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## **SANCTUARY HOUSING ASSOCIATION DEVELOPMENT PROGRAMME**

### **1 PURPOSE OF REPORT**

- 1.1 To report on the delivery schedule and tenure mix of the 363 properties referred to in the Deed of Variation, Termination and Collaboration between Rochford District Council and Sanctuary Housing Association (SHA); (Minute 92/16) refers.

### **2 INTRODUCTION AND BACKGROUND**

- 2.1 The Deed of Variation agreed in June 2016 sets out the development objective requiring SHA to deliver 363 new dwellings in the District, with provision (not building) being committed by 31 March 2018.
- 2.2 There are several ways SHA have used to meet this 363 new homes total. In terms of housing delivery they have:-
- Made several successful competitive bids to private house builders in the District to deliver the 35% affordable homes portion of new development sites.
  - Purchased development sites in the District to build a mix of market housing, together with a minimum of 35% affordable and shared ownership, as per the Council's planning policy.
  - Plans to build affordable housing on land currently in the ownership of SHA, i.e. old garage courts transferred to Sanctuary in 2007 as part of the stock transfer.
- 2.3 It should be noted that the Deed of Variation makes no distinction on the tenures of the new homes to be provided by SHA, but in all cases SHA have liaised with the Planning team to agree the tenure mix and design proposals. Tenure mix in general can mean anything from renting, buying outright or shared ownership. A further clause states that, with regard to SHA's social/affordable properties, these are to be let to applicants on RDC's waiting list. The Council will have 100% nomination rights for all properties delivered as the 35% portion of new development sites, but any further social/affordable units would also, under the terms of the agreement, be available for the council to nominate to.

### 3 CURRENT DEVELOPMENT POSITION

The current development position is detailed in the Appendix, summarised as follows:

- New units total 375:
  - 141 affordable rent
  - 105 shared ownership
  - 129 open market sale.

3.1 The Appendix also details the status of each development scheme, summarised as follows:

- 77 dwellings have been delivered that meet the target figure in relation to which the 'start on site' date is by 31 March 2018.
- A further 215 dwellings were due to meet the 'start on site' date 31 March 2018, but there have been planning delays for each of these development schemes. Despite planning timelines SHA have invested monies into all these schemes, in particular Bullwood Hall where demolition and clearance works have already been completed.
- 83 dwellings (Timber Grove), where planning has now been agreed. It is understood that the owner of this site would not instruct solicitors to finalise the legal agreements until the planning consent was in place. Given the delays in obtaining the planning consent, the owner has re invited bids for the site. Sanctuary will be submitting a revised bid for the site in early April.

### 4 RISK IMPLICATIONS

4.1 The failure to meet the 363 target figure could be offset by a financial penalty for each new dwelling below this figure, but the penalty clause could only ever be invoked if Planning Permission had been granted and SHA then fail to deliver on the dwellings.

4.2 SHA agreed and have met the following obligations:-

- I. Identified suitable sites
- II. Liaised with the Council and its planning team to agree tenure mix and design proposals
- III. Provided dedicated development staff to manage the development and design process
- IV. Used reasonable endeavours to obtain planning permission as soon as reasonably practicable

- 4.3 SHA continues to be committed to deliver 363 new dwellings and taking account of the current housing waiting list (over 650) and, considering the ongoing challenges faced by the Council in dealing with homeless families, there is a continuing significant need for more affordable housing in the District. The lifetime housing needs of the District's residents and the number of homes to be delivered, therefore, far exceeds the gain from imposing a financial penalty on SHA.
- 4.4 SHA have also evidenced pre investment and commitment to all the identified schemes where contracts are imminent, pending planning permission, and a financial penalty at this stage of the development would also very likely run the risk of impacting on the final numbers of new dwellings that will be built.

## 5 RESOURCE IMPLICATIONS

- 5.1 The agreement states that subject to obtaining planning permission SHA will pay to the Council £10,000 for each new dwelling below the target figure of 363 in relation to which the start on site on or before 31 March 2018 has not been met, to a maximum of £1million.
- 5.2 There is no financial penalty where SHA have complied with their obligations under the agreement but have been unable to deliver on the dwellings as planning permission has not been granted.

## 6 LEGAL IMPLICATIONS

- 6.1 To enforce the penalty clause it needs to be demonstrated that SHA failed to deliver on the dwellings following the grant of planning permission. As such, the Council is unlikely to succeed if it takes legal action and may incur considerable legal costs in the process of doing so.

## 7 RECOMMENDATION

- 7.1 It is proposed that Council **RESOLVES** to note the progress and ongoing commitment of SHA to deliver the 363 properties and that the Council does not impose a financial penalty for those new dwellings where planning dependencies have been a factor.



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**Background Papers:-**

None.

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