Burrell, Becky

From: Simmons, Maxine
Sent: 21 November 2024 08:35
To: _planningadvice
Cc: Davies, Lisa
Subject: FW: H09-0800-24 - Land to the East of Chaffinch Way
Attachments: FW: Ashwood Homes - Balmoral Way Phase 2

Hi, please put on DIP. Please put the attachment aswell and call it 'Attachment to email from Priscilla Aremu dated 21st November 2024', this needs to be in full.

Also put the same email and attachment on H09-0848-24 – Land to the East of Chaffinch Way, as this is also relevant to that case aswell.

I'm copying in Lisa so she knows the situation.

Thanks

Maxine

From: Aremu, Priscilla <Priscilla.Aremu@sholland.gov.uk>
Sent: Thursday, November 21, 2024 8:26 AM
To: Simmons, Maxine <Maxine.Simmons@sholland.gov.uk>
Subject: RE: H09-0800-24 - Land to the East of Chaffinch Way

Hi Maxine,

Good morning,

Thank you for keeping me updated on this. To address your question: First Homes are somewhat similar to discounted market homes, as they include a 30% discount, making them an affordable housing product. However, they do not involve any grant funding.

Regarding the developer's situation, Section 106 of the agreement specifies that if the affordable housing product changes from what is outlined in the agreement, the developer must pay the difference as a financial contribution. In this case, the developer is fully aware of this requirement. We had discussions and agreed to convert the 9 units into First Homes. However, the point of contention has been the financial contribution. The sum offered by the developer does not align with the amount that should be paid to the council, leading to negotiations breaking down and the developer opting to pursue the viability route.

I have attached the email I sent them, which outlines our request based on the Section 106 calculations, including the calculation process. Despite this, the developer only offered £25,000, citing losses on other sites in South Holland. I clarified that each site is assessed on its own merits, but it seems this response was not well-received. I made two offers and both were rejected.

Kind regards

PRISCILLA AREMU
Housing Strategy and Enabling Officer
South Holland District Council

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The views expressed in this email by the officer are informal and carry no binding effect on the Council during the evaluation of any formal application.

My working hours are Monday to Thursday 8 am to 4:30 pm and Friday 8 am to 4pm

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From: Simmons, Maxine <Maxine.Simmons@sholland.gov.uk>
Sent: Wednesday, November 20, 2024 7:06 PM
To: Aremu, Priscilla <Priscilla.Aremu@sholland.gov.uk>
Subject: H09-0800-24 - Land to the East of Chaffinch Way

Hi,

I am writing to inform you that H09-0848-24 – Land to the East of Chaffinch Way is being withdrawn by the applicant. That application is on the same site as the one above. Case H09-0848-24 was to request that the 9 affordable units be removed from the scheme entirely on viability grounds. Our independent viability assessor disagreed and said we are under no obligation to accept that the scheme is unviable to the extent that all S106 funds and the 9 affordable units should be removed. We very nearly refused planning permission but the agent withdrew the scheme before the refusal was issued. Attached is the DRAFT officer report and DRAFT Reason for refusal but this does not represent the final decision as the scheme is being withdrawn, most likely tomorrow.

The reason we were not accepting the viability challenge was to do with the fact that we had agreed a reduced scheme in 2022 during the main application, where only 11% of affordable housing would be provided, and we do not have to reconsider viability issues for 5 years after they have been agreed according to national guidance. The other aspect was our viability assessor concluded that the scheme will make a profit – a reduced profit, but in essence we do not agree that the viability case is proven. So the existing legal agreement in place that runs with the land will stay.

During the discussions on H09-0848-24 the agent complained that in the current proposal, H09-0800-24 which was to change the 9 affordables to First Homes, would require a financial payment to SHDC. Can I clarify if that payment would be required and what would the payment be for? There is an existing S106 agreement so I need to understand if the payments mean the S106 has to be changed? At present, there is no case for changing the S106 due to viability grounds, but as First Homes are currently a form of affordable housing, changing to this would be ok in planning terms, unless the National Planning Policy Framework removes First Homes which the current draft of the NPPF does. It is due to be published on the 20th December.

I thought First Homes were given via grant from the Government and represented a discount from market sale. I'm trying to understand how the payment works in that case.

So can you let me know from a housing perspective if you would accept the 9 affordable units changing to First Homes please and what implications that has for the S106.

Many thanks

Maxine

Maxine Simmons BSc (Hons) MRTPI
South Holland District Council

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6CNCOR