

**Sandwell Metropolitan Borough Council**

**Action Taken Under Delegated Powers**

**Receipt of Section 106 commuted sum money in lieu of on-site provision of affordable housing on the Former St Michaels College site on Throne Road Rowley Regis. Planning Application DC/15/58342 and DC/16/59833.**

**1 Summary Statement**

- 1.1 On the 21 December 2015 Redrow Homes was granted planning permission for the construction of 123 houses on the former St Michael's C.E Business and Enterprise College site on Throne Road, Rowley Regis. As a condition of the permission granted, Redrow were required to enter into a Section 106 Agreement for the provision of 12 affordable housing units on the site. These units were to be sold to and managed by a Registered Provider (RP).
- 1.2 Subsequent amendments to the layout (planning application DC/16/59833 and a Deed of Variation (DOV)) resulted in the approval of the reduction of affordable homes from 12 units to 11. The DOV agreed was for the provision of a commuted sum (£57,015) in lieu of onsite provision of one three bed house. The trigger point for payment of this commuted sum is yet to be reached.
- 1.3 The type and number of the affordable units was now:
- 2 x 3 houses (shared ownership)
  - 6 x 2 bed apartments (affordable rent)
  - 3 x 1 bed apartments (affordable rent).
- 1.4 Redrow Homes have stated (and provided evidence) that on contacting all the local Registered Providers (RP) and others outside the local area, none have shown an interest in purchasing the affordable units.

- 1.5 It should be noted, that although the Council is currently undertaking its own house building programme (which includes the purchase of the units off plan from developers) the tenure, and house type offered by Redrow are currently not a priority housing need for this area.
- 1.6 An email was received from Redrow on the 20/11/17 showing which RP's they had contacted and a suggestion of a payment of a commuted sum to the Council (in lieu of onsite provision) for the remaining 11 affordable units; this payment amounted to £539,280.00. As the commuted sum (£57,015) is yet to be received for the loss of the one house (from the previous DOV), it is felt prudent that this figure be included in this DOV and the amount payable is in total is £596,295. These figures are in accordance with the Council's 2015 approved Supplementary Planning Obligation Document.

## **2 Recommendation**

- 2.1 That the Executive Director Neighbourhoods accept an offsite affordable housing contribution of £596,295.00 (commuted sum) as a contribution towards the delivery of affordable properties elsewhere in the borough.

In accordance with the authority delegated to Chief Officers to act on matters within the authority delegated to them under Part 3 of the Council's Constitution, I intend to take the action(s) recommended above.

I ~~do~~/do not have an interest to declare in this matter

[Redacted Signature]

**Director:** Executive Director Neighbourhoods

**Date** 15-5-18

*If the Constitution requires the decision to be taken in consultation with another chief officer, the following signature box should also be included*

I confirm that I have been consulted on the above proposals and have no objection to their proceeding.

[Redacted Signature]

**Executive Director of Resources**

**Date X** 22.5.2018

*If the Constitution requires the decision to be taken in consultation with a Cabinet Member, the following signature box should also be included*

I confirm that I have been consulted on the above proposals and have no objection to their proceeding.

[Redacted Signature]

31/5/18

Cllr Kerrie Carmichael  
**Cabinet Member for Housing**

**Date**

**Contact Officer**

**Alan Martin (Ext 5349)**  
**Housing Programmes & Partnerships Manager**

**Warren Williams. (Ext 5223)**

**Housing and Investment Development Officer**

**3. Background Details**

The valuation of the properties was provided by Redrow Homes and subsequently checked by the Council's Property Services Team in terms their validity.

**Source Documents**

Planning Application DC/15/58342  
Planning Application DC/16/59833  
Second Deed of Variation 17 February 2017