It is proposed to vary the wording contained within the section 106 agreement dated 19 October 2015 by agreement between the Mayor of London and Barratt London with the London Borough of Barnet being a signatory in relation to the planning permission which was granted for:

Redevelopment of the site to provide 460 new residential units following demolition of all existing buildings. New residential accommodation to consist of 448 self-contained flats within 19 blocks ranging from three to nine storeys with basement car parking levels and 12 two storey houses with lower ground floor levels. Associated car and cycle parking spaces to be provided. Provision of new office (B1a) and leisure (D2) floorspace and a new publicly accessible café (A3). Reconfiguration of the site access and internal road arrangements and provision of new publicly accessible outdoor amenity space. New associated refuse and recycling arrangements.

Background

This report relates to the need to vary a S106 agreement pertaining to application: 16/4545/FUL, dated 22 December 2017 between the developer and the Mayor of London along with the local planning authority as a named party to the agreement. Application 16/4545/FUL allows for a residential-led mixed use development of the former National Institute of Medical Research site. The s106 allowed amongst other matters for the provision of 185 residential units to be provided as affordable housing on site,

Since the planning permission was granted discussions have taken place between Barratt London and the Mayor in relation to the wording of the agreement. Consequently, the parties wish to vary the principal agreement dated 22nd December 2017 to:

Update the mortgagee in possession clause to reflect the latest wording released by the GLA.

The application also involves:
1. moving 1 Shared Ownership flat from Block C1 to Block G1 (involving an amended tenure plan to replace plans 12 and 17 of the original S106 to pick up the swap)
2. removing 1 Shared Ownership flat from Block E1 and replacing it in Block E2 (the tenure plans remain the same)

Finally the proposed deed of variation also makes minor changes to the affordable housing schedule to:

1) remove paragraph 6.3.3 of Part 1 of Schedule 3. The paragraph as drafted, applies the marketing provisions for the first sale of shared ownership units to subsequent sales due to conflict with the mayoral model Shared Ownership Lease.
2) Changes to paragraph 5.2 of Schedule 3 in relation to Affordable Rented Housing Units and the rent levels.

Legal Basis

Government guidance suggests that:

*Planning obligations can be renegotiated at any point, where the local planning authority and developer wish to do so. Where there is no agreement to voluntarily renegotiate, and the planning obligation predates April 2010 or is over 5 years old, an application may be made to the local planning authority to change the obligation where it “no longer serves a useful purpose” or would continue to serve a useful purpose in a modified way (see section 106A of the Town and Country Planning Act 1990).*

In practice there is no set process for varying a S106 by agreement. S106 agreements are normally varied when a later planning permission is granted which varies the original planning approval resulting in the need to revise the original S106; in this current situation there is no revised planning application requiring a revision to the original S106, however, there is a need to revise the wording of the original S106 on the basis that the current wording is no longer appropriate.

Consequently a S106a application is not an appropriate vehicle in this case, as the National Institute of Medical Research s106 was signed in December 2017 which is less than 5 years ago.

Therefore the requirement is to vary the agreement by agreement between all parties against whom the S106 would be enforceable against. This is not affected by the current proposals.

Policy Background

Core Strategy policy CS4: Providing quality homes and housing choice in Barnet. seeks a boroughwide target of 40% affordable homes on sites capable of accommodating ten or more dwellings. The proposal set out in the deed of variation
would not alter the quantity of affordable housing proposed (35%) or change the tenure split or quantity of affordable housing over the extant permission.

Assessment

It is considered that the proposal to vary the S106 agreement is acceptable. The proposal involves minimal changing to the wording of the agreement to accord with the preferred GLA wording, and involves a relocation of a single shared ownership unit.

Recommendation
That all parties to the agreement dated 22 December 2017 and any other person having a requisite interest in the site be invited to enter into a Deed of Variation, varying the extant section 106 Agreement dated 22 December 2017 as set out below:

1. Update the Mortgage in possession clause
2. Moving 1 Shared Ownership flat from Block C1 to Block G1 (Along with amended Tenure Plans)
3. Removing 1 Shared Ownership flat from Block E1 and replacing it in Block E2
4. Remove paragraph 6.3.3 of Part 1 of Schedule 3. The paragraph as drafted, applies the marketing provisions for the first sale of shared ownership units to subsequent sales due to conflict with the mayoral model Shared Ownership Lease.
5. Changes to paragraph 5.2 of Schedule 3 in relation to Affordable Rented Housing Units and the rent levels.