

PLANNING COMMITTEE: 26th September 2017
DIRECTORATE: Regeneration, Enterprise and Planning
HEAD OF PLANNING: Peter Baguley

APPLICATION REF: N/2017/0988

LOCATION: H Brown Removals , 174 St Andrews Road

DESCRIPTION: Variation of S106 Agreement of Planning Permission N/2010/0785 (Outline Application for the demolition of existing B8 business units and erection of 14no 2 bed and 8no 1 bed apartments, formation of new access and parking areas) relating to affordable housing provision

WARD: Semilong Ward

APPLICANT: North Meadow View Properties Limited
AGENT: North Meadow View Properties Limited

REFERRED BY: Head of Planning
REASON: Major Application with S106 Agreement

DEPARTURE: No

APPLICATION FOR DETERMINATION:

1. RECOMMENDATION

- 1.1 That the Committee **AGREE** to a variation of the Section 106 Agreement dated 18 June 2014 in respect of application reference N/2010/0785 to remove the requirement for the provision of on-site affordable housing.

2. SITE DESCRIPTION

- 2.1 The application site is a vacant site, formerly used for Use Class B8 (storage and distribution) purposes with existing redundant buildings on site and a large open area to the rear. Four storey flats are located to the north beyond a vacant area of land, two storey residential traditional terraced properties are located on the opposing side of St. Andrew's Road, and a commercial garage is situated to the south of the site. To the west and rear is the Brampton Branch of the River Nene, beyond which are playing fields.

3. BACKGROUND

- 3.1 Outline planning permission for the demolition of the existing commercial units on the site and the erection of 22 residential units comprising 14no. 2-bedroom and 8no. 1-bedroom units together with the formation of a new access and parking areas (with access, layout and scale for approval)

was granted in 18th June 2014 subject to a S.106 Agreement of the same date (application reference N/2010/0785).

- 3.2 The S.106 Agreement contains an obligation for the provision of on-site affordable housing requiring that no less than 8 of the overall 22 residential units are social rented housing. The Agreement also includes a financial obligation for the sum of £15,000 (plus indexation) payable prior to the first occupation of the development for the improvement of cycleway provision in the vicinity of the development.
- 3.3 Approval of reserved matters was granted on 3rd February 2017 (application reference N/2016/0979).
- 3.4 The original applicant has sold the site on to the current developer who was not party to previous S.106 discussions. A more detailed assessment of development costs by the current developer has shown that the scheme is unviable under the terms of the existing S.106 Agreement and, therefore, the applicant/developer has made an application to modify the extant S.106 Agreement by removing the obligation to provide affordable housing. The application is supported by a Viability Report which concludes that even without the provision of affordable housing the development is projected to make a loss on completion.
- 3.5 The Viability Report has been independently assessed on behalf of the Council. The report advises that as a guide, under current market expectations it is reasonable for a developer to expect a development profit of 20% of Gross Development Value (GDV) for open market residential units and draws the following conclusions:
 - A policy compliant scheme with 35% affordable housing (8 social rented units) and £15,000 S.106 payments would result in the development running at a loss of -5.23% and is therefore unviable.
 - A development of 100% open market units, a S.106 contribution of £15,000 and a revised programme to allow for a longer period to sell the units would result in a developer profit of 14.79%, still below market expectations.
 - Given the information provided, it is concluded that the development is not capable of supporting an affordable housing contribution as required by the S.106.

4. PLANNING POLICY

- 4.1 The National Planning Policy Framework at paragraph 173 advises that in pursuing sustainable development, careful attention should be given to viability and costs in plan-making and decision-taking. Plans should be deliverable. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.
- 4.2 Policy H2 (Affordable Housing) of the West Northamptonshire Joint Core Strategy (JCS) sets out the policy requirement for affordable housing provision as a proportion of the total number of dwellings to be delivered through a development, requiring 35% within the Northampton Related Development Area. In all cases, these percentage requirements are subject to the assessment of viability on a site by site basis.

5. APPRAISAL

- 5.1 The Growth and Infrastructure Act 2013, in the interests of encouraging a positive approach to enable, appropriate, sustainable development to come forward, inserted new sections into the Town and Country Planning Act 1990 to introduce an application and appeal procedure, to review affordable housing obligations on the grounds of viability. The Government recognises that unrealistic S.106 Agreements negotiated in differing economic conditions can be an obstacle to house building and is keen to encourage development to come forward.
- 5.2 S106BA of the Town and Country Planning Act 1990 therefore, allows for an application to be made to the Local Planning Authority for a revised affordable housing provision on the grounds of viability.
- 5.3 The Council's independent assessment of the submitted Viability Report has concluded that the scheme is not viable under the requirements of the existing S.106 with the requirement for affordable housing, and would result in a developer loss of -5.23%. To remove the requirement of on-site affordable housing, the developer's profit would be 14.79%, still below general current market expectations of 20% of Gross Development Value.
- 5.4 The site has been vacant for some considerable time and currently has a negative and visually detrimental impact on the character and appearance of the surrounding area. Development of the site for 22 residential units as proposed would enhance the character and appearance of the area, and make a positive contribution towards the Council's 5 year housing supply.
- 5.5 Whilst the lack of affordable housing provision would be regrettable, it is considered that it has been sufficiently demonstrated that the scheme is unable to support the required affordable housing provision. The financial obligation of £15,000 towards the improvement of cycleway provision in the vicinity of the development would remain as part of any new S.106 Agreement. On balance, the merits of developing the site are considered to outweigh the lack of affordable housing in this instance.

