

Report to Development Control Committee

Agenda
Item:
A.4

Meeting Date: 20th December 2013
Portfolio: Economy and Enterprise
Key Decision: Not Applicable:
Within Policy and
Budget Framework YES
Public / Private Public

Title: TRANSFER OF PROVISION OF AFFORDABLE HOUSING FROM
PETER LANE TO WESTMORLAND STREET, CARLISLE
Report of: Director of Economic Development
Report Number: ED.39/13

Purpose / Summary:

This report sets out consideration of an application to transfer the affordable housing contribution from the housing development at Peter Lane/ Dalston Road to the former Penguin Factory, Westmorland Street, Carlisle.

Recommendations:

That the proposal to transfer the affordable housing contribution off-site is accepted and that Authority to Issue is granted to the Director of Economic Development and the Director of Governance to issue a Deed of Variation to both existing S106 Agreements to ensure the transfer and provision of affordable housing in perpetuity.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

1. BACKGROUND

- 1.1 Planning permission was granted on 29th June 2012 for the erection of 37 dwellings (including 6 affordable houses) together with internal access roads, car parking, garages and associated landscaping on the Former Penguin Factory, Westmorland Street, Carlisle (application reference 11/0120). This approval was subject to a legal agreement to secure the provision of the 6 affordable housing units in perpetuity.
- 1.2 A short time thereafter on 9th October 2012, outline planning consent was granted for residential development on land at Peter Lane bounded by Dalston Road, Cummersdale, Carlisle (application reference 00/0439). This approval was also subject to a S106 agreement to include the provision of 30% of the dwellings to be made affordable in perpetuity.

2. PROPOSAL

- 2.1 Both the application sites are owned by Persimmon Homes (Lancashire) Ltd. The applicant has requested that the affordable housing requirement for the housing site at Peter Lane/ Dalston Road is transferred off-site and provided on the Westmorland Street site. In effect, no affordable housing would be provided at Peter Lane with the entire development at Westmorland Street being affordable units.
- 2.2 The applicant has stated that difficulties have been experienced in getting Registered Providers (RPs) to contract on the pockets of affordable housing within larger housing developments. In essence, this means that they are reluctant to accept ownership and responsibility for the properties once they have been built. This is primarily down to the availability of grants that are available together with match funding that inhibits the expansion of RP's housing stock.

3. AFFORDABLE HOUSING POLICY CONTEXT

- 3.1 The delivery of affordable housing is central to achieving sustainable development and to realising the Council's growth agenda. Relevant National Planning Policy Framework (NPPF) and policies in Carlisle District Local Plan 2001-2016 reflect this.
- 3.2 The NPPF was published in 2012 and sets out the Government's planning policies for England and how these are expected to be applied. In the context of achieving sustainable development the NPPF refers to ensuring viability and deliverability. It

sets out that Development Plans should be deliverable and that therefore the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy requirements that their ability to be developed viably is threatened. The NPPF explicitly sets out to ensure viability and that the costs of any requirements likely to be applied to development, such as development standards, requirements for affordable housing and infrastructure contributions, should take account of the normal cost of development and mitigation so as to provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

- 3.3 The Council expects new residential developments to provide a mix of affordable housing tenures, sizes and types to help meet identified housing needs and contribute to the creation of mixed, balanced and inclusive communities. The Council expects developments of 10 or more units in the urban area to provide 30% affordable housing on-site contribution. The Council's requirements are applied flexibly, having regard to individual site circumstances, including viability of development.
- 3.4 The land at Peter Lane forms part of a larger allocation in the Local Plan and falls under the umbrella of the Morton Masterplan and Development Framework which was adopted by the City Council as Supplementary Planning Guidance on 21st December 2000. Paragraphs 4.21 to 4.24 make specific reference to the provision of affordable housing across the allocation. With reference to Policy H8 of the Carlisle District Local Plan 1997, paragraph 4.23 identifies that there is an overall requirement for 90 affordable houses at Morton. Through the passage of time, policies require a greater level of affordable housing which is reflective of the demand and approval of the planning application together with the variation to the S106 agreements for the 2 sites aims to assist in the deliverability of housing in the District.

