



Development Control Committee

22nd April 2008

REPORT OF HEAD OF PLANNING AND BUILDING CONTROL

**Variation to affordable housing contribution on
application 06/1118/FL/W2 – housing development, north side of Leamore Lane**

1.0 PURPOSE OF REPORT

To agree a variation to the Section 106 agreement relating to application 06/1118/FL/W2, approved 11th June 2007, changing the number and tenure of affordable housing to be provided.

2.0 RECOMMENDATIONS

That the Assistant Director - Legal and Constitutional Services in consultation with the Head of Planning and Building Control, be authorised to amend the Section 106, to reflect 13% affordable housing, being 17 social rented units, consisting of 8 apartments and 9 houses, as set out in the report.

3.0 FINANCIAL IMPLICATIONS

The developer will meet all the council's reasonable legal costs to enable a Deed of Variation to the Section 106 agreement.

4.0 POLICY IMPLICATIONS

The affordable housing contribution from the developer was secured in line with UDP Policy H4 (requiring 25% on site affordable homes) and the current SPD for affordable housing requiring shared ownership.

5.0 LEGAL IMPLICATIONS

This report requires the council's Legal Services and the developer's solicitors to produce and agree a Deed of Variation on the Section 106.

6.0 EQUAL OPPORTUNITY IMPLICATIONS

Improved. The provision of social rented housing within the development, will increase social and economic inclusiveness by making the housing development accessible to people with lower incomes.

7.0 ENVIRONMENTAL IMPACT

None

8.0 WARD(S) AFFECTED

Birchills Leamore

9.0 CONSULTEES

None

10.0 CONTACT OFFICER

Bob Scrivens

Area Planning Manager, West.

