

<b>BLAENAU GWENT COUNTY BOROUGH COUNCIL</b>	
<b>Report to:</b>	Planning, Regulatory & General Licensing Committee
<b>Report Subject:</b>	Deed of Variation of S106 agreement of planning permission C/2010/0226 for the erection of 40 affordable homes with associated access, car parking, drainage, and landscaping, together with demolition of existing and provision of a replacement scouts hall at Factory Road, Brynmawr
<b>Report Author:</b>	Team Manager Development Management
<b>Directorate:</b>	Regeneration and Community Services
<b>Date of meeting:</b>	3 <sup>rd</sup> February 2022

## **1.0 Purpose of Report**

- 1.1 To seek Member approval to agree a “Deed of Variation” (DoV) to amend the s106 agreement relating to the residential development at Factory Road, Brynmawr.

## **2.0 Background & Context**

- 2.1 Planning permission was granted on 27<sup>th</sup> July 2011 by the Planning Inspectorate for the erection of 40 affordable homes with associated access, car parking, drainage, and landscaping, together with demolition of existing and provision of a replacement scouts hall at Factory Road, Brynmawr. This permission was accompanied by a legally binding planning agreement which secured the provision of the replacement scouts hut (this has been provided) and to ensure that the affordable units remained as neutral tenure which would allow them to be retained as affordable units including shared equity and/or rented

accommodation. The affordable units have been provided and are being managed by Melin Homes.

- 2.2 The legally binding planning agreement is signed by Welsh Ministers, land owners at the time of signing and Melin Homes.
- 2.3 Melin Homes have now submitted a DoV request to vary the wording of the original agreement. Such variations are relatively common and have been undertaken on a number of other development sites within the Borough. They take account of changes since the original grant of planning permission. If signed, a DoV is legally binding and changes/replaces relevant wording/clauses in the original agreement.
- 2.4 This DoV seeks to change the wording of the original agreement to build in suitable safeguards (that weren't included on the original agreement) to enable the land subject to this agreement to be more readily easily charged or mortgaged in-line with current practice and values of the properties. In simple terms Melin wish to add a clause to the legal agreement to make it easier for a lender (a mortgagee or charge) to obtain full reimbursement of its loan in the highly unlikely event of a default by Meline Homes. In turn this enable Melin Homes to obtain the best loan value based on current market values to be released against the freehold scheme, which the existing agreement does not do.
- 2.5 The obligation to retain the houses as affordable units will remain unaffected.
- 2.6 The proposed variation is a positive one in being able to allow Melin to borrow more money against the properties inline with current market values. This matter is only being presented to Planning Committee because the scheme of delegation does not authorise officers to vary legal agreements without specific Member approval.
- 2.7 I have obtained legal advice and it has been confirmed that the changes proposed fully accords with the regulations that govern s106 agreement.
- 2.8 There are no costs implications for the Council in varying the s106, any legal costs will be met by Melin.

### **3.0 Recommendation**

- 3.1
1. That Planning Committee approve the principle of the Deed of Variation as set out above.
  2. Planning Committee authorise officers to complete the agreement subject to suitably worded draft prepared by Melin.