

Dear Sirs,

**Non Material Amendment to Condition 2 Planning Permission Reference 129395/JO/2021 to Substitute the Affordable Housing Statement with an Updated Document.**

I am instructed to submit a Non-Material Amendment application in order to supersede the affordable housing statement which accompanied the original planning application. At the time of the original planning application Clarion were working with H2O to deliver a scheme of 100% affordable units, however over the period since planning permission was granted due to changes in circumstances the intended mix is no longer a viable option and as such it is necessary for a revised affordable housing statement to set out how the policy compliant level of affordable housing which is required through the S106 agreement will be delivered.

By way of background the planning permission, which is in the process of being implemented, was accompanied by a S106 agreement which requires 20% of the properties (13 units), being provided as affordable properties. Since planning permission was granted the construction industry has experienced extremely high levels of inflation of around 40% as a result of a number of factors including COVID and the war in Ukraine. During this period property values have not increased to the same degree, which has put significant pressure on the delivery of projects.

Following the grant of planning permission H2O worked with Clarion to deliver the development as a 100% affordable housing scheme. The scheme was tendered, and a contractor appointed. Unfortunately, these went into administration. A second contractor was sought but during this period construction costs increased to £16 million from £10.5 million.

This significant increase in costs, without a comparative increase in property values has significantly impacted the delivery of the scheme. H2O and Clarion worked closely to address the issues, with Clarion increasing their offer, but this was not sufficient to bridge the gap, even with grant funding. Unfortunately, the situation led to Clarion withdrawing from the project.

H2O have been working on providing a viable scheme and delivering the project. They have now identified a partner (Xpercity) to deliver the development. The current position is that with the use of grant funding, which has been secured, it is possible to deliver the approved scheme with a policy compliant level of affordable housing as set out in the S106 agreement. The delivery of affordable housing at this level in Manchester City Centre remains a challenge and most developments continue to be unable to deliver affordable housing at the levels required by local policy.

The new affordable housing statement provides a framework for a strategy to allow 20% provision as required under planning policy and the provisions of the S106 agreement. H2O have worked hard with Xpercity to produce a viable scheme to enable delivery with affordable housing included. The affordable housing statement which looks to replace the one attached to original permission, provides a mechanism to deliver the policy compliant level of affordable housing required by the S106 agreement.

The amended affordable housing statement does not impact the planning permission which is currently being implemented. The requirements of the S106 agreement will be met in full and planning policy for affordable housing fully complied with. As highlighted above H2O have been working over a number of years to deliver a viable scheme for the site in a context of significant challenges. The new affordable housing solution allows the development to be completed with affordable housing included.