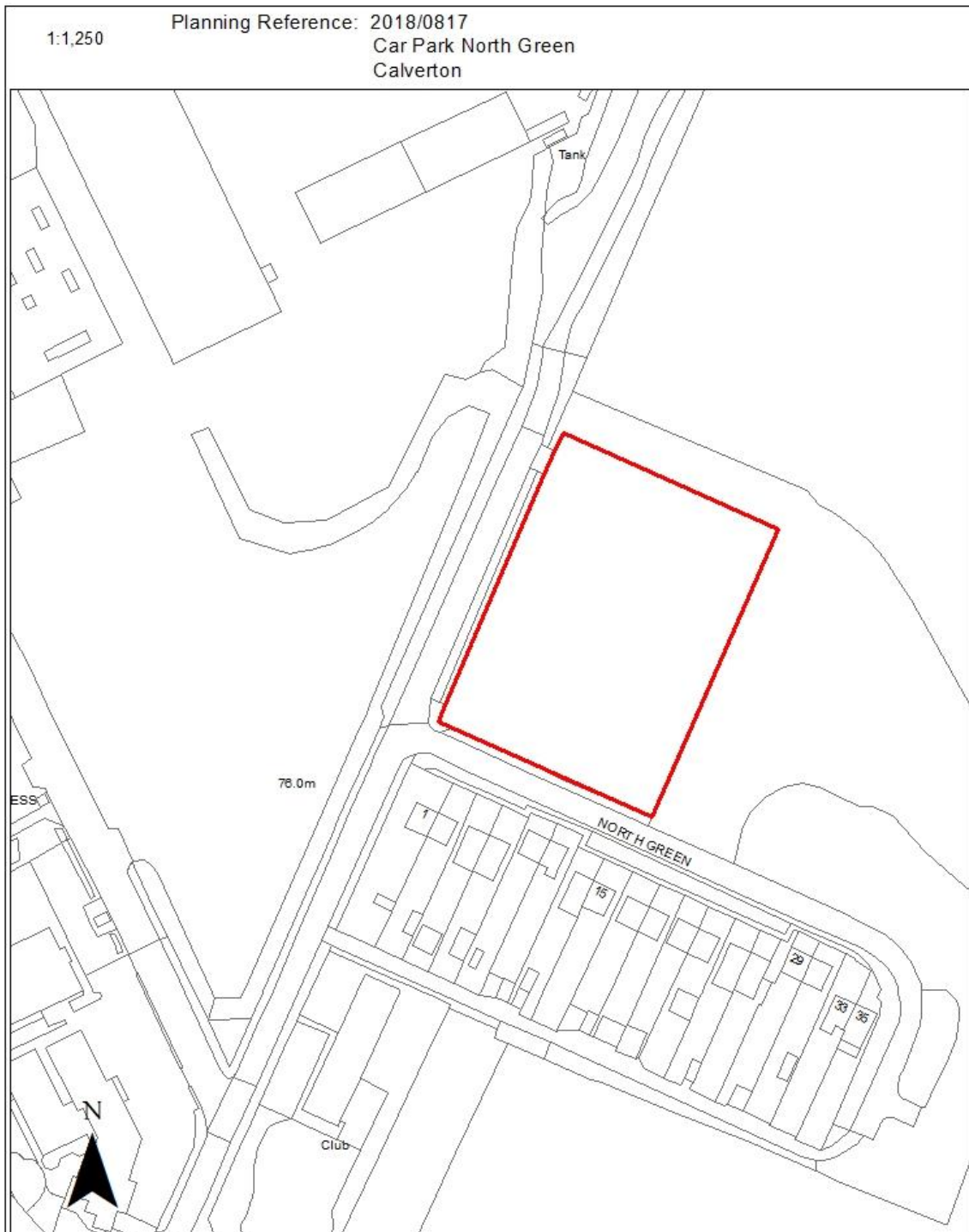




Planning Report for 2018/0817



NOTE This map is provided only for purposes of site location and should not be read as an up to date representation of the area around the site.
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Report to Planning Committee

Application Number:	2018/0817
Location:	Car Park, North Green, Calverton
Proposal:	Erect 20 No. single storey bungalows.
Applicant:	Lovely Homes Ltd.
Agent:	John Booth
Case Officer:	Kevin Cartwright

Addendum to 2018/0817 Car Park, North Green, Calverton.

1.0 Introduction

- 1.1 Members may recall that this application was before them for consideration on 19th June 2019. This previous report is reproduced in full below. Since the resolution to approve the application the applicants have submitted a viability appraisal to demonstrate that the development would not be viable with policy compliant developer contributions. This matter is discussed below and should be read as an update to the Planning Obligations section of the main report.
- 1.2 All other elements of the proposed development remain unchanged.