6. CONCLUSION

- 6.1 The merits of developing a disused and unattractive site and the provision of housing are considered to outweigh the loss of affordable housing provision and the variation to the S.106 Agreement as proposed is therefore considered acceptable.

7. BACKGROUND PAPERS

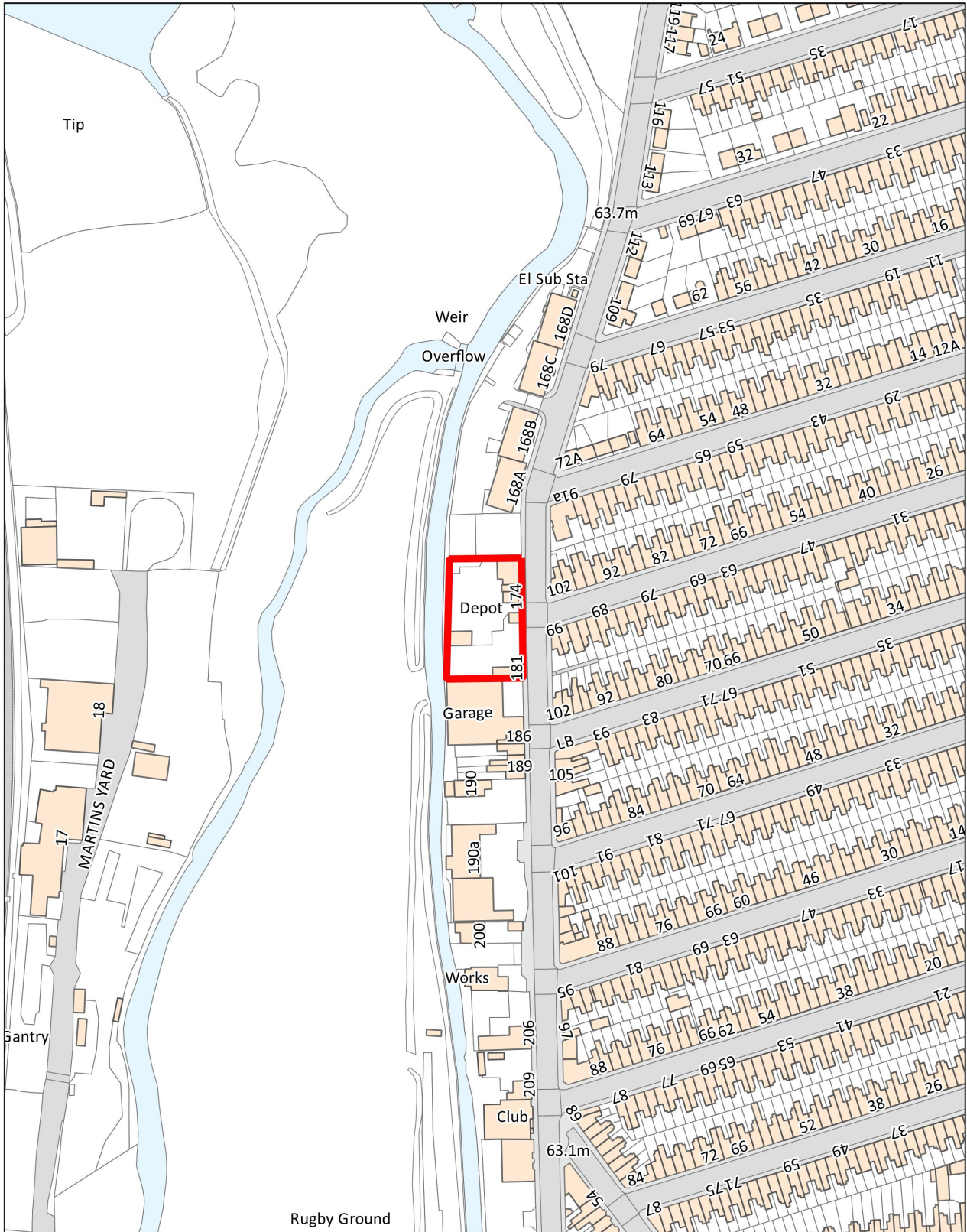
- 7.1 N/2017/0988.

8. LEGAL IMPLICATIONS

- 8.1 As set out in the report.

9. SUMMARY AND LINKS TO CORPORATE PLAN

- 9.1 In reaching the attached recommendations regard has been given to securing the objectives, visions and priorities outlined in the Corporate Plan together with those of associated Frameworks and Strategies.



Title: **H Brown Removals, 174 St Andrews Road**

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Date: 15-09-2017

Scale: 1:2,000

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