

PLANNING COMMITTEE – 14 SEPTEMBER 2017

DEFERRED ITEM

Report of the Head of Planning

DEFERRED ITEMS

Reports shown in previous Minutes as being deferred from that Meeting

REFERENCE NO - SW/08/1124 & SW/13/0568			
APPLICATION PROPOSAL Modification of Section 106 agreement to allow removal of on-site affordable housing with a viability re-assessment submitted upon occupation of the 21 st unit and a commuted sum payable at a <u>minimum</u> of £31,000 for off-site affordable housing. Original application - to replace an extant planning permission SW/08/1124 (Demolition of existing buildings and redevelopment of site to provide 12, two bedroom apartments, 14, one bedroom apartments, amenity space, 26 parking spaces and cycle store and new vehicular access) in order to extend the time limit for implementation.			
ADDRESS 153 London Road, Sittingbourne, Kent, ME10 1PA			
RECOMMENDATION Grant modification			
SUMMARY OF REASONS FOR RECOMMENDATION On-site affordable housing would not be viable to provide. Allowing a viability re-assessment once the development has commenced and upon occupation of the 21 st unit, would ensure that a commuted sum is secured for off-site affordable housing, subject to there being a profit above 20%. This modification of the Section 106 agreement responds to the changing financial and property markets in difficult economic times. The modification would allow the development of much needed housing to be provided within an urban and sustainable site. It would also significantly improve the appearance of the site which is an eyesore in a prominent position.			
REASON FOR REFERRAL TO COMMITTEE Modification of Section 106 agreement			
WARD Grove Ward	PARISH/TOWN COUNCIL Sittingbourne	APPLICANT Clarity Properties Ltd AGENT Mr Keith Plumb	
DECISION DUE DATE 08/08/13	PUBLICITY EXPIRY DATE	OFFICER SITE VISIT DATE 09/01/17	
RELEVANT PLANNING HISTORY (including appeals and relevant history on adjoining sites):			
App No	Proposal	Decision	Date
16/507631/LDCEX	Certificate of Lawful development to establish that works commenced under the approved planning permission, SW/13/0568, in the form of demolition of the existing buildings on 23rd May 2016.	Approval	08.12.16
16/508336/NMAM D	Non material amendment to alter the description of application SW/08/1124 to reflect the approved drawings which show 13 one bedroom apartments and 13 two bedroom	Approval	08.12.16

	apartments.		
SW/13/0568	to replace an extant planning permission SW/08/1124 (Demolition of existing buildings and redevelopment of site to provide 12, two bedroom apartments, 14, one bedroom apartments, amenity space, 26, parking spaces and cycle store and new vehicular access) in order to extend the time limit for implementation.	Approval	08.08.13
SW/08/1124	Demolition of existing buildings and redevelopment of site to provide 12, two bedroom apartments, 14, one bedroom apartments, amenity space, 26 parking spaces and cycle store and new vehicular access.	Approval	18.05.10

MAIN REPORT

1.0 INTRODUCTION

1.01 The proposal to modify the Section 106 agreement as set out above was brought before Members of the Planning Committee on 2nd February 2017. The original committee report and the relevant minutes of this meeting are appended.

1.02 Members resolved that the application be deferred to allow officers to advise the developer to either provide affordable housing or more than £31,000 for offsite affordable housing, and that it cannot be dependent upon their profit margins. Members also requested that the viability assessment be made available to them when the proposed modification is reported back to them. The viability assessment is provided under Part 6 of this agenda as the information contained within it is financially sensitive.

1.03 In response to Members' concerns, the developer instructed his financial advisor to provide an up to date viability assessment to enable the Council to review it. Officers have commissioned an independent review of this viability assessment by CBRE. The report on this review is provided under Part 6 of this agenda.

1.04 Members are asked to refer to the original report that is appended in respect of the history of the site, planning policy, consultee responses, background papers and appraisal.

1.05 Since the proposed modification was reported to the February Planning Committee, the Bearing Fruits 2031: Swale Borough Local Plan 2017 (adopted LP) has been adopted. Policy DM8 of the adopted LP in part states:

"...In exceptional circumstances, and in accordance with a supplementary planning document to be prepared by the Borough Council:

a. on-site affordable housing provision may be commuted to a financial contribution to be used off-site, singly or in combination with other contributions. Commuted sums may also be considered in respect of sites at Faversham and the rural areas so as to support the provision of affordable housing in less viable locations; or

b. where no Registered Social Landlord is available, the full affordable housing provision

requirement will be cascaded to another provider and/or site or via a commuted sum, its calculation having regard to the full amount of market housing that has been achieved on the site; or

c. where an applicant can demonstrate that providing the full affordable housing provision would result in the scheme becoming unviable, a reduced requirement may be considered and will be subject to a legal agreement to ensure that full provision of affordable housing is reconsidered should land values rise prior to the commencement of development or any subsequent phases and/or an adjustment made to the tenure split.

