

## **Supplemental Report in relation to Planning Application: 14/02141/OUT – Southern Phase of Crewkerne Key Site, Land off Station Road, Crewkerne, Somerset**

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### **Purpose of the Report**

To update members on the progress of the planning application for the alternative development of the employment land off Station Road, which is part of the Keysite at Crewkerne, known as the CLR site. The current application, if approved would require the renegotiation of the previously agreed site wide obligations agreed in relation to the original approval (05/00661/OUT) for the whole site.

Member's support is sought for the conclusion of the negotiation of planning obligations prior to the formal determination of the application at a later date.

It is not the purpose of this report to set out the basis for the determination of this application nor is it intended to invite members to review the detail or impact of the development, the supporting information, detailed on site proposals. Rather it is an opportunity for Members to steer officers in the negotiation of the final package of planning obligations. The report will set out the current offer; identify the areas to be resolved; set out a recommended way forward and, on a without prejudice basis, seek members support to continue negotiations to finalise the details of the section 106 agreement that would deliver the obligations.

This would give both officers and the applicant clarity as to the Council's expectations for this important development in Crewkerne. Subsequently the application would be referred back to Area West Committee with a detailed report for formal determination when members will be able to consider all relevant issues. At that stage the detail of the obligations would be formally considered.

### **Recommendations**

- (1) That members note the progress to date;
- (2) That members confirm their support for the position officers propose to take in relation to the outstanding matters.

### **Background**

In January 2011 Area West Committee members resolved to approve application 05/00661/OUT for:-

*Comprehensive mixed use development for 525 dwellings, employment (B1, B2, B8) primary school, community facilities, playing fields, parkland, P.O.S. structural landscaping and associated infrastructure including link road and highway improvements.*

This approval was subject to a S106 agreement which provided for:-

- the completion of the link road through the site, between the A30 and the A356, prior to the occupation of 200 houses or within 4 years of first residential occupation, whichever is sooner;
- the completion of the link between the new link road and Blacknell Lane prior to the occupation of 1,000sqm of employment space or within 4 years of commencement of the employment land or within 7 years of the first occupation of any dwelling, whichever is sooner;
- the delivery of 17.5% of the housing as affordable homes for 'social rent';
- the delivery of the serviced school site;
- an education contribution of £2,000,000;
- a contribution of £260,000 towards sports, arts and leisure facilities;
- a contribution of £635,624 towards off site highways mitigation and sustainable travel planning, to include:-
  - £100,000 towards town centre improvements (upon commencement);
  - contributions to off-site traffic calming and improvements to footpath/cycle path links (prior to first occupation);
  - contributions towards bus services to serve the development (upon completion of the link road);
  - contributions towards travel planning measures;
- the provision and maintenance of on-site play areas;
- the landscaping and maintenance of c.24 hectares of 'country-park', including any landscaping necessary for dormouse mitigation measures;
- the completion of the dormouse bridge prior to the completion of the link road through the site with a requirement for the developer to make all reasonable endeavours to re-assess the dormouse population prior to commencement of the dormouse bridge and, if justified, to agree appropriate alternative mitigation
- appropriate badger mitigation measures as required by the Council's ecologist;
- 3 yearly reviews of the viability of the development throughout the construction phase.

The agreed obligations reflected the District Valuer's then advice that, the development, including the provision of the link road, the school site, landscaped areas and employment land (as per allocation KS/CREW/1 in the local plan) was only viable with 17.5% affordable houses (all for rent) and c. £8.6m towards planning obligations. Included within this figure was an allowance for an enhanced use of natural stone to meet the findings of the Enquiry by Design conducted at the allocation stage.

## **The Current Situation**

The applicant believes that in the current market the approved scheme is now unviable and is seeking to add value to the site by seeking outline approval for a care home and up 175 dwellings on the 10 hectares employment land approved off Station Road by 05/00661/OUT. Initially it was proposed to retain 2 hectares of employment land – with the care home this would equate to 2.5 ha for employment uses.

Although the Town Council and number of local residents have raised objections, there are no outstanding highways, drainage, archaeological, ecological or other 'technical' objections. The Council's planning policy and economic development officers have raised significant concerns about the loss of 7.5 hectares of employment land. The new local plan, which carries forward the policy KS/CREW/1, allocates 10.10 hectares of employment land in Crewkerne over the plan period to 2028 (policy SS3).

