LOCATION: Former East Camp, RAF Hendon, Aerodrome Road, Grahame Park Way, Hendon, London NW9.

REFERENCE(S): W00198AA/04

WARD: Colindale

APPLICANT: St George North London Limited

PROPOSAL: Deed of variation to Section 106 Agreement in respect of Clause 1 (definitions) and Planning Obligation Schedule R.

RECOMMENDATION:

That, subject to the completion of all necessary legal and other documentation, a Deed of Variation to the Section 106 Agreement attached to planning permission W00198AA/04 is authorised to secure the following changes:-

(i) **Clause 1 (Definitions):** To alter the wording to the definitions of *"Affordable Housing", "Affordable Housing Contract"* and the insertion of the definitions *"Affordable Rented Housing"* and *"Affordable Rented Housing Price"*;

(ii) **Schedule R (Affordable Housing):** To alter the wording of schedule R to allow the remaining unbuilt discount market sale (DMS) units (208) to be sold as full market value private tenure units.

And to allow:

75 Shared ownership to be sold as private tenure units; and

Change in mix and tenure of the remaining 177 rented homes to be provided from social rent to affordable rent and the provision of 26 x 1 bed, 80 x 2 bed, and 71 x 3 bed flats.

1. BACKGROUND

Outline Consent for Beaufort Park

In April 2005 Outline Planning Permission (Ref W00198AA/04) was granted for the residential-led mixed use redevelopment of the former RAF East Camp site (now known as Beaufort Park), following completion of a Section 106 Agreement securing community and infrastructure benefits. The outline consent allows for 2,800 residential homes and approximately 7,850 sqm of non-residential and commercial floorspace. A subsequent full planning application was approved in 2009 for an additional 190 homes and 799 sqm of non-residential accommodation on the site of the former Listed Watch Tower building which was relocated to the RAF Museum directly to the north of the development. The total number of homes approved at Beaufort Park is therefore 2,990 with 8,649 sqm of non-residential floorspace.

The approved outline planning permission established an overall Masterplan for the development of the site which is divided into phases. Detailed designs have been approved for each of the phases through Reserved Matters and a number of phases have been completed and are under construction. The development is now close to being 50% complete.

The original s106 secured a total of 641 affordable units (427 social rent and 214 shared ownership) plus 257 Discount Market Sale units. This mix of tenures was aimed at meeting a range of needs as follows:

- 427 social rent – homes built for households nominated by the Council at target rent set by the Government
- 214 shared ownership – homes sold to households on a part buy part rent basis where shares are sold between 25% and 75% of the market value and rent is paid on the unsold equity. Priority is given to Barnet residents.
- 257 discounted market sale (DMS) – homes sold to households at 80% of the market value. The remaining 20% equity is covenanted to the Council. Occupiers can buy out the Councils interests at 20% of the market value. This sum is a commuted sum and can only be used to contribute towards the costs of providing affordable housing.

A total of 250 social rented, 139 shared ownership and 49 DMS units have been delivered at Beaufort Park to date.

Changes to the Affordable Housing Mix Approved at 23rd July 2013 P&E Committee

At the 23rd July 2013 P&E committee Members resolved to approve the recommendation to enter into a deed of variation to vary the section 106 agreement attached to the outline planning consent for Beaufort Park (ref W00198AA/04). The changes to the affordable housing offer approved by Members are as follows:

- Continue to deliver rented accommodation, however, instead of social rent as previously agreed, this will be in the form of affordable rent;

- Amend the mix of the 177 affordable rented homes to be delivered to be: 26 x 1 bed, 80 x 2 bed, 71 x 3 bed;

- Convert the remaining 75 shared ownership and 208 discount market sale homes that were to be provided as part of the original affordable housing package, to private sale homes;

The 23rd July committee report is appended to this report for reference (See Appendix 1).

2. PURPOSE OF THIS REPORT

The 23rd July 2013 P&E decision was subject to Cabinet Resources Committee approval. This is because the proposed changes included the Council transferring its 20% covenant stake that it owns in the 48 Discount Market Sale units that have already been built at the development, to St George.

Since the 23rd July decision, St George have amended the affordable housing package so that the Council no longer has to transfer it's 20% stake in the completed DMS units to St George. Therefore the proposed changes to the section 106 agreement do not affect Council assets since the 20% equity stake of the 48 DMS units sold (but not bought out) will remain with the Council. As a result there is no longer a requirement for CRC approval.

All other aspects of the proposed amendments to the affordable housing mix remain as per the 23rd July 2013 report. The amended affordable housing package will guarantee the delivery of the remaining 177 affordable rented homes within the next phase of the Beaufort Park development.

The wording of the recommendation has been amended from the 23rd July 2013 report to simply remove the reference to approval by CRC and remove reference to the transfer of equity from the already built DMS units. The changes to the wording are shown below with deleted text struck through:

"That, subject to ~~***Cabinet Resources Committee (CRC) approval and***~~ *the completion of all necessary legal and other documentation, a Deed of Variation to the Section 106 Agreement attached to planning permission W00198AA/04 is authorised to secure the following changes:-*

(i) Clause 1 (Definitions): To alter the wording to the definitions of "Affordable Housing", "Affordable Housing Contract" and the insertion of the definitions "Affordable Rented Housing" and "Affordable Rented Housing Price";

(ii) Schedule R (Affordable Housing): To alter the wording of schedule R to allow the remaining discount market sale (DMS) units (208) to be sold as full market value private tenure units ~~***and that the 20% covenant value stake that the Council owns from the already built DMS units (49) is transferred to St George.***~~

And to allow:

75 Shared ownership to be sold as private tenure units; and

Change in mix and tenure of the remaining 177 rented homes to be provided from social rent to affordable rent and the provision of 26 x 1 bed, 80 x 2 bed, and 71 x 3 bed flats."

The other changes to the affordable housing mix have already been considered and approved by Members. Therefore, it is only the update to the recommendation as set out above, that this report is seeking approval for.

3. CONCLUSION

The Planning & Environment Committee has already approved the changes to the affordable housing mix in relation to the Beaufort Park development on the 23rd July 2013. St George have revised their proposal so that the Council retains its 20% equity stake in the 48 DMS units that have been built to date. As a result the recommendation has been updated so as to remove the transfer of the Council's equity stake in the 48 DMS units and the remove the requirement for CRC approval. On the basis of this change it was thought necessary to report back to P&E with the updated recommendation.

Overall, the proposed alterations to the affordable housing provision within the Beaufort Park development are considered to be acceptable in principle and are considered necessary in order to ensure the viable and timely delivery of 177 affordable rented homes within the next phase of development. To secure the revised affordable housing the above variations to the S106 are recommended for approval subject to the completion of all necessary legal and other documentation.

SITE LOCATION PLAN: Beaufort Park

REFERENCE: W00198AA/04

APPENDIX 1: 23rd July P&E Committee Report