# PLANNING COMMITTEE

#### 13th December 2011

## FORMER MARLFIELD FARM FIRST SCHOOL SITE, REDSTONE CLOSE, CHURCH HILL - VARIATION OF SECTION 106 PLANNING OBLIGATION AGREEMENT)

Relevant Portfolio Holder	Cllr Jinny Pearce, Planning, Regeneration, Economic Development & Transport
Portfolio Holder Consulted	Not applicable
Relevant Head of Service	Ruth Bamford, Head of Planning &
	Regeneration
Wards Affected	Church Hill
Ward Councillor Consulted	Not applicable

### 1. SUMMARY OF PROPOSALS

- 1.1 To consider a variation to the Section 106 Agreement (planning obligation) associated with the development of 79 houses, at the former Marlfield Farm First School site in Redstone Close, Church Hill, in order to release the other parties from a requirement that is no longer appropriate and thus should not be perpetuated, relating to a financial contribution towards education facilities, as a result of revising the proposed tenure for development.
- 1.2 This report cross-references to details approved under Planning Application 2010/253/FUL and is therefore business for the Planning Committee. (2010/253/FUL was an application for a residential development of 79 dwellings on land at the former Marlfield Farm First School site).

## 2. <u>RECOMMENDATIONS</u>

The Committee is asked to RESOLVE that

the following variation to the Section 106 Agreement, dated 17th January 2011 and made between 1) Accord Housing Association Ltd, 2) Worcestershire County Council, 3) The Council of the Borough of Redditch, regarding the amendment to the tenure of the development in relation to affordable housing and education obligations therein, be agreed:

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namely that the tenure of the development shall be 100% affordable housing and that the requirement for the payment of a contribution towards education facilities be deleted from the Section 106 Agreement, as the contribution is now unnecessary and not required.

### 3. KEY ISSUES

#### **Financial Implications**

- 3.1 The cost to the Council of varying the agreement will need to be borne, but the other party has agreed to bear these costs.
- 3.2 The other financial contributions required as part of the planning obligation have not been paid as yet, however, development has not commenced on site and so they are not yet due.

### Legal Implications

- 3.3 The legislative framework is provided by Section 106 of the Town and Country Planning Act 1990 (as amended).
- 3.4 Planning obligations, also known as Section 106 Agreements, are typically negotiated between local authorities and developers in the context of granting planning consent. (Sometimes they can take the form of unilateral undertakings made by developers.) They provide a means to ensure that a proposed development contributes to the creation of sustainable communities, particularly by securing contributions towards the provision of necessary infrastructure and facilities required by local and national planning policies.

#### **POLICY IMPLICATIONS**

3.5 Developers are required to provide necessary infrastructure as part of new developments having regard to standards set out in the Local Plan in force at that time.

## Service/Operational implications

3.6 A planning obligation was sought for a financial contribution towards education facilities in relation to the 10 proposed dwellings that would be for sale on the open market as a result of the overall scheme.

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- 3.7 79 dwellings have been granted permission as part of this planning application. In the Section 106 Agreement the proposal comprised of the following tenure mix:
  - 61 affordable rent homes
  - 8 shared ownership homes
  - 10 for sale on the open market
- 3.8 The matter has come to light as a result of the developer's negotiations with the Homes and Communities Agency (HCA) and a resulting settlement of grant funding which considered the number of proposed units, tenure, and mix which has now been modified in order to meet the grant criteria. As such, the tenure mix needs to be amended in the Section 106 to be as follows:
  - 61 affordable rent homes
  - 18 shared ownership homes

#### Affordable Housing

3.9 The change in mix of tenure would provide additional affordable housing in this area of the Town, as the development site would be 100% affordable housing. However, the change of tenure needs to be amended in the S106 Agreement.

#### **Contribution towards Education Facilities**

3.10 The approved scheme intended to have 10 units for sale on the open market. Worcestershire County Council's Supplementary Planning Guidance (SPG) for Education Facilities requires a financial contribution for any open market housing on a development of more than five dwellings. The contribution (to be paid to the County Council) goes towards additional facilities for schools in the catchment area of the site. The SPG only applies this contribution to open market housing and not affordable housing. Given that it is now intended for the site to be 100% affordable housing there is no longer the requirement for this financial contribution. Therefore, this Head of Term needs to be deleted from the S106 Agreement and any other reference to this matter needs to be amended.

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3.11 For these two combined reasons, it is considered acceptable to delete the Head of Term relating to education facilities, and amend details in respect of affordable housing in relation to the tenure of the site. These amendments can be done without hindering the spirit of the Section 106 Agreement.

#### **Customer / Equalities and Diversity Implications**

3.12 None identified. There are no plans to amend the permitted scheme in terms of layout and design.

#### 4. <u>RISK MANAGEMENT</u>

None identified.

#### 5. <u>APPENDICES</u>

There are no appendices to this report.

#### 6. BACKGROUND PAPERS

Previously published Council reports and minutes.

Original Section 106 Agreement associated with the development of land at the former Marlfield Farm First School site, Redstone Close and the planning and legal files.

### 7. <u>KEY</u>

A **Planning Obligation** is a mechanism for requiring financial and other conditions to be attached to proposed development, and must be in compliance with the statutory planning framework.

They most commonly take the form of a legal agreement, often known as a S106 agreement relating to the relevant legislation, although they can also be Unilateral Undertakings, where a land owner undertakes to do specified actions or make specific payments, without the Council being party to an agreement. These are more commonly used in appeal situations.

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## **AUTHOR OF REPORT**

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