

APPLICATION REPORT – 16/00516/S106A

Validation Date: 26 May 2016

Ward: Adlington And Anderton

Type of Application: Section 106 Amendment

Proposal: Request under Section 106A of the Town and Country Planning Act 1990 (as amended) and the Town and Country Planning (Modification and Discharge of Planning Obligations) Regulations 1992 to modify a unilateral undertaking dated 8th September 2015

Location: Land Surrounding Huyton Terrace Previously Baly Place Farm Bolton Road Adlington

Case Officer: Adele Hayes

Applicant: Stewart Milne Homes

Agent: N/A

Consultation expiry: None required

Decision due by: 25 August 2016

RECOMMENDATION

1. It is recommended that this request is accepted and the terms of the Unilateral Undertaking be amended.

SITE DESCRIPTION

2. The site is 7.3 hectares and is located to the south of Adlington outside of the defined settlement boundary. Outline planning permission was granted in August 2013 to erect 170 dwellings on the site with a subsequent application for reserved matters consent for 158 dwellings approved in September 2015. Development is currently underway.

DESCRIPTION OF PROPOSED DEVELOPMENT

3. Stewart Milne Homes are now seeking to modify the provision of the on-site delivery of affordable housing. The proposed change involves a reduction in the number of social rent units by 2no. 2 bedroom and 2no. 3 bedroom units to leave a mix of 15no. 1 bedroom apartments (plots 105-119); 6no. 2 bedroom homes (plots 45, 135, 136, 139, 142 and 143); and 8no. 3 bedroom homes (plots 44, 46, 134, 137, 138, 140, 141 and 144).

4. Given the lack of interest from Registered Providers it is also proposed to remove the Intermediate Housing (Plots 37-43, 50-53, 84-87 and 155-157) from the affordable housing provision and for these properties to be available for open market sale.

5. It is, therefore, proposed to pay a commuted sum of £391,693.50 before the occupation of the 28th Market Dwelling (25% of current total) and a further commuted sum of £391,693.50

before the occupation of the 56th Market Dwelling (50% of current total) in lieu of this on site provision.

6. All of the other obligations within the original Undertaking are not affected by this application.

REPRESENTATIONS

7. No representations have been received.

CONSULTATIONS

8. Strategic Housing – Have no objection to the proposed changes to the delivery of the affordable housing.

PLANNING CONSIDERATIONS

9. The Government wrote to all Local Planning Authorities last year advising that, following feedback by key partners, it is clear that housing associations are reviewing their existing financial commitments following the Budget 2015 announcement of reductions in social rents in the four years from 2016-17.

10. Section 106 agreements may be renegotiated at any time by mutual consent. Several developers have already approached the Council to renegotiate Section 106 Agreements to make adjustments to planned schemes, including the type of affordable housing provided.

11. The Government's planning guidance is clear that local planning authorities should be flexible in their requirements, taking into account specific site circumstances and changing circumstances.

12. Developers are already entitled to apply to modify any obligation over five years old. The Government has urged planning authorities to respond constructively, rapidly and positively to requests for such renegotiations and to take a pragmatic and proportionate approach to viability. Where it is simply proposed that the tenure mix is adjusted, with the overall affordable housing contribution remaining the same, it is the Government's view that this is unlikely to justify reopening viability by either side. Local authorities are asked to expedite such renegotiations so they can be dealt with in a timely manner, and avoid action which might result in unnecessary delay.

13. The implications of the Government imposed 1% rent reduction on social rented units is such that the developer is now seeking a reduction in the number of social rent units. Also, given the lack of interest from Registered Providers in the Intermediate Units, it is now proposed to pay a commuted sum instead.

14. Reserved matters consent (15/00506/REMMAJ) for the development of 158 dwellings on the site was granted in September 2015. The originally approved development included the provision of 30% affordable housing; 47 units - 33 social rented and 14 shared ownership.

15. However, since reserved matters approval was granted, Adactus Housing Group has had to rescind their original offer for the social rented units due to the implications of the Government imposed 1% rent reduction. Various options have been explored to find a solution, however, since recent budget announcements there has been clarity that with social rent, the rent reduction applies cumulatively; as well as annual decreases once the property is complete.

16. However, Adactus are still committed to providing affordable units on this site and have made a revised and reduced offer for 29 social rent units.

17. Adactus have also withdrawn their offer for the shared ownership units; due to being unable to gain internal approval. Competition from Help to Buy equity scheme makes shared ownership sale increasingly difficult for Adactus exposing them, they believe, to an unacceptable level of risk.

18. Stuart Milne Homes have sought interest from other Registered Providers operating in the Central Lancashire area. However, their offers were either lower than Adactus Housing Group or they did not wish to make an offer for the units.

18. Following discussions with the Council's Strategic Housing Team, it was agreed in principle to deliver the 14no. shared ownership housing off-site by way of a commuted sum. The commuted sum has been calculated using the 'Off-site provision' calculation in the Central Lancashire Affordable Housing SPD and this totals £783,387. This approach is considered to be within the Council's policy framework as the Affordable Housing SPD allows some flexibility where there are other policy objectives.

