

Southern Planning Committee 29 November 2017

UPDATE TO AGENDA

APPLICATION No

17/0560N - Full planning permission for the proposed development of 40 affordable dwellings, comprising of 17 two-bed and 23 three-bed dwellings, the creation of a new vehicle and pedestrian access from Sydney Road, internal shared surface roads, car parking, landscaping and public open space.

UPDATE PREPARED

24 November 2017

Further to its supporting letter of 23rd November 2017, additional information has been forwarded from Regenda Homes (RSL) to clarify how the provision of affordable units within the scheme has been secured since the application was deferred by Southern Planning Committee on 1st November 2017. It is stated that;

Following the submission of the scheme for planning permission in early February 2017, changes in government policy meant that Affordable rent grant became available. In line with Cheshire East Council's policy, Regenda decided to pursue an option (at its own expense) to vary the scheme to include a mix of homes to meet the needs of the local community. This mix was discussed and agreed with the Housing Strategy Team in April 2017, as well as agreement on a submission to the HCA for Affordable rented grant. As the planning application was already submitted and an exchange had taken place on the land, the land price was fixed and Regenda were unable to vary the house type mix/lose units as this would seriously impair the scheme's viability. This was discussed with the Housing Strategy Team who acknowledged the position.

The revenue generated to pay for this project is fixed by the amount of sales / rental income, grant available and amount of subsidy that Regenda can afford to levy. Overall, the 13nr unit swap from shared ownership to affordable rent has increased the HCA grant by a total of £65k (£5k per unit). This does not cover the total scheme costs for either tenure type and as no sales income is available on rented units, Regenda have committed to provide additional subsidy to cover this shortfall totalling an increase of £273.6k (21k per unit)).

The HCA grant rate is linked to the number of units for each type, this would reduce accordingly if there was a loss of units/bedspaces (e.g. if unit types were to change or open space required on site) and could not be used to fund additional S106 contributions). As noted above, the change from Shared Ownership to affordable rented homes has already resulted in an increase in Regenda's internal subsidy. Any further increase in costs could result in Regenda having to abort the scheme and a loss of the HCA grant allocation for the site.

In clarification of a concluding point of its supporting letter of 23rd November 23, Regenda have further advised that the stated loss of HCA grant and funding totalling £5.5m in the event of “any loss of units within the site or significant delay in the approval of this scheme” relates solely to the total costs for this project, inclusive of all grant receipts and investment from Regenda.

OFFICER COMMENT

The additional comments are noted and provide useful background as to the the revised tenure split between shared ownership and affordable rental units can be achieved. These are not however considered to raise any further material planning issues which have not previously been assessed within the Officers' report.

RECOMMENDATION

No change to the recommendation