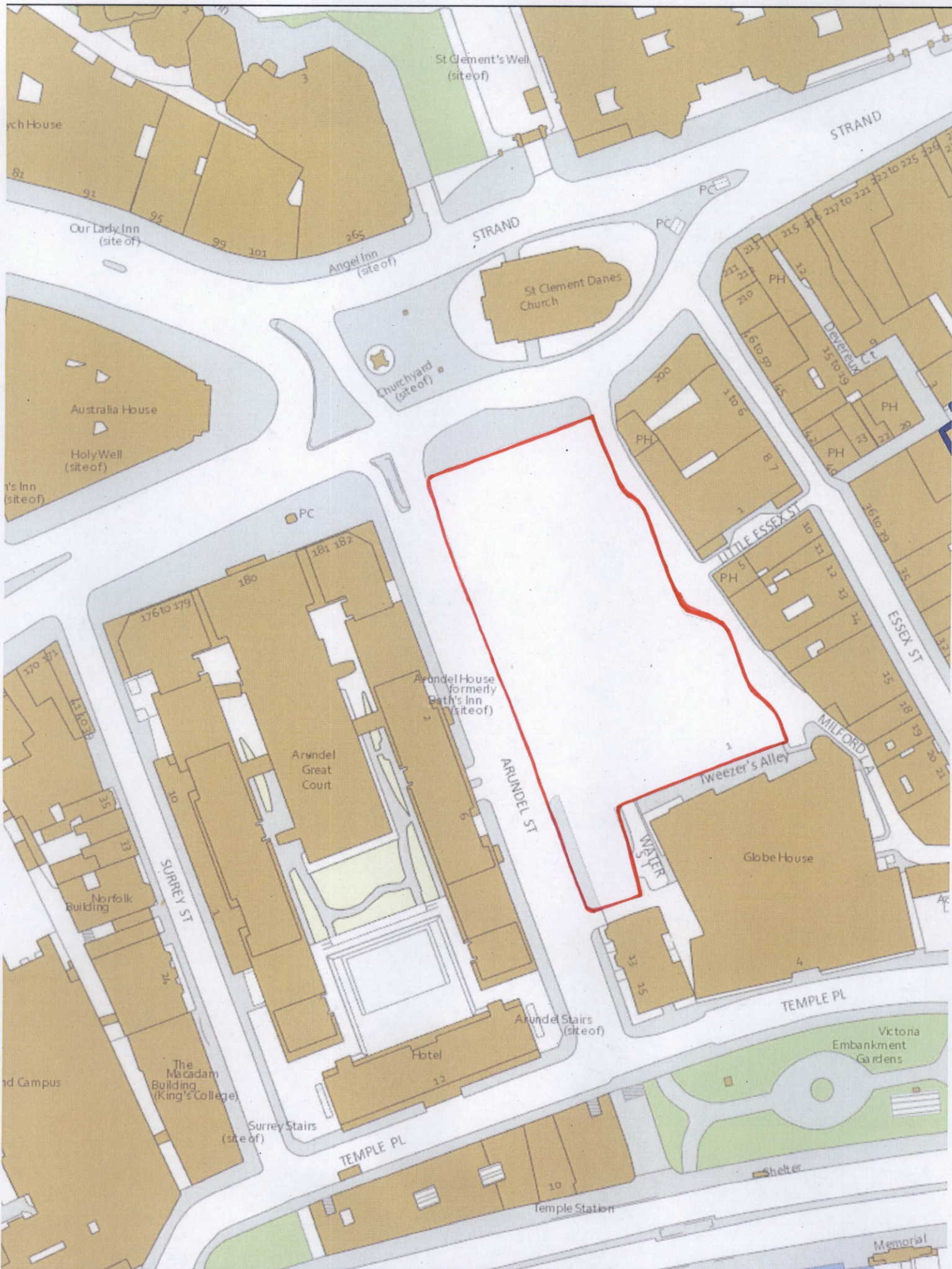


CITY OF WESTMINSTER			
PLANNING APPLICATIONS COMMITTEE	Date 18 August 2015	Classification For General Release	
Report of Director of Planning		Wards involved St James's	
Subject of Report	Development Site At 190 Strand, London, WC2R 1DT		
Proposal	Vary affordable housing provision.		
Agent	Turley		
On behalf of	Turley		
Registered Number	15/06351/MOD106	TP / PP No	TP/2648
Date of Application	13.07.2015	Date amended/ completed	13.07.2015
Category of Application	Non DCLG		
Historic Building Grade	Unlisted		
Conservation Area	Strand		
Development Plan Context - London Plan July 2011 - Westminster's City Plan: Strategic Policies 2013 - Unitary Development Plan (UDP) January 2007	Within London Plan Central Activities Zone Within Central Activities Zone		
Stress Area	Outside Stress Area		
Current Licensing Position	Not Applicable		

