

PLANNING DEVELOPMENT CONTROL COMMITTEE

12 December 2013

VARIATION OF AFFORDABLE HOUSING PROVISION – APEX CENTRE
REDEVELOPMENT COLDEN COMMON

REPORT OF SIMON FINCH - ASSISTANT DIRECTOR BUILT ENVIRONMENT

Contact Officer: Simon Finch Assistant Director Built Environment Tel No: 01962
848271

RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

In March this year planning permission was granted to redevelop the Apex Centre (vacant business premises) at Church Lane, Colden Common for housing. Two schemes were approved. The first (12/02649/FUL) involved erecting 10 dwellings within the settlement boundary of the village. The Local Plan policies at the time required no affordable housing provision.

The second application for 12 units (12/02635/FUL) included 2 houses just outside the settlement boundary in the countryside. Building houses outside the settlement boundary was contrary to policy but was considered acceptable as the development proposed 2 affordable housing units. These would be secured by planning obligations.

Further to these permissions being given the applicant has advised the Council that he would be unable to build the 12 house scheme with 2 affordable units because it would not be economically viable and has submitted a financial appraisal to support this assertion. He has therefore requested that the Council accept a financial contribution for affordable housing provision off site.

The report provided by the applicant has been considered by the Head of Estates and he is satisfied that the 12 unit scheme, with two on site affordable units, would not be viable at the present time. A financial contribution of £75k is the best that can be achieved in order for the scheme to be viable.

If the Council decides not to agree to revise the planning obligations for the 12 dwelling permission it is very likely that the applicant will implement the 10 house scheme which has no affordable housing requirements.

In the circumstances therefore it is recommended that the legal agreement relating to the 12 unit scheme be varied to replace the requirement for 2 on site affordable houses by a financial contribution of £75k to be used for off-site provision.

RECOMMENDATIONS:

- 1 That the Head of Legal Services be authorised to vary the legal agreement relating to planning permission 12/02635/FUL to allow the provision of affordable housing to be met off-site by way of a financial contribution of £75k instead of 2 units on site.

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DETAIL:

1 Introduction

- 1.1 In March this year planning permission was granted to redevelop the Apex Centre (vacant business premises) at Church Lane, Colden Common for housing. Two schemes were approved and followed a refusal by Committee of a 14 dwelling scheme in December 2012. 12/02649/FUL involved erecting 10 dwellings within the settlement boundary of the village. The Local Plan policies at the time required no affordable housing provision.
- 1.2 The second scheme (12/02635/FUL) was a proposal for 12 houses and included 2 affordable units. Two of the new dwellings were located just outside the settlement boundary of Colden Common, as defined in the Winchester District Local Plan Review 2006, so they were situated in the countryside where general market housing is usually resisted, in line with National Planning Policy as well as Winchester's own Local Plan policies. However, as the scheme proposed 2 affordable units, it was considered appropriate to give permission for the 12 houses, including the 2 outside the settlement boundary. The provision of the affordable units was subject to a planning agreement.
- 1.3 Further to the planning permissions being granted for the 12 house development the applicant approached the Council, including the then Portfolio Holder for Housing and a local ward member, to explain that he wanted to vary the requirement of the legal agreement relating to the affordable housing. Instead of providing affordable housing on site he proposed a financial contribution which would be used to provide affordable housing off-site. The alternative would be for him to implement the permission for 10 houses.
- 1.4 The applicant was advised that such a request would need to be supported by an independent financial appraisal in order to allow officers to properly consider the viability of the scheme and to decide what contribution the development could afford to make if a commuted sum is to be accepted in lieu of 2 units on site.

