

Special Item–Affordable housing and Section 106 contributions for residential development at Lodge Lane/St Helen’s Street/ Willow Row, Derby

SUMMARY

- 1.1 Planning permission is sought for the development of the above brownfield city centre site into 35 apartments. The District Valuer has confirmed that no on-site affordable housing is viable and only minimal contributions can be afforded up front. Brownfield sites are generally more expensive than greenfield sites to develop. In addition this is the first city centre apartment scheme to be developed in a number of years. Therefore there is no established market and the cost and risk to the developer is higher. This all impacts on viability.
- 1.2 In order to allow this scheme to come forward it is proposed to waive on-site affordable housing and accept minimal contributions up front with an overage agreement to provide further contributions at the end of the development should viability have been shown to improve.

RECOMMENDATION

- 2.1 To waive the requirement for on-site affordable housing and to accept the reduction in Section 106 financial contributions proposed as objectively assessed by the District Valuer.

REASONS FOR RECOMMENDATION

- 3.1 To enable the viable development of this brownfield site which will contribute towards Derby’s housing land supply and the promotion of city centre living.

SUPPORTING INFORMATION

- 4.1 As detailed in Appendix 2.

OTHER OPTIONS CONSIDERED

- 5.1 The Council could choose not to negotiate with the developer and continue to impose the full requirements of the Planning Obligations Supplementary Planning Document. This would lead to the site being unviable to build and remaining undeveloped. This would mean that other sites would potentially have to be released for housing to replace the lost units in Derby's housing land supply. It would also lead to the Council losing out on Council Tax and New Homes Bonus.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	
	Ian Woodhead01/11/2014

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For more information contact: Background papers: List of appendices:	Ian Woodhead Tel: 01332 642095 email: ian.woodhead@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Supporting Information Appendix 3 – Previous report to Planning Control Committee
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IMPLICATIONS

Financial and Value for Money

- 1.1 Accepting s106 contributions of £4,573 would result in a loss of income of £125,391.

There is a risk that the reduction in S106 contributions will create a pressure for the Council in the future in terms of infrastructure costs.

Although this pressure cannot be quantified at this time, the potential future financial contributions, payable if development commences, will help to militate against this risk.

Legal

- 2.1 A Section 106 agreement will need to be drafted to enable planning permission to be issued

Personnel

- 3.1 None.

IT

- 4.1 None.

Equalities Impact

- 5.1 None.

Health and Safety

- 6.1 None.

Environmental Sustainability

- 7.1 None.

Property and Asset Management

- 8.1 Contributions could be used for schemes which would increase the Council's assets

Risk Management

- 9.1 None..

Corporate objectives and priorities for change

10.1 None.