

## Update

**For Planning Committee Meeting to be held on the 12<sup>th</sup> December 2013**

**P/12/0717/FP**

**LOCKS HEATH**

### **PETERS ROAD – LAND TO THE SOUTH OF**

At the Planning Committee on the 24<sup>th</sup> April, Officers recommended to Members that the offer of 27% affordable housing plus £500,000 in contributions should be accepted. The planning application was refused, but not on the basis of the level of affordable housing or contribution offered.

The appellants have assessed their proposals and believe that if the appeal is allowed and the development implemented they will be liable for a CIL contribution of approximately £1.7m. The appellants have shared their calculations with Officers who concur with the appellants approach and the likely level of CIL. As the units to be made affordable have not been finalised, there may be some slight fluctuation in the CIL liability but it will not materially change.

In addition to the CIL liability there are also other costs which the development will need to bear, generated by requirements within the Section 106 planning obligation. These costs relate to the laying out of open space at the site, the planting buffer along the southern boundary, the construction of a locally equipped area of play and costs associated with a travel plan. These obligations on the development will generate further costs in the region of £230,000.

The CIL liability is not a matter which is open to negotiation between the parties. The appellants have therefore 're-run' their economic viability assessment having regard for the CIL liability plus those additional matters which need to be addressed onsite.

This revised economic viability assessment has been shared with Officers who have in turn appointed independent consultants to review the assessment on this Authority's behalf.

That review has now been completed and Officers have received the consultants' appraisal. The consultants appointed by this Authority concur with the appellant's assertion that the scheme will only support 10% affordable units at this time.

Members will be aware that policy CS18 of the adopted Core Strategy seeks 40% affordable units on a site of this size. The policy also states that 'where development viability is an issue, developers will be expected to produce a financial assessment in which it is clearly demonstrated the maximum number of affordable dwellings which can be achieved on the site.'

The developer has produced such a financial assessment which has been the subject of independent scrutiny as described above.

Government guidance encourages a positive approach to planning to enable appropriate, sustainable development to come forward wherever possible. The National Planning Policy Framework establishes that the planning system ought to proactively drive and support sustainable economic development. It also requires that local planning authorities should positively seek to meet the development needs of their area.

The Government is keen to encourage development to come forward, to provide more homes to meet a growing population and to promote construction and economic growth. Stalled schemes due to economically unviable affordable housing requirements result in no development, no regeneration and no community benefit. (DCLG publication- Section 106 affordable housing requirements review and appeal published April 2013).

In light of the Government advice on such matters, and the economic viability appraisal submitted which was subject to independent scrutiny, Officers do not believe the level of affordable housing proposed is a matter which this Authority should raise specific objection to at the forthcoming Inquiry.

The Director of Community (Housing) is currently in discussions with the appellants to ensure that the proposed affordable housing units are suitable in terms of size and tenure.

Discussions are also continuing between this Authority and the appellants over the content of the planning obligation that they will present at the Inquiry. Officers have requested that a clause is added to the planning obligation which states that if the appeal is allowed but the development is not completed within a set period of it being given consent, that a revised viability report be submitted to the Council, to take into account any change in market conditions and economic conditions which prevail at that time. If the development viability is shown to have improved an appropriate financial contribution towards and/or additional on-site provision of affordable housing should be made in the light of the circumstances at that time.

The appellants have verbally confirmed that they do not object to the principle of such a clause being included within the planning obligation.

## **RECOMMEND**

That Members confirm that Fareham Borough Council should not raise objection to the appellants' offer of 10% affordable housing at the forthcoming Public Local Inquiry.