If evidence demonstrates that economic conditions, or the proposed characteristics of the development or its location, have positively changed the impact of viability of the provision of affordable housing, the Council will seek a proportion of affordable housing closer to the assessed level of need, or higher if development viability is not compromised.”

1.06 Under Policy DM8, for development in Sittingbourne of 11 or more dwellings, 10% affordable housing is required as opposed to the previous 30% under the old Local Plan 2008.

1.07 Since the February Planning Committee, the building that was on the application site has been demolished, the land cleared and foundations have been laid.

2.0 APPRAISAL

2.01 Members will have read in the original committee report that the principle of modifying a Section 106 agreement in respect of the level of affordable housing is accepted in National Planning Policy, providing that a viability assessment demonstrates that a reduction is justified.

2.02 Policy DM8 of the adopted LP also allows the level of affordable housing to be reviewed under a viability assessment and a reduction allowed:

“...where an applicant can demonstrate that providing the full affordable housing provision would result in the scheme becoming unviable, a reduced requirement may be considered...”

2.03 It goes on to seek to ensure that a clause is built into the revised Section 106 to allow a review of the viability at a certain trigger point with the aim of capturing an increase in sale prices, profit for the developer and/or uplift in land value.

2.04 The proposed modification to remove the requirement for affordable housing to be required on the application site would meet the requirements of Policy DM8 in my view. The viability assessment that has been submitted has been independently reviewed by CBRE (see report at part 6 of this agenda) and they conclude that the revised proposal submitted by the applicant is reasonable:

“In light of the review undertaken and assumptions applied, CBRE’s analysis shows that the scheme cannot support the delivery of on-site affordable housing in addition to the £40,000 S106 contribution allowed for. Therefore we consider the applicant’s offer of £40,000 S106 contributions and a viability review following the occupation of the 21st unit with a minimum additional payment of £31,000 to be reasonable.

However as noted in paragraph 5.12 above we would suggest that there is a formal viability review undertaken at the point of occupation of the 21st unit utilising an agreed

baseline appraisal. We believe this should be a condition of the planning consent. This should test whether a payment above the £31,000 offer be applicable at that point in time.

- 2.05 Members may have noted that the developer has agreed to change the terms under which the viability re-assessment would be based, referring to a minimum commuted sum of £31,000 as opposed to a maximum commuted sum of £31,000. It is entirely reasonable, as Members rightly considered at the February planning committee (see minutes as appendix A), that the commuted sum should be based on the amount that the developer can afford to pay at the time, as demonstrated in a viability re-assessment.
- 2.06 As noted at paragraph 2.06 of the original report, we have negotiated with the applicant that a viability re-assessment would be submitted upon the practical completion of the 21st unit. Should the viability re-assessment demonstrate that the scheme can afford a commuted sum payment, a minimum of £31,000 (plus an adjustment for inflation) for off-site affordable housing would be made to the Council. This would be paid in three installments: 1st – practical completion of 21st unit, 2nd – practical completion of the whole scheme and 3rd – sale of 26th unit or 6 months after the 2nd instalment, whichever is sooner. The wording of the Section 106 agreement will need to be modified to enable this change, the precise wording of which would be agreed under the instruction of the Head of Legal Services.
- 2.07 In response to Members concerns about the provision of affordable housing being dependant upon the developer's profit, it is entirely reasonable for the developer to make a profit from the development. Indeed, paragraph 173 of the NPPF states:
- “...To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements 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.**”*
- 2.07 Delivery of housing in this Borough and across the country is dependent on profit-making developers. It is widely recognised that a reasonable level of profit for a developer is within the range of 17.5-20%. As Members will see from the submitted viability assessment (see part 6), the developer seeks to demonstrate that they would actually be making a profit at 0.65%. Given the significantly reduced profit level for this development, the developer's financial advisor states:
- “In my opinion, this scheme is such a long way off being viable that any Section 106 payments at all simply adds to the costs and will reduce the viability further. However, as previously mentioned the developer is keen to build the scheme and exit the site and is willing to honour the previous commitment to provide a total package of £40,000 in payments, almost double the total projected profit of this scheme.”*
- 2.08 CBRE have conducted their viability assessment based on a 18.5% profit and consider this to be reasonable noting that in their experience elsewhere, a higher profit margin has been accepted. Despite the differences on the profit assumptions, CBRE continue to conclude that it would not be viable to provide affordable housing on this site.