4. ASSESSMENT

- 4.1 The City Council's Low Cost Housing Register makes properties at 70-90% of the market value available to qualifying people. A qualifying person must have both a local connection and be in affordable housing need; these criteria are set out in a S106 agreement, which also secures the affordable unit in perpetuity.
- 4.2 Affordable housing is a fundamental part of a sustainable community, and the securing of affordable housing in perpetuity (through a S106 agreement) recognises the fact that there must always be housing options for those people in housing need in the long-term, regardless of circumstances in the short-term. This approach

demands that the longer-term view should be taken when considering the request of the applicant.

- 4.3 Carlisle City Council's currently adopted planning policies require affordable housing to be provided on-site. A clear presumption therefore exists at present that affordable housing should be provided on-site so as to promote mixed and balanced communities; however, the supporting paragraph 5.33 of the Local Plan states:

"In certain circumstances developers may enter into an agreement with the Council to give a financial contribution (commuted sum) towards the provision of affordable housing on another site in lieu of making on-site provision. This will be acceptable where it is neither practical nor viable to provide the housing on site and the alternative site meets the size threshold and is suitable in other respects for the development."

- 4.4 In this instance, the applicant maintains that the provision of affordable housing on the Peter Lane is unviable due to the reluctance of RPs to accept and maintain the properties once complete. As an alternative, the affordable housing would be provided on one site which is better from a management point of view for the RP.
- 4.5 The development of the former Penguin site on Westmorland Street would be in the same catchment area as the Peter Lane site and will continue to provide affordable housing to the west of Carlisle. Approval of this request by the Council to relocate the affordable units will allow the development of the Westmorland Street site for which progress is currently stalled. Since planning consent was granted in June 2012 no further progress has been made on the site.
- 4.6 This application is a 'one-off' insofar as both sites are owned by the same applicant and approval will allow both sites to be brought forward allowing cross benefits in terms of viability and deliverability. The land at Morton is a significant allocation in the development to the west of the city. The remainder of the land remains uncommenced and development of this application site would be the first stage of development. As such, residents of the proposed properties would have limited access to services; however, in time, this situation would improve.
- 4.7 The total number of dwellings proposed across both sites totals 140 and 37 affordable units is proposed. Planning policies require the provision of 30% of housing on sites in the urban area of over 10 units to be affordable which would equate to 42 units. The provision of 37 units is 26.4%; however, some of the houses on the Westmorland Street site were restricted for occupation as an

affordable rent which is more valuable to the overall housing stock than a property that is discounted sale and therefore allows a reduction in the overall percentage.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1 The issue for Members to consider is that planning policies seek to provide social cohesion and mixed and balanced communities throughout the District through the integration of affordable housing provision within open market housing development. To an extent, acceptance of this proposal will weaken this aspiration; however, this has to be balanced against the potential that the provision of affordable housing between the 2 sites might be jeopardised which would undermine the Council's housing strategy.
- 5.2 In conclusion, the argument submitted by the applicant is reasonable and the Deed of Variations to both S106 agreements are required to secure the provision of affordable housing.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1 The approval of this proposal will ensure that the Council continues to address existing and future housing needs.

Contact Officer: Richard Maunsell

Ext: 7174

**Appendices
attached to report:**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – N/A

Community Engagement – The implication with regard to affordable housing provision and the Council's Housing Strategy are contained in this report.

Economic Development – As set out in the report.

Governance – The test for whether or not the obligations should be modified is contained within the body of the report and it is for Members to determine whether or not the provision of off-site affordable housing continues to serve a useful purpose.

Local Environment – N/A

Resources – N/A