

## **Request to remove Condition 15 from the Lord Clive planning approval**

- 15 The development hereby approved shall only be developed by or on behalf of the applicant as an affordable housing scheme and each and every residential dwelling constructed as part of the scheme shall subsequently be occupied only and at all times as affordable housing, as defined in Supplementary Planning Document 5 - Affordable Housing Provision in New Residential Developments.  
Reason - The proposed development has been granted given the particular circumstances of the applicant following a funding package from the Homes England which provides an opportunity to promote increased affordable housing, but as a result a recreational contribution pursuant to Supplementary Planning Document 1 (Open Space, Sport and Recreation Provision in New Housing Development) will not be provided. This condition is thereby to ensure that in order to make the development acceptable in planning terms, as a result of not making a recreational contribution the whole development shall instead contribute to satisfying the need for affordable housing provision.

As a Registered Provider, Onward are developing 27 homes for Affordable Rent utilising grant funding from Homes England.

The planning condition as drawn up causes two problem issues, which are detailed below. We feel that these can be better detailed in a mutually agreeable S106 Agreement, such as the one entered into for 'The Elizabethan' development under similar circumstances.

- 1) The statement that *'every residential dwelling.....be occupied only and at all times as affordable housing...'* removes the ability of qualifying tenants to exercise their Right to Buy. It is our understanding that this is not only a condition of central government funding but we would not want to remove the ability of a tenant to exercise this right.

Once the tenant has bought the dwelling, we could not impose conditions that it remains 'affordable'.

- 2) The condition in the planning approval restricts the use of the properties now and in the future to affordable housing. Without a mortgagee exclusion charge, any Lender taking a charge over the properties will only agree to lend on an Existing Use Value – Social Housing (EUV – SH) basis rather than a Market Value – Subject to Tenancies (MV – STT) basis because if Onward defaulted on the loan and the Lender took possession of the properties and disposed of them, they would only be able to sell to someone who would continue to use the properties as affordable housing.

If a mortgagee exclusion clause was included the Lender would lend on a MV – STT basis meaning that if Onward defaulted then the Lender could dispose of the properties to someone on the open market subject to the existing tenancies, who would not need to continue to use as affordable housing, once the existing tenants had vacated the properties.

Onward want to maximise their funding capacity when charging properties in order that they have sufficient funds to continue a development programme of affordable housing in the area and the restriction of the amount a Lender would attribute to the properties under EUV – SH rather than MV – STT could result in Onward receiving up to 50% less from the Lender