

Report for Resolution

Report to Planning Applications Committee
Date 23 August 2012
Report of Head of Planning Services
Subject 07/01018/F 'Wentworth Gardens', site of former Civil Service Sports Ground, Wentworth Green, Norwich

Item
5(8)

SUMMARY

Description:	Variations to the terms of the approved Section 106 Agreement forming part of the planning permission 07/01018/F: 'Erection of 78 dwellings, associated vehicle and pedestrian/cycle accesses, ground works and open space'.
Reason for consideration at Committee:	S106 Agreement Obligation Requirements – minor changes to terms of affordable housing provision.
Recommendation:	Approval
Ward:	Eaton
Contact Officer:	Rob Parkinson Senior Planning Officer 01603 212765
Permission granted:	6 th November 2009
Applicant:	Persimmon Homes Anglia

INTRODUCTION

The Site

Location and Context

1. The site is the development known as Wentworth Gardens, currently under construction and partially occupied at the former Civil Service Sports Ground accessed from Wentworth Green and Brentwood.
2. Committee is asked to consider only a proposed change to the terms of the affordable housing provision as required under permission 07/01018/F. There are no changes proposed as part of this report which would affect the external appearance of the development, or its relationship to the surrounding residential area, or the other terms of the agreement or planning permission.

Relevant Planning History

07/01018/F – The original permission for “Erection of 78 dwellings, associated vehicle and pedestrian/cycle accesses, ground works and open space”, which was approved in Nov 2009. The application can be seen through Public Access at:

<http://planning.norwich.gov.uk/online-applications/>

The report to planning committee for the original permission can be seen under committee meetings of 21st August 2008 at:

<http://www.norwich.gov.uk/CommitteeMeetings/Pages/Councilmeetingsfor2008.aspx>

Committee approval on 11th November 2010 thereafter allowed the in-principle change to the affordable housing terms within the S106 Agreement as approved. This is discussed further below at paragraph 6.

11/01619/D – Approval of conditions attached to permission 07/01018/F as required prior to commencement, including details of:

condition 4: fire hydrants;

condition 9 - solar thermal panels; and,

condition 11 - (i) materials to be used in the construction of the external walls and roofs; (ii) windows, doors, rendering and decor panels; (iii) rainwater collection, harvesting, storage and dispersal methods.

12/01034/D - Details of Conditions (8): Surface water drainage system, and (12): Landscaping strategy. This is a current application pending consideration.

12/01236/NMA – A proposal for repositioning of layout of approved dwelling plots 65 - 67 and their car parking spaces within the scheme, as a ‘non-material’ amendment to planning permission 07/01018/F. This is a current application pending consideration.

3. At the time of writing, there is another application currently being registered as a Minor Material Amendment to the scheme as originally approved under permission 07/01018/F. The application is not yet registered at the time of writing and may not be available for public consultation / may not be valid at the time of Committee's consideration. The changes proposed are: scheme for site drainage; layout of public open space and through-route accesses, and associated changes to terms in the S106 Agreement and conditions relating to management and maintenance of the site's trees belts and areas of public open space. Planning Committee is not asked to consider any of these proposals yet, but should note that the S106 Agreement may need to be further altered in the near future if the application is approved and obligations around play facilities, tree management, drainage maintenance and public open space provision need to change.

Equality and Diversity Issues

There are no significant equality or diversity issues. Potentially, the proposed alterations to the terms of affordable housing delivery will widen the scope of occupancy amongst those in housing need, to allow additional forms of tenure.

The Proposal

4. Variation to the terms of the completed S106 Agreement attached to planning permission 07/01018/F at the site of the former Civil Service Sports Ground,

Wentworth Green, to allow changes to the way a proportion of Affordable Housing is delivered.

