



**To the Chair and Members of the
PLANNING COMMITTEE**

Consideration of variations to two Section 106 Agreements in relation to the affordable housing requirements on land to the east side of Hatfield Lane, Armthorpe (under references 12/00188/OUTM and 20/01606/FULM).

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr Phil Cole	Armthorpe	No

EXECUTIVE SUMMARY

1. This report seeks approval of the Planning Committee to variations to two Section 106 agreements in relation to the affordable housing requirements on land to the east side of Hatfield Lane, Armthorpe.
2. The first application under reference 12/00188/OUTM is outline planning permission granted at Planning Committee on 17th October 2017 for the larger site of residential development, with the decision being subject to a Section 106 agreement dated 27th October 2017 (copy is appended for reference). Amongst other things, the 106 Agreement delivers 26 per cent affordable housing as per the requirement of the Core Strategy in place at that time. A copy of the Officer's report to Planning Committee is appended for reference.
3. A reserved matters application was subsequently approved on this larger outline site for 382 dwellings on 15th January 2021 under reference 20/01421/REMM and construction of the site is well underway.
4. The second application under reference 20/01606/FULM is a full planning permission granted under Delegated Authority on 28th July 2022 for 18 dwellings, with the decision being subject to a Section 106 agreement dated 28th July 2022 (a copy is appended). The 106 Agreement delivers 23 per cent affordable housing as per the reduced requirement in the Doncaster Local Plan. A copy of the Officer's Delegation Report is appended for reference.
5. The reason why the 18 dwellings application site was excluded from the original outline application despite being part of the same housing allocation in the Development Plan, was because at the time of the outline, the smaller parcel of land was owned by a third party.

The 18 dwellings approved under the separate full application under reference 20/01606/FULM made up the full allowance of 400 dwellings permitted on this allocated housing site in the Local Plan and Armthorpe Neighbourhood Plan.

6. The larger site that would deliver 99 affordable homes under the existing 106 Agreement (being 26 per cent of 382) would under this Deed of Variation deliver 88 affordable homes (being 23 per cent of 382). The smaller site that would under the existing 106 Agreement deliver 4 affordable homes (being 23 per cent of 18) would be changed to deliver 9 affordable homes (being 50 per cent of 18).
7. Although under these Deed of Variations, 6 fewer affordable units would be delivered across the whole of the site (a reduction of 103 to 97), the Council (acting in its strategic housing capacity) has actively sought to agree this deal with the developer. The Council will be able to purchase 11 dormer bungalows and 9 of these are being built on the smaller scheme for 18 dwellings and hence the reason for varying both 106 Agreements to increase the requirement on the smaller site and reduce it on the larger site. The Council will be able to increase its supply of older people's housing and this is a Mayoral priority. Any purchase of these dwellings could only be for affordable rent (in this case Social or Target Rent), as the Council does not buy properties for shared ownership. Bungalows attract a higher open market value than houses due to their scarcity, build cost and land take. Affordable rented properties also carry a much greater subsidy on price than that of shared ownership properties. The affordable units will also be built to a higher specification to meet the Council's needs. The Council in its strategic housing capacity is therefore happy to agree to 6 fewer affordable units to secure the type of affordable housing that is needed in the borough. The Developer has positively engaged with the Council's Strategic Housing team to agree to this variation to the affordable housing offer. The request for the variations to the S106 legal agreements must be considered by the Council in its Local Planning Authority capacity.
8. If the Local Planning Authority agrees to vary the Section 106 Agreements, the number of affordable units being delivered across the site through the Deeds of Variation would be:

12/00188/OUTM – 88 dwellings (23%)
20/01606/FULM – 9 dwellings (50%)
Total number of units – 97 dwellings (24%)

EXEMPT REPORT

9. This report does not contain exempt information.

RECOMMENDATIONS

10. It is recommended that Planning Committee authorise the Head of Planning to agree a Deed of Variation to vary the terms of the Section 106 agreement dated 27th October 2017 to reduce the requirement of affordable housing from 26% to 23% in accordance with the terms of this report. The provisions relating to Education, Highways, Transportation, bus stops and the Travel Plan are unchanged.

