

## **Planning Committee – 15 December 2010**

### **Report of the Development Manager**

#### **Miscellaneous Item**

#### **Residential Development at Tangier, Taunton - 38/02/0114; 38/07 0183; 38/07/184 and 38/10/0108Rex**

Planning permission has been granted for the erection of 225 flats and ancillary works including new site access, car parking and associated works at the former gas storage site, Tangier, Castle Street, Taunton subject to a section 106 agreement that covered contributions for education, leisure and recreation and the provision of public access to footpath link adjacent to and footbridge over the River Tone, highway contributions towards the construction of the Third Way, 56 units of affordable housing split 28 x 1 bed room flats and 28 x 2 bed roomed flats.

Since the grant of planning permission and the completion of the majority of ground decontamination works the recent financial crisis has made the development financially unviable and the developer has requested an amendment to the affordable housing agreement. The current proposal is for the provision of 40 affordable units to be split 28 x 2 bedroom flats and 12 x 1 bed room flats.

The applicant has submitted a financial viability statement which has been independently assessed by the District Valuation Office on behalf of Taunton Deane. That report agrees that proposed scheme is not viability in the current economic climate. There were some differences in opinion over the final profit level and sale of some of the units and this has resulted in advice from the DVO that, whereas the provision of 48 units would equate to an 11% profit (+6.8% overheads), the provision of 45 units (17% profit +6.8%) would be reasonable.

The developer maintains that 45 units would make the scheme unviable but has offered a compromise:-

- The reduction of flats would all be 1 bed roomed units meaning that there would still be 28 x 2 bed roomed units
- Any overage from the other contributions can be retained by TDBC to be used for additional flats within the scheme (this could be upto £300,000 which would provide an additional 5 units)..
- That the tenure split of the flats would be 80% social and 20% shared equity (he split was previously unspecified).

In my opinion the compromise offer would enable the development of the Tangier site, which has remained empty for a considerable number of years opening up public access along the River and providing a new footbridge to Frenchweir Park.

**Recommendation**

That the TDBC solicitor be authorised to agree a supplemental S106 agreement regarding affordable housing and any over payments as outlined in the compromise solution listed above.

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