H2 – Affordable Housing (Warwick District Local Plan 2011-2029 Publication Draft - published April 2014)

ASSESSMENT

The main issue relevant to the consideration of this matter is whether the amended proposals would continue to enable the provision of an adequate amount and type of affordable housing, having regard to the Council's policies and national planning guidance.

Since the grant of planning permission, over the last 10 years the development of the site has proceeded in a protracted manner which has included long periods when works have ceased and the development has remained part complete along with changes in ownership. Nevertheless, notwithstanding those difficulties, affordable housing has been provided as part of the wider development at the level agreed.

By mid-2013, there remained a requirement for two further three-bedroomed affordable homes. Whilst an affordable housing provider had expressed interest in those properties, they required revisions to the section 106 agreement in order to proceed.

However, at that point the wider development stalled such that negotiations over this element ceased. Subsequently, there was no further activity on the site for some two years until development recommenced in 2015.

In mid 2016, representatives of the developers made contact to discuss the remaining affordable housing. At that point, it became apparent that they had designed the two affordable units as four-bedroom rather than three.

These were very large plots and included several non-standard features and could not easily be converted into three-bedroomed units. This raised a number of concerns from an affordable housing perspective:

- Since 2013, affordable housing providers have become less willing to consider taking very small numbers of properties;
- The presence of non-standard features also acts as a deterrent for affordable housing providers as these then have to be maintained and replaced in due course;
- The size of the plots generated concerns over high running costs for tenants;
- The reduction in the overall benefit cap means that four-bedroom rents are unlikely to be covered fully by Housing Benefit for people in need of financial support.

In addition, there also remained the issue that the section 106 agreement would require variation even if an affordable housing provider were to be interested.

Given these challenges and the length of time over which this matter had been outstanding, the Housing Strategy & Development Officer asked the developers

to provide an offer of a commuted sum rather than insisting on the on site provision. Following negotiations, a figure of £150,000 was agreed.

The benefits of the use of such a commuted sum are that it can be used for any type of affordable housing, anywhere in the district and thus offers greater flexibility. It may also generally be used, either in a "pump-priming" or a gap funding arrangement so there is a gearing effect.

For example the Homes & Communities Agency typically provides grant funding of around £20,000 per home with an affordable housing provider raising the remaining funding from borrowing, rents and surpluses. If the Council were to take this approach with the proposed funding, it would assist in the funding of the equivalent of 7.5 homes rather than the two on site.

For this reason, the Housing Strategy and Development Manager considers that in the particular circumstances of this case, having carefully considered all options, the proposed contribution of £150,000 comprises the most effective solution which will ensure that appropriate provision is made, albeit not within the application site itself in compliance with the Council's policies.

SUMMARY / CONCLUSION

The proposed changes to the affordable housing provisions of the Section 106 Agreement are considered to be in accordance with the Council's policies and it is therefore it is recommended that the Section 106 Agreement is amended as requested.