- 2.09 Members should note that the developer has requested that the viability re-assessment should be based on the developer receiving a 20% profit. The developer's financial advisor justifies this as follows:

"It is widely accepted that, for a scheme to be technically viable in planning terms, an acceptable return for a developer is in the range of 17.5% to 20%. On complex brownfield sites, and particularly post-Brexit, it is widely accepted that returns will be at the upper end of this spectrum going forward, certainly much closer to 20%. As alluded to previously in this Report, the profit margin is crucial for absorbing unexpected shocks in the economy, along with hidden costs on brownfield sites, and is a suitable sum commuted on the risk taken by the developer....."

...I believe in this case, a reasonable return to the land owner would be recouping the costs of the 2007 purchase of the site, which stands at £630,000. Additionally, a willing developer would reasonably be expected to make a return in the region of 17.5% to 20%, as supported by the research paper in Appendix B [see part 6 item]. This return insulates the developer from risk and wider economic factors, which is particularly prevalent in this case considering the time of the site purchase."

- 2.10 As CBRE have based their appraisal on a profit of 18.5%, I would advise Members that this should also be the basis of the re-assessment and not the 20% as suggested by the applicant's financial advisor.

- 2.11 In summary, CBRE and the developer's financial advisor conclude that the scheme would be unviable without the removal of the requirement for affordable housing at this site. The developer is, however, willing to build in a review of the viability upon occupation of the 21st dwelling allowing a commuted sum of a minimum of £31,000 to be released if it is viable to do so. This is entirely compliant with Policy DM8 of the adopted LP and the relevant paragraphs of the NPPF. There is no reason why the Section 106 should not be modified in the way that is being requested by the developer.

3.0 CONCLUSION

- 3.01 The proposal to modify the planning obligation in respect of the affordable housing provision on site would enable the development of much needed housing to come forward. This factor weighs significantly in favour of the modification which would see the loss of all on-site affordable housing. However, the scheme would still be subject to a viability re-assessment which would see at least £31,000 secured towards off-site affordable housing, should the developer make a profit of more than 20%. The proposed modification would be entirely compliant with the adopted LP and the relevant paragraphs of the NPPF.

- 4.0 **RECOMMENDATION** – To Grant modifications to the existing Section 106 as set out above and delegation to agree the precise wording of the modified planning obligation under the instruction of the Head of Legal Services.

- NB For full details of all papers submitted with this application please refer to the relevant Public Access pages on the council's website.

The conditions set out in the report may be subject to such reasonable change as is necessary to ensure accuracy and enforceability.

APPENDIX A

Planning Committee Report – 2nd February 2017

REPORT SUMMARY

REFERENCE NO - SW/08/1124 & SW/13/0568		
APPLICATION PROPOSAL Modification of Section 106 agreement to allow removal of on-site affordable housing with a viability re-assessment submitted upon occupation of the 21 st unit and a commuted sum payable at a maximum of £31,000 for off-site affordable housing. Original application - to replace an extant planning permission SW/08/1124 (Demolition of existing buildings and redevelopment of site to provide 12, two bedroom apartments, 14, one bedroom apartments, amenity space, 26 parking spaces and cycle store and new vehicular access) in order to extend the time limit for implementation.		
ADDRESS 153 London Road, Sittingbourne, Kent, ME10 1PA		
RECOMMENDATION Grant modification		
SUMMARY OF REASONS FOR RECOMMENDATION On-site affordable housing would be difficult to provide. Allowing a viability re-assessment once the development has commenced and upon occupation of the 21 st unit, would ensure that a commuted sum is secured for off-site affordable housing, subject to there being a profit above 17%. This modification of the Section 106 agreement responds to the changing financial and property markets in difficult economic times. The modification would allow the development of much needed housing to be provided within an urban and sustainable site. It would also significantly improve the appearance of the site which is an eyesore in a prominent position.		
REASON FOR REFERRAL TO COMMITTEE Modification of Section 106 agreement		
WARD Grove Ward	PARISH/TOWN COUNCIL Sittingbourne	APPLICANT Clarity Properties Ltd AGENT Mr Keith Plumb
DECISION DUE DATE 08/08/13	PUBLICITY EXPIRY DATE	OFFICER SITE VISIT DATE 09/01/17
RELEVANT PLANNING HISTORY (including appeals and relevant history on adjoining sites):		

