

## Decision under Delegated Powers

### Officer Requesting Decision

Developer Contributions Monitoring Officer

### Officer Making the Decision

Head of Planning and Growth

### Recommendation

That the sum of £502,371.33 of Section 106 monies that has been received as contributions towards affordable housing provisions in the Borough to be made available for the acquisition of four properties from Persimmon Homes located at Jubilee Rise, Shepshed

### Reason

To enable section 106 monies that have been received for the provision of affordable housing be used for the purchase of additional HRA rental property.

### Authority for Decision

There is a delegation in the Constitution to all Heads of Service “to pay over section 106 Monies in respect of non-housing items received by the Borough Council as the responsible authority, but which will not result in expenditure by the Council and where the Head of Service by the Head of Finance and Property Services” (Item 8 on Page 8-15)

For all Heads of Service to approve the release of funds they must be satisfied that the works to be carried out fulfil the requirement as set out in the section 106 agreement and have written confirmation for the relevant body that the monies are used for their intended purpose. Any unspent monies after 5 years of receipt by the Borough Council shall be returned to the developer as per the relevant clause within the section 106 agreement.

### Decision and Date



17 December 2024

### Background

Planning permission has been granted on several sites subject to planning obligations that require financial contributions to be made towards funding affordable housing off site.

Planning permission was granted for a revision to convert three dwellings previously approved under P/16/0987/2 to create five dwellings, at 61 Station Road, Rearsby (P/20/0674/2 refers). As part of the approval, a Unilateral

Undertaking was submitted on 1<sup>st</sup> June 2018 which stipulated a commuted sum would be provided as a planning obligation for Affordable Housing totalling £12,500 for the purpose of funding affordable housing across the Borough of Charnwood and for no other purpose.

Subsequently, planning permission was granted for up to 18 residential units at 193 Seagrave Road, Sileby (P/19/0447/2) including a section 106 agreement for the provision of “£54,548 towards the provision of Affordable Housing within the Council’s area”.

Lastly, planning permission was granted for the construction of 15 dwellings, with a variation of condition 2 under planning permission P/19/1543/2. This involved changes to house types and layout, referenced as P/21/2007/2, for the site located off Long Meadow Way, Birstall. As part of the approval process, a supplemental deed of agreement was established on 13th May 2022. The developer was unable to secure a sale and purchase agreement with a Registered Provider for delivering the affordable housing units outlined in the original agreement. After reviewing the evidence provided under clause 4.1.8(ii) of the original s106 agreement attached to planning application P/19/1543/2; the Borough Council agreed that the developer should pay an Affordable Housing Contribution of £475,000 instead of gifting the units to the council, as outlined in clause 4.1.8 (i). Clause 6.1.2 of the original agreement, which required unspent contributions to be refunded within five years, was varied to extend this period to ten years specifically for the Affordable Housing Contribution.

### **Matter for consideration**

The Strategic Housing Team is now in the process of acquiring four properties at Jubilee Rise, Tickow Lane, Shepshed from Persimmon Homes. The accepted offer is £275,087 per property. Associated acquisition costs, including a valuation fee and solicitor’s fees, are estimated at £1,250 per dwelling. These financial aspects have been carefully evaluated and deemed reasonable within the context of the acquisition.

The total cost of acquiring these properties is £1,105,348. The purchase can be partially funded by the Local Authority Housing Fund Round 3 grant of £602,976.67 (awarded for acquisition of properties between 2024/25 and 2025/26). The remaining £502,371.33 can be funded using s106 funding contributions, as outlined in the respective planning applications below:

Application	Purpose	Amount	Expiry date
P/20/0674/2 61 Sation Road, Rearsby	For the purpose of funding the provision of Affordable Housing across the Borough od Charnwood and for no other purpose.	£12,500	05/10/2025
P/19/0447/2 Land 193	Affordable Housing – towards the provision of Affordable	£14,871.33	29/09/2032

Seagrave Road, Sileby	Housing within the Councils area.		
P/21/2007/2 Land at Long Meadow Way, Birstall	Commuted sum in lieu of being unable to enter into a agreement with a registered provider.	£475,000	12/08/2032
	Total	£502,371.33	

The decision to acquire the properties is subject to a separate decision under authority delegated to the Head of Strategic Housing

### Financial Implications

The money has been received from the cited developments and there are no financial implications for Charnwood Borough Council.

The scheme will be added into the capital plan 2024/25

### Risk Management

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
That the use of the s106 funds is challenged in law with consequential impacts on service delivery	Remote (1)	Serious (3)	Low (3)	The terms of the s106 agreements have been thoroughly reviewed in relation to strategic housing's proposal to purchase the properties. Based on this review, it is the officers' interpretation that the proposed purchases fully comply with the terms of each s106 agreement.
That the priorities within the Housing Service change over time due to policy changes or unforeseen operational demands	Remote (1)	Significant (2)	Very Low (2)	The acquisition process is on track to achieve formal approval by the end of 2024, with legal completion of the properties expected in 2025. This timescale minimises the likelihood of changing priorities impacting the acquisition.
That one or more of the properties identified may not be available within the necessary procurement timeframe delaying allocation of funds	Unlikely (2)	Significant (2)	Low (4)	To mitigate this, alternative properties would need to be identified and secured promptly to ensure the effective use of the committed funds. Any unspent funds would be retained by the Council and held under the terms of the respective S106 agreement or unilateral undertakings

**Key Decision**

Yes, but exempted from call-in. see agenda item 14; Full Council meeting dated the 6<sup>th</sup> November 2017.

**Background Papers**

**All contained on planning files P/20/0674/2, P/19/0447/2 and P/21/2007/2**