

W2006/0608
Land off, Church Walk, Donnington, Telford, Shropshire.
Erection of 18 dwellings

APPLICANT

Dordale

RECEIVED

22/05/2006

PARISH

Lilleshall and Donnington

WARD

Donnington

CASE OFFICER

Kate Stephens

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek a Deed of Variation to the S106 agreement to allow provision of no affordable units on a residential scheme that has commenced but is not yet complete. The variation would stipulate that if the development is not completed and ready for occupation by a certain date, then the affordable provision will become a requirement again.

2.0 BACKGROUND

- 2.1 Members will recall agreeing three earlier variations to the relaxation of affordable housing provision on this site in order to help the development get completed. The recession took effect and despite several developers trying to complete the scheme, funding has been an issue. The site remains unfinished, untidy and with broken windows. It is surrounded on all sides by existing properties and is an eyesore.
- 2.2 At the then Plans Board meeting on 15 October 2009 members agreed to a relaxation in the S106 affordable housing provision on this site from 38% (7 units) to 22% (4 units) on the understanding that the development was completed within an agreed 6 month timeframe - and that if the development was not completed within this time then the affordable housing requirement would revert back to the original 38%. At the time the then developer had been affected by the recession and the Royal bank of Scotland was offering the applicant financial assistance.
- 2.3 The applicant was unable to meet the agreed 6 month deadline, so members agreed to a further extension of time for the relaxation at the Plans Board meeting on 4th August 2010. Unfortunately the scheme did not progress to completion and the site was sold. The Royal Bank of Scotland did however settle the outstanding s106 payments of £47,101 (plus interest) for leisure, primary school education and bus shelters in the vicinity.
- 2.4 A new site owner sought a similar relaxation of affordable housing and at the Planning Committee meeting on 2 July 2014 members agreed to a 6 month reprieve for the new owner. Regrettably that owner was not able to complete the scheme either due to being let down by his contractor.
- 2.5 The owner has recently been in touch with the Council and has been in to discuss progression of the scheme need bit about Antony He too would like

a further relaxation of the affordable provision for 4 months until the end of April, hence this current report to vary the s106 agreement.

3.0 PLANNING HISTORY

- 3.1 Planning permission W2006/0608 was granted for 18 dwellings by members at Plans Board on 9th August 2006 for 18 dwellings, subject to a section 106 agreement
- not less than 38% affordable housing (of which 23% social rented and 15% shared ownership),
 - £500 per dwelling for leisure,
 - £28,101 towards primary education and
 - £10,000 towards bus shelters in the vicinity.
- 3.2 During the life of the application the applicant sought 2 separate amendments that have resulted in the creation of additional units on site that now total 24 units, but which are not the subject of the S106, namely:-
- 3.3 W2007/0968 – Erection of 4 dwellings (amendment to W2006/0608) Granted 6/9/07. This effectively sought a substitution of house types by horizontally subdividing two of the 4bed houses into four 2bed flats, with no new buildings on site. This took the overall number of units on site to 20, but there was no change to the S106, which still applied to the 18 units.
- 3.4 W2007/1441 – Erection of 6no. 1 bed flats (amendment to W2006/0608) Granted 18/12/07. This effectively sought another substitution house types by horizontally sub-dividing 2 of the three storey houses in to 6 flats, with no physical change or increase to the buildings. This took the overall number of units on site to 24, but there was no change to the S106, which still applied to the 18 units.

4.0 PLANNING CONSIDERATIONS

- 4.1 Members will be aware of the difficulties facing developers in this current economic climate and that on some new sites affordable housing provision has been negotiated at lower levels for viability reasons. Whilst the Council wishes to be constructive and ensure development continues, it must also still try and deliver affordable housing.
- 4.2 This site was fairly well advanced before the 2008 recession, but construction came to halt on site in May 2009. Officers have twice supported the applicant by agreeing to reduce the affordable housing provision in the hope that it would help the developer complete the scheme. The Council has also supported a new land owner with a similar relaxation on affordable housing, but sadly the contractors let him down so the scheme did not progress.
- 4.3 The same current owner wishes to continue to progress the site to completion, but with a new contractor and would like the zero affordable housing relaxation to apply (until end of April 2016) - hence this report. Members will no doubt want to question how this new contractor is any

different from the previous one, and how would agreeing to another s106 variation facilitate completion.