11. It is recommended that Planning Committee authorise the Head of Planning to agree a Deed of Variation to vary the terms of the Section 106 agreement dated 28th July 2022 to increase the requirement of affordable housing from 23% to 50% in accordance with the terms of this report. The variations will continue to serve a useful purpose equally well in respect of affordable housing provision.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

12. The variation to the first Section 106 agreement would reduce the requirement of on-site affordable housing from 26% to 23%. This would reduce the number of affordable units on this part of the site by 11. This is an allocated housing site in the Local Plan with Reserved Matters Planning Permission and is being delivered on site. With the variation, the development would continue to benefit the local community, as it is delivering a range of new homes on an allocated site by providing a range of new 2,3 and 4 bedroomed houses and bungalows and thus a good mix of house types.
13. The variation to the second Section 106 agreement would increase the requirement of on-site affordable housing from 23% to 50%. This would increase the number of affordable units on this part of the site by 5. This also falls within the allocated housing site in the Local Plan with full planning permission and is being delivered on site. The development would continue to benefit the local community as it is delivering a range of new homes, on an allocated site by providing a range of new 2,3 and 4 bedroomed houses and bungalows and thus a good mix of house types.
14. Although there is an overall reduction by 6, the variations to the 106 Agreements would enable the Council in its strategic housing capacity to progress a purchase deal with the developer to own and manage the eleven dormer bungalows and deliver the type of affordable housing that is evidenced as being needed locally for older people.

BACKGROUND

15. The City of Doncaster Council as part of the Cabinet Report of 22nd June 2022 (Phase 2 of Council House Build Programme and S106 Acquisitions) approved a programme of purchases from developers through Section 106 planning agreements for 46 homes, which included 41 bungalows for older people. This report includes the eleven 2-bed dormer bungalows on these two permissions in Armthorpe.
16. The City of Doncaster Council in its strategic housing capacity has been negotiating with the developer of these two sites over the past two years to secure these eleven new build 2-bed dormer bungalows, which would be directly purchased by the Council rather than being sold on the open market. Two of the dormer bungalows are on the larger site (12/00188/OUTM) and nine are on the smaller site (20/01606/FULM).


17. Negotiations have now concluded between the Council's Strategic Housing arm and the Developer. An enhanced affordable housing specification has been agreed, including solar panels, electric showers, solid wooden doors, wider concrete footpaths, larger patios, external lights plus other additional items. A formal Royal Institute of Chartered Surveyors (RICS) valuation has been undertaken for the properties by the Council's Strategic Asset Management team and a financial modelling assessment undertaken using the St Leger Homes financial modelling tool. These negotiations have resulted in an agreed purchase price for the eleven dormer bungalows, which will be advertised as socially rented for older people on the Council's social housing waiting list.
18. The City of Doncaster Council is keen to increase its older persons housing stock by eleven 2-bed dormer bungalows, providing much needed affordable homes for life in Armthorpe. The need for older person's affordable housing in Armthorpe is the second highest out of all the 90 settlements across Doncaster and seen as a high priority by the Mayor.
19. Before the purchase deal can progress, formal agreement from the Local Planning Authority to variation of the S106 agreements in relation to the affordable housing requirement is required. The Strategic Housing arm of the Council and the Developer both seek the agreement of the Local Planning Authority to the variations set out in this report. The Local Planning Authority has power to agree to vary S106 agreements.







