



Appeal Decision

Site visit made on 11 April 2025

by **H Nicholls** **FdA MSc MRTPI**

an Inspector appointed by the Secretary of State

Decision date: 25 April 2025

Appeal Ref: APP/D1265/Q/24/3353908

Flats 1-6, 6 Great Cranford Street, Poundbury DT1 3HQ

- The appeal is made under Section 106B of the Town and Country Planning Act 1990 (as amended) against a refusal to modify a planning obligation.
 - The appeal is made by Places for People Homes Ltd against the decision of Dorset Council.
 - The development to which the planning obligation relates is North Quadrant of Poundbury, Phases 3 and 4.
 - The planning obligation, dated 20 December 2011 was made between West Dorset District Council and His Royal Highness.
 - The application Ref P/MPO/2024/01848, was refused by notice dated 28 May 2024.
 - The application sought to have the planning obligation modified to allow a variation of the terms by which staircasing payments shall be spent.
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Decision

1. The appeal is allowed. The planning obligation, dated 20 December 2011, made between West Dorset District Council and His Royal Highness, shall have effect subject to the modifications as set out in the Supplemental Deed dated 26 February 2025, entered into between *Places for People Homes Limited* and Dorset Council.

Preliminary Matters

2. The obligation dated 20 December 2011 is referred to as the Principal Deed. There have been other subsequent Deeds of Variation which would be unaffected by the modification.
3. The modification sought would only relate to the Flats 1-6, No 6 Great Cranford Street, which is a single building within the wider Poundbury development. There are further affordable dwelling units within the wider estate covered by the Principal Deed which are not within the control of the appellant and which would not be affected by the modification proposed.
4. A Supplemental Deed dated 26 February 2025 was received in connection with the appeal. The parties to the Deed include a Registered Provider '*Places for People Homes Limited*' that acquired the building in 2021 and Dorset Council (which is now the unitary authority encompassing the former West Dorset District Council administrative area).

Main Issue

5. The main issue in the appeal is whether the obligation serves a useful purpose that would be equally well served if it were to be modified as proposed.

Reasons

6. Policy HOUS1 of the West Dorset and Weymouth & Portland Local Plan (adopted 2015) (Local Plan) requires affordable housing to reflect the needs of the area. There is no dispute between the parties that there is an affordable housing need within the wider Dorset area and specifically for people with a connection to Dorchester.
7. The intention behind the modification is to allow flexibility with the way that staircasing payments are used by the Registered Provider or any successor in title that also meets the qualification of a Registered Provider. These payments are collected when owners of shared ownership homes acquire a greater percentage of the equity in their homes. When people purchase more equity, the money paid over is a staircasing payment. At present, the Principal Deed requires the Registered Provider to do their best to spend these payments on new affordable housing in the Council's area to create opportunities for those in need of affordable housing on an ongoing basis.
8. It is suggested that the appeal building will soon be sold on to another Registered Provider that has no existing affordable housing stock or plans to build or acquire any in the Dorset area, thus leading to the risk that any staircasing payments could be invested outside of the Dorset area.
9. There is no planning policy or guidance that requires that staircasing payments should be spent specifically within the Council's area. However, the policies that secured the affordable housing in the first place were the policies of the development plan for the area and sought to respond to the affordable housing needs present therewithin, not any other area. Therefore, it is logical, given the need to secure affordable housing in perpetuity, that a Council seeks best endeavours to redeliver affordable housing within the area from where it is effectively being diminished.
10. On 2 June 2015, the Council entered into a separate Supplemental Deed which varies the terms for the use of staircasing payments in relation to an area of the North East Quadrant. The Council indicate that these modifications were to allow flexibility to that Registered Provider to use staircasing payments as most appropriate with the distinction being that that Registered Provider already had a presence and housing stock in the area. Whilst the Council indicate that the similar Supplemental Deed should not have been taken to create a precedent, on the face of it, such a modification has been found to allow the Principal Deed to continue to serve its existing purpose equally well.
11. In this case, the building is to be acquired by a Registered Provider that is new to the Dorset area and it appears that the 'for-profit' nature of the acquiring company is a concern to the Council. Nevertheless, the Deeds require any successor in title to be a Registered Provider. Evidence has been provided that the prospective acquiring company has plans to invest, and thus become a larger presence in Dorset and allowing for local reinvestment. It seems reasonable to allow a new entrant to the suite of local registered providers to redirect the modest total of staircasing payments from the appeal property in a way that secures affordable housing in accordance with the procedures set out in Homes England's Capital Funding Guide, with endeavours on the appellant's part to ensure that Dorset is the focus of the investment. Evidence of the local reinvestment of such could be

provided if any variation to staircasing payments were to be sought again in the future.

Conclusion

12. For the reasons set out above, I conclude that the appeal should be allowed and the obligation modified by the terms set out in the Supplemental Deed dated 26 February 2025.

H Nicholls

INSPECTOR