App No	Proposal	Decision	Date
16/507631/LDCEX	Certificate of Lawful development to establish that works commenced under the approved planning permission, SW/13/0568, in the form of demolition of the existing buildings on 23rd May 2016.	Approval	08.12.16
16/508336/NMAM D	Non material amendment to alter the description of application SW/08/1124 to reflect the approved drawings which show 13 one bedroom apartments and 13 two bedroom apartments.	Approval	08.12.16
SW/13/0568	to replace an extant planning permission SW/08/1124 (Demolition of existing buildings and redevelopment of site to provide 12, two bedroom apartments, 14, one bedroom apartments, amenity space, 26, parking spaces and cycle store and new vehicular access) in order to extend the time limit for implementation.	Approval	08.08.13
SW/08/1124	Demolition of existing buildings and redevelopment of site to provide 12, two bedroom apartments, 14, one bedroom apartments, amenity space, 26, parking spaces and cycle store and new vehicular access.	Approval	18.05.10

MAIN REPORT

1.0 DESCRIPTION OF SITE

1.01 The application site is 0.09ha and is rectangular in shape. It is directly adjacent to the Wickes car park and fronts onto London Road (the A2). On the site is a partially demolished two ½ storey building and a single storey flat roof building to the rear of the site.

1.02 The site lies to the west of Sittingbourne Town Centre. Residential properties lie opposite and to the west of the site. There is a Petrol Filling Station on the opposite side of London Road slightly to the east. The site is currently messy and unsightly.

2.0 PROPOSAL

2.01 Planning permission was originally granted under SW/08/1124 for the demolition of existing buildings and redevelopment of the site to provide 12, two bedroom apartments, 14, one bedroom apartments with amenity space and parking and a new vehicular access. Permission to extend the time limit for implementation of the development was granted under SW/13/0568. Application reference 16/508336/NMAMD later corrected the description to accurately reflect the approved plans which showed 13 one bedroom and 13 two bedroom apartments.

2.02 An application for a Lawful Development Certificate (16/507631/LDCEX) was later submitted to establish that the 2008/2013 permissions had been implemented by virtue of development commencing prior to the expiration of the time limit imposed. In this case, the partial demolition of the property constituted the commencement of development. The certificate was issued confirming that the permission was extant. We are currently

considering the details submitted pursuant to conditions attached to the 2008/2013 permissions. Upon approval of these details, the approved development can continue.

2.03 I understand that the applicant was required to start the demolition process due to the unsafe state of the building fronting onto London Road. This Council served a Stop Notice on the applicant once this demolition was started because the work did not have the benefit of prior approval or planning permission. There has been no work on site since then. The applicant is aware that the conditions details, including contaminated land, will need to be agreed before any further work is carried out on site. I am informed by the planning agent that the required contaminated land surveys are being carried out and will be submitted shortly.

2.04 The current proposal is to modify the Section 106 agreement attached to the original permissions (SW/08/1124 & SW/13/0568) to allow removal of the requirement for on-site affordable housing. Among other things, the requirement of the Section 106 agreement is currently for the provision of 30% affordable housing on site (8 units), though a tenure split was not specified.

2.05 In addition, the Section 106 agreement required the following developer contributions:

- i) £227 per dwelling for library improvements;
- ii) an open space contribution of £17,940;
- iii) an adult social services contribution of £2362.85;
- iv) a community learning contribution of £981.05;
- v) a primary education contribution of £590.24 per dwelling; and
- vi) a secondary education contribution of £589.95 per dwelling.

2.06 We have negotiated with the applicant that a viability re-assessment would be submitted upon the practical completion of the 21st unit and a commuted sum payable at a maximum of £31,000 (plus an adjustment for inflation) for off-site affordable housing. This would be paid in three installments: 1st – practical completion of 21st unit, 2nd - practical completion of the whole scheme and 3rd – sale of 26th unit or 6 months after the 2nd instalment, whichever is sooner. The wording of the Section 106 agreement will need to be modified to enable this change, the precise wording of which would be agreed under the instruction of the Head of Legal Services.

