

<b>Committee date</b>	<b>3<sup>rd</sup> October 2018</b>
<b>Application reference</b>	<b>17/00048/FULM</b>
<b>Site address</b>	<b>Land to the East of Ascot Road</b>
<b>Proposal</b>	<b>Variation of the S106 agreement associated with the application to: a) alter the provision of affordable housing; and b) to enable the affordable housing to be managed by the owner/developer</b>
<b>Applicant</b>	<b>Orion (Cassiobridge) Limited</b>
<b>Agent</b>	<b>JLL</b>
<b>Type of Application</b>	<b>Variation of Legal Agreement</b>
<b>Reason for Committee Item</b>	<b>S106 Variation on Major Application</b>
<b>Target decision date</b>	<b>n/a</b>
<b>Statutory publicity</b>	<b>n/a</b>
<b>Case officer</b>	<b>Adrien Waite adrien.waite@watford.gov.uk</b>
<b>Ward</b>	<b>Holywell</b>

## **1. Recommendation**

**Amend** the legal agreement as set out in section 8 of this report.

## **2. Site and surroundings**

2.1 The request relates to a site is located in Special Policy Area 6 (Western Gateway) of the adopted Watford Local Plan Core Strategy 2006-31 (CS). Planning permission was granted for a mixed use development including 485 residential units following consideration by the Development Management Committee on the 5<sup>th</sup> July 2017.

2.2 Further information, including the site plan and drawings, is available in the appendices to the report and on the council's [website](#).

## **3. Summary of the proposal**

### **3.1 Proposal**

To vary the existing S106 agreement associated with the application to:

- a. alter the provision of affordable housing; and
- b. to enable the affordable housing to be managed by the owner/developer.

- 3.2 The approved scheme was subject to a legal agreement which would provide 35% (170 units) of affordable housing. The scheme was reported on the basis of 20% social rented, 65% affordable rented and 15% shared ownership. However, the legal agreement as drafted did provide some limited scope to alter the number of units and tenure mix in order to better meet current needs.
- 3.3 The signed legal agreement also provides the normal provisions in relation to the transfer of affordable housing units to an Registered Social Landlord which would require a legal transfer of ownership from the developer to another legal entity.
- 3.4 The Local Planning Authority is being asked to consider an alternative proposal for affordable housing based on a viability assessment and an alteration to the legal agreement which would allow the developer to manage the affordable units, subject to controls to ensure they are managed in a way similar to the expectations on a Registered Social Provided.
- 3.5 It is proposed that the legal agreement be amended to provide:
- 90 units of Affordable Rented Housing (linked to local housing allowance rates); and
  - A review mechanism which would enable uplift in the number of units available on site at reduced rents should viability improve.

3.6 **Conclusion**

The timely delivery of the development is important in respect of the master planning of the area and the realisation of regeneration objectives, overall housing provision and place shaping. It has been demonstrated that the level of affordable provision now proposed is the maximum possible, given the change in circumstances and a review mechanism is proposed to ensure affordable housing is maximised if viability is improved. The agreement will also include suitable clauses (negotiated by the Council's Housing Team) to ensure that the units are rented and managed in a responsible and appropriate way. For these reasons it is recommended that the legal agreement be varied.

4. **Relevant policies**

Members should refer to the background papers attached to the agenda. These highlight the policy framework under which this application was determined. Specific policy considerations with regard to this particular application are detailed in section 6 below.

## **5. Relevant site history/background information**

- 5.1 17/00048/FULM- Planning permission granted 17<sup>th</sup> October 2017 for redevelopment of the site to provide a mixed use scheme including 485 residential units (Class C3), retail units (Class A1 and/or A2 and/or A3 uses), community floorspace (Class D1/D2), with associated cycle parking, car parking, playspace, landscaping and public realm improvements.
- 5.2 18/00703/NONMAT – Non-material amendment to planning permission 17/00048/FULM for- 1. Landscape enhancement; 2. Block A facade rationalisation; 3. Block C facade rationalisation; 4. Omission of a lift in Block C; 5. Block D facade rationalisation; 6. Substitution of Brickwork for Eternit on Block's D & E; 7. Substitution of dark standard brick for glazed brick; 8. Unit Number Adjustment; and 9. Alteration to time scale of Conditions 3, 4, 15, 16, 32, 33 and 34. Granted 13<sup>th</sup> July 2018.

## **6. Main considerations**

- 6.1 The main issues to be considered in the determination of this application are:
- (a) Viability
  - (b) Affordable Housing Arrangements
- 6.2 (a) Viability  
The applicants request was initially informed by a viability appraisal which was prepared by CBRE. This appraisal was reviewed by BNP acting on behalf of the Council and there have been numerous revisions to the document and re-appraisals as the Council and BNP have sought amendments and appropriate evidence which would ensure a robust and reliable assessment.
- 6.3 Following these extensive discussions Council's consultants have advised that, with the offer of 90 affordable housing units (at local housing allowance) the site development is in deficit, but recommend that a review mechanism is secured.
- 6.4 Both the Council's local policies and national policy required development to make the maximum viable provision of affordable housing (up to a cap of 35%). On the basis of the viability information and professional advice received the offer of 90 affordable housing units would accord with policy and the review mechanism would provide comfort that additional housing would be provided should the value of the scheme increase.

- 6.5 The Council must also take into account the overall housing need (including general needs housing) and the current lack of a 5 year supply of housing, alongside the other regeneration benefits of the schemes. Taking these matters into account the amendment would ensure the timely delivery of much needed housing and should be supported.
- 6.6 (b) Affordable Housing Arrangements  
The existing legal agreement sought the transfer of the units to a Registered Social Landlord or similar organisation and was drafted on the basis of a traditional 'for sale' development project. However, the applicants are now intending to progress the scheme as a 'Private Rented Scheme' PRS which means the development will be investment led and the owner will retain ownership of the units to be rented in the long term. This model of housing provision is now becoming more common and gaining increasing policy support from Central Government and has some benefits, particularly in terms of ensuring the landowner has a long term incentive to ensure the buildings and public realm are well maintained.
- 6.7 The Council's housing team have been negotiating extensively with the developer on this aspect of the proposal in order to agree an Affordable Housing Policy and a Tenant Management Policy for the site. These documents would be enshrined in the legal agreement and would ensure that the units were managed and let in a socially responsible manner which one would expect for an affordable housing product and meet the same policy objectives.
- 6.8 Subject to the legal agreement ensuring such measures are agreed and implemented neither the Council's Housing or Planning Teams have no objection to the proposals.

## **7. Consultation responses received**

### **7.1 Statutory consultees and other organisations**

None required.

### **7.2 Internal Consultees**

The Council's Housing Team have been extensively involved in the discussions to ensure an appropriate Affordable Housing Policy and Tenant Management Policy. As viability matters have only been concluded shortly before the drafting of this report the Housing Team has not yet provided formal comment. This will be provided by way of the update sheet.

### **7.3 Representations received from interested parties**

Not applicable

## **8. Recommendation**

8.1 That the S106 associated with the planning permission be varied to:

- 1) Require the provision of 90 Affordable Housing Units (which will have rent linked to Local Housing Allowance)
- 2) Require a review mechanism which would enable uplift in the number of units available on site at reduced rents should viability improve. Enable the affordable housing to be managed by the landowner, subject to compliance with agreed documents setting out:
  - a. Affordable Housing Policy
  - b. Tenant Management Policy