

Subject:	Kings House, Grand Avenue, Hove Request to vary the Heads of Terms of Section 106 Agreement in connection with planning permission BH2018/00868.		
Date of Meeting:	10 March 2021		
Report of:	Executive Lead Officer – Strategy Governance & Law		
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Ward(s) affected:	Central Hove		

1. PURPOSE OF THE REPORT

- 1.1 To consider a request to vary the Heads of Terms of the Section 106 Agreement dated 5 April 2019 in connection with planning permission BH2018/00868 to allow amendments of the affordable housing provision.

2. RECOMMENDATION

- 2.1 That the Committee has taken into consideration and agrees with the reasons for the recommendation set out below and resolves to **GRANT** a Deed of Variation to the following Head of Term for the S106 Agreement with regard to Affordable Housing in order to increase the number of affordable units to be provided on site, remove the requirement for a commuted sum, and remove the requirement for a review mechanism.

3. BACKGROUND INFORMATION

- 3.1 Members were minded to grant full planning permission at Planning Committee on 07 November 2018 for the following application:

BH2018/00868 (Kings House, Grand Avenue, Hove) - Demolition of existing office building (B1) fronting Grand Avenue. Conversion of existing (B1) building fronting Queens Gardens to 69no dwellings (C3) with associated alterations and extensions. Erection of a 10 storey building over basement carpark comprising of 72 flats on Grand Avenue and erection of a 6 storey building comprising of 28 flats on second avenue. Associated underground parking, landscaping, cycle storage, bins and recycling points.

- 3.2 The granting of permission was subject to the completion of a S106 agreement containing the following Heads of Term (amongst others) as set out in the original committee report:

- Affordable Housing: Provision of 28 units on site comprising 15 rent units and 13 shared ownership, and a contribution of £265,492 towards off-site

provision. On-site affordable housing to be ready for occupation prior to 50% occupation of private residential accommodation.

- Review Mechanism of Viability

- 3.3 Planning Permission was granted on 10 April 2019 following completion of the S106 agreement.
- 3.4 The s106 agreement secured 28 affordable units (16% of the total), comprising 15 Affordable Rent units and 13 Shared Ownership units, to be located within the Second Avenue block, in addition to a commuted sum of £265,492 to provide affordable housing off-site.
- 3.5 The developer wrote to the Council on 3 December 2020 confirming that the two new-build blocks, totalling 100 units, have been sold to the Southern Housing Group which are one of the Council's partners in the Affordable Housing Development Partnership. It is therefore intended that the affordable provision would be increased to provide a total of 92 units (54%) including 28 Affordable Rent units within the Second Avenue block, and 64 Shared Ownership units within the Grand Avenue block.
- 3.6 The remaining eight units in the blocks, located on the 8th and 9th floors, would be provided as market housing.

4. PROPOSAL

- 4.1 The developer has written to the Council to request that the proposed affordable housing element be increased from 28 to 92 units and has therefore requested that the requirements for the affordable housing commuted sum and review mechanism be removed.

5. COMMENT

- 5.1 The s106 agreement linked to the planning permission at Kings House (BH2018/00868) provides for delivery of 28 affordable units (15 affordable rent and 13 shared ownership) together with a contribution of £265,492 towards off-site provision. This level of provision was agreed based on a viability assessment submitted by the applicant which was reviewed independently by the DVS. Since the agreed level of affordable housing fell short of the of Policy CP20 requirement for 40% affordable housing, the s106 includes provision for a Review Mechanism requiring that an updated viability appraisal is undertaken at a specified point following commencement of the development.
- 5.2 The developer has confirmed that the new build elements of the scheme have been sold to the Southern Housing Group and it is intended that the provision of affordable housing would increase to 94 units (54%).

- 5.3 The significant increase in the provision of affordable units and the revised tenure mix are welcome. The 92 units would represent 54% of the total housing on site which would be well in excess of policy CP20 requirements and therefore negate the need for a financial contribution and review mechanism.
- 5.4 Both Planning Policy and Housing Officers are in support of the proposed changes and raised no objections to the tenure mix.
- 5.5 The proposed amendments to the heads of terms would facilitate these changes and are therefore recommended for approval.
- 5.6 Background Documents
Planning Application **BH2018/00868**.

