

Delegated Report

Planning Ref: 24/00651/DOV

Applicant: OWL HOMES (CARE OF CERDA PLANNING)

Ward: Ambien



Hinckley & Bosworth
Borough Council

Site: Land off Wood Lane, Higham on the Hill

Proposal: Deed of variation to the s106 for application 21/01147/OUT

1. Recommendations

- Agree to the proposed deed of variation to s106 of application 21/01147/OUT.

2. Publicity

In accordance with the Constitution, the Chair of Planning and Ward members were consulted on the proposed Deed of Variation.

There were no objections from the Chair of Planning, Ward Members, or HBBC's Affordable Housing Officer.

3. Deed of variation details

Address	Land North East of Triumph Motorcycles Ltd, Normandy Way, Hinckley
Original Application Details	21/01147/OUT – Residential development for up to 61 dwellings, including a shop, open space, new access and associated works (Outline – access only)
Provisions of Agreement	Affordable housing at 40% with a split of 75% as social/affordable rented and 25% as intermediate tenure (shared ownership). This amounts to 19 affordable rent units, and 6 shared ownership units.
Proposed Changes to Agreement	HBBC secure 4 x 1bed 2 person maisonettes for sum of £1 plus a commuted sum payment of £210,074.78 in lieu of the original Affordable Housing provision. The remainder of the 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.
Officer comments	Owl Homes initially had an agreement with Stonewater to deliver the affordable dwellings, however Stonewater withdrew citing capacity issues. Owl then approached 14 Registered Provider's (RPs) to seek

offers on the affordable units. All 14 of the RPs rejected the approach due to reasons including capacity, non-priority location of the site, and the number of units being too low. Officers have seen evidence of the correspondence between Owl Homes and all of the RPs who were approached. The situation as outlined above reflects the position being experienced across the county, and wider. This leaves the local planning authority with the consideration of which of the possible alternatives to on-site provision it is willing to take.

HBBC Affordable Housing made the following comments (no objection):

“There are currently 1,310 live applications on the council’s housing register. Given the increasing numbers waiting for rented housing, and the current pressures on the use of temporary accommodation in the borough, the preference would be for delivery to support the need for affordable housing for rent. For this reason, changing the tenure type to a form of affordable home ownership would not be the first choice even though it would deliver a greater number of units on site.

Options to support the provision of rented housing would be either acceptance of gifted units transferred at nil value to the local authority, or a commuted sum to be given to the council to be used for affordable housing elsewhere in the borough. Both of these options do however deliver considerably fewer numbers of homes than sale to an RP as the developer does not receive a capital receipt for the affordable housing units.

The applicant has offered a combination of gifted units and commuted sums on this site, gifting 4 x 1 bedroomed flats to be added to the council housing stock, at a purchase price of £1, and transfer of a commuted sum of £210,074.78 to the council, both of which combined will leave the applicant

	<i>neither better nor worse off than sale to an RP would achieve. It is the opinion of the Strategic Housing and Enabling Officer that this would be the best outcome for this site given the priority for rented housing in the Borough and therefore the application for a deed of variation is supported.”</i>
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4. Conclusion

It is suggested the main reason for the lack of interest is the ‘Homes England grant funding scheme’. The majority of Registered Providers active within Hinckley and Bosworth have secured strategic partnership status with Homes England and have access to grants on schemes delivering additional affordable homes outside of s106 requirements. The Grant Funding scheme is nearing the conclusion of the first period, and purchasing sites with grant funding is now the primary driver for active RPs (as Homes England will allocate grant funding for the second period based on use in the first). Given the purchase of s106 affordable plots does not attract grant funding, RPs interest is minimal.

Overall, the evidence submitted with the application shows a lack of interest from RPs which is regrettable. The proposed variation to the section 106 agreement is therefore judged to be acceptable in respect of affordable housing. It is also noted that failure to resolve the issue of affordable housing delivery would delay the construction development on the site and its role in contributing to housing in the Borough.

The Council accept there is a lack of interest from Registered Providers and that in this case the preferred option is the delivery of 4 x affordable homes as gifted units on the development, plus a commuted sum of £210,074.78. The HBBC Affordable Housing Officer & S106 Compliance Officer have no objections to the proposed and officers are therefore satisfied that this Deed of Variation is acceptable.

5. Recommendation: Approve the Deed of Variation under delegated powers.