

# Supplementary Committee Agenda



## Epping Forest District Council

### **Area Planning Subcommittee East Wednesday, 2nd February, 2011**

**Place:** Council Chamber  
Civic Offices, High Street, Epping

**Time:** 7.30 pm

**Democratic Services:** Gary Woodhall - The Office of the Chief Executive  
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#### **6. ANY OTHER URGENT BUSINESS**

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs (6) and (24) of the Council Procedure Rules contained in the Constitution requires that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

In accordance with Operational Standing Order 6 (non-executive bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks' notice of non-urgent items is required.

#### **6.a DEED OF VARIATION TO UNILATERAL UNDERTAKING - AFFORDABLE HOUSING REQUIREMENTS FOR THE DEVELOPMENT AT ST JOHN'S SCHOOL, EPPING (EPF/1400/04)**

##### **Recommendation:**

**That the Council enters into a Deed of Variation to the Unilateral Undertaking with the applicant in respect of the planning permission granted for the demolition of St. Johns School, Epping and the construction of a new secondary school and residential development, in order to enable the proposed rented affordable housing to be provided as the new "affordable rent" form of tenure, as required by the Government and the Homes and Communities Agency, instead of assured tenancies with "social rents".**

(Director of Housing) Following a planning appeal in 2006, the Planning Inspectorate granted outline planning permission for the demolition of St. Johns School, Epping and the construction of a new secondary school and residential development. This included the acceptance of a Unilateral Undertaking submitted by the applicants dated 19 September 2006.

Subsequently, in 2009, the Council approved the Reserved Matters application (EPF/0585/09) for the demolition of the School, the construction of the new school and the development of 149 dwellings (including 38 affordable homes – in accordance with the Outline Planning Permission). 19 of the affordable homes are to be provided as affordable rented housing, and 19 are to be provided as New Build Homebuy (shared ownership).

The developer (Higgins) has been working with Essex County Council and one of the Council's Preferred Housing Association Partners, London and Quadrant Housing Trust (L&Q), to finalise the contractual arrangements, with a view to construction of the new school commencing in Spring/Summer 2011.

However, since the time the Unilateral Undertaking relating to the affordable housing for this development was accepted by the Planning Inspector, the Government has announced fundamental changes to the tenancies that housing associations must provide, and the rent levels they must charge, for new affordable housing developments.

Until now, housing associations have provided assured tenancies, with "social rents" – at highly subsidised levels – for new affordable housing developments, usually with "gap funding" provided by the Homes and Communities Agency (HCA). However, as part of its Comprehensive Spending Review, the Government announced the introduction of fixed term tenancies with "affordable rents" for all affordable housing developments provided by housing associations.

The detail of this new form of affordable housing is still under consultation, but the Government currently proposes that fixed term tenancies should be for a minimum of two years, with a review by the landlord prior to their expiry to consider whether or not a further fixed term tenancy should be issued. It also proposes that the "affordable rents" should be set at a level up to 80% of market rents in the area. The Government's intention is that the "surplus" rental income between social rent levels and affordable rent levels is used by the housing association to reduce, or eradicate, the need for any gap funding from the Homes and Communities Agency – whose budget for funding housing associations has been reduced by around 50% through the Comprehensive Spending Review. In a high value and high rent area like Epping Forest, it is considered unlikely that grant funding for new affordable housing developments will be provided by the HCA in future, with affordable housing developments having to be self-funding.

The Unilateral Undertaking for the St Johns School development refers to the proposed rented affordable housing as "General Needs Rented", defined as properties with rents set by reference to the formula set by the (former) Housing Corporation (since succeeded by the Tenant Services Authority) - in effect "social rents".

However, since all new affordable rented homes must now be provided with the "affordable rent" tenure, which would apply to this development, the developer has requested the Council to agree to a Deed of Variation to the Unilateral Undertaking issued in 2006. No changes are required for the New Build Homebuy (shared ownership element).

If the affordable housing is to be provided, there is really no choice but to agree to the developer's request.