5. The original planning permission and S106 Agreement of November 2009 requires 30% Affordable Housing delivery (23 out of the 78 dwellings), of which 75% (17 dwellings) are to be social rented tenure, and 25% (6 dwellings) are to be 'shared ownership' tenures.
6. In November 2010, Planning Committee approved the 'in-principle' change to the terms of affordable housing delivery as a slight alteration to their 2009 approval. The approved change allowed the 25% 'shared ownership' units to instead be delivered as 'Intermediate Tenure' housing, which actually allowed for a broader range of housing types, because the applicant was understood to want to provide shared ownership and 'affordable rent' housing. The proposed 'intermediate tenure' was a broad term used to include 'intermediate' or 'affordable' rent, 'rent to homebuy' and 'discounted market sale' units. The previous report to Committee in November 2010 is seen at Appendix 1. Committee's previous approval of the changes to terms can be seen in the minutes at the following link:
<http://www.norwich.gov.uk/CommitteeMeetings/Planning%20applications/default.aspx?InstanceID=119>.
7. The applicant has now asked that Committee consider a further minor change to the agreement, to allow the 25% 6no. dwellings to actually all be used as shared equity housing. The Shared Equity housing would be marketed and sold at 75% of the open market value, with the remaining 25% equity in the property being transferred to the City Council. No 'staircasing' (purchasing extra equity) would be allowed within the first 5 years of occupation, and any capital raised as a result of 'staircasing' after this initial 5 years will be re-invested by the Council in delivery of further affordable housing elsewhere.

Assessment

8. The shared equity model will make the 6 no. dwellings on the site available for more residents in housing need in the city, for those people looking to purchase homes in this part of the city but for whom the open market value may be prohibitive. There is a need for family housing across the city and social rented housing in particular; these are not affected by the proposed alterations – numbers and types of houses remain as originally approved.
9. Within the Norwich district, there is have a stated need for socially rented properties and we therefore welcome the provision of social rented properties at this location, so support the fact that social rent remains provided.
10. Housing Officers support the proposed alterations. Given the issues of viability and lack of Registered Provider (RP) capacity, they accept that shared ownership housing is not deliverable on this site, but are keen to support a wide range of housing solutions and tenures, including shared equity models.
11. All shared equity properties will be required to be marketed on behalf of the Council via Orbit Homebuy Agents. The council's housing development officers will lead on this, using information provided by the developer to upload to Orbit's website. In using the official intermediate tenure 'zone agents' for this area, it will ensure that the shared equity homes are allocated to people who have been assessed as not able to access the outright sales market. Using Orbit also means

that those allocated shared equity properties have been assessed as having the ability to sustain mortgage payments.

12. The equity split will be 75% of the open market value to be sold to eligible applicants, with 25% equity held by Norwich City Council, with occupancy applicants drawn from Orbit's waiting list and who must apply for a mortgage for the 75% share, with nothing payable on the 25% share.
13. Successful shared equity applicants will not be able to purchase any further equity shares until a period of five years from the commencement of their occupancy has passed. After this time, they may apply to the council to purchase further additional shares, up to 100% ownership. No interest will be payable on the 25%.
14. The Council is committed to utilising any funding capital receipts received from the sale of equity shares to enable additional affordable housing elsewhere within the district boundaries.

Conclusion

15. The proposal will not alter the quantity of affordable housing to be provided as part of the site's redevelopment. It will expand the range of affordable housing options available to people in housing need whilst retaining the core requirement for social-rented housing.

RECOMMENDATIONS

Agree a deed of variation to the Section 106 Agreement attached to planning permission 07/01018/F, to allow the provision of 75% social rented housing and 25% intermediate tenure housing (instead of 25% shared ownership housing). Within the 25% intermediate tenure, all dwellings could comprise shared equity housing to be made available to those on the waiting list of the Council's official intermediate tenure 'zone agents' for the area. The approval is subject to those shared equity units being made available on a 75%/25% equity share, whereby dwellings are marketed and sold at 75% of the open market value, with the remaining 25% equity in the property being transferred to the City Council. No 'staircasing' (purchasing extra equity) would be allowed within the first 5 years of occupation, and any capital raised as a result of 'staircasing' after this initial 5 years will be re-invested by the Council in delivery of further affordable housing elsewhere.

Appendix 1: Report to Planning Committee 11th November 2010.

URGENT ITEM

Civil Service Sports Ground, Wentworth Green.

Case Officer contact details:

Rob Parkinson, Senior Planning Officer (Development) (01603 212765)

Proposal:

Variation to the terms of the completed S106 Agreement attached to planning permission 07/01018/F at Civil Service Sports Ground, Wentworth Green, to allow changes to the way a proportion of Affordable Housing is delivered.

