



Haringey Council

Agenda item:

Planning Sub Committee

14th May 2012

Report Title. **Pembroke Works, Campsbourne Road - Proposed Variations to Section 106 Agreement**

Report of **Head of Development Management**

Signed :

Contact Officer : **Ransford Stewart , Head of Development Management Telephone: 020 8489 5507**

Wards(s) affected: **Hornsey**

Report for: **Sub-Committee**

1. Purpose of the report

1.1. To consider the proposal by Mr Oleg Chulkov the applicants for a variation of the current s106 agreement for the development at Pembroke Works Campsbourne Road N8 7PE as agreed in May 2013. No other changes to the planning permission are sought.

2. Summary

Planning Consent was granted In May 2013 to Mr Oleg Chulkov the applicant for a 42 residential unit development at Pembroke Works Campsbourne Road providing 26% on-site affordable housing by habitable rooms comprising of 7 shared ownership units of 5 x 1 bedrooms and 2 x 2 bedrooms, and 4 x 4 bed affordable rent units (to be let to tenants nominated by the Council at an 'affordable rent' equivalent to no more than 32% of the market rent); This equals to 32% of affordable habitable rooms.

Mr Oleg Chulkov is committed to the project and seeks a variation to this S106 Agreement attached to the original planning permission in order to deliver Council's key objectives and progress with construction.

3. Recommendation

3.1. That the Committee agrees the variations to increase the affordable housing provision to the

existing s106 Agreement attached to planning permission (HGY/2012/1190) for the development at Pembroke Works Campsbourne Road.

4.0 Changing the Section 106 Agreement – National Guidelines

Background

- 4.1 The Council's planning policies aim to promote development in appropriate locations and, as far as possible, in ways and for uses that will provide significant benefits for the wider area. Impacts of developments need to be mitigated adequately. In considering the form of a development, the mix and type of uses and the degree to which the impacts of that development are mitigated, it is reasonable to take into account the potential benefits, in planning terms, of the whole development.
- 4.2 The Minister for Decentralisation and Cities' 'Statement on Growth' calls for local authorities to review existing s106 agreements on schemes that are unviable. Where necessary and possible, obligations should be modified to allow development to proceed provided this continues to ensure that the development remains acceptable in planning terms.
- 4.3 The National Planning Policy Framework (March 2012) also encourages local planning authorities to avoid non-essential conditions or obligations when they would undermine the viability of development proposals.

5.0 Detailed Considerations

The Scheme

- 5.1 Planning Consent was granted In May 2013 to Mr Oleg Chulkov the applicant for a 42 residential unit development at Pembroke Works Campsbourne Road. The level of affordable housing provision was agreed to provide 26% on-site affordable housing by habitable rooms comprising of 7 shared ownership units of 5 x 1 bedrooms and 2 x 2 bedrooms, and 4 x 4 bed affordable rent units (to be let to tenants nominated by the Council at an 'affordable rent' equivalent to no more than 32% of the market rent); This equates to 32% of affordable habitable rooms. Mr Oleg Chulkov although committed to the project seeks a variation to the S106 Agreement attached to the original planning permission in order to provide 36 out of the 42 dwellings proposed as affordable housing equating to 85% of the dwellings as affordable housing.
- 5.2 The original planning permission remains unchanged; The proposed variation is in line with the Minister for Decentralisation and Cities' 'Statement on Growth'.
- 5.3 This will meet the Council's requirement to deliver more affordable housing to the west of the borough and for the development to be carried out, the applicant Mr Oleg Chulkov seeks a variation in the Section 106 contribution for the approved scheme, and therefore ask to have the following request put forward for consideration.

5.4 The existing Section 106 affordable housing provision is 26% on-site affordable housing by habitable rooms comprising of 7 shared ownership units of 5 x 1 bedrooms and 2 x 2 bedrooms, and 4 x 4 bed affordable rent units (to be let to tenants nominated by the Council at an 'affordable rent' equivalent to no more than 32% of the market rent); This equals to 32% of affordable habitable rooms.

5.5 **The applicant seeks to vary the Section 106 contributions as follows;**

Circle Housing have exchanged contracts to purchase the site and intend to provide 36 out of the 42 dwellings proposed as affordable housing. They will therefore offer 85% of the dwellings as affordable housing. The permitted scheme provides 26% on site affordable dwellings. Of the 36 affordable dwellings proposed, 26 will be affordable rent and 15 will be shared ownership (see accommodation mix below). The permitted scheme provides 4 affordable rent and 7 shared ownership dwellings.

However the permitted application limits the affordable rent to 32% of market rent and the completion of Circle's purchase of the site is conditional upon amending this to the following affordable rent levels:

- For 4 bed and larger units no more than 46% of the market rent.
- For 3 bed units no more than 52% of the market rent.
- For 1 & 2 bed units no more than 60% of the market rent.

Mix of accommodation proposed:

<u>Dwelling Type</u>	<u>Affordable rent</u>	<u>Shared Ownership</u>	<u>Outright Sale/Market Rent</u>	<u>Total</u>
1b2pF	2	5	2	9
2b3pF	2	3	1	6
2b4pF	6	3	2	11
3b4pF	6	4	-	10
3b5pF	1	-	1	2
4b7pH	4	-	-	4
Total	21	15	6	42

They also wish to allow for "charitable uses" within the definition of the affordable work space: "Affordable Commercial Space" means that part of the Development for use as commercial units for charitable or private uses' 'The Affordable Commercial Space shall not be let at rents more than fifty per cent of the market rent in perpetuity. And can be let to charitable organisations.'

- 5.6 Affordable housing provision for development schemes is secured through Local Plan Policy SP2 which sets a target of 50% in residential/mixed use schemes.
- 5.7 The proposed level of provision exceeds the normal requirements of Local Plan Policy SP2 and is therefore considered acceptable.

6.0 Existing Section 106 Agreement Clauses Requested for Variation

The relevant clauses of the agreement requiring change are found in paragraph 4.4.1 under 'Affordable Housing'

7.0 Recommendation

- 7.1 That the clause of the current S106 Agreement related to the provision of affordable housing is amended to enable the following mix and level of provision;