1. RECOMMENDATION

1. Does the Committee consider that the revised offer of a payment in lieu to the affordable housing fund of £24m comprises better value than the currently secured provision of part on site and part payment in lieu?

2. Subject to 1. above, authorise the proposed Deed of Variation to the S106 agreement to secure the immediate payment of the revised offer.





190 STRAND, WC2

2. SUMMARY

Planning permission was originally granted on 15 March 2012 (RN:10/01280) for the redevelopment of the site to provide 206 flats. The permission has been varied a number of times (generally as a result of design progression), most recently in March 2015 (RN:15/00173). The accompanying S106 agreement secured 22 of these flats as affordable homes comprising 16 social rent flats and six intermediate flats, in a separate building, known as Block F. These are to be built towards the end of the overall project, currently estimated to be 2016/17. Work is well underway on the remainder of the site. The rent for the former would not exceed the target rents as determined by Central Government but would not reflect the City Council's subsequent strategy of setting rent levels below this level. More recent S106 agreements postdating this Government, imposed a target rent cap at 80% of market value and have prescribed rent ranges well below this to ensure affordability to those in housing need on the waiting list.

The S106 agreement also secured £2.5m towards the affordable housing fund upon commencement, which has been paid, and an additional sum up to a maximum of £2.5m upon sale of the affordable housing to a registered provider.

The scheme as originally proposed had no affordable housing provision. It was agreed between the applicant and the Council's consultants that the scheme would not have been viable with any on site provision or with any commuted sum. The applicant made the approved offer based on optimistic growth forecasts and concessions in terms of payment and delivery dates for the affordable housing.

The current proposal is to vary the terms of the S106 to remove in its entirety the requirement for on-site affordable housing. Instead, the proposal is to pay £21.5m (in addition to the £2.5m already paid) to the affordable housing fund. This would be secured upon signing the Deed of Variation. The applicant is not offering any financial justification for not proceeding with the current approved provision nor do they contend that the delivery of the overall project is prejudiced by the current requirements. On this basis no further viability assessments have been undertaken.

The Council's preference in well-established adopted policies is to require the affordable housing on site. In reality, genuine mixed tenure schemes are rare with most implemented proposals contributing instead to the affordable housing fund. This is invariably as a result of agreed viability appraisals demonstrating that a requirement for on-site affordable housing would severally prejudice the chances of the scheme progressing. The approved requirements, are on the face of it, a better fit with policy. The flats are of a high standard, of a design entirely consistent with the remainder of the site, and are prominently located and so can readily dispel criticisms levelled at affordable housing accessed through secondary entrances away from the market flats. However, the social rented component is not secured at rents capable of being afforded by those on the waiting list and as a consequence, the applicant argues that better value can be secured through the payment in lieu.

The Head of Affordable and Private Sector Housing supports the proposal. He advises that the payment could instead finance the purchase and improvement of 52 direct purchases compared to the existing scheme which could deliver up to 33 units (that is the 22 on site, flawed by the affordability constraint, and direct purchases from the payment in lieu of £5m). He does recommend, however, that the payment should be made immediately and well before the current delivery dates secured by the existing S106.

No consultations have been undertaken. It would be unusual to do so on proposed variations to legal agreements.

The Committee's views are sought.

3. CONSULTATIONS

HEAD OF AFFORDABLE AND PRIVATE SECTOR HOUSING:

No objection.

BACKGROUND PAPERS

1. Letter from Turley dated 13 July 2015.
2. Email from the Head of Affordable and Private Sector Housing dated 15 July 2015.

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS PLEASE CONTACT MATTHEW MASON ON 020 7641 2926 OR BY E-MAIL – mmason@westminster.gov.uk