

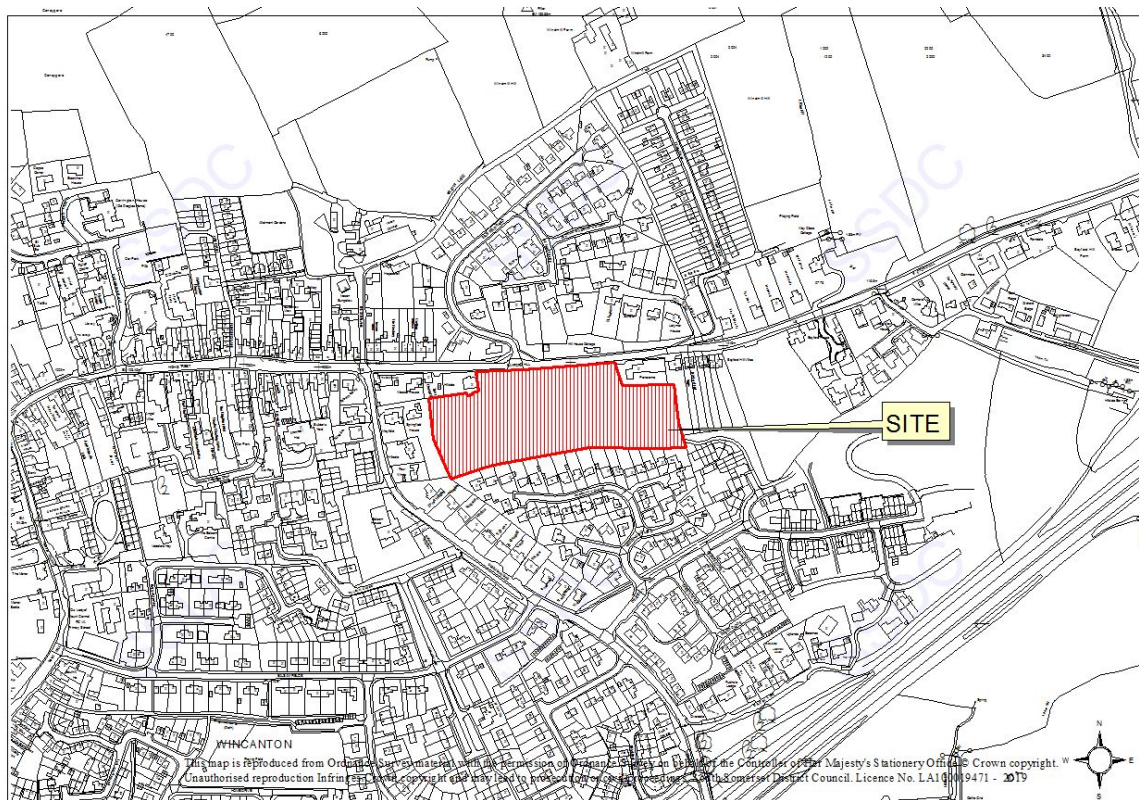
Officer Report On Planning Application: 19/00718/DPO