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11.0 BACKGROUND PAPERS

Walsall Unitary Development Plan 2005

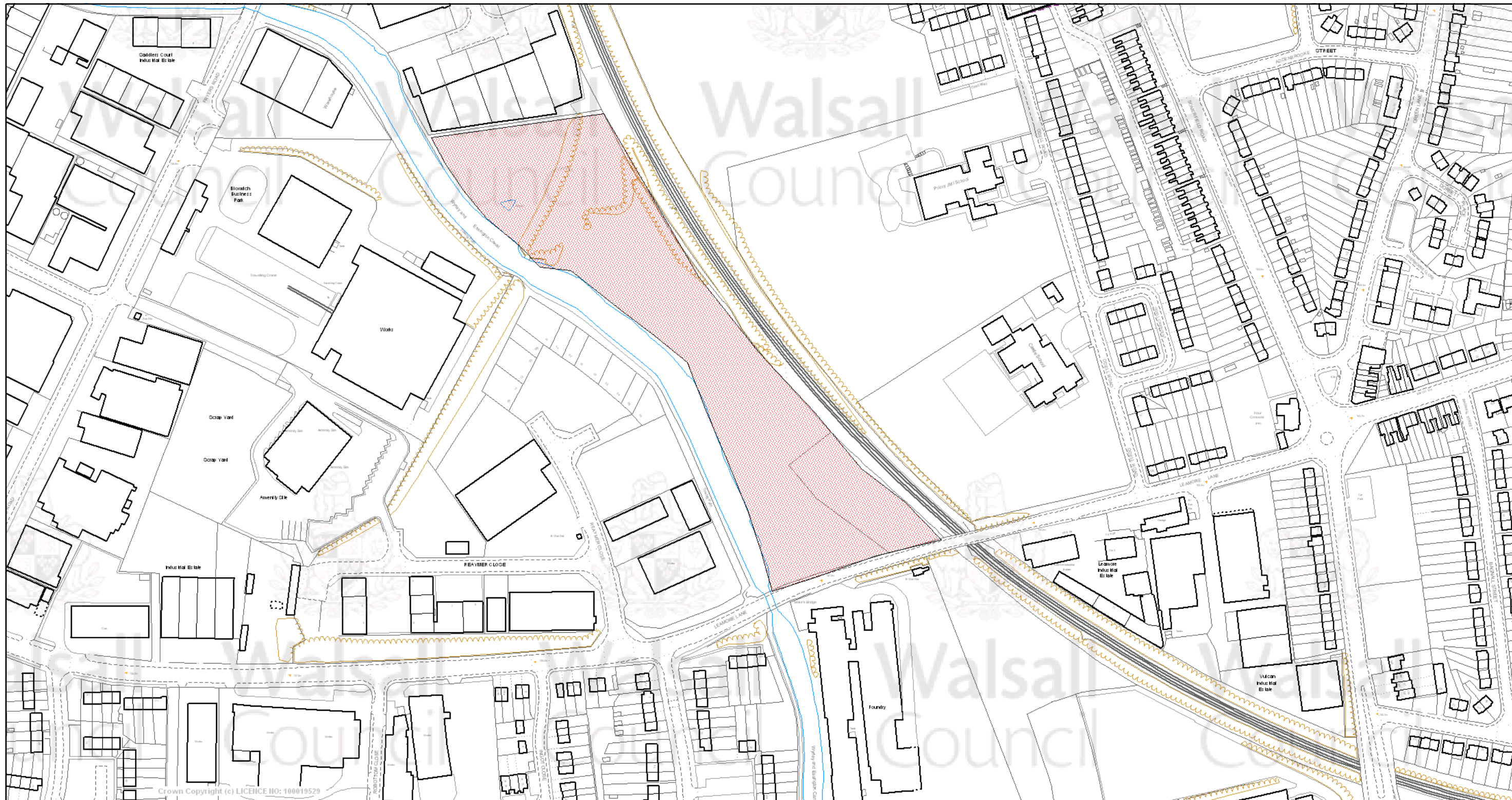
SPD for Affordable housing – July 2005

Housing Needs and Demand Study Update – November 2007 – Fordham Research

D. Elsworthy Head of Planning and Building Control

1. Planning permission (06/118/fl/w2) was given in June 2007 for a site between the railway and the canal on the north side of Leamore Lane (location plan attached). Work has begun. In the committee report (April 2007) section 106 contributions for education, open space canal side improvements, highway works and affordable housing were identified. This report only concerns the affordable housing component of the section 106 agreement that was subsequently signed.
2. The cost to the developer of the affordable housing (33 shared ownership dwellings) was approximately £1.3m. Due to the downturn in the housing market, the developer would now receive a lower offer from a Registered Social Landlord (RSL), meaning that in current market conditions, developer subsidy would have risen to £1.6m.
3. More importantly, no RSL is willing to purchase these homes as shared ownership.
4. The developer has been exploring these issues with Council officers. The initial contact was March 2008, stating that despite attempts over the last few months, they have been unable to find an RSL willing to purchase the shared ownership homes. This is likely to be due to the downturn in the housing market and subsequent risk for the RSL, and also the number of shared ownership homes that have now been negotiated for provision in Walsall, giving an adequate supply.
5. The affordable housing contribution from the developer was secured in line with UDP Policy H4 (requiring 25% on site affordable homes) and the then-current SPD for affordable housing requiring (in most cases) shared ownership. A subsequent Housing Needs and Demand Study Update (November 2007) commissioned by the Council, demonstrates that the need is now clearly for social rent. This report seeks to use the 106 contribution to provide a different mix and number of affordable housing.
6. It has been identified that the developer can provide 17 social rent homes for a similar subsidy (approximately £1.55m). This ties in with the Housing Needs and Demand Study Update. The SPD for Affordable Housing is currently being revised to reflect this study, and was presented to this committee on 11th March 2008. The new SPD has a focus mainly on providing social rented homes, and goes to Cabinet on April 16th for adoption.
7. This report requests authority for a variation to the Section 106 agreement to allow for an updated provision of affordable housing that is needed by local residents, and also that an RSL is willing to purchase. It will be noted that the percentage of affordable homes decreases as a result of the switch (from 24.6% as approved, to 12.6% now). However, the subsidy remains the same, and the end result is a better fit to the needs of the community.





Walsall Council

Scale 1/2500

Date 10/4/2008

Centre = 399787 E 301021 N

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