

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO PLANNING & DEVELOPMENT COMMITTEE

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Agenda Item No.

meeting date: THURSDAY, 4 NOVEMBER 2010  
title: MODIFICATIONS TO THE S106 AGREEMENT FOR SITES AROUND AND INCLUDING PRIMROSE MILL FOR RESIDENTIAL DEVELOPMENT  
submitted by: DIRECTOR OF DEVELOPMENT SERVICES  
principal author: SARAH WESTWOOD - SENIOR PLANNING OFFICER

### 1 PURPOSE

- 1.1 To inform Members of the decision taken by an emergency Committee convened on Thursday, 21 October 2010 to agree proposed changes to the Section106 Agreement in relation to the Primrose Development.
- 1.2 Relevance to the Council's ambitions and priorities:
- Council Ambitions – To make people's lives safer and healthier by implementing established policy. Also in assisting the Council to protect and enhance existing environmental qualities.
  - Community Objectives – The report relates to issues affecting the delivery of affordable housing in the Borough.
  - Corporate Priorities – To facilitate the building of additional affordable homes.
  - Other Considerations – To ensure a consistency of approach in the determination of planning applications where a quota of affordable housing is required.

### 2 BACKGROUND

- 2.1 Planning and Development Committee have considered applications concerning the regeneration of sites around and including Primrose Mill for residential development, including improved site access, highway improvements and provision of public open space under applications 3/2008/0526/P, 3/2010/0054/P, 3/2010/0055/P and 3/2010/0756/P.
- 2.2 Three of the aforementioned applications are subject of a S106 Agreement that outlines financial contributions in respect of public open space and highways improvements as well as providing phasing mechanisms for the delivery of those contributions. The Agreement also concerns itself with the provision of affordable housing units on site.

### 3 ISSUES

- 3.1 When the Agreement was originally drafted it was done so on the basis that funding of £1,500,000.00 would be forthcoming under the Kickstart programme. The Agreement outlined that 25 affordable units would be provided for rent and that should a lesser amount of grant be forthcoming or, indeed, no grant, then a fallback position of 13 affordable rental units was built into the Agreement. Monies have not been forthcoming under the Kickstart programme but the scheme is in line for a lesser amount of Homes and Communities Agency funding of £1,270,750.00. However, this is on the basis that

the outputs will be delivered by 30 June 2012 and that a different tenure mix than that in the originally produced Section 106 is provided. As it stands the Section 106 would not allow this.

- 3.2 An application was submitted to the Council on 7 October 2010 to vary the terms of the original S106 Agreement signed and dated 24 March 2010.
- 3.3 The amendments sought were to vary the tenure of the affordable properties from 25 affordable rental as outlined in the original Agreement, to 13 social rent and 12 low cost home ownership (the latter defined in the proposed supplemental agreement as Intermediate Rent to Homebuy – a scheme whereby a person is granted a tenancy of a dwelling which includes provisions for the tenant to purchase the dwelling). Given this revision and the involvement of Contour Homes Ltd to delivery the affordable units, other revisions to the Agreement cover rent, nomination agreements and clarification on the operation of the Intermediate Rent to Homebuy scheme. The mix of affordable units is also revised from 4 x 2 bedroom flats, 13 x 2 bedroom houses and 8 x 3 bedroom houses to 3 x 2 bedroom apartments, 14 x 2 bedroom houses and 8 x 3 bedroom houses to reflect the properties granted consent under 3/2010/0054/P.
- 3.4 Discussions have been ongoing to ensure that the fallback position of 13 rental units is secured should no funding be available for this development from the HCA and that clause does remain within the Agreement.
- 3.5 It is the view of the Council's Housing Strategy Officer that a variation/supplemental agreement to the existing Section 106 to allow the revision in tenure mix and associated amendments would not undermine its fundamental purpose and would meet strategic housing objectives. The document sets out the provision of affordable units on site in terms of tenure, type, number of units and future nominations rights – all of which meet housing need requirements in Clitheroe.
- 3.6 Whilst mindful of Planning and Development Committee's wish for all the units to be provided as affordable rental properties, that is no longer a viable option given the grant funding that the HCA are now able to offer.
- 3.7 In order to be eligible for the latest stream of funding officers were informed that this matter needed to be resolved by 22 October hence the need to call the emergency Committee on 21 October to consider the above issues. Given that negotiations resulted in the retention of the fallback position of 13 affordable rental units, as previously agreed by Committee, and an additional 12 Intermediate Rent to Homebuy units it was considered appropriate to agree to the supplemental agreement as it still ensured that the scheme met strategic housing objectives.

#### 4 **RECOMMENDED THAT COMMITTEE**

- 4.1 Note the content of this report.

DIRECTOR OF DEVELOPMENT SERVICES

## BACKGROUND PAPERS

3/2008/0526/P – Proposed regeneration of sites around and including Primrose Mill for residential development including improved site access, highway improvements and provision of public open space. Approved with conditions 24 March 2010.

3/2010/0054/P – Proposed regeneration of open land (including former EA Depot-Part) for residential development (25 affordable units) to form part of wider Primrose Housing Scheme (application 3/2008/0526/P) including access link to existing Contour housing scheme. Approved with conditions 24 March 2010.

3/2010/0055/P – Proposed regeneration of the existing commercial site(s) for residential development (25 units) being Phase 1B of the Primrose Residential Project including improved vehicular access to Woone Lane (6 home buy affordable units and 19 market/for sale units). Approved with conditions 24 March 2010.

3/2010/0472/P – Proposed amendment of the position of the estate road on to Woone Lane and amend parking blocks 1 and 4. Approved with conditions 8 October 2010.

3/2010/0838/P - Proposed application for the modification of a section 106 agreement to clarify the affordable housing obligations following the granting of funding by the homes and communities agency and vary elements of the wording associated with the future letting and management of the affordable housing to be developed on site at the request of our housing partner. This includes the addition of a clause to provide protection to a future mortgagee of the affordable housing and to enable the association to raise private finance against the new homes. Approved with condition 22 October 2010.

Section 106 Agreement dated 24 March 2010 relating to 3/2008/0526/P, 3/2010/0-054/P & 3/2010/0055/P

Supplemental Agreement dated 22 October 2010

For further information please ask for Sarah Westwood, extension 4516.

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SW/JS