2.0 Planning Obligations

- 2.1 The relevant planning policies which need to be considered in relation to s106 planning obligations are set out in paragraphs 54 and 56 of the NPPF, and Policies 18 and 19 of the ACS.
- 2.2 The Planning Obligations required for policy compliance with the Development Plan are set in the main report below at para 7.3 and can be summarised as:
- 20% on-site affordable housing (70% must be social rented and 30% intermediate housing) in accordance with LPD Policy 36 and the adopted Affordable Housing Supplementary Planning Document 2009
 - £31,025.28 towards off-site public open space provision together with £12,979.20 for 10 years maintenance to be expended on facilities within 2km of the site

- Local Labour Agreement to meet with the requirements of LPD Policy 48

2.3 Paragraph 57 of the NPPF states that: Where up-to date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage.

2.4 The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force.

2.5 This is reiterated in paragraph 007 of the National Planning Policy Guidance (NPPG) which adds that:

“Such circumstances could include, for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force”.

2.6 The NPPG sets out at Paragraph 010 that:

“Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers.

Any viability assessment should follow the government’s recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making.

In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the grant of planning permission”.

2.7 The applicant has sought to challenge the level of developer contributions on the basis that the level of contributions sought for affordable housing and open space would render the scheme economically unviable.

2.8 An independent viability assessment has been commissioned by the Borough

Council to determine whether the development with policy based contributions would be viable and, if not, the level of contributions that can be delivered whilst maintaining economic viability.

- 2.9 The independent assessor is content that the costs assigned to the proposed scheme are appropriate in reaching their conclusion. An assumption of profit on gross development value (GDV) of 18.5% which paragraph 18 of the NPPG identifies may be considered a suitable return to developers in order to establish the viability has been taken. It is not considered that this is unreasonable taking into account the degree of uncertainty that the Covid-19 pandemic has placed on the construction industry and the economy as a whole.
- 2.10 The site has a Benchmark Land Value of £290,000. If the scheme were to provide policy compliant contributions in relation to affordable housing and open space it would have Residual Land Value of £216,435. As such the scheme is not viable on a policy compliant basis.
- 2.11 A further appraisal was undertaken with no affordable housing provision or open space contributions so that the Residual Land Value could be compared to the Benchmark Land Value in order to establish whether or not there is a surplus available which could then be apportioned to affordable housing or open space contributions.
- 2.12 The conclusion of this assessment is that it would derive a Residual Land Value of £311,234 which would provide a surplus of £21,234 when compared to the aforementioned Benchmark Land Value.
- 2.13 The key matter for consideration is therefore whether the development can be supported on the basis of the significantly reduced contribution and whether such development could be considered to be sustainable development, the delivery of which is a key objective of national and local planning policies.
- 2.14 Whilst a policy compliant scheme would be the most desirable outcome, as this would fully mitigate the impact of the development. It has been evidenced that in this format the scheme would be unviable and no development would take place.
- 2.15 Therefore, on balance it is considered that, notwithstanding the reduced level of contributions towards affordable housing and open spaces, the scheme would aid housing delivery which is one of the important aims of both national and local policy.

3.0 Revised Contributions

- 3.1 Paragraph 11.2.6 of local planning policy LPD 36 highlights that the Affordable Housing SPD confirms that a lower requirement of affordable housing contribution may be justified provided that there is sufficient evidence provided and a viability assessment has been undertaken by the Council which demonstrates this. I am satisfied that this is the case.

- 3.2 The affordable housing contribution would be added to existing monies to deliver affordable housing provision in the Borough.
- 3.3 Parks and Street Care have confirmed that the play area on Stonebridge Way is in need of refurbishment following recent vandalism and the contribution would be expended there as a capital contribution. This open space is near to this development and would be accessible by the future occupiers.
- 3.4 It is considered that an equitable distribution of the £21,234 between affordable housing and open space provision is appropriate in this instance. This would equate to:

Affordable Housing Contribution	£10,617
Open Space Contribution	£10,617

- 3.5 The development may however become viable in future years and therefore it is considered that the Section 106 Planning Obligation should include a mechanism to allow for a review at an appropriate time.
- 3.6 Members may recall that a review mechanism was included in a recent planning obligation associated with the Millbeck House conversion scheme (Planning Ref: 2020/0009). It is considered that the same review is appropriate in this instance. This would require the Owner to submit a revised viability appraisal if 80% of the dwellings are not substantially complete within 48 months of the date of this permission.
- 3.7 The revised contributions are deemed to comply paragraph 56 of the NPPF, policy 19 of the ACS and the test set out in the CIL Regulations. The financial contributions will be secured by way of a planning obligations from the owner to the Council.

The Section 106 would also secure the Local Labour Agreement required by LPD Policy 48.

- 4.0 **Recommendation: Grant Full Planning Permission: Subject to the applicant entering into a Section 106 Agreement with the Borough Council as Local Planning Authority for a financial contributions towards, affordable housing and open space, and the provision of a local labour agreement; and subject to the conditions listed for the reasons set out in the main report.**