

Planning Committee

Item
8

17th August 2017

Report of	Assistant Director Policy and Corporate	Author	Alistair Day 01206 282479
Title	Affordable Housing at the Chesterwell Development (formerly know as North Growth Area Urban Extension) and the use of the Brook Street Affordable Housing Allowance		
Wards affected	Mile End		

This report concerns Affordable Housing on Parcels R9 and R10 of the Chesterwell Development (formerly know as North Growth Area Urban Extension) and the use of the Brook Street Affordable Housing Allowance

1.0 Decision(s) Required

- 1.1 Members are asked to endorse the proposal from Mersea Homes that the affordable housing allowance agreed as a part of the Brook Street Development is used in-lieu of the rented affordable housing element scheduled for Phase 2 of the Chesterwell Development (Parcels R9 and R10). Members are also asked to approve the Affordable Housing Scheme for Parcels R9 and R10 of the Chesterwell Development.

2.0 Reasons for Decision(s)

- 2.1 The use of the Brook Street Affordable Housing Allowance was not specifically considered by Members at the time that they resolved to grant planning permission for the Chesterwell Development. As such, the Chesterwell legal agreement does not specifically make provision for the use of Brook Street Affordable Housing Allowance. For this reason, officers consider it prudent that there is a formal record of this proposal which is noted and endorsed by the Planning Committee.

3.0 Alternative Options

Members could refuse to endorse the current proposal. The legal agreement signed as a part of the Brook Street Development, to which the Council was party, states that the Council will not unreasonably withhold permission for the use of the Affordable Housing Allowance on alternative sites. Members would therefore need to provide sound reasons why the current proposal is not considered acceptable.

4.0 Background

- 4.1 In 2013 the Council was approached by Hills Residential Construction Ltd and Mersea Homes Limited in respect of a site at Brook Street to discuss an increase in the affordable housing provision. The site was subject to a planning approval (ref F/COL/04/1747) and a s106 agreement that secured four units of affordable housing on the site that comprised 110 units. As a result of the 2013 discussions, a further legal agreement was signed securing 72 affordable units at Brook Street Development site.

- 4.2 In recognition of the fact that the Brook Street Development was to provide 68 extra affordable houses, the Council agreed to give Mersea Homes and Hills Residential Construction a future “allowance” of 2046 square metres to be offset against the future provision of affordable housing on other development sites within the Borough. The ‘other’ sites are identified in the legal agreement as the Rowhedge Port site, the Stanway Growth Area or such alternative sites as may be nominated by the developers. The legal agreement states that the Borough Council will not unreasonably withhold approval for any development put forward by Mersea Homes and/or Hill Residential Construction and that any report relating to the use of the Allowance on alternative sites to Rowhedge or Stanway Growth Area shall include reference to the following:
- i) the existence of the Brook Street Affordable Housing Allowance legal agreement;
 - ii) that the allowance can be used on other sites in full or in part;
 - iii) authority for agreement to vary other s106 agreements in the event that the developers decide to use the allowance on other site; and
 - iv) it is the decision of the developer whether to use the allowance on another site.
- 4.3 Hills Residential Construction have 55% of the 2046sqm allowance i.e. 1125sqm and have used this allowance at their Rowhedge Wharf Development. This was set out to Members in the Planning Committee Report for planning application ref 160551.
- 4.4 Mersea Homes have 45% of the 2046sqm allowance which equates to 921sqm. Mersea Homes propose to use this allowance on Phase 2 of the Chesterwell Development (Parcels R9 and R10).
- 4.5 The Chesterwell Development was granted outline planning permission (ref 121272) in 2014 and is subject to various conditions and a s106 legal agreement. The Chesterwell legal agreement requires 15% of the residential units in each Phase to be provided as affordable accommodation. A reserved matters application for Parcels R9 and R10 was approved in October 2016 (ref 161593). This development comprises 146 houses and under the terms of the s106 agreement, 15% of these dwellings are to be provided as ‘affordable housing’ – i.e. 22 dwellings.
- 4.6 In accordance with the terms of the Chesterwell s106 agreement an Affordable Housing Scheme has been submitted and identifies the following affordable housing within Parcels R9 and R10. The details of the scheme are set out in the table below:

	Rented	Intermediate	Total
1 bed	4	0	4
2 bed	8	4	12
3 bed	1	4	5
4 bed	1	0	1
Total	14	8	22

- 4.7 On the 8th May 2017, Mersea Homes advised the Council that they wished to use the Brook Street Affordable Allowance in-lieu of the rented affordable housing required on Phase 2 (Parcels R9 and R10) of the Chesterwell Development. Table 2 below shows the plots against which the Brook Street Allowance is to be used, together with their size (sqm):

Plots	No. of Bed	Sqm
67	2 bed	68.7
68	2 bed	68.7
85	3 bed	102.2
91	3 bed	76.2
92	2 bed	68.7
93	2 bed	62.2
102	2 bed	62.2
103	2 bed	68.7
115	1 bed	51.1
116	1 bed	51.1
117	1 bed	51.1
118	1 bed	51.1
134	2 bed	68.7
135	2 bed	68.7
		Total 919.40sqm

- 4.8 The above proposal in effect uses all Mersea Homes Brook Street Affordable Housing Allowance (1.6sqm will remain unused) and Mersea Homes has confirmed that this proposal will close the arrangement provided by the 2013 legal agreement. It is recommended that a copy of this report is placed on the relevant planning files (s106 agreement) so that there is a record that the Mersea Homes Affordable Housing Allowance from the Brook Street Development has been used in-lieu of the affordable housing required on the Phase 2 (Parcels R9 and R10) of the Chesterwell Development.
- 4.9 Given the above, the Affordable Housing Scheme for Phase 2 (Parcels R9 and R10) of the Chesterwell Development will comprise 4 no. 2 bed units and 4 no. 3 bed units. The eight affordable units will be provided as intermediate tenure.
- 4.10 In the covering letter from Mersea Homes, a request is made that the additional income over and above the affordable housing values received on the above plots (Table 2) should not be taken into account as part of the viability assessment required under the Chesterwell legal agreement. Members are advised that any proposal to amend the viability review mechanism will need to be the subject of a formal Deed of Variation and therefore this request falls outside the scope of this report.

5. Strategic Plan References

- 5.1 The Strategic Plan seeks to provide opportunities to increase the number of homes available including those that are affordable for local people

6. Consultation

6.1 Affordable Housing Development Officer has advised the following:

I am supportive of the proposal for Mersea Homes to use the affordable housing allowance agreed as a part of the Brook Street Development in-lieu of the rented affordable housing element scheduled for Phase 2 of the Chesterwell Development (Parcels R9 and R10). As the additional affordable housing provided at the Brook Street Development was affordable rented tenure, it is fair and reasonable that this can be credited against affordable rented tenure in Phase 2 of Chesterwell as proposed.

7. Publicity Considerations

7.1 None directly arising from this report

8. Financial Implications

8.1 None directly arising from this report

9. Equality, Diversity and Human Rights Implications

9.1 None directly arising from this report

10. Community Safety Implications

10.1 None directly arising from this report

11. Health and Safety Implications

11.1 None directly arising from this report

12. Risk Management Implications

12.1 None directly arising from this report

Background Papers

121272 – Chesterwell Outline Planning Permission

161593 – Reserved matters Planning Permission for Parcels R9 and R10

F/COL/04/1747 – Brook Street Planning permission