

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

APPLICANT

Dordale

RECEIVED

22/05/2006

PARISH

Donnington and Muxton CP

WARD

Donnington Ward

OFFICER Kate Stephens

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek a Deed of Discharge of the s106 agreement to the original application W2006/0608 to remove the requirement for affordable units on a residential scheme that has commenced but is not yet complete.
- 1.2 Members will recall the protracted history on this site and agreeing to four previous variations to the relaxation of affordable housing provision on this site in order to help the development get completed. The recession took effect and the original developer was unable to finish in the economic climate. The site has been unfinished, untidy with broken windows, and has been an eyesore for local residents and attracting antisocial behaviour. A new developer has acquired the site, and following some difficulties, the site is now approaching completion with some flats ready and let, and some awaiting their completion certificates. The owner has submitted a letter to explain some of the difficulties faced, which is attached to this report.

2.0 PLANNING HISTORY

- 2.1 Planning permission W2006/0608 was granted for 18 dwellings by members at Plans Board on 9th August 2006, 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.
- 2.2 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 on W2006/0608.
- 2.4 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.

3.0 BACKGROUND

- 3.1 To deal with the difficulties of the site and the recession there have been a total of four requests to vary the s106 agreement so that the affordable housing provision could be relaxed.
- 3.2 At a 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) provided the development was completed within an agreed 6 month timeframe (by end of April 2010) 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. However, the applicant was unable to meet the agreed 6 month deadline.
- 3.3 At a Plans Board meeting on 4 August 2010 members agreed to a further extension of time until end of February 2011 for the relaxation on affordable housing to apply. 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.
- 3.4 A new site owner (the current one) acquired the site and at the Planning Committee meeting on 2 July 2014 members agreed to another relaxation of affordable housing for 6 months to allow the scheme to be finished. Regrettably the owner was not able to complete the scheme either due to being let down by his contractor.
- 3.5 The site owner then sought the services of another contractor (Fielding & Beaumont) who had a successful track-record of rescuing development schemes and completing them. On this basis members agreed at Planning Committee in December 2015 to a fourth relaxation of the affordable housing provided the dwellings were ready for occupation by 30 April 2016. Unfortunately the company were unable to secure funding and the owner was unable to complete.
- 3.6 However, since then the owner has managed to progress works and now 4 flats have been fully completed and let. Another 12 flats are awaiting imminent completion within the next two months, and the remaining 8 flats should be completed by the end of February 2018. The owner has a waiting list of local families (with a mix of working families and those on housing benefit to help with the high demand for properties).

4.0 PLANNING CONSIDERATIONS

- 4.1 This site was fairly well advanced before the 2008 recession, but construction came to halt on site in May 2009. Officers supported the original applicant by agreeing several times to vary the s106 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 and agreed to two variations of the s106, but sadly the scheme did not progress. Members will no doubt want to question agreeing to

another agreement to the s106 variation when four previous times have not resulted in a completed scheme, and will want to ask what is different this time.

- 4.2 Members will be aware of the difficulties sometimes facing developers 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. 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 the site remains unfinished and that local residents have looked at the stalled site for over 8 years now.
- 4.3 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 get the site completed and the flats occupied.
- 4.4 The current owner has had to address a series of issues such as delays in getting utility meters installed; installing drainage systems with the need for CCTV investigations; rectifying retrospective energy SAP (Standard Assessment Procedure) calculations; rectifying incorrect Council Tax billing and liability which affected finances; replacing double glazing units that had been vandalised; installing full central heating as the previous system had been removed before site was sold; and various retrospective alterations to meet Building Regulations. These works have resulted in unforeseen expenses and time delays.
- 4.5 As Members may be aware, the Development Delivery Officer has worked extensively with the current owner, builder and agent to reach a position where homes are finally complete and can be occupied. This site has long been a high priority for the Council and not least the neighbouring residents. The imposition of Affordable Housing on this site would be not be viable due to two reasons;
- The cost of remediation work to ensure the properties can achieve Building Control Completion Certificates plus the expense of finance costs, etc would far exceed any overall value in a development appraisal.
 - Secondly, due to the length of build and time unoccupied, there would be no serious interest at a viable acquisition price by any Affordable Housing provider such as the Wrekin Housing Trust.
- 4.6 This long term stalled housing site now has the opportunity to be finished but does require the exemption of any further financial burdens to ensure it reaches its conclusion.

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, especially as the site has seen considerable progress over the last twelve months

compared to the previous seven years. To this end the s106 should be discharged so there is no longer a requirement for affordable housing.

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 authorise a Deed of Discharge of the s106 so that there is no requirement for affordable housing on the site.