

EAST HERTS COUNCIL

DEVELOPMENT MANAGEMENT COMMITTEE – 25 JUNE 2014

REPORT BY DIRECTOR OF NEIGHBOURHOOD SERVICES

DEED OF VARIATION ON A SHARED OWNERSHIP UNIT AT 4 LLOYD TAYLOR CLOSE, LITTLE HADHAM

WARD(S) AFFECTED: Little Hadham

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**Purpose/Summary of Report:**

- To seek approval for a Deed of Variation to the Section 106 agreement relating to planning permission ref: 3/1893-90OP, to remove the staircasing restriction on one shared ownership unit at 4 Lloyd Taylor Close, Little Hadham.

**RECOMMENDATION FOR DECISION:** that

<b>(A)</b>	A Deed of Variation to the Section 106 agreement relating to permission ref: 3/1893/90/OP to remove the staircasing restriction on one shared ownership unit at 4 Lloyd Taylor Close, Little Hadham, be approved.
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**1.0 Background**

1.1 Planning permission was granted in 1992 for the erection of 14 dwellings at Lloyd Taylor Close, Little Hadham (ref: 3/1893/90/OP). The permission granted was subject to a legal agreement under Section 106 of the 1990 Act to provide 8 affordable dwellings of which 6 were for rent and 2 shared ownership.

1.2 The agreement also sought 'staircasing' in respect of those shared ownership properties. Shared ownership properties are partly owned by a registered provider and partly by the occupant. An occupant can increase their share of ownership in the property by purchasing further shares from the registered provider; this is called 'staircasing'. In rural properties such as these, staircasing is restricted and the proportion of the ownership that can be purchased is capped at 80% to retain the dwellings as shared ownership ones in perpetuity.

1.3 This report seeks authorisation for a Deed of Variation to that original agreement in order to remove the staircasing restriction on one of those shared ownership properties; that being number 4 Lloyd Taylor Close, Little Hadham.

## **2.0 Report**

2.1 As mentioned above, 2 shared ownership units were built as part of the originally approved scheme and they were restricted by the legal agreement such that residents could only purchase (staircase) up to 80% of the property value in order to keep the dwelling as a shared ownership property in perpetuity.

2.4 However, it has been brought to the Local Authority's attention that, despite the restriction, one of the shared ownership units has been staircased to 100% ownership and the freehold relinquished. This occurred in 2009 when the occupier sought to staircase and, in error, the legal team acting for the Registered Provider (Aldwyck) understood that this was the final (80%) staircasing element. In a standard situation this would not be problematic but due to the rural nature of the scheme and the restrictions set out in the Section 106 this issue requires formal clarification for all parties concerned.

2.5 Officers feel that this is an unusual and exception occurrence. It appears to be an historic administration error and needs to be clarified for all parties. Officers conclude that it is not in the interests of the Council to pursue the matter any further.

## **3.0 Implications/Consultations**

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

## **4.0 Conclusion**

4.1 It is proposed that a Deed of Variation be agreed to remove the restriction on 4 Lloyd Taylor Close only.

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