

3/07/2531/FP – Variation to the wording of the Section 106 agreement in respect of the erection of 18. No. dwellings including 7 no. affordable units, associated parking and cycle storage facilities, the formation of new road junctions, internal roads, landscaping and associated works at Seven Acres, 49 Upper Green Road, Tewin for Brentstyle Properties Ltd

Date of Receipt: 04.12.07

Type: Full

Parish: TEWIN

Ward: HERTFORD RURAL – NORTH
HERTFORD RURAL – SOUTH

Reason for report: Variation to Section 106 agreement.

RECOMMENDATION

That the Director of Neighbourhood Services be authorised to approve the re-wording of the resolution on the Section 106 agreement pursuant to planning application 3/07/2531/FP, to allow provision e) to read as follows:-

- e) Provision of 7.no. affordable dwellings to meet the following requirements
- (i) 75% (5 units) rented accommodation
 - (ii) 25%(2 units) tenure to be agreed in writing by the Council prior to the commencement of the development

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1.0 Background

1.1 Members may recall that in July 2008 the committee resolved to grant an amended planning permission for 18 dwellings on this site subject to the applicant or successor in title entering into a legal agreement pursuant to Section 106 of the Town and Country Planning Act 1990 in respect of various matters, one of which was to provide affordable housing as follows:-

- (iii) 75% rented accommodation (5 units)
- (iv) 25% shared ownership (split equally between shared ownership (staircased) and fixed equity at 60%) (2 units)
- (v) timing of provision to be agreed

1.2 Negotiations have been on-going in respect of the s.106 provisions and in particular the affordable housing requirements. The current economic climate, however, has meant that banks are unwilling to lend on fixed equity tenure so it has become a redundant form of occupation for the

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present. Whilst the 75% (5 units) rented accommodation are viable, it is the 25% shared ownership (2 units) that is not. The Housing Manager is therefore discussing a number of options including reverting to 100% rented affordable housing to ensure that the affordable houses are taken up.

- 1.3 Authorisation is therefore sought from Members to vary the S106 resolution from this specific 75% rented accommodation/25% shared ownership to a more flexible recommendation that still requires a total of 7 affordable houses to be provided (stated within the Section 106 agreement to be to plots 1, 2, 3, 4, 10, 11 and 12), but allows the Council to negotiate on the rental/shared percentage (equivalent to 2 of the affordable housing units).
- 1.4 It may be the case that, should the development proceed in the short term, the affordable houses will be 100% rented accommodation. However, should the economic climate change and the shared ownership become viable again, then the Housing Manager may proceed on the former 75%/25% split. Permitting this flexibility on the 2 units previously agreed as shared ownership would still meet the original aim of the agreement regarding affordable housing provision on the site and may, in fact, encourage its early provision.

2.0 Summary

- 2.1 To summarise, the re-wording of the requirements would not alter the total number of affordable housing units at the site. The Council's Housing Development Manager is satisfied that the standard of affordable accommodation to be provided would remain acceptable and the affordable housing will still comply with the relevant affordable housing Local Plan policies.
- 2.2 It is therefore recommended that the re-wording of the agreement is approved as set out at the head of this report.