3.0 POLICY AND OTHER CONSIDERATIONS

3.01 The National Planning Policy Framework (NPPF) – paragraph 173 is quoted below.

3.02 National Planning Practice Guidance (NPPG): Viability & Planning Obligations

3.03 Swale Borough Local Plan 2008: SP1 (sustainable development); SP4 (housing) and; H3 (affordable housing).

3.04 Bearing Fruits 2031 The Swale Borough Local Plan Proposal Main Modifications June 2016: ST1 (sustainable development); ST2 (development targets for jobs and homes); CP3 (delivering a wide choice of high quality homes) and; DM8 (affordable housing).

3.05 Supplementary Planning Documents: Developer Contributions 2009

3.06 Section 106A of the Town and Country Planning Act 1990 allows the modification and discharge of planning obligations.

4.0 CONSULTATIONS

4.01 The Head of Housing has been involved in the discussions and negotiations throughout and is in agreement with the commuted sum approach in this case and to the payment being capped at £31000 plus indexation. This is in response to a number of viability assessments that have been submitted - one in 2012, one in 2015 and the most recent in 2016. Each appraisal has shown that the scheme would be unviable if affordable housing were to be provided on site. They have agreed since 2012 that a commuted sum in lieu of on-site affordable housing would be acceptable.

4.02 With regard specifically to the possible availability of grant funding, she comments as follows:

“The current grant programme (Shared Ownership Affordable Homes Programme 2016-21) is for the delivery of shared ownership product only with limited affordable rent tenure for specialist/supported housing. Therefore our current affordable homes delivery programme is based solely around shared ownership with zero affordable rent. This also means that our ‘new’ policy split of 90% affordable rent tenure with 10% shared ownership will be difficult to meet, as has been the case so far.”

5.0 BACKGROUND PAPERS AND PLANS

5.01 Draft Section 106 agreement & application documents and plans for SW/08/1124 & SW/13/0568.

6.0 APPRAISAL

Principle of Development

6.01 As noted above, Section 106A of the Town and Country Planning Act 1990 allows the modification and discharge of planning obligations. NPPG – Planning Obligations states:

“Planning obligations can be renegotiated at any point, where the local planning authority and developer wish to do so. Where there is no agreement to voluntarily renegotiate, and the planning obligation predates April 2010 or is over 5 years old, an application may be made to the local planning authority to change the obligation where it “no longer serves a useful purpose” or would continue to serve a useful purpose in a modified way”.

6.02 In this case the planning obligation is over 5 years old, being completed on 18th May 2010, and so the developer could have applied formally to the council for this modification. However, all negotiations to date have been successfully undertaken without the need for the formal application.

6.03 In April 2013, the Government produced guidance on Section 106 Affordable Housing Requirements. This introduced a new temporary procedure, with the ability to appeal, for the review of planning obligations where it relates to affordable housing under Section 106BA of the Town and Country Planning Act. The guidance notes at paragraph 2 that:

“Unrealistic Section 106 agreements negotiated in differing economic conditions can be an obstacle to housing building. The Government is keen to encourage development to come forward, to provide more homes to meet a growing population and to promote construction and economic growth. Stalled schemes due to economically unviable affordable housing requirements result in no development, no regeneration and no community benefit. Reviewing such agreements will result in more housing and more affordable housing than would otherwise be the case.”

6.04 Although this procedure was repealed in April 2016, the guidance referred to above and the change in legislation sets the tone for negotiations on the loosening of requirements to provide affordable housing on schemes that were approved at a time of economic difficulty and for schemes that are proving difficult to get off the ground, such as 153 London Road.

6.05 Now that the temporary change in legislation has come to an end, the modification of planning obligations can still take place under Section 106A but, arguably, under a less, streamlined process and without the right to appeal.

6.06 NPPG - Viability, notes that viability can be important where planning obligations or other costs are being introduced. In these cases decisions must be underpinned by an understanding of viability, ensuring realistic decisions are made to support development and promote economic growth. The guidance states that where the viability of a development is in question, local planning authorities should look to be flexible in applying policy requirements wherever possible. Where an applicant is able to demonstrate to the satisfaction of the local planning authority that the planning obligation would cause the development to be unviable, the local planning authority should be flexible in seeking planning obligations. This is particularly relevant for affordable housing contributions which are often the largest single item sought on housing developments. These contributions should not be sought without regard to individual scheme viability. The financial viability of the individual scheme should be carefully considered in line with the principles in this guidance.

6.07 Paragraph 173 of the NPPF states:

“...To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements 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.”

