

Our Ref; DS/js
Your Ref; S/2005/980
27 August 2009

Mr R Hughes
Wiltshire Council
Planning Office
61 Wyndham Road
Salisbury
Wilts SP1 3AH

Dear Mr Hughes

ERECTION OF 130 DWELLINGS WITH ANCILLARY ROAD SYSTEM PARKING AND GARAGING, LAND AT DOWNTON ROAD/ROWBARROW, SALISBURY – SECTION 106 AGREEMENT

Clearly, events in the house building industry since outline planning permission and the associated Section 106 Agreement were released in June 2008 have had serious implications for the viability of this development site. Notwithstanding the financial challenges that this regional office has faced across all its sites, at whatever stage in the planning process they are, we remain confident about the future of the industry and particularly so about the housing market in Salisbury. To that end you will note that work has commenced on this site whilst recognising that we do so at our own risk both in planning and financial terms.

As I said in May, and it remains so now, it is incumbent upon me to continue to seek, in view of the current market, a rescheduling of the timeframe within which financial contributions are delivered to Wiltshire Council but not the level of contributions.

Consequently, for some while I have discussed on an informal basis with yourself, Mr .Hunt in your Education Department and Mr Hannis in your Highways Department the content of the Section 106 Agreement and the delivery of contributions in a more refined way tailored to reconsidered aspirations in respect of infrastructure delivery.

In brief form below I have segregated the infrastructure contributions in question one by one, identified the current position and explained our alternative proposition in similar brief form.

Education

As matters presently stand the total financial contribution of £378,741 is to be paid on two equal instalments. The first paid prior to commencement of development and the second upon construction of 50% of residential units.

Our discussion with your officers has led to an informal alternative sequence of payments with 25% of the education contribution being paid upon commencement of development, a further 25% paid prior to occupation of 45 dwellings and a final/full payment before 90 dwellings are occupied.

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Off-Site Highway Works

As matters presently stand a first contribution of £50,000 was to be paid on commencement of development and a further final payment of £240,000 on occupation of the first residential unit or when a binding contract for these works has been let whichever is the sooner.

Our alternative proposed arrangement, again informally agreed with officers, is to make no change to the first contribution but to re-structure the final payment such that on a monthly basis for 4 months commencing 1 month after site start a payment of £50,000 is made following 1 month later by a final payment of £40,000.

Community Hall

The current agreement requires that we pay a contribution of £91,000 toward a new community hall prior to commencement of development.

As alternatively structured, the contribution will be paid in 2 instalments. The first of £20,000 to be paid on commencement of development and the remaining sum of £71,000 paid 6 months thereafter. In this way it is considered that this change by itself will not prejudice the delivery of the Hall.

Waste Free Recycling Household Facilities

As matters presently stand we are required to pay a contribution of £10 per dwelling prior to commencement of development. Our preferred alternative would be to pay this contribution in full prior to first occupation.

Children's Play Area Contribution

Under the terms of the current agreement we are required to pay a sum of £40,000 toward a children's play area prior to commencement of development. Under the proposed alternative arrangement this contribution would be paid in full before 50% of dwellings are occupied.

Children's Play Area Maintenance Contribution

As above, the maintenance contribution for the children's play area is required to be paid in the sum of £19,800 prior to commencement of development. Under the proposed alternative arrangements this contribution would be paid within 28 days of the Council advising of the play areas satisfactory completion.

Off-Site Play and Recreation Facilities Contribution

As matters presently stand this particular contribution requires to be paid prior to occupation of the 1st. residential unit on the site. Our alternative proposed arrangement requests that this contribution is paid prior to occupation of the 20th. residential unit.

We additionally are now in a position to offer the following measures to further assuage the Council

1. Agree not to retain a ransom strip between this development site and potential future housing land beyond the south east boundary of the site, and
2. Agree that 65 of the residential units upon the site will achieve Code Level 3 rather than just the 43 affordable housing units which is the current position.

I recognise in all that is said here that with the passage of time since our negotiations commenced even some of these changed triggers have already passed but be assured our intention would be to pay all due contributions as soon as this matter is settled, hopefully at the committee meeting in September. It has not been our intention to deny the validity of these contributions or purposefully delay their payment but in these exceptional circumstances I hope you will accept that a moderate degree of latitude is in order.

Finally, I draw your attention to the Government's Chief Planner published new guidance to local authorities entitled "Planning for Housing and Economic Recovery". Under the *Section 106 and Viability*, emphasis is given to the importance of ensuring that existing planning permissions are built out and that;

"Where they are asked to do so, local planning authorities should be carefully reviewing their obligations agreed through section 106 accord with the five principles set out in B5 of planning circular 05/05".

Yours sincerely

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