

Cherwell District Council

Planning Committee

22 January 2015

Variation to S106 for development of up to 350 dwellings on Land North of Hanwell Fields, East of Warwick Road, Banbury – 12/01789/OUT

Report of Head of Development Management

This report is public

Purpose of report

To advise Members of negotiations taking place with the developer of the above site and the Council regarding the affordable housing provision proposed within the permitted scheme, which is to also include an element of supported specialist housing and an overall reduction in the percentage of affordable housing on the site.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report and confirm agreement to the inclusion of supported housing and a reduction of the overall affordable housing within the site to 25% instead of 30%

2.0 Introduction

- 2.1 Outline planning permission was granted under 12/01789/OUT for development of up to 350 dwellings and associated infrastructure and open space and access. The development was also subject to a legal agreement securing an affordable housing contribution of 30% throughout the site.
- 2.2 Since the completion of the legal agreement and issuing of the planning permission in September 2014, further negotiation has been taking place with Persimmon Homes and the Council in order to include an element of supported housing within the scheme. A parcel of land has been identified which will enable the supported housing to come forward in a timely manner in order to gain the necessary Homes and Communities Agency grant under the Care and Support Fund.
- 2.3 To secure the funding, the development needs to be completed within a relatively short time period and the Permission Homes, North of Hanwell Fields site has been identified as a site that could enable this specialist housing. Persimmon Homes has

agreed in principle to the supported housing scheme of 13 specialist units within their site, on the proviso that the overall affordable housing contribution to be secured on the site is reduced to 25% across the site, instead of the Adopted Cherwell Local Plan Policy H5 and Submission Local Plan Policy BSC3 requirement of 30%.

3.0 Report Details

Background

- 3.1 In 2012 Cherwell District Council submitted a joint bid with Oxfordshire County Council to the Homes and Communities Agency under the Care and Support Fund which was a £160m capital funding pot to bring forward development of specialist housing provision. In July 2013 the Council were successful in securing £880,000 in order to deliver 2 x physical disability (PD) schemes and 2 x learning difficulty (LD) schemes across Banbury and Bicester.
- 3.2 As part of the bid the Council agreed to part fund the development of these schemes and as such have a deadline of April 2016 for practical completion of the all four schemes. This has placed a challenging timeframe on the delivery of the schemes and as such the need to progress them at a pace.
- 3.3 In Bicester the former County Council library building at Old Place Yard will be used for two separate PD and LD schemes that will deliver 11 self-contained units in as well as accommodation for support staff and landscaped areas.
- 3.4 There has been a significant amount of work carried out in order to secure a suitable site in Banbury, to deliver mirror schemes to that being provided in Bicester. There have been several sites considered, however ultimately they have been deemed either inappropriate or the cost of securing the site would make the schemes unviable.
- 3.5 To this end several of the strategic housing sites which are being delivered on the outskirts of Banbury and delivered by private house builders were considered as potential alternative solutions. These sites were already obligated to provide affordable housing as part of their planning permissions and the massing was enough that they were deemed to be able to potentially deliver the schemes needed. All the sites that were sufficiently progressed were considered, in discussions with development control officers. Ultimately, the site north of Hanwell Fields, which is owned by Persimmon Homes was identified as the preferred option given its location, land availability to deliver the scheme and progression of the site in terms of planning and anticipated start on site by the developer.
- 3.6 As a result, extensive negotiations have taken place with Persimmon in order for the Council to be able to secure a piece of land to deliver the supported housing schemes. In parallel with this the Build team have gone through the necessary feasibility work to ensure that the proposed scheme can be delivered on the site as well as having regular project meetings with County Council who have agreed to the site being used for the specialist scheme. It has been deemed that the best way in order to deliver these Banbury schemes would be to secure the transfer of free serviced land from Persimmon Homes in lieu of an agreed upon affordable housing reduction on the permissioned site for 350 dwellings.

