

**REPORT OF THE DIRECTOR**

**Plan No: 10/17/0584**

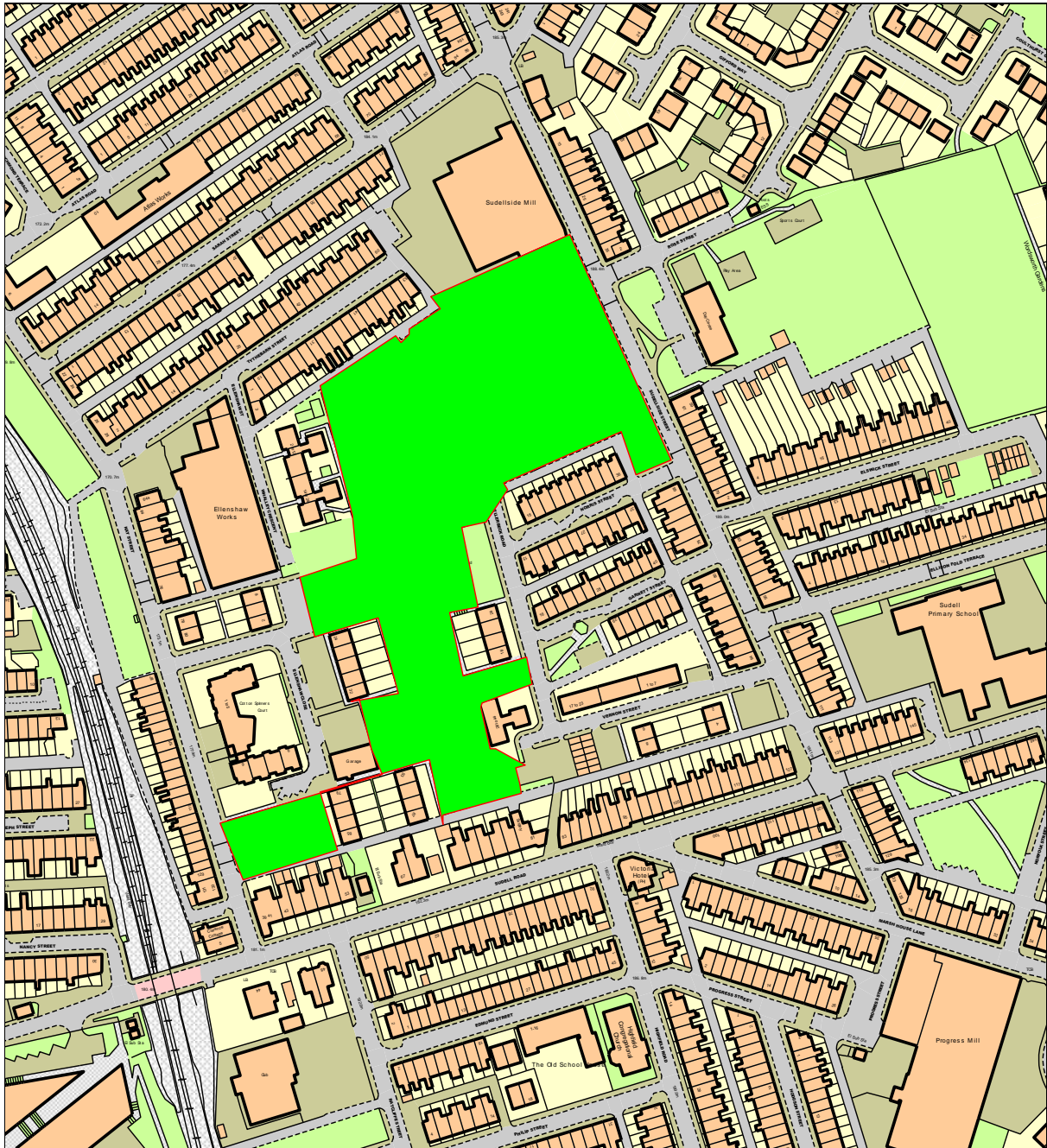
**Proposed development: Removal of S106 Agreement pursuant to planning application 10/13/0410 – “Demolition of Elizabeth House and erection of 46 affordable dwellings”**

**Site address: Elizabeth House, Sudellside Street, Darwen BB3 3EW**

**Applicant: Together Housing**

**Ward: Sudell**

<b>Councillor Jane Oates</b>	
<b>Councillor Eileen Entwistle</b>	
<b>Councillor Roy Davies</b>	



## **1.0 SUMMARY OF RECOMMENDATION**

- 1.1 It is recommended that Members **agree** to the removal of the Section 106 Agreement in order for the development to proceed fully.

## **2.0 KEY ISSUES/SUMMARY OF PLANNING BALANCE**

- 2.1 The developers for the site, Together Housing, have encountered significant economic difficulties in developing this site. This mainly due to land title, access issues, asbestos, and most significantly the Bat Surveys and mitigation strategy relating to the demolition of the former Elizabeth House, which caused severe delays to the project. Therefore, officers and the developer have been working together to find a practical solution to ensure that the development proceeds, which brings a derelict vacant site back into use to the betterment of the local community. Members must determine whether the removal of the Section 106 Agreement is acceptable in order to facilitate the development at this site, which will provide 46 affordable new dwellings for the area.

