

Outline planning permission was granted in 2012 for residential development of up to 172 dwellings on this site (Ref. 12/00127/OUT). Reserved matters were subsequently approved for 171 dwellings in 2014 (Ref. 14/00562/REM) and the development is nearing completion.

Prior to the grant of the outline planning permission a Section 106 agreement was entered into which secured, amongst other things, 25% of the dwellings on-site as affordable units, with 10% (up to 17) being shared ownership units and 15% (up to 26) being social rented housing units.

In 2015, an application was made under Section 106B of the Town and Country Planning Act to revise the affordable housing requirements (Ref. 15/00441/DOAHR). It was agreed that the level of affordable housing would be revised for a three year period ending 22nd March 2019 from 25% (43 units) to 30 units; 18 units to be of a rented tenure and 12 units to be shared ownership.

A request has been received from Aspire to amend the Section 106 agreement so that a cascading clause is incorporated whereby shared ownership units can be changed to affordable rented units, if they remain unsold after a period of marketing.

Recommendation

That Aspire be advised that the Council as the Local Planning Authority is willing to agree to a variation to the Section 106 agreement so that a cascading clause is incorporated, whereby shared ownership units can be changed to affordable rented units, if they remain unsold after a 6 month period of marketing, subject to the approval of the Head of Planning.

Key Issues

As per the Section 106 agreement, the affordable housing units were to be transferred to a Registered Provider. To date, Aspire Housing have advised the Council that they have taken on 11 of the units as shared ownership, with a remaining 1 expected to be transferred to them at the end of this year.

Shared ownership units are affordable for households who aspire to own their own home, allowing a 'qualifying person' to part buy and part rent, with the option to fully staircase to 100% ownership.

Of the 11 shared ownership units transferred to them by the developer, Aspire Housing has been able to find a 'qualifying person' and to sell two of the units. The remaining nine units remain unsold. This is despite a 'concerted' effort to market these units for a sustained period of time.

Aspire Housing have provided a written statement setting out the methods employed in marketing the shared ownership units. Various methods have been used including online portals, local press and local agents to market the units. Despite this there has been limited interest in the units.

Aspire Housing asserts that potential buyers have a greater preference for a three bedroom home or an end of terrace property as shared ownership units whereas 6 of the units in question are mid terrace and all are 2 bedroom.

Given that these units have remained unsold, with very limited interest, Aspire Housing has made a request that they be given the flexibility for the tenure of shared ownership units to be changed to affordable rented units, should they remain unsold. An affordable rented unit is where the Registered Provider charges rents which are 20% lower than the open market rent.

Provision for this tenure of affordable housing is included within the existing Section 106 agreement as modified - the agreement stipulating that 18 units are to be of a rented tenure. These units have been taken by Aspire Housing and have been successfully let.

It is the view of officers that giving Aspire Housing the flexibility to change the tenure would not lead to the loss of the total number of affordable housing but would mean a change to the tenure. In some respects, this could be viewed as beneficial as affordable rented would be targeted to those most in housing need.

Aspire Housing are of the view that they will continue to market the shared ownership units, particularly those that are end terraced properties, (for which there is a buyer preference), as there is a business case to maintain the original mix of affordable housing, but would as a last resort seek to convert the tenure.

It is the view of officers that a 'cascading clause', should be incorporated into the agreement whereby a Registered Provider can be given permission by the Head of Planning to change the tenure of the shared ownership units to affordable rented units, if such units remains unsold after 6 months of concerted marketing.

APPENDIX

Policies and Proposals in the Approved Development Plan relevant to this decision: -

Newcastle-under-Lyme and Stoke-on-Trent Core Spatial Strategy 2006-2026 (adopted CSS)

Policy CSP6: Affordable Housing

Policy CSP10: Planning Obligations

Other Material Considerations

National Planning Policy Framework (NPPF) (2019)

Planning Practice Guidance (PPG) (2014, as amended)

Supplementary Planning Documents/Guidance

Affordable housing SPD (2009)

Views of Consultees

None undertaken

The Section 106 agreement can be viewed as an associated document to permission
12/00127/OUT via <https://publicaccess.newcastle-staffs.gov.uk/online-applications/plan/12/00127/OUT>

Date report prepared

13th March 2019