Current situation

- 3.7 The Council's Development Team has reached an 'in principle' agreement with Persimmon Homes for an approximate 4000sqm piece of land located within their permissioned site north of Hanwell Fields which will be transferred free and serviced to the Council, to allow for independent construction and delivery of the two supported schemes.
- 3.8 The free serviced land that Persimmon Homes are prepared to provide will be viewed as an off-site contribution in lieu of a proportion of on-site affordable housing. Negotiations with the developer have been held to agree what number of affordable homes will be reduced on site that would be acceptable to both party's given the Council's affordable housing policy of 30% in these locations.
- 3.9 There are currently 105 or 30% affordable homes secured through the outline planning permission for the site, and following agreement and recognition of the free land there has been an in principle agreement to reduce the number of affordable homes physically built on the site by the developer by 32 units.
- 3.10 The workings below demonstrate the current proposed affordable housing settlement:

350 (total units with outline permission) \times 30% = 105 (policy affordable requirement) – 32 (affordable unit reduction in lieu of free land transfer) = 73 (affordable which the developer will deliver as part of their development or 21% affordable housing).

The land transferred could feasibly deliver 15 properties were it being developed out as general housing and should the supported schemes require additional units in the future there is the land capacity to increase the density, thereby providing some future proofing to the supported scheme.

- 3.11 Therefore the total calculation for the new affordable housing provision which includes the supported scheme looks like this;

$350 \times 30\% = 105 - 32 = 73$ (21%) + $15 = 88$ affordable housing provision (25%)

- 3.12 As can be seen above the overall physical affordable units being delivered on the Persimmon site and the piece of land which will be transferred to CDC will be less than the normal policy requirement of 30%.
- 3.13 It is the opinion of the Council's legal department that a variation to the existing Section 106 will be required to encompass the changes to the outline planning permission. It is anticipated that the Council will need to submit a full planning application for the supported schemes, which will take place as soon as possible in order to achieve the deadlines necessary. This will allow Persimmon to build up to 350 units in total and also allow the Council to build the 13 units which will make up the supported scheme.

4.0 Conclusion and Reasons for Recommendations

- 4.1 It is appreciated that this is a departure from a planning policy requirement of 30% affordable housing which has already been secured through planning for this site. However this is a unique and exceptional circumstance. The Council has been granted funding to deliver these two strategically important supported housing schemes in Banbury by spring 2016. It is supported by Oxfordshire County Council and will provide much needed supported housing for those with high level disabilities and will be unique within the County. As described, other alternative sites have been explored, however being able to access free serviced land has meant that the scheme has become deliverable and to a budget that is viable.
- 4.2 It is recommended that the proposal be supported by Members to include an element of supported housing within the Persimmon Homes site and that instead of 30%, 25% affordable housing be provided throughout this site as an exception to normal policy. By confirming agreement to this proposal Members will enable the Council to deliver this important resource for those clients who have learning difficulties and physical difficulties.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To reject the recommendation

7.0 Implications

Financial and Resource Implications

- 7.1 This proposal supports the grant that the Council has managed to achieved to secure this specialist housing, but acknowledges that the overall level of affordable housing will be reduced. Affordable housing attracts an additional New Homes Bonus payment of £350 per unit. A reduction of 32 units equates to a loss of £11,200 per annum for six years (total NHB reduction £67,200).

Homes and Communities Agency funding of £440,000 was originally secured for North Bar Place. Officers have discussed the replacement of the North Bar Place allocation with the North of Hanwell Fields site with the HCA and they have given their in principle agreement that this would be acceptable. However formal agreement has not been sort until the site North of Hanwell Fields has achieved a sufficiently progressed stage i.e. agreement from planning committee.

Comments checked by:

Nicola Jackson, Corporate Finance Manager, 01295 221731
nicola.jackson@cherwelladnsouthnorthants.gov.uk

Legal Implications

- 7.2 A deed of variation of the original s.106 agreement will be required to document the reduction in affordable housing provision.

Comments checked by:

Ross Chambers, Solicitor 01295 221690 ross.chambers@cherwell-dc.gov.uk

8.0 Decision Information

Wards Affected

Banbury, Hardwick and Wroxton

Links to Corporate Plan and Policy Framework

Policy H5 of the Adopted Cherwell Local Plan, Policy BSC3 of the Submission Local Plan (October 2014)

Lead Councillor

None

Document Information

Appendix No	Title
None	
Background Papers	
None	
Report Author	Tracey Morrissey – Principal Planning Officer (Major Developments)
Contact Information	01295 221812 tracey.morrissey@cherwell-dc.gov.uk