

Planning and Rights of Way Panel 24 April 2018
Planning Application Report of the Service Lead – Infrastructure, Planning & Development

Application address: Land At junction of Brownhill Way and Lower Brownhill Road, Southampton			
Proposed development: Erection of 14 two-storey houses (12 x three bedroom and 2 x two bedroom) with associated parking, vehicular access from Lower Brownhill Road and space for a children's play area.			
Application number	12/00596/FUL	Application type	FUL
Case officer	Simon Mackie	Public speaking time	15 minutes
Last date for determination:	N/A	Ward	Redbridge
Reason for Panel Referral:	Request to vary Affordable Housing obligation within the Section 106 by way of a Deed of Variation	Ward Councillors	Cllr Whitbread Cllr Pope Cllr McEwing
Referred by:	N/A	Reason:	Viability Issues

Applicant: The Trustees of The Barker Mill Estates		Agent: Nigel Jacobs (Intelligent Land)	
Recommendation Summary	Delegate to the Service Lead - Infrastructure, Planning and Development to agree a deed of variation to the Section 106 Agreement dated the 30th August 2013		
Community Infrastructure Levy Liable		No	

Appendix attached			
1	Original Section 106 Agreement (30 th August 2013)	3	DVS Viability Appraisal Report
2	Planning & Rights of Way Panel Report (21 st August 2012)		

1.0 Recommendation in Full

- 1.1 Delegate to the Service Lead – Infrastructure, Planning and Development to make a Deed of Variation to vary the Section 106 Agreement dated the 30th August 2013 to reduce the Affordable Housing provision, on viability grounds, to the provision of one (1) on-site unit, identified as Plot 3 a two-bed detached unit, plus an increase to the surplus provided as a financial contribution amounting to £25,000 and imposing the council's standard viability review mechanism clause.

2.0 Proposal & Background

- 2.1 Further to the previous Panel Report taken to the 13th March 2018 Planning & Rights of Way Panel, where a similar request to reduce the affordable housing requirement was rejected, an improved offer has been made by the applicant to increase the financial contribution (surplus) to £25,000, plus the on-site Affordable Housing Unit, which is to be provided by St Arthur Homes.
- 2.2 The original application was approved by the Planning and Rights of Way Panel in August 2012, subject to the completion of a Section 106 Agreement, a copy of which can be found at *Appendix 1*. A copy of the officer's report is also appended at *Appendix 2*.
- 2.3 The site has stalled and has remained undeveloped for a number of years, with the current consented scheme having been demonstrated to be unviable and therefore unlikely to come forward with the current level of planning obligation being sought through the Section 106 Agreement dated the 30th August 2015.
- 2.4 The applicant has submitted a viability assessment which has been appraised by the Council's independent expert (District Valuations Service - DVS) and it has been found to be unviable, for the full policy compliant level of affordable housing, based on the current market conditions and established viability guidelines. A copy of the DVS Viability Appraisal Report can be found at Appendix 3 of this report. This is the same report and review that was considered by the Panel in March.
- 2.5 A Deed of Variation is therefore sought, again, to reduce the Affordable Housing provision from three (3) units to one (1) unit, provided on-site, based on the inclusion of the council's standard viability review and completion clauses, to ensure that if the development does not come forward for development in the short term, the council has the ability to review the viability position at a fixed point in the future. The applicants have tabled a revised off-site contribution of £25,000, which exceeds the amount that DVS found to be viable for this scheme.

3.0 Relevant Planning Policy

- 3.1 The Development Plan for Southampton currently allows viability to be taken into account as set out within the "saved" policies of the City of Southampton Local Plan Review (as amended 2015), the City of Southampton Core Strategy (as amended 2015) at Policy CS15 – Affordable Housing. This policy confirms that a scheme's viability is a material consideration and where an independent assessment confirms that a scheme is struggling its delivery may still be policy compliant despite a shortfall to the 35% requirement.

4.0 Relevant Planning History

- 4.1 This scheme (see above description of development) was approved by the Planning Panel in August 2012, and was implemented, but has become stalled due to viability issues of building out the consented scheme.

5.0 Planning Consideration Key Issues

- 5.1 The key issue for consideration is whether the Planning & Rights of Way Panel are willing to vary the terms of the original Section 106 Agreement by way of reducing the provision of the fully policy compliant Affordable Housing obligation, on viability grounds, with the aim of encouraging the development proposal to be built out in the short term and make provision for one unit of Affordable Housing. The applicant (and officers) acknowledge that the Panel were unable to support this request in March and an improved offer has now been made. As officers had

previously recommended the previous variation for approval this improved offer is again acceptable to officers.

- 5.2 If the proposal is rejected it is unlikely that the consented development will come forward in the short term and a revised planning proposal will be required.
- 5.3 Another option for the applicant is to re-submit an updated viability assessment once the Section 106, 5 year period has elapsed (August 2018), whereby the Council will need to make a further decision (at Panel), which may then be subject of an appeal to the Planning Inspectorate where external resource would be needed to defend the appeal in light of the current recommendation and support offered by the DVS to the revised affordable housing offer. There is a risk that circumstances will change by the time an appeal is lodged and considered that any current surplus will no longer be viable. Similarly, circumstances may improve and the scheme could become more viable in the longer term, but officers consider that weight should be given to the delivery of housing to meet current need and therefore support the request.

6.0 Conclusion

- 6.1 As such, the proposal is recommended for approval subject to securing the matters set out in the recommendations section of this report.

Local Government (Access to Information) Act 1985