

Decision under Delegated Powers**Officer Requesting Decision**

Developer Contributions Monitoring Officer

Officer Making the Decision

Head of Planning and Growth

Recommendation

That the sum of £258,520 of Section 106 monies that has been received as a contribution towards affordable housing provisions in the Borough be used for the acquisition of 18 Airborne Avenue, Anstey.

Reason

To enable section 106 monies that have been received for the provision of affordable housing be used for the purchase of an additional HRA rental property.

Authority for Decision

There is a delegation in the Constitution to all Heads of Service “to acquire additional properties for rent via Housing Revenue Account, where approved funding exists within the Capital Plan for the relevant financial year and where any property acquired is subject to a condition survey, an independent valuation and standard legal checks and meets identified housing needs.” (Item 27 on Page 23-28).

For all Heads of Service to approve the release of funds they must be satisfied that the works to be carried out fulfil the requirement as set out in the section 106 agreement and have written confirmation for the relevant body that the monies are used for their intended purpose. Any unspent monies after 5 years of receipt by the Borough Council shall be returned to the developer as per the relevant clause within the section 106 agreement.

Decision and Date

23 April 2024

Background

Planning permission was granted for the conversion of a nunnery to 8 dwellings, erection of 3 bungalows and 5 houses with associated access, parking and landscaping (P/16/0987/2) including a Section 106 agreement that made provision for additional “affordable housing across the Borough of Charnwood” of £75,000 + indexation.

When considering the proposal in relation to application P/16/0987/2 (Land at Sacred Heart Convent, 61 Station Road, Rearsby) The officer's report states "the proposal does not provide any affordable housing for which there is a need on a Borough wide basis. However, this would be difficult to achieve economically at the same time as safeguarding the semi-rural parkland setting. The applicant has undertaken to provide a commuted payment in lieu of onsite provision in recognition of this."

Secondly, a deed of variation was completed against planning application P/16/0732/2 which included the submission of a financial viability study, the deed of variation was executed to amend the original Section 106 agreement finalised on 30th March 2015. This Deed of Variation modified the requirement for the affordable housing from 30% (18 units) to a commuted sum of £275,000 + indexation, which is to be included in the development under planning reference P/13/2510/2.

Strategic Housing are in the process of acquiring a property located at 18a Airborne Avenue, Anstey. The offer for acquisition has been accepted at £256,000. Additionally, associated costs aligned with the acquisition include a valuation fee of £1,020 and solicitor's fees amounting to £1,500. These financial aspects have been carefully evaluated and deemed reasonable within the context of the acquisition.

Application	Purpose	Amount	Expiry date
P/16/0987/2 61 Station Road, Former Sacred Heart Convent, Rearsby	Affordable housing – Contribution to be used for the provision of affordable housing across the Borough of Charnwood.	£77,271	11/07/2024
P/16/0732/2 Gynsills Lane, Anstey	Commuted sum towards affordable housing within the Council's administrative area.	£181,249	28/10/2024
	Total	£258,520	

Financial Implications

The money has been received and there are no financial implications for Charnwood Borough Council.

The scheme will be added into the capital plan 2024/25

Risk Management

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
			Very Low (1 - 2)	

Key Decision

Yes, but exempted from call-in. see agenda item 14; Full Council meeting dated the 6th November 2017.

Background Papers

All contained on planning files P/16/0732/2, P/16/0987/2 and Housing Acquisition Policy approved by Cabinet on the 10th May 2018; reviewed and updated June 2019 DD084, reviewed and updated September 2021.