6.08 In the case of 153 London Road, the guidance is clear that we should be flexible in terms of the provision of affordable housing. The applicant has submitted three separate viability assessments, one in 2012, one in 2015 and the most recent in October 2016. All of these assessments demonstrate that the scheme would be unviable with affordable housing provided on site. It is my strong view that the proposed modification would allow the development of the site to come forward much more quickly than it would do if affordable housing was required to be provided on site at 30%. The requirement for a viability re-assessment, which would be independently assessed, will ensure that if the developer makes a profit above 17% (which is considered to be a reasonable % for developer profit and has been similarly applied to other schemes), a contribution of £31,000 (index linked) will be paid to the Council. This would be used towards the provision of affordable housing elsewhere within the Borough. The capping of the contribution at £31,000 gives the developer the certainty that they require in order to secure the necessary funds to develop the site. I consider that this is reasonable in this case.

6.09 The figure of £31,000 has been arrived at following extensive negotiations. The developer had originally offered a much smaller figure of £19,800 based on their calculations of the value of the market value of the 8 affordable units. We queried this figure based on our knowledge of larger commuted sums that had been secured on sites within close proximity to 153 London Road. The developer has agreed to pay this higher figure on the terms set out at paragraph 2.06 above.

6.10 Allowing the planning obligation to be modified in the way proposed will enable the provision of much needed housing and would improve the appearance of the site which I consider is, at present, an eyesore.

7.0 CONCLUSION

7.01 The proposal to modify the planning obligation in respect of the affordable housing provision on site would enable the development of much needed housing to come forward and would result in a significant visual improvement of the site. These factors weight significantly in favour of the modification which would see the loss of all on-site affordable housing. However, the scheme would still be subject to a viability re-assessment which would see £31,000 secured towards off-site affordable housing, should the developer make a profit of more than 17%.

8.0 RECOMMENDATION – To Grant modifications to the existing Section 106 as set out above and delegation to agree the precise wording of the modified planning obligation under the instruction of the Head of Legal Services.

NB For full details of all papers submitted with this application please refer to the relevant Public Access pages on the council's website.
The conditions set out in the report may be subject to such reasonable change as is necessary to ensure accuracy and enforceability.

Minutes – Planning Committee 2nd February 2017

2.9 REFERENCE NO – SW/08/1124 & SW/13/0568 APPLICATION PROPOSAL

Modification of Section 106 agreement to allow removal of on-site affordable housing with a viability re-assessment submitted upon occupation of the 21st unit and a commuted sum payable at a maximum of £31,000 for off-site affordable housing.
Original application – to replace an extant planning permission SW/08/1124 (Demolition of existing buildings and redevelopment of site to provide 12, two bedroom apartments, 14, one bedroom apartments, amenity space, 26 parking spaces and cycle store and new vehicular access) in order to extend the time limit for implementation.

ADDRESS 153 London Road, Sittingbourne, Kent, ME10 1PA

WARD Grove **PARISH/TOWN COUNCIL APPLICANT** Clarity

Properties Ltd

AGENT Mr Keith Plumb

The Chairman moved the officer recommendation to approve the application and this was seconded.

A Ward Member spoke against the application. He raised points which included: fed-up with developers using affordable housing as a way to gain planning

permission only to say further down the line that this would no longer be viable; and the Council should not allow affordable housing options to be lost in this way. Members considered the application and raised the following points: nonsense to say that it would not be viable to provide affordable housing; when the application was submitted affordable housing was viable and it still was; the £31,000 for off-site affordable housing was 'derisory'; affordable housing may have been viable 9 years ago, but the viability assessments must suggest this would no longer be viable option; if the developer was not able to develop and provide affordable housing at this site then they should 'move-on' or the Council should force them to provide it. The Senior Planning Officer stated that in 2008 when the application was first submitted the housing market was at its peak. She explained that the site was an 'eyesore' and had significant contamination and groundwater issues, which may have not been factored into the original application.

The motion to approve the application was lost.

Councillor Mike Baldock moved the following motion: That the application be refused on the grounds that the affordable housing was needed. This was not seconded.

Councillor Mike Henderson moved the following motion: That the application be deferred to allow officers to advise the developer to either provide affordable housing or more than £31,000 for off-site affordable housing, and that it could not be dependent upon their profit margins. This was seconded by Councillor Cameron Beart.

A Member requested that details of the viability assessments were provided when the application comes back to Committee for consideration.

Resolved: That the application be deferred to allow officers to advise the developer to either provide affordable housing or more than £31,000 for offsite affordable housing, and that it can not be dependent upon their profit margins.