2 The Proposed Financial Contribution

- 2.1 Following discussions with officers the applicant commissioned an independent financial assessment of the 12 house scheme by Goadsby which has been considered by the Head of Estates. In the report however no figure for an affordable housing contribution was identified because the development would be unable if required to make such a contribution. The full off site contribution for 2 units would be £236k.
- 2.2 Officers have considered the information set out in the Goadsby report and accept that the scheme is very unlikely to proceed at the present time ,with the existing requirement for 2 on site affordable units, because it would not be economically viable. Further to negotiations between the Head of Estates and the applicant, a contribution of £75k has been offered to the Council for the purpose of providing affordable housing off-site. This figure would be in addition to financial contributions for education (£70,008) and open space (£14,444) which are required by the existing planning agreement. There are no proposals to alter these contributions.
- 2.3 Further to agreeing a figure of £75k for off-site affordable housing officers have consulted the three ward members, Portfolio Holder for Housing and Colden Common Parish Council regarding the potential change to the existing planning agreement. No objections to the proposed variation of the legal agreement have been received. In addition the Head of New Homes Delivery Team is content, in the circumstances, to agree to a financial contribution in lieu of 2 on site affordable houses.
- 2.4 It is also important to recognise that, notwithstanding viability considerations, this is an unusual situation in so much as the applicant could, in any event, implement the 10 house scheme, which would make no contribution to affordable housing on or off site. He has advised the Council that this is the scheme he intends to develop if the Council is not prepared to vary the terms of the planning agreement for the 12 unit permission to allow the payment of the commuted sum instead of providing the 2 affordable houses on site.
- 2.5 In terms of the wider implications of agreeing to the proposed change to the affordable housing requirements of this development it is considered that such a situation is unlikely to occur again in future. This is because the policy position relating to affordable housing has changed since the planning permissions for the 10 and 12 units schemes were given by reason of the adoption of the Winchester District Local Plan Part 1 – Joint Core Strategy which now requires all residential schemes, regardless of the number of units, to provide affordable housing unless it can be shown that this would render the scheme unviable. In other words a proposal for 10 dwellings within the settlement boundary of Colden Common should deliver 40% affordable housing on site unless it can be shown that this would result in a development which would not be viable.
- 2.6 Finally, in design terms, it could be argued that the 12 house scheme, whilst including 2 units in the countryside, is a better and more comprehensive

redevelopment solution for the Apex site when compared to the 10 dwelling permission albeit that this in itself would not provide sufficient justification to vary the terms of the legal agreement as set out above.

4 Conclusion

- 4.1 The Apex centre is an unusual situation in so much as the site has two planning permissions one of which (12/02649/FUL) has no requirement to provide affordable housing. As a result, the land owner has a fall-back position if the Council decides not to agree to his request to vary the terms of the legal agreement regarding the 12 unit scheme (12/02635/FUL) which does include affordable housing requirements. It is probable therefore that the Council will miss out on any provision for affordable housing if the legal agreement is not amended as the 10 house scheme is likely to be implemented. As explained above, such a situation is unlikely to occur in future because of changes to the Council's planning policies.
- 4.2 Furthermore officers have considered the financial information provided by the applicant and accept that the scheme permitted is very unlikely to proceed because it is unviable in its current form. The offer of a commuted sum for affordable housing provision off-site (£75k) is reasonable based on the financial assessment of the development. It is therefore recommended that the legal agreement be varied accordingly.

OTHER CONSIDERATIONS:

3 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

- 3.1 The provision of housing to meet community needs is a priority under the Active Communities outcome of the Community Strategy.

4 RESOURCE IMPLICATIONS:

- 4.1 No significant resources implications.

5 RISK MANAGEMENT ISSUES

- 5.1 There is a risk that by deciding not to agree to the proposed variation of the legal agreement pursuant to planning permission 12/02635/FUL the scheme will not be implemented and the opportunity to secure some level of provision for affordable housing from the redevelopment of the Apex site will be missed.