## **3.0 RATIONALE**

### **3.1 Site and Surroundings**

- 3.1.1 The application site comprises an irregular shaped parcel of land, circa 1.5Ha in area, situated within the Ellenshaw area of Darwen. At the time planning application 10/13/0410 was assessed and determined in 2014/15, the site was occupied by a mix of vacant land, part-occupied housing including Elizabeth House (a residential facility for elderly residents). These buildings have now subsequently been demolished as the housing stock was in poor or very poor physical condition, thereby offering low aesthetic value. The surrounding area is dominated by terraced residential properties, though a play area and commercial premises also abut the site. The site also contains areas of landscaping and mature tree coverage.

### **3.2 Proposed Development**

- 3.2.1 The proposed development pursuant to planning application 10/13/0410, granted planning permission under delegated powers on the 30<sup>th</sup> January 2015, was for redevelopment of the application site for 21no. three bed dwellinghouses, and 25no. two bed bungalows for affordable rent (total 46no. new homes).
- 3.2.2 The approval granted under 10/13/0410, was subject to the applicants entering into a Section 106 Agreement, to covenant a financial contribution to provide for the provision and/or maintenance of public open space in the locality. The adopted Supplementary Planning Guidance for open space at the time of the assessment of the planning application necessitated a payment of £1600 per dwelling, which equates to £73,600 (46 x £1600).

3.2.3 The applicants under this current application are contesting that the scheme is no longer financially viable, and therefore are proposing to remove the Section 106 Agreement relating to the financial contribution of £73,600, and have submitted a viability appraisal under the HCA's Developer Appraisal Toolkit (DAT).

### **3.3 Development Plan**

3.3.1 Blackburn with Darwen Borough Local Plan Part 2 (December 2015):

Policy 11: "Design"  
Policy 8: "Development and People"  
Policy 10: "Accessibility and Transport"  
Policy 12: "Developer Contributions"

3.3.2 Core Strategy (January 2011):

Policy CS1: "A Targeted Growth Strategy"  
Policy CS5: "Locations for New Housing"  
Policy CS7: "Types of Housing"  
Policy CS8: "Affordable Housing Requirements"

### **3.4 Assessment**

- 3.4.1 The applicants have faced a number of challenges in bringing this development site forward, which have been well documented. The issues referred to in paragraph 2.1 above, at one point led to the applicants seriously considering stopping the development altogether, which would leave a vacant derelict site to the detriment of the local surrounding area.
- 3.4.2 Extensive discussions have been undertaken between the applicants and officers to look at ways of facilitating the development ensuring it will be brought forward. The submitted HCA DAT viability appraisal has been assessed by the Integrated Growth Team, and it is considered that the appraisal clearly shows a deficit on the project making the project unviable. As such, the applicants have requested that the financial contribution of £73,600 is removed which will assist in bringing the site forward.
- 3.4.3 The proposed development will provide much needed housing for the local community, and the Council will be given nomination rights so that the Council can allocate these homes to those in need across the borough. All the new homes will provide council tax revenue to the Council (thereby contributing towards the Growth Agenda), and will be eligible for New Homes Bonus at the current government rate.
- 3.4.4 The concerns of local ward Councillor Davies, in terms of waiving this financial contribution towards the provision and maintenance of public open space in the locality are acknowledged. However, these concerns must be weighed against the benefits of bringing a vacant derelict site back into use for much needed housing in the borough. The applicants have proven to Council officers that the scheme is unviable as it stands, and any assistance in helping

to facilitate the development should be supported. As such, it is considered in this particular instance, that the request to remove the financial contribution of £73,600 towards off-site public open space should be supported.

#### **4.0 RECOMMENDATION**

- 4.1 Approve – remove the Section 106 Agreement pursuant to application 10/13/0410

#### **5.0 PLANNING HISTORY**

- 5.1 10/13/0410 – demolition of Elizabeth House and erection of 46no.affordable dwellings- approved under delegated powers30th January 2015

#### **6.0 CONSULTATIONS**

- 6.1 Strategic Housing Development Manager: 13<sup>th</sup> June 2017:- no objections. The submitted HCA DAT viability appraisal clearly shows a deficit on the project making the scheme unviable. Having fully evaluated the scheme, it is considered the financial contribution should be waived to allow a scheme to come forward which will provide much housing to the area.
- 6.2 Councillor Roy Davies: 5<sup>th</sup> June 2017:- I object to the 106 monies being waived, I have already sent an email regarding this £73,600 sum which can be used in the Sudell ward to bring local play areas more safely minded considering problems in the ward which I would like to point out is the most deprived in the Borough and stands at 160 in England.
- 6.3 Councillor Jane Oates: 12<sup>th</sup> June 2017:- Councillor Entwistle and I both agree that we want to see this development going ahead. If they would consider a lower contribution we would be happy to receive that and would be grateful if that could be negotiated. If not, it is of course essential that this housing moves forward as quickly as possible.

#### **7.0 CONTACT OFFICER: Gavin Prescott, Development Manager**

#### **8.0 DATE PREPARED: 29<sup>th</sup> June 2017**