

**ANNEX TO MINUTES OF CABINET MEETING HELD ON 24 NOVEMBER 2008**

**ITEM 4.1 S106 PLANNING OBLIGATIONS IMPLEMENTATION SCHEME**

Comments and questions were raised as follows:

It is good to see a more structured approach to S106 – it will lessen confusion for developers. The scheme has been changed substantially following the consultation process, and this shows we are being reasonable in our demands.

Q: Eye Parish Council is concerned at the pooling of contributions for recreation and amenities. Eye is classified as a key service centre; our facilities will soon be inadequate to serve the local community.

A: We are intending to have local pooling areas, but the scheme states explicitly that wherever possible the money raised through s106 contributions will be spent in the place (or adjoining) where the money was generated.

Q: The document is to be welcomed as it offers clarity, and developers have had the opportunity to be involved in its formation from the early stages. However there is some concern that current market conditions are not covered adequately in the document, for example a reduction in the selling price of houses has a far greater impact on land values. Will the viability of a scheme be considered by the Planning and Environmental Protection Committee when it looks at applications?

A: Viability is a material planning consideration, but will not carry any greater weighting than other considerations.

Q: Affordable housing should be exempt from the scheme – a scheme that is providing affordable housing cannot find money to pay a s106 contribution as the Housing Corporation will not fund it and the landowner could end up with a negative land value. The overall effect could be to delay the provision of affordable housing.

A: The scheme will not be amended to remove the requirement for a contribution where affordable housing is being provided – we need to ensure a level playing field for all developers. Each application will be looked at independently with regards to the amount of affordable housing required. The scheme is explicit in that it will negotiate on all affordable housing schemes. Affordable housing puts a demand on services such as transport and education therefore we need to look at the overall sustainability of a scheme.

C: We need to look at the affordable housing issue in the current context of almost 10,000 people on the housing waiting list.

A: Developers are struggling in the current economic climate; we are more likely to get the affordable housing we need if schemes are viable. The amendments to the amount of affordable housing required have been made because of concern within the industry. It is not mandatory to provide only 25% - if Housing Corporation funds are available and developers wish to provide 35% or more then that will be acceptable. However with private schemes it is better to proceed on the basis of 25% rather than risk making the scheme unviable.

C: A previous draft version of the scheme included financial incentives designed to help in our ambition to become the Environment Capital. These seem to have been dropped from the current scheme, and this is incongruous with our ambitions.

A: We have planning policies in place that address environmental issues.

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