Introduction

1. Members may recall that the above planning application was considered by Committee on 21st August 2008 and subsequently permission was granted in November 2009.
2. It proposed 78 dwellings and retention of a proportion of public open space, generally following the principles of the Development Brief adopted by the Council in February 2005.
3. The permission was subject to a Section 106 Agreement, which included a commitment to provide 30% Affordable Housing (23 units). The proposed tenure mix of the affordable housing element was specified within the Committee Report (page 8) and consequently approved by Members as part of their resolution to approve the application, in 2008. This proposed 75% (17 units) of the affordable housing units as social rented tenure, and 25% (6 units) as “shared ownership” tenure.
4. Indicative proposals suggest the 23 affordable housing units could comprise: 7no. 1-bed bungalows; 7no. 2-bed bungalows; 5no. 2-bed houses; 2no. 3-bed houses; and, 2no. 4-bed houses across the site.

Proposal

5. The development is nearing commencement and the developer (Persimmon Homes) are arranging the delivery of the Affordable Housing with Registered Social Landlords (RSL) Flagship Peddars Way. The Council has been approached with a request to alter the tenure element of the Affordable Housing. This requires a formal ‘deed of variation’ to the terms of the S106 legal agreement. Consequently, as the tenure terms were previously agreed by Planning Committee, this proposed alteration also needs approval by Members.
6. The commitment to providing 75% of houses for “social rent”, whereby rents are set at Homes and Communities Agency (HCA) target levels and let through an RSL, remains unchanged. However, the developer and their preferred RSL wish to provide the remaining 25% as “Intermediate Tenure” housing rather than the “shared ownership” housing currently allowed.

7. A “shared ownership” lease as currently worded in the Section 106 Agreement (page 9) would allow up to 50% of the dwelling to be owned by the first occupier of the house, and thereafter allow that person to gradually purchase some, or all, of the remaining balance at a later date. Tenants can purchase a part of the mortgage share over time to ‘staircase’ towards greater, or full, ownership of the property. This allows tenants to own at least a part of a property and gain a step on the home-ownership ladder, but it could eventually remove that unit from the pool of affordable housing.
8. The Council has recently been moving away from specifying shared ownership requirements and instead allowing more varied forms of alternative tenures, alongside the necessary social rented units, because of the greater flexibility it provides to those in housing need.
9. In this case, instead of “shared ownership”, the developer now proposes 25% “intermediate tenure” units, an umbrella phrase which covers a much greater range of intermediate housing options (intermediate meaning a bridge between fully subsidised public housing and open market housing). Shared ownership is actually just one form of intermediate tenure housing, which also includes ‘intermediate rent’, ‘rent to homebuy’ and ‘discounted market sale’.
10. In this instance, it is understood that the RSL intends to offer both shared ownership and intermediate rent, which requires households to pay rents capped at 80% of market housing rent (as determined by an independent valuer). The homes remain available as affordable housing and would be let on shorthold tenancy agreements. The coalition Government’s national HCA funding programmes are now favouring intermediate tenure, so this form of housing may become more frequently proposed.
11. As the Agreement currently stands, the reference to shared ownership alone gives no flexibility to the RSL to provide any alternative form of intermediate tenure, which may become problematic if prospective shared ownership owners encounter difficulties in gaining a shared ownership mortgage. The changes proposed are fully supported by Strategic Housing officers.