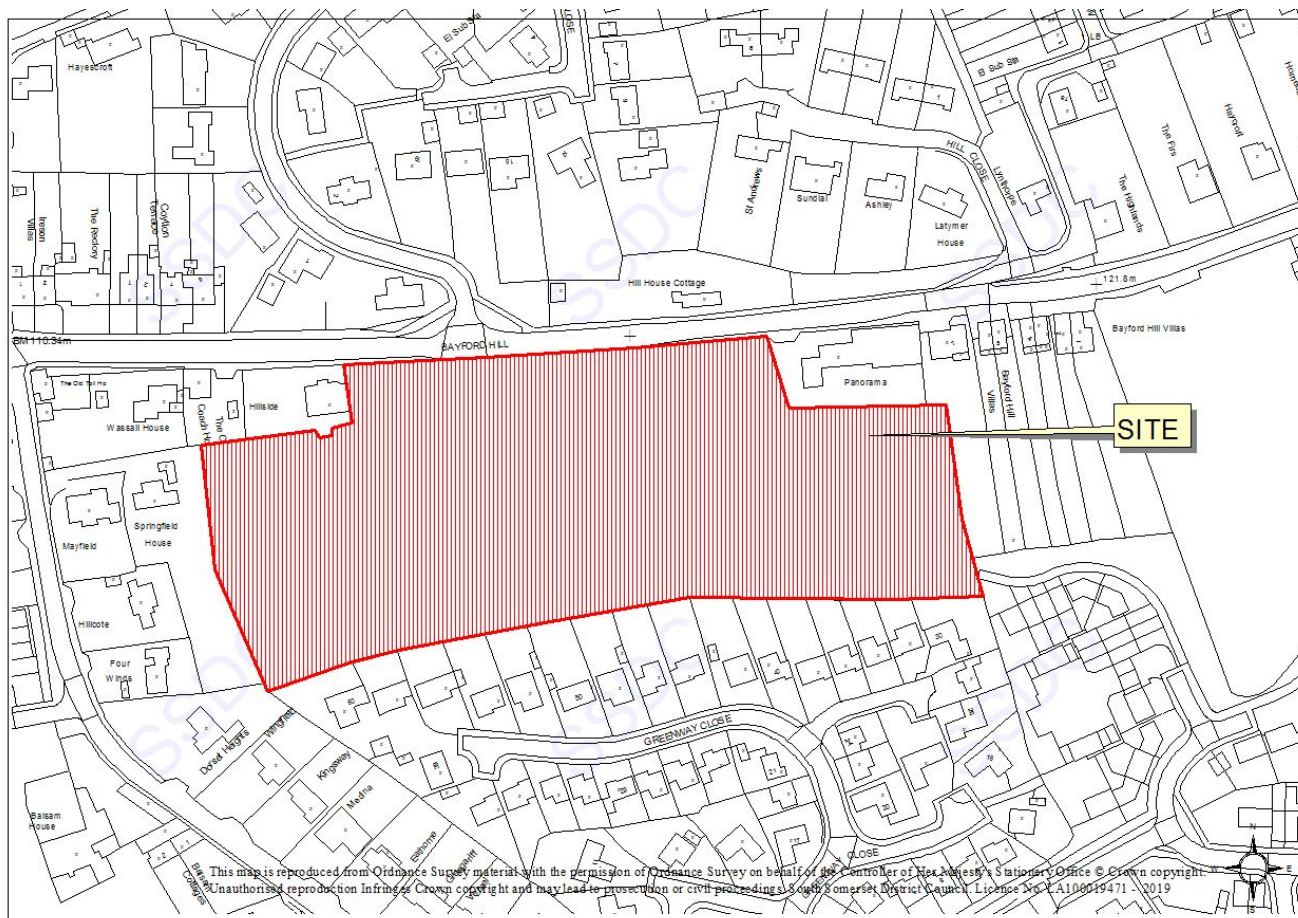
Proposal :	Application to vary S106 Agreement dated 30th October 2014 attached to approval 13/03318/OUT between Hopkins Development Limited, South Somerset District Council and Somerset County Council to remove the requirement for the provision of any affordable housing as part of the residential development to be carried out on the site.
Site Address:	Land South Of Bayford Hill Wincanton
Parish:	Wincanton
WINCANTON Ward (SSDC Member)	Cllr Nick Colbert Cllr Colin Winder
Recommending Case Officer:	David Kenyon
Target date :	30th April 2019
Applicant :	Dorset Properties Ltd
Agent: (no agent if blank)	Grass Roots Planning Ltd 86-88 Colston Street Bristol BS1 5BB
Application Type :	Non PS1 and PS2 return applications

REASON FOR COMMITTEE REFERRAL

This application is referred to Area East Committee for determination at the request of both Ward Members, and with the subsequent agreement of the Area Chair, on grounds that this is a major development, is contrary to policy and has been objected to by the Town Council. Therefore the application should be considered by the Committee after hearing the case put forward by the Town Council for rejecting the application, together with any other third parties.

SITE DESCRIPTION AND PROPOSAL





This application is seeking to vary a Unilateral Undertaking, pursuant to Section 106 of the Town & Country Planning Act 1990 (as amended), dated 30th October 2014 from Hopkins Development Ltd to South Somerset District Council and Somerset County Council. This is a legal agreement relating to the following planning permission:

13/03318/OUT - Erection of up to 47 dwellings, provision of public open space, access and other ancillary development - Application allowed on appeal 30th October 2014.

