

Mrs M Eaves  
C/o Owl Homes,  
Unit W1a, Arley Drive,  
Birch Coppice Business Park,  
Tamworth,  
B78 1SA  
3rd February 2025  
Ref: 2402/LET.01

Ms Laura Ashton  
Planning Officer  
Hinckley and Bosworth Borough Council  
Hinckley Hub  
Rugby Road  
Hinckley  
Leicestershire  
LE10 0FR

Dear Ms Ashton,

**Deed of Variation – Application to modify a planning obligation in respect of affordable housing – Land South East Of 47 Wykin Lane, Stoke Golding, Leicestershire**

I am instructed by Owl Homes to submit a Deed of Variation application in respect of the s106 Agreement accompanying planning permission reference: 19/01324/OUT and APP/K2420/W/20/3262295 for Residential development of up to 55 dwellings (Outline - access only) at Land At Wykin Lane, Stoke Golding, Leicestershire.

As you are aware, the above outline planning permission was granted at Appeal on 21<sup>st</sup> May 2021. This permission was subject a s106 agreement including obligations in respect of affordable housing. The Definitions define the Affordable Dwellings being required to deliver 40% of the total number of dwellings, comprising 10% Discounted Market Dwellings and 30% Affordable Rented Dwellings, with an Affordable Housing Scheme to be submitted to agree the details of the location, house types and size and tenure of the affordable dwellings. Clauses 3.1, and the relevant sub-clauses, control the timings of provision, use and transfer of the dwellings to a Registered Provider.

Following grant of the Outline permission and subsequent Reserved Matters Applications, the site was bought by Owl Homes who are subsequently seeking approval of the s73 application to vary condition 1 and 3 of planning permission 23/00576/CONDIT, application ref: 24/01138/CONDIT. The s73 Application includes the Affordable Housing Scheme, complying with the requirements of the s106 agreement in respect of affordable housing; aiming to deliver an affordable offering as follows:

- 16no. Affordable Rent homes
- 6no. Discounted Market homes

Following submission of the s73 application (24/01138/CONDIT), and despite best efforts, Owl now find themselves unable to secure a Registered Provider to take the Affordable Rent housing units, which poses a significant problem.

Owl Homes have approached the Registered Providers (RP) operating in the Hinckley and Bosworth Borough Council (HBBC) area to seek offers for the affordable units. Owl approached 11 RP's and unfortunately all 11 RP's confirmed they are not interested in the acquisition of the affordable units within this development. For clarity, the RP's approached were:

- EMH
- PfP
- Platform
- NCHA
- Futures
- Stonewater
- Amplius
- Midland Heart
- Sage (No response)
- Zen (No response)
- L&G (No response)

In brief, the main reasons for rejecting the scheme included.

- Capacity
- Non-priority area
- Number of units too low

To demonstrate the position, accompanying this submission is correspondence from all the Registered Providers who responded in writing.

Prior to this submission and in relation to another Owl Homes scheme at Higham on the Hill, we have agreed the situation set out above with the Housing Strategy and Enabling Manager (Valerie Bunting) via Gary Turner of G&CT Consultants. Ms Bunting had advised on that scheme, that from the perspective of affordable homes delivery, her preferred option is for HBBC to take a reduced number of homes directly into the councils' ownership with a commuted sum payment to be made to cover any shortfall in value between the units transferred and the cost of delivering the obligation as set out in the s106 agreement. This approach ensures that some homes are still delivered on-site and at the same expense to Owl. It is our intention that this same approach is taken with this scheme.

In short, Owl are proposing that HBBC secure 4 x 1b2p maisonettes for sum of £1 plus a commuted sum payment of £21,217.83, with the remainder of the Affordable Rent units currently allocated for affordable housing to have the existing restrictions removed by deed of variation to allow for them to be disposed of as open market units.

The application is accompanied by a detailed calculation and explanatory note prepared by G&CT which should be reviewed in full, but the calculation and offer are summarised as follows:

- The affordable provision of 16no. Affordable Rent homes was agreed in accordance with the s106 agreement, as set out above
- The cost to Owl Homes of delivering the 16 affordable homes was £2,881,019
- This implies that the open market element of the development is cross subsidising the affordable homes delivery to the value of £606,769. This is the established obligation to deliver cross subsidy
- The proposal is to transfer 4 x 1b2p maisonettes to H&BBC for the sum of £1
- The cost of delivering the 4 x 1b2p maisonettes is £585,551.37

This leaves a balance of £21,217.83 as an additional commuted sum payment made to H&BBC to deliver the total cross subsidy i.e. Subsidy to be delivered - £606,769

Cost of 4 x 1b2p apartments - £585,551.37

Difference - £21,217.83 – to be paid as a commuted sum

Payment associated with the transfer of 4 x 1b2p apartments to H&BBC = £1

The basis of this proposal and our submission is to safeguard delivery of affordable homes. We hereby seek your agreement and approval to process a deed of variation to the current s106 agreement to allow us to deliver the proposal set out above.

The detail of the provisions of the s106 agreement to be amended shall be discussed between the acting solicitors in due course through the subsequent the Deed of Variation. The Approved Plans which are currently being determined as part of on the s73 application ref: 24/01138/CONDIT would be amended accordingly to be included as part of this live application.

Please acknowledge this as a formal submission, provide a reference number, and availability to discuss and agree the proposals.

Yours sincerely

**Michaela Eaves**

**For and on behalf of Owl Homes Ltd**