Implications

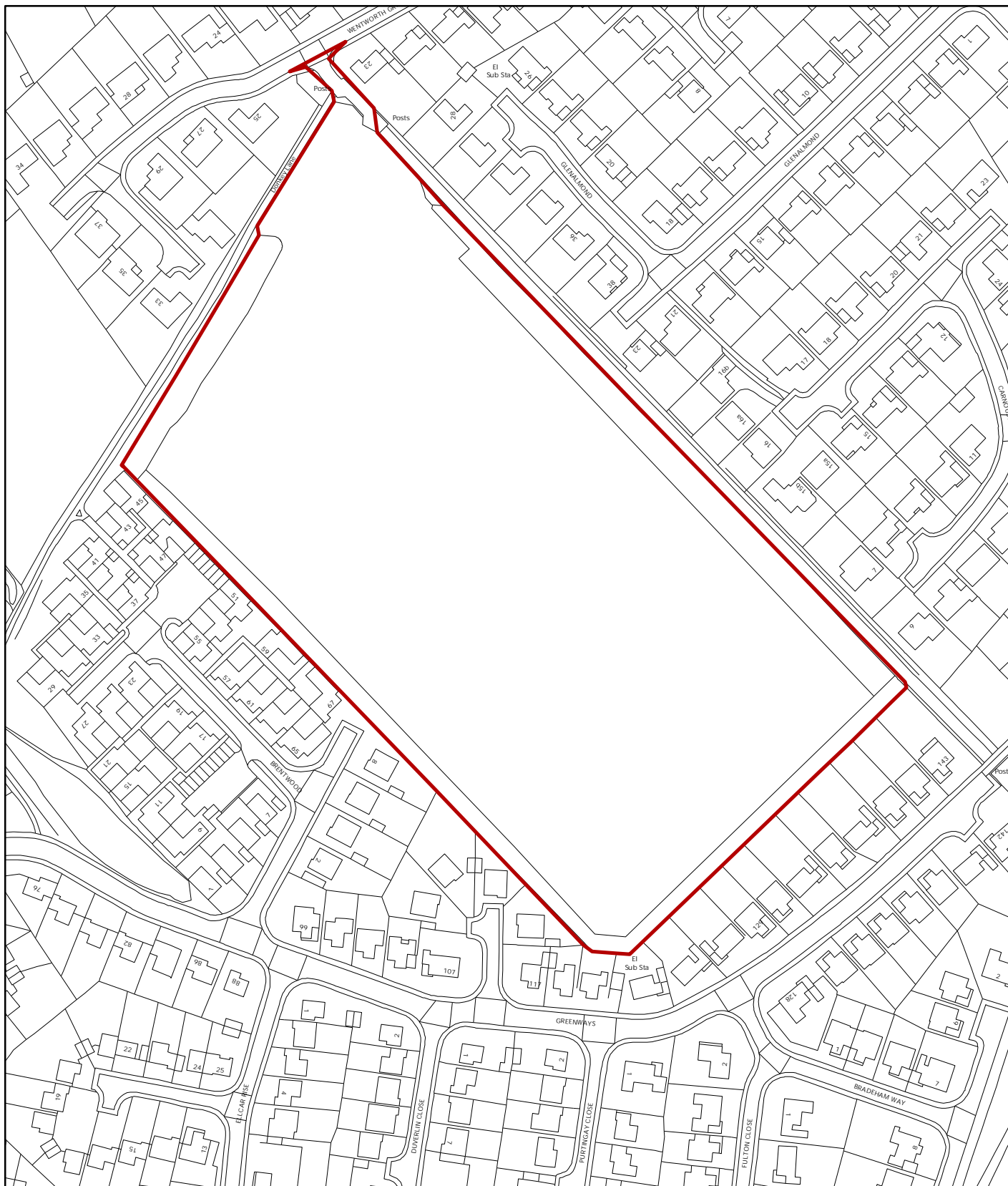
12. The proposed change to the terms of the Agreement would not involve any change to the number of affordable housing units, nor the overall 30% affordable housing provision, nor their locations (which are still to be agreed). By allowing the variation of the affordable housing tenure mix, the 75% proportion of social-rented housing would remain as agreed. However, 25% (6 units) would be made available to a greater range of intermediate housing options rather than being available solely for shared ownership for people who would not be willing or able to purchase open-market housing. It is also advantageous as the current wording of the agreement could mean that the “shared ownership” units are lost to open market housing in due course and the proposed wording would ensure that other options may be pursued which retain the stock as affordable.

Conclusion

13. The proposal would not alter the quantity of affordable housing to be provided as part of the site's redevelopment but would vary the range of affordable housing options available to people in housing need whilst retaining the core requirement for social-rented housing.

Recommendation

Agree a deed of variation to the Section 106 Agreement attached to planning permission 07/01018/F, to allow the provision of 75% social rented housing and 25% intermediate housing (instead of 25% shared ownership housing), the exact wording of which shall be agreed by officers and Council solicitors.



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Planning Application No 07/01018/F

Site Address Civil Service Sports Ground Wentworth Green

Scale 1:2,000



NORWICH
City Council

PLANNING SERVICES

