

4th SEPTEMBER 2014

REPORT OF HEAD OF REGULATORY SERVICES

PLANNING PERMISSION 12/00703/EXT : CONSTRUCTION OF 8 NEW RESIDENTIAL UNITS AND CHANGE OF USE TO FORM 1 UNIT FROM INDUSTRIAL TO RESIDENTIAL AT LONG CLAWSON DAIRY, 7 LANGAR LANE, HARBY

APPLICATION TO VARY THE AFFORDABLE HOUSING PROVISION

1. PURPOSE OF THE REPORT

1.1 This report is intended to provide sufficient information to enable the Planning Committee to consider the request submitted under section 106BA to modify the S106 and determine:-

- (a) whether the planning obligation shall continue to have effect without modification;
- (b) if the obligation continues to serve a useful purpose, but would serve that purpose equally well if it had effect subject to the modifications specified in the application, that it shall have effect subject to those modifications.

2.0 RECOMMENDATION

2.1 The Committee are invited to consider the request to modify the S106 to either

- a) amend the terms of the Section 106 Agreement in relation to affordable housing provision to 20% of the dwellings to be constructed. Comprising of 1 dwelling for Social Rent and 1 dwelling for occupation as an Intermediate Affordable Dwelling, or
- b) refuse the request in favour of the S106 having full affect without modifications.

3.0 BACKGROUND

3.1 Members may recall approving outline planning application for a development scheme of 8 new residential units, and change of use to form 1 unit from industrial to residential at Long Clawson Dairy, 7 Langar Lane, Harby. The Committee granted permission for the scheme subject to a S106 agreement to secure:-

- (i) 40% Affordable Housing, 25% Intermediate Affordable Housing and 75% Social Rent.
- (ii) Civic Amenity Contribution
- (iii) Library Contribution
- (iv) Village Hall Contribution (£13973.00)

The application seeks to remove the affordable housing element of the application.

- 3.2 The application was in outline with the layout, scale and means of access for approval and appearance and landscaping reserved for future consideration. The application site lies within the village envelope and thus benefits from a presumption in favour of development under policies OS1 and BE1, and fulfils the objectives of the NPPF in terms of brownfield land. The outline application proposed a mixture of 4 bed, 3 bed and 2 bed dwellings and a 2 bed bungalow which was considered to meet identified housing need. However, the application is in outline and a condition was imposed that any reserved matters application would need to comply with housing need. The site is 'brownfield' and the development was considered to secure a house type and affordable units which would contribute to areas of housing supply which were deficient at that time.

4.0 VIABILITY APPRAISAL

- 4.1 Following the publication of the Growth and Infrastructure Act 2013 changes were implemented to the planning system to allow developers to apply to be released from S106 obligations for the provisions of Affordable House requirements, where it can be demonstrated that the Affordable Housing requirement threaten the deliverability of housing due to viability.
- 4.2 The applicants have submitted a viability appraisal which has been independently assessed by the District Valuation Office. It has been confirmed that the scheme with the inclusion for 2 no. affordable units would make the scheme unviable but not to the extent of the losses put forward by the applicant. This difference is attributed to the site being considered to have a residual value of £500,000 by the applicants, but £350,000 by the Valuation Office, plus a disagreement regarding the calculation of the cost of those dwellings on the site that will be converted (as opposed to new build).
- 4.3 The applicants have responded to this exchange with additional details of the conversion costs, **but also a proposal to provide a reduced level 2 affordable houses** (approx 20% of the site), one for social rent and one intermediate.

5 CONCLUSION

- 5.1 The Committee needs to consider if the request to modify the scheme to reduce the affordable housing provision would amount to an acceptable form of development.
- 5.2 The applicants view that the residual value of over £500,000 is necessary to provide sufficient developer incentive and financial inability to support any affordable housing was disputed by our advisors. However, an alternative figure of £350,000 was recommended, the scope of the disagreement therefore being £150,000. This figure is very close to the difference in revenues that would be achieved by reducing the provision to two affordable houses of the type now proposed
- 5.3 The revised offer of 2 affordable houses represents a compromise that is commensurate with the evaluation of the viability appraisal by our advisor
- 5.4 It is considered that the application comprises a brownfield site within a village envelope, a sustainable location, presents housing in a quantity and type that satisfies identified local needs and presents a vehicle for the delivery of housing of the appropriate quantity, type and location to meet identified local need. It was considered that there were significant benefits accruing from the proposal when assessed as required under the guidance of the Development Plan and in the NPPF

in terms of location, sustainability and housing need in particular. The scheme remains unchanged with the exception of the request to lessen the affordable housing provision. In applying the 'test' required by the NPPF that permission should be granted unless the impacts would "significantly and demonstrably" outweigh the benefits; it is considered that the event with the reduced affordable housing contribution now requested, the benefits still outweigh harm.

Background Documents:

- Planning Application 12/00703/EXT