19. The significantly reduced offer for the social rent units has created cost implications for Stewart Milne Homes along with increased sales and marketing costs that will be incurred from the reversion of affordable units to the open market, an increased sales period, longer prelims and implications on cash flow. In order for them to maintain the net margin approved to purchase the site, a reduction of social rent units is required as detailed above.

CONCLUSION

20. It is recommended that the request to modify the Unilateral Undertaking is accepted approved.

CONSTRAINTS

**Chorley Core Area
Green Belt
Parish
SSSI Impact Risk Zones**

RELEVANT HISTORY OF THE SITE

Ref: 12/00082/OUTMAJ Decision: WDN Decision Date: 7 June 2012
Description: Outline planning application for the development of land to the south of Bolton Road, Adlington for the erection of up to no. 300 dwellings and associated open space with all matters reserved, save for access.

Ref: 12/00738/SCE Decision: PESCEZ Decision Date: 10 August 2012
Description: Screening opinion for the development of the land for up to 170 dwellings, demolition of 74 and 76 Bolton Road, formation of new access, landscaping, open space, highways and associated works.

Ref: 12/00741/OUTMAJ Decision: PEROPP Decision Date: 30 August 2013
Description: Outline application for residential development of up to 170 dwellings, demolition of 74 and 76 Bolton Road, formation of new access, landscaping, open space, highways and associated works.

Ref: 15/00506/REMMAJ Decision: PERRES Decision Date: 9 September 2015
Description: Reserved Matters Application for the erection of 158 dwellings comprising of 1, 2, 3, and 4 bedroom homes, open space and associated works (pursuant to outline planning consent ref: 15/00568/OUTMAJ).

Ref: 15/00553/DIS Decision: PEDISZ Decision Date: 10 February 2016
Description: Application to discharge conditions 4 (external materials), 5 (phasing), 6 (landscaping), 8 (boundary treatments), 9 (site access), 12 (surface water drainage), 13 (contamination), 15 (eradication/ control of Himalayan Balsam and Japanese Knotweed), 17 (dwelling emission rate), 21 (Construction Environment Management Plan) and 25 (nesting birds) attached to outline planning approval 15/00568/OUTMAJ.

Ref: 15/00568/OUTMAJ Decision: PERFPP Decision Date: 8 September 2015
Description: Section 73 application to vary conditions 16, 17 and 18 (all relating to Code for Sustainable Homes) and to remove condition 19 (Carbon Reduction Statement) attached to outline planning approval 12/00741/OUTMAJ.

Ref: 15/00939/DIS Decision: PEDISZ Decision Date: 11 November 2015
Description: Application to discharge conditions 9 (garden sheds), 13 (street construction) and 16 (replacement tree planting) attached to reserved matters approval 15/00506/REMMAJ.

Ref: 15/01049/DIS Decision: REDISZ Decision Date: 7 December 2015
Description: Application to discharge condition 20 (travel plan) attached to outline planning permission 15/00568/OUTMAJ.

Ref: 15/01236/DIS Decision: PEDISZ Decision Date: 10 February 2016
Description: Application to discharge conditions 12 (management and maintenance of the proposed streets) and 17 (play area) attached to reserved matters approval 15/00506/REMMAJ.

Ref: 15/01256/DIS Decision: PEDISZ Decision Date: 20 January 2016
Description: Application to discharge conditions 17 (Dwelling Emission Rate) and 18 (SAP assessment) attached to outline planning approval 15/00568/OUTMAJ.

Ref: 16/00051/TPO Decision: PERTRE Decision Date: 11 March 2016
Description: T3 and G2 on the tree preservation order proposed to be removed. Trees have significant damage (see tree report, trees highlighted). Replacement trees as detailed on drawings: 6738-L-100 Rev B 6738-L-102 Rev B 6738-L-104 Rev B.

Ref: 16/00431/MNMA Decision: PEMNMZ Decision Date: 23 May 2016
Description: Application for a minor non-material amendment to planning approval 15/00506/REMMAJ to swap the house types on plots 11 and 12.

Ref: 16/00557/MNMA Decision: PEMNMZ Decision Date: 28 June 2016
Description: Minor Non-Material Amendment - Removal and replacement of 3 trees to the rear of plots 36-43 (15/00506/REMMAJ).

RELEVANT POLICIES: In accordance with s.38 (6) Planning and Compulsory Purchase Act (2004), the application is to be determined in accordance with the development plan (the Central Lancashire Core Strategy, the Adopted Chorley Local Plan 2012-2026 and adopted Supplementary Planning Guidance), unless material considerations indicate otherwise. Consideration of the proposal has had regard to guidance contained within the National Planning Policy Framework (the Framework) and the development plan. The specific policies/ guidance considerations are contained within the body of the report.