

Miscellaneous report

Part 1

48/14/0001 APPLICATION FOR THE AMENDMENT OF SCHEDULE 1 AND CLAUSE 1.1 OF THE SECTION 106 AGREEMENT FOR PLANNING APPLICATION 48/05/0072 REQUIRING 25% OF THE HOUSING SHALL BE AFFORDABLE AND NOT 35% CONCERNING LAND AT MONKTON HEATHFIELD

Persimmon/Redrow Consortium Variation of S106BA

In January 2015 Members resolved to agree to grant permission for the S106 (BA) Variation at Monkton Heathfield (phase 1) in affordable housing levels from 35% to 25% subject to a suitable mechanism being established to ensure the funding for provision of the Western Relief Road in a timely manner.

Taunton Deane Borough Council commissioned an independent viability report (2014) which concluded that the scheme granted planning permission under 48/05/0072 was unviable, taking into account the need for the provision of the Western Relief Road.

The Housing Enabling Officer was involved in the process and accepted the principle of the reduction in this case given the long term benefits to the continued delivery of affordable housing for this site and the future core strategy site.

In reality the money released from the reduction in affordable housing will cover the purchase of the outstanding section of land from third party landowners and does not provide for the estimated construction costs for the road itself.

The mechanism, to ensure the delivery of the WRR (as referred to in the cttee recommendation), was agreed in a Memorandum of Understanding (MOU) signed by all parties whereby the approval for the reduction in affordable housing would be issued when contracts were let thus providing TDBC with some confidence that the road construction would indeed proceed.

Following the signing of the MOU there has been significant progress in the project. The Consortium have been collaborating with SCC and have funded all the detailed design work that SCC have undertaken to enable the construction of the road to commence and this detailed work is now awaiting its final audit by SCC before implementation.

In order to purchase the remaining WRR land the consortium have entered into an agreement with the landowner at a beneficial rate and this will expire during August. In order to proceed with the land purchase the Consortium urgently need to release the funds resulting from the reduction of affordable housing prior to purchase i.e. upon purchase of the land rather than contracts let.

Given the degree of collaboration between the consortium and the SCC there is now a greater degree of confidence that, once the land is bought, the consortium will in fact commence the construction of the road and I therefore seek authorisation from

this committee for the approval of the reduction in the affordable housing to be granted on land purchase.

This said, there is still clearly a risk that the Consortium could use the funds released from the reduction of affordable housing to purchase the land, but then not deliver the road. Members may therefore wish to consider whether a further clause be applied requiring the land to be transferred to the Highways Authority after a reasonable period should the road not be delivered in line with the funding cascade in the MOU.

Recommendation

To delegate the decision to adjust the level of affordable housing from 35% - 25% to the Assistant Director Planning and Environment upon the receipt of evidence confirming the transfer of the remaining WRR land to the applicant.

Part 2

48/15/0053

ERECTION OF LOCAL CENTRE INCLUDING 5 No RETAIL UNITS WITH 18 No APARTMENTS ABOVE PLUS 69 No DWELLINGS, WITH ASSOCIATED WORKS AND ACCESS INCLUDING HIGHWAY WORKS TO THE ADJACENT A38 ON LAND OFF BRIDGWATER ROAD, MONKTON HEATHFIELD

The Memorandum of Understanding which sets out the mechanism for the delivery of the road included a cascade for the release of additional funds in the event that the total road costs exceeded the total funds available. Now that the detailed design of the road has been progressed, as stated above, it is clear that significant additional funds will be required to cover the cost of the construction of the road. Given viability issues associated with the development and the need to secure the monies as soon as possible it is considered advisable that those additional funds are best generated from the development itself. Whilst the agreed cascade allows for this in principle, the detailed planning permission, 48/15/0053 does not.

In August 2016 Planning Committee granted full permission for the local centre parcel of land at Monkton Heathfield. The proposal took the total number of dwellings within the Consortium land above the 900 covered by the original outline and so required a full permission. The application provided for 25% affordable dwellings (8 shared ownership and 12 social rent) as required by the Core Strategy, and also the payment of the Community Infrastructure Levy. Whilst works have started on site there is still an option to vary or remove all or part of the agreed affordable housing in order to release additional funds as required for the road construction works.

The western relief road is essential for the delivery of the infrastructure necessary to cater for the traffic generated by the current permitted development and will enable the future delivery of the 2 – 3000 additional dwellings (plus employment, district centre new schools etc.), 25% of which (500 – 750) will be additional affordable housing. With this aim in mind it is considered vital that the funds are made available

and in a time scale to enable the construction works to start on the WRR, later this year.

Recommendation: To delegate the decision to vary the s106 obligation relating to the quantum of affordable housing associated with planning permission no: 48/15/0053 to the Assistant Director Planning and Environment based upon the need to release money from the scheme to contribute towards the construction of the Western Relief Road.

Reporting Officers:

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