BACKGROUND DOCUMENTS:

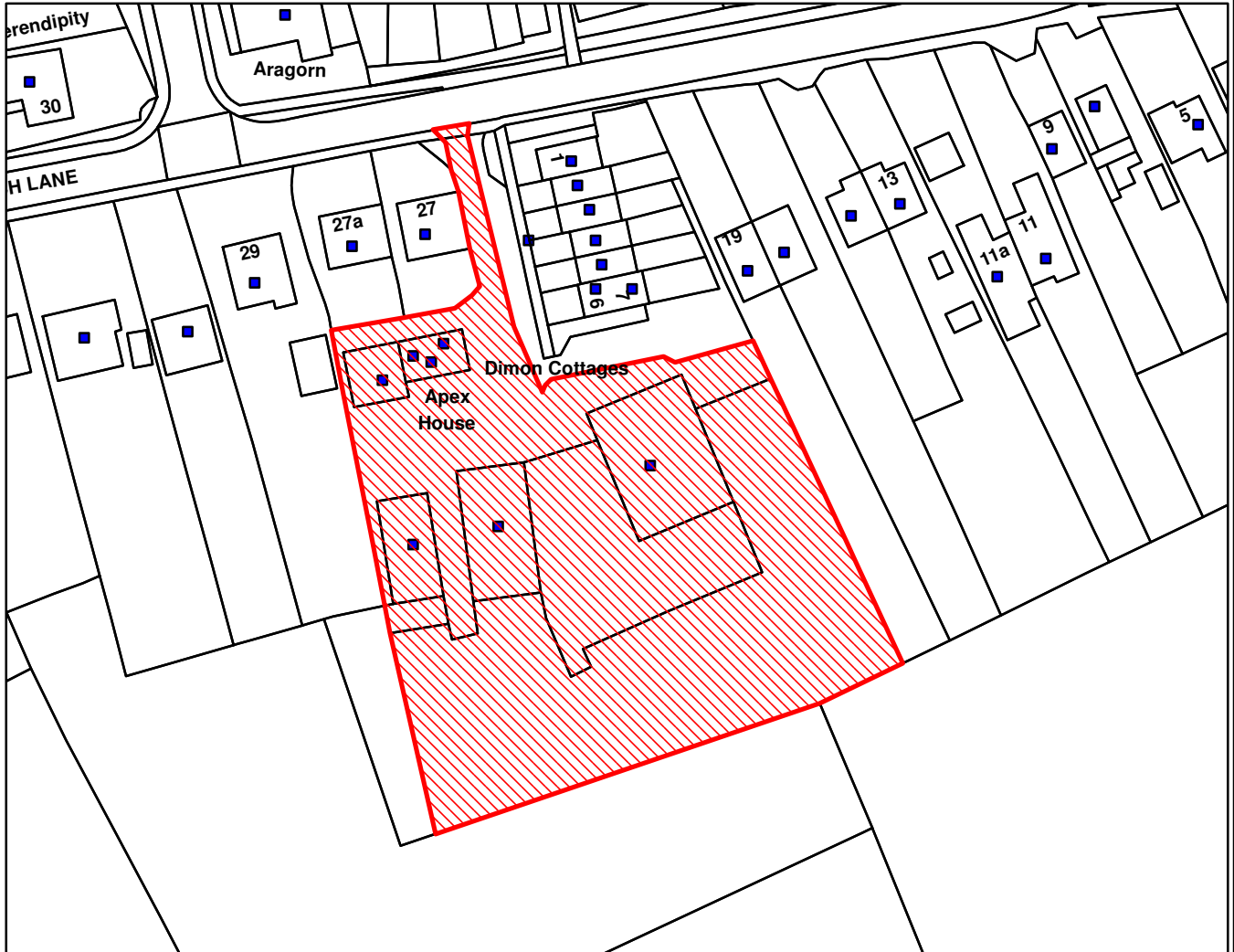
Planning applications 12/02635/FUL & 12/02649/FUL.

APPENDICES:

Site location plan



12/02635/FUL



Legend	

Scale: 0 0.01 0.02 0.04 KM

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