

**Variation of Section 106 Agreement - Oakwood Park, Land East of Thorpe Road, Clacton On Sea, Essex, CO15 4TL**

**TOWN AND COUNTRY PLANNING ACT 1990**

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| <b>APPLICATION NUMBER:</b> | <b>12/01262/OUT</b>  |
| <b>PROPOSAL:</b>           | <b>Residential development of up to 250 dwellings, 2,273m2 (gross) B1c floorspace and open space, with access from Thorpe Road (residential) and from Fowler Road (employment), with all matters reserved.</b> |
| <b>LOCATION:</b>           | <b>Oakwood Park, Land East of Thorpe Road, Clacton On Sea, Essex, CO15 4TL</b>   |

**Proposal**

The original S106 agreement dated 28 September 2015 secures 16 x 2 bed houses to be gifted to the Oakwood Park Housing Enterprise Trust. Although gifting is popular with Members it does not deliver the number of affordable homes that are desperately needed to meet demand and Clacton is the area of highest demand in the District.

Discussions have been ongoing between the Council's Housing department and the developer to reach an acceptable alternative. A draft Deed of Variation to the S106 Agreement has been provided to enable the existing 16 no. affordable dwellings plus an additional 12 no. affordable rented dwellings to be delivered and transferred to a Registered Provider.

**Background**

The applicant has contacted the four housing providers recommended by TDC Housing. Three were not interested and one (Iceni Homes/Colne Housing) offered £1,600,000 for the 16 no. 2 bed 2 storey Semi Detached Dwellings as Affordable Rent. They have undertaken Market Research for comparable dwellings within the locality to gain an understanding of Market Value of these properties. The nearest new build 2B 2ST Semi Detached Houses are those on the Rose Builders site at Weeley Heath and these sold for £230,000 in March 2019 (plots 1 and 2, address 3 Millers Green and 5 Millers Green). Therefore, the Iceni offer at £100,000 per plot works out at 43.48% of Open Market Value, which is comparable to the recent affordable rented offers they have received for other sites within their operational area. Subject to the proposed change to the S106 agreement this additional £1,600,000 of income could pay to convert a further 12 Market Dwellings to Affordable Rent to be transferred to a Registered Provider significantly increasing the affordable housing provision for this site.

TDC Housing confirm that as opposed to gifting 16 to the Trust, the developer will sell 28 to a registered provider (they have an offer from Colne/Iceni Housing) thus making the affordable mix 24 x 2 Bed Houses and 4 x 3 Bed Houses and increasing the quantum of affordable housing on the site.

Legal Services have considered the deed of variation and supporting information. They confirm they are never entirely happy with the provisions that allow a sale by the lenders free of the affordable housing obligations in certain circumstances. Having said that they recognise without these provisions banks will simply not lend or will do so at higher rates hence they consider the clauses acceptable and recommend approving the deed of variation.

**Recommendation**

It is therefore recommended that the Assistant Director (Planning) approve the request under delegated powers enabling the development to provide much needed affordable housing for the District.

It is therefore reasonable for the Council to enter in to the Deed of Variation in the circumstances.

Signed



Assistant Director (Planning)

Dated 16/04/2020