The legal agreement secures:

- the provision of at least 35% affordable housing on the site (of which 67% are to be Social Rented Housing and 35% as Intermediate Housing).
- the payment of Community, Health and Leisure Services contributions (comprising (i) Equipped Play Facilities contribution of £1,357.10 per dwelling; (ii) Youth Facilities contribution of £231.36 per dwelling; (iii) Leisure Service Administrative Fee of £45.59 per dwelling; (iv) Changing Rooms contribution of £870.46 per dwelling; (v) Playing Pitches contribution of £679.95 per dwelling; and (vii) a Strategic Facilities contribution totalling £1,419.75 per dwelling which includes £183.08 per dwelling for the provision of a new learner swimming pool at Wincanton Sports centre, £237.02 per dwelling for an indoor tennis centre located in or near Yeovil, £380.40 per dwelling for the provision of artificial grass pitches within the Wincanton area, £606.21 per dwelling for the development of a centrally located 8 court district wide competition sports hall in Yeovil and 3313.04 per dwelling for the enhancement or expansion of the octagon theatre in Yeovil).
- the payment of an Education contribution of £2,347.08 per dwelling.

Following a re-assessment of viability by the applicant in liaison with the District Valuer, the current

proposal seeks to vary this Unilateral Undertaking by removing the requirement to provide any affordable housing on the site (i.e. 0% on-site affordable housing provision).

No amendments are being sought to the financial contributions payable as set out above.

HISTORY

13/03318/OUT - Erection of up to 47 dwellings, provision of public open space, access and other ancillary development.

Refused but subsequently outline permission granted on appeal dated 30th October 2014. Accompanying this decision is a signed and dated Unilateral Undertaking made under Section 106 of the Town and Country Planning Act 1990 relating to the provision of at least 35% affordable housing on the site and to provide financial contributions to offset the impact of the proposed development on education, community, health and leisure services in the local area.

17/03816/REM - Application for reserved matters following approval of 13/03318/OUT (approved at appeal) for erection of 38 dwellings to include details of access, layout, scale, appearance and landscaping.

Pending consideration.

POLICY

Section 38(6) of the Planning and Compulsory Purchase Act (2004), and Paragraphs 2, 11, 12, and 14 of the NPPF state that applications are to be determined in accordance with the development plan unless material considerations indicate otherwise.

For the purposes of determining current applications the local planning authority considers that the adopted development plan comprises the policies of the South Somerset Local Plan 2006 2028 (adopted March 2015).

Policies of the South Somerset Local Plan (2006-2028)

Policy SD1 - Sustainable Development

Policy SS1 - Settlement Strategy

Policy EQ2 - General Development

Policy HG3 - Provision of Affordable Housing

CONSULTATIONS

Wincanton Town Council - recommends refusal. Against public policy to remove affordable housing.

SSDC Strategic Housing

Reluctantly we accept the District Valuer's report that determines the site would not be viable with the provision of any affordable housing. A full viability exercise has been undertaken as part of the planning application determination process which demonstrates that a policy compliant level of on-site affordable housing is not viable and cannot be secured.

Following discussions with Homes England one option that could be pursued would be to discuss the scheme with the District Council and a Housing Association to see if a bid could be worked up to access Homes England grant funding to secure 'additional' affordable housing. Any bid would be subject to confirmation of the District Valuer's report. The 'additional' affordable housing would also be subject to ratification that they are value for money and can be delivered by Homes England in discussion with the

Housing Association and the Developer. Any 'additional' affordable housing cannot in any way be fettered by or secured under a S106 agreement.

It is my belief that this could be an attractive proposition to the Developer if market housing sales on this site are slow or stalled for any reason. They would have a confirmed buyer - the Housing Association who would be able to purchase any units and manage them accordingly. These units could be for either Affordable Rent, Shared Ownership or Rent To Buy units. I will reiterate this is an option that can be explored post planning decision and I would encourage talks between all parties given this Home England funding that could be used at no cost to the Developer.

REPRESENTATIONS

No third party representations have been received.

CONSIDERATIONS

The sole issue in this case is whether or not the provision of 35% on-site affordable housing as part of the development would make the scheme unviable. The appropriate viability test is whether the evidence indicates that the current cost of building out and selling the entire site (at today's prices in the current market) is sufficient to enable a willing developer to make a competitive return.

The applicant has approached the District Valuer directly regarding this proposal. In response, the District Valuer states:

I have reviewed the revised scheme that has been submit to me by John Newman of Tangent Chartered Surveyors in relation to the development of the site above. Given my prior involvement to date, I have not produced a full draft report but instead I have outlined my findings below:

GDV - Agreed at **£11,140,000** for fully open market scheme.

Build costs:

Most up-to-date Lower Quartile BCIS costs adopted at an average of £1,191.90/m² exclusive of externals, fees and contingency.

