

5a 3/13/0343/SV – Modification of S106 agreement for 3/10/1522/FP to reduce the affordable housing provision from 23 units to 15 units on grounds of economic viability at Wallace Land, Buntingford Road, Puckeridge, SG11 1RT for Rialto Homes Ltd.

Date of Receipt: 11.03.2013

Type: Major – Variation of S106

Parish: STANDON

Ward: PUCKERIDGE

RECOMMENDATION:

That East Herts Council agree to a variation of the Section 106 agreement to reduce the number of affordable houses to 15 units comprising of 9 units for social rent and 6 units shared ownership subject to the following time limit and conditions:

- If, after 18 months from the date of this resolution to grant permission for a variation of the Section 106 agreement, the first residential dwellinghouse is not fully completed and made ready for occupation, the number of affordable units required to be provided shall revert to the original Section 106 agreement.
- If the developer requires a further viability appraisal to be carried out subsequent to that, the developer shall submit an updated viability appraisal to the Local Planning Authority and shall reimburse the Council for all its reasonable costs incurred in respect of its evaluation of such further appraisal.

Summary of Reasons for Decision

East Herts Council has considered the applicant's proposal in a positive and proactive manner with regard to the policies of the Development Plan (Minerals Local Plan, Waste Core Strategy and Development Management Policies DPD 2012 and the 'saved' policies of the East Herts Local Plan Second Review April 2007); the National Planning Policy Framework and in accordance with the Town and Country Planning (Development Management Procedure) (England) Order 2012 (as amended). The balance of the considerations having regard to those policies and the viability information submitted is that permission should be granted.

_____(034313SV.MP)

1.0 Background:

1.1 The application was reported to the July 2013 meeting of the Development Management Committee where Members deferred the

application and requested Officers to negotiate with the applicant and explore the potential for the provision of a higher quantum of affordable housing as part of the development.

- 1.2 The report submitted to the July meeting is attached as Essential Reference Paper A and sets out the history of the site and Officers considerations in respect of viability.

2.0 Considerations:

- 2.1 Subsequent to the July meeting Officers have met with the applicant on this matter. The proposal now comes forward with a level of affordable housing increased from 13 to 15 units. The applicant advises that an increase in the level of affordable housing is only achievable, in viability terms, if the tenure mix is also varied. As such the applicant proposes the provision of 9 social rent units and the remainder (6), to be shared ownership.
- 2.2 The Councils Housing Team has commented that the provision of affordable housing of the tenure mix proposed is acceptable.
- 2.3 Officers have asked the Councils viability assessor – DVS, to review the financial circumstances of the proposals. They advise that the increase in affordable houses continues to have the impact that, in financial terms, the development remains unviable.
- 2.4 Whilst that is the case, the applicant has indicated a willingness to proceed with the scheme on the basis now put forward. This is as a result of a complex mixture of market and financial constraints that they face.

3.0 Conclusion:

- 3.1 Having regard to the above considerations and those contained within Essential Reference Paper A, Officers are of the opinion that the now proposed level of affordable housing proposed is acceptable, having regard to the requirements of the National Planning Policy Framework. Officers therefore recommend that the application be approved and the Section 106 agreement be amended.