

Subject:	121-123 Davigdor Road Hove Request to vary the Heads of Terms of Section 106 Agreement in connection with planning permission BH2015/02917 for a mixed use building comprising 47 residential units and D1 community space.
Date of Meeting:	15 August 2018
Report of:	Executive Director Economy, Environment and Culture
Contact Officer:	Jonathan Puplett
Wards Affected:	Goldsmid

1. PURPOSE OF THE REPORT

- 1.1 To consider a request to vary the Heads of Terms of a Section 106 Agreement signed in connection with planning application BH2015/02917, in order to secure affordable housing by way of a commuted sum in conjunction with on-site provision of shared ownership units.

2. RECOMMENDATION

- 2.1 That the proposed variations to the Head of Term be agreed to require the Developer to provide a financial contribution of £669,900 (plus indexation) towards off-site provision of affordable housing, and the provision of 15 shared ownership affordable units on-site comprising 5x 1-bedroom, 8x 2-bedroom and 2x 3-bed units.

3. BACKGROUND INFORMATION

- 3.1 Planning permission was granted under application BH2015/02917 for:

Demolition of existing building and erection of a new part five and seven and eight storey (plus basement) building comprising a total of 47 one, two and three bedroom residential units (C3) with balconies, roof terraces (2 communal) to storeys five, six and seven, community space on the ground floor (D1) together with associated parking, cycle storage, recycling facilities and landscaping.

- 3.2 The application was heard at the Planning Committee Meeting of the 9th of December 2015. Under this application it was demonstrated that a 40% provision of affordable housing was not viable and this was verified by the DVS. The affordable provision which was secured comprised eight units; 6x rental units and 2x shared ownership.

- 3.3 The permission was issued 05/02/2016 following the completion of the s106.

3.4 At the Planning Committee of the 9th of November 2016 a request to vary the requirements of the s106 agreement was presented. The Registered Providers who had shown interest in taking on the proposed affordable units had withdrawn their interest, and in the absence of any other interested Providers, alternative proposals had been put forward by the Developer. It was considered at the time that the most appropriate alternative would be to secure a contribution towards off-site provision of affordable housing which equated to £1,218,000. This recommendation was approved by members and the Deed of Variation was completed 07/02/2017. This amount is subject to indexation from the date the agreement was signed.

4. PROPOSAL

4.1 The Developer has written to the Council to request that the current requirement for a contribution of £1,218,000 (plus indexation) towards off-site provision of affordable housing be varied to require the Developer to a contribution of £669,900 towards off-site provision of affordable housing, and the provision of 15 shared ownership affordable units on-site comprising 5x 1-bedroom, 8x 2-bedroom and 2x 3-bed units.

5 COMMENT

5.1 The Developer originally proposed providing 15 shared ownership units on-site as an alternative to the £1,218,000 (plus indexation) contribution currently secured. A similar proposal for 100% shared ownership units had been deemed inappropriate in 2016. In conjunction with the Housing Strategy and Planning Policy Teams it was again considered that such a proposal would not adequately address the requirements of the Affordable Housing Brief which seeks to secure a mix of tenures and places greatest priority upon the delivery of rental units.

5.2 Following discussions with the Developer a revised hybrid proposal has come forward consisting of a contribution of £669,900 (plus indexation) towards off-site provision of affordable housing, and the provision of 15 shared ownership affordable units on-site.

5.3 The figure of £669,900 (plus indexation) represents 55% of the amount which is currently secured. This is considered appropriate in this case, as 55% represents the percentage of affordable units which the Affordable Housing Brief seeks to secure as on-site provision where such provision is proposed. In addition 15 shared ownership affordable units are proposed on site, the mix of units of which (5x 1-bedroom, 8x 2-bedroom and 2x 3-bed units) is representative of the scheme as a whole. As a combined proposal this addresses the Affordable Housing Brief objective to provide a mixed tenure, albeit the rental units in this case will be delivered off-site.

5.4 The Housing Strategy Team do not support the proposal on the basis that the contribution currently secured (£1,218,000 (plus indexation)) was calculated in line with our published guidance and would make a valuable

contribution towards a number of current initiatives to provide affordable rented homes which can benefit from funding provided through Commuted Sum payments.

5.5 In regard to indexation, the Applicant has confirmed that occupation of at least one unit has commenced. Therefore the requirement to pay the contribution has been triggered and the payment is in fact overdue. The amount currently secured, and the amount now proposed, will therefore be subject to indexation from the date the current agreement was completed; 07/02/2017.

5.6 Overall, whilst the concerns raised by the Housing Strategy Team have been fully considered, having regard to the current contribution secured, it is considered that the new proposal is an acceptable alternative. The proposal will deliver a mix of tenures, and a greater number of units overall. It is therefore recommended to Members that the variation now proposed be agreed.