OPTIONS CONSIDERED AND REASONS FOR RECOMMENDED OPTION


20. To not agree to the two Deeds of Variations would mean that the City of Doncaster Council would be unable to proceed with the proposed purchase of 11 affordable social rented 2- bed dormer bungalows for older people with an enhanced affordable housing specification. The Developer would be required to abide by the terms of the existing Section 106 Agreements for both sites.
21. To agree to the two Deeds of Variations would allow the City of Doncaster Council and the Developer to progress the purchase of the 11 dormer bungalows and provide much needed socially rented properties for older people in Armthorpe and increase the Council's social property stock managed by St Leger Homes.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

22. This report is considered to impact on the following key outcomes.

Great 8 Priority	Positive Overall	Mix of Positive & Negative	Trade-offs to consider – Negative overall	Neutral or No implications
 Tackling Climate Change				✓

Comments: There are no positive or negative effects with regards to climate change.					
	Developing the skills to thrive in life and in work				✓
Comments: There are no positive or negative effects with regards to developing skills.					
	Making Doncaster the best place to do business and create good jobs				✓
Comments: There are no positive or negative effects with regards to business and creating jobs.					
	Building opportunities for healthier, happier and longer lives for all	✓			
Comments: If agreed, the development will create lifetime homes for eleven older person's households by living in socially rented 2-bed dormer bungalows in Armthorpe.					
	Creating safer, stronger, greener and cleaner communities where everyone belongs				✓
Comments: There are no positive or negative effects with regards to creating safer, stronger and cleaner communities.					
	Nurturing a child and family-friendly borough				✓
Comments: There are no positive or negative effects with regards to nurturing a child and family-friendly environment.					
	Building Transport and digital connections fit for the future				✓

Comments: There are no positive or negative effects with regards to building transport and digital connections fit for the future.					
	Promoting the borough and its cultural, sporting, and heritage opportunities				✓
Comments: There are no positive or negative effects with regards to promoting the cultural, sporting and heritage opportunities in the borough.					
	Fair & Inclusive				✓
Comments: There are no anticipated equality implications associated with the purchase of these new build properties.					
All housing developments supported by the Council will be accessible depending on individual need. Such assessments will not discriminate against any applicant and particularly due to any of the protected characteristics of the Equality Act 2010.					
All the Council's housing stock, managed by St Leger Homes will be allocated in line with their allocations policy to meet the individuals need.					

LEGAL IMPLICATIONS [Officer Initials AH Date 13/12/23]

23. In considering the request to vary the two S106 legal agreements under S106A of the Town and Country Planning Act 1990 (as amended) the Local Planning Authority must consider whether the obligations in the agreement would continue to serve the original useful purpose equally well.

FINANCIAL IMPLICATIONS [Officer Initials CS dated 22.11.2023]

24. The report is proposing that the planning committee authorise the Head of Planning to agree a Deed of Variation to vary the terms of the Section 106 Agreement dated 27th October 2017 to reduce the requirement of affordable housing from 26% to 23%. This will reduce the number of affordable units on this part of the site by 11.
25. The second S106 Agreement will increase the requirement of on-site affordable housing from 23% to 50%. This will increase the number of affordable units on this part of the site by 5. This also falls within the allocated housing site in the Local Plan with full planning permission and is being delivered on site.
26. Although under these Deed of Variations, 6 fewer affordable units would be delivered across the whole of the site (a reduction of 103 to 97), the Council has actively sought to agree this deal with the developer. The changes to the 106 Agreements will mean that the Council will own and manage the dormer bungalows and can deliver the type of affordable housing that is needed locally for older people.

HUMAN RESOURCES IMPLICATIONS [Officer Initials DK dated 22.11.2023]

27. There are no direct Human Resource impacts in relation to this report, but if in future, staff are affected, or additional specialist resources are required then further consultation will need to take place with Human Resources.

TECHNOLOGY IMPLICATIONS [Officer Initials ET dated 21.11.2023]

28. There are no technology implications in relation to this report.

RISKS AND ASSUMPTIONS

29. None.

BACKGROUND PAPERS

Appendix 1 – S106 Legal Agreement – 27th October 2017

Appendix 2 - Planning Committee Report – 17th October 2017

Appendix 3 – S106 Legal Agreement – 28th July 2022

Appendix 4 – Delegated Officer Report – 4th July 2022

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