Externals and abnormal costs were submit by Tangent at £2,168,995. After an independent review carried out by our in-house QS team, they returned an overall comparable figure of £1,630,250. Which I have adopted in my appraisal. A breakdown of these costs is attached.

My overall build cost figure is £7,061,600, which is some £440,742 (c. 6%) lower than the figure submit by tangent in their appraisal. The main difference being the lower externals/abnormal costs figure arrived at by my QS colleague.

Contingency - Agreed at 3% of build costs.

Professional fees - Agreed at 8% of build costs.

S.106 costs - Adopted £251,786, which is understood to be correct.

Sales & Marketing - As detailed in previous draft report.

Development programme - As detailed in previous draft report.

Finance costs - As detailed in previous draft report.

Developers profit - Agreed at 17.5% for open market units.

Land Value:

I have not expressed a formal opinion of value, but instead had reference to the resulting Residual Land Value (RLV) in my appraisal, when considering the financial viability of the scheme.

Overall conclusion & recommendations

In order to be able to compare the scheme on a like-for-like basis with Tangent I have run an appraisal on the basis of a 100% open market scheme, but providing the required s.106 contributions. The resulting RLV on this basis is £383,720. The Existing Use Value (EUV) of the site is based on the current agricultural use, and I am of the opinion that this lies in the region of £40,000.

*The RLV above is approximately 9.5 x the EUV, and in my opinion this would be marginally enough to incentivise a willing landowner to sell for redevelopment. I don't believe a lower land value would be accepted. **Therefore, I am of the view that the provision of any on-site affordable housing, which would result in a lower RLV, is not financially viable for this scheme, on this particular site.***

The Council's Housing Officer has commented that it is very disappointing not to be getting any affordable housing on-site or any contribution but, notwithstanding this, accepts the District Valuer's report that determines the site would not be viable with the provision of any affordable housing. The Housing officer has confirmed that a full viability exercise has been undertaken as part of this application's determination process which demonstrates that a policy compliant level of on-site affordable housing is not viable and cannot be secured.

During a very recent discussion with Homes England they stated that if a site is found to be not viable and therefore would have a reduction in the contributions such as affordable housing, It would be acceptable to apply for funding for the unviable homes, although they are not to be specified in the s106 agreement. The Housing Officer therefore suggested that the first thing the Council could do was to speak to the developer and then speak to the registered providers/strategic partners to see who would be interested in the site so they can talk with the developers and then apply for grant funding to expand the site back to 35%.

As a result of such contact, the Senior Housing Delivery Manager of Homes England has stated to the Housing Officer that a Provider can only submit a bid for Homes England grant funding under these circumstances to deliver 'additional' affordable housing once a full viability exercise has been undertaken as part of the planning application determination process which demonstrates that a policy compliant level of on-site affordable housing is not viable and cannot be secured.

Determination of the application should be based on the conclusions of this viability exercise and an assessment of all other material considerations, including an on-site affordable housing contribution below policy complaint levels, and no assumption should be made that Homes England grant funding will be available to deliver 'additional' affordable housing units on the site.

Once the planning application has been determined he would be happy to discuss the scheme with the Housing Officer and the relevant RP partner to see if a bid could be worked up to secure 'additional' affordable housing. Any bid would be subject to confirmation of the above process having been carried out, value for money and deliverability. Any 'additional' affordable housing cannot in any way be fettered by or secured under a S106 agreement.

Conclusion

Mindful of the comments received from the District Valuer and confirmation that a full viability exercise has been undertaken in a satisfactory manner, and having due regard also to the comments from the

Housing Officer, it is considered that it has been demonstrated that the provision of affordable housing on the site would not be viable. Thus the Unilateral Undertaking, pursuant to Section 106 of the Town & Country Planning Act 1990 (as amended), dated 30th October 2014 from Hopkins Development Ltd to South Somerset District Council and Somerset County Council should be varied so that no affordable housing need be provided on-site.

Nevertheless, notwithstanding this and pursuant to the issue of the appropriate Deed of Variation, the option referred to by the Housing Officer should be considered to see if a bid could be worked up to access Homes England grant funding to secure 'additional' affordable housing.

RECOMMENDATION

To agree to allow the variation of the Unilateral Undertaking, pursuant to Section 106 of the Town & Country Planning Act 1990 (as amended), dated 30th October 2014 from Hopkins Development Ltd to South Somerset District Council and Somerset County Council and to refer the matter to SSDC Legal Services to prepare an appropriate deed of variation.