4.4 The new owner has now appointed a new contractor (Fielding & Beaumont plc) who has a track-record of rescuing development schemes and completing them so that the dwellings are ready for occupation. They have submitted the following information to demonstrate their competence and suitability:-

- Experience of taking on unfinished projects and completing them, including two at the moment in Birmingham (one in the Jewellery Quarter and one in Sheldon) that they took over following bankruptcy of the building contractors and have worked with Birmingham City Council to complete the schemes - brochures attached to this report.
- Built various schemes across the country, but mostly in Birmingham.
- Currently working on a 49 studio student accommodation scheme in Hastings, and have submitted a 520 bed student accommodation scheme in Birmingham to serve Aston University.
- For the Church Walk scheme, the day-to-day project manager will be based in Telford so will be within easy reach of the site to ensure progress and completion.
- A main concern with Church Walk is site security, so intend to reinstate the Heras fencing and have regular mobile security patrols so ensure site not subject to any further vandalism.
- Aim to complete works on site by 30 March 2016 and have units let or sold shortly afterwards.
- A local agents Harwoods Estates have been instructed to market the properties once work has started on site.
- Having sought opinions of other local agents, there appears to be a healthy market for the completed development on both sales and lettings markets.
- Intend to liaise with the Council throughout the works and to involve the Building Inspector from the beginning to ensure there are no unexpected issues. Have assessed the scheme and already carried out site surveys with all contractors and had all necessary works and proposed build schedules confirmed by our Quantity Surveyor.
- A robust building re-instatement and completion works cost plan prepared by a Chartered Surveyor.
- On site works will begin with Mechanical and Electrical contractors and interior decorators to complete the internal areas. External works to reinstate fencing and the landscape the garden areas would begin mid-way through the schedule together with the external decoration of the external walls.

4.5 It also intended that the varied s106 is signed by the time of the Planning Committee to help speed up the delivery of this new venture.

4.6 Both members and officers are faced with the dilemma of needing new housing stock, needing to ensure there is affordable housing provision, yet at

the same time addressing the unique issues of this site, namely that it remains a very visible eyesore surrounded by existing properties and that local residents have looked at the stalled site for over 6 years now.

4.7 The Council has explored other means of securing the site's completion but it is extremely difficult to legally require a developer to complete a site. The Council could serve a section 215 'untidy land' notice, but this would only get the site neatened up, broken windows boarded up etc and would not secure the site is completed and the flats occupied.

4.8 Officers are aware of the previous similar requests that have not come to fruition, but having met face to face with the intended contractor officers are more reassured that this organisation is different from the others. Whilst the loss of affordable housing on this site would be regrettable, the site has remained unfinished for so long and has become an eyesore for the area, such officers recommend that a further s106 variation is agreed.

5.0 **CONCLUSION**

5.1 In this instance officers are willing to agree to allow no affordable housing on this site if it will facilitate the completion of the site and removal of this local eyesore. To this end the s106 should be varied to allow no affordable housing, provided the development is completed to a state that the dwellings are ready for occupation by 30th April 2016. If after that time the scheme is not fully completed and ready for occupation, then the affordable provision would revert back to the 38%,

6.0 **RECOMMENDATION**

6.1 Based on the conclusions above, the recommendation to the Planning Committee is that DELEGATED AUTHORITY be granted to the Development Management Service Delivery Manager to:-

Amend the S106 so that there is no requirement for affordable housing on the site, but that if the development is not completed and ready for occupation by 30th April 2016, then the affordable provision reverts back to 38%.