There has however been no agreement on the necessary planning obligations. As a 'stand-alone' application this proposal attracted planning obligation in respect of affordable housing, leisure and education provision. The applicant maintains that, even allowing for the increased values that would be achieved by the additional residential development, the scheme as a whole remains unviable and they have sought to review the whole obligation package in light of the current application. The following table sets out the current situation with regard to the obligations.

<b>Planning Contributions as agreed by 05/00661/OUT</b>	
17.5% affordable housing (all at social rent)	
Provision of a link road (c.£7.5 million)	
Highways	
Town Centre Improvements	£100,000
Traffic Calming	£31,000
Bus & Cycle Hard Measures	£37,250
Bus Service Contribution	£164,000
Cycle Upgrade Contribution	£100,000
Residential Travel Vouchers	£78,250
Signage & Travel Info	£20,000
Smarter Travel Info Pack	£28,875
Travel Plan Contribution	£4,000
Travel Plan Coordinator	£70,000
	<b>£633,375</b>
Commuted sum towards junctions	<b>£277,000</b>
Entrance landscaping	<b>£550,744</b>
Woodland planting	<b>£950,000</b>
Commuted sum	<b>£527,000</b>
Education	<b>£2,000,000</b>
School sites set up costs	<b>£210,467</b>
Offsite sports and leisure	<b>£260,000</b>
Equipped Play Space	<b>£182,702</b>
Badger Mitigation	<b>£35,000</b>
Dormouse Mitigation	<b>£491,095</b>
Use of natural stone	<b>£2,594,340</b>
Total	<b>£8,462,423</b>
<b>Planning contributions requested in relation to 14/02141/OUT</b>	
35% affordable housing, 67/33 tenure split in favour of social rent	
Education	<b>£306,000</b>
Offsite sports and leisure	<b>£647,371</b>
On site Equipped Play Space	<b>£238,542</b>
Total	<b>£1,191,913</b>
<b>TOTAL</b>	<b>£9,654,336</b>

The District Valuer has assessed the scheme in the round and has concluded that even without any affordable housing the development and allowing for a reasonable developer profit, the development would not be viable. It is considered that there are a number of possible explanations for this including increased build costs of the houses, lower than anticipated house prices and substantial costs for unexpected archaeological investigations.

Notwithstanding the reasons for the current 'unviability' the applicant is entitled to request that the Council revisits the planning obligations. Government advice is clear that sites with planning permission should not unreasonably be held back by an insistence on previously agreed planning obligations.

The applicant has reviewed the original residential scheme off the A30 and has reduced the level of development from up to 525 dwellings to 497; with the 175 now proposed at the bottom of the hill off the A356 this is a total of 672 houses. They have offered to provide 50 affordable units (at social rent), but have advised that this would require a reduction of £2M in the total planning obligation request (i.e. reduced to £7,654,336). The link road would still be provided, but the trigger point would need to be the occupation of the 350<sup>th</sup> house or seven years from first occupation.

The DV has looked at this and concluded that this would be viable. Whilst there is concern about the £2M reduction it is considered that this could reasonably be achieved. Of more concern is the reduction to 50 affordable houses out of 672 (7.4%) and the reduction to 2.5 ha of employment land (if the care home is included, which has been considered reasonable elsewhere).

The application has been asked to reconsider their offer and now suggest that 3.25 hectares of employment land could be provided along with up to 92 affordable units (which equates to the original 17.5% of 525 dwellings). This would reduce the housing from 175 to 160 dwellings and would be dependent on varying the tenure to either discounted housing to buy at 75% of open market value (OMV) or shared ownership. Alternatively 65 affordable homes could be provided at 'affordable rent' (generally up to 80% of market rent) or 75 provided of which 25 would be at social rent, 25 to buy at 75% of OMV and 25 for shared ownership.

## **Areas to be Resolved**

The following issues remain to be agreed on a site wide basis.

### The Level and Tenure of Affordable Housing.

The Council's housing officers stress that the critical need is for 'social rent' properties and remind us that relatively few affordable units have been provided in Crewkerne in recent years. Members are reminded that under S.106BA of the 1990 Act (as amended) it is open to the applicant to apply to remove as much affordable housing as is necessary to make the scheme viable. The Council would have 28 days to determine the application before the applicant could exercise a right of appeal. The sole issue would be viability and it would not be open to the Council to seek to negotiate the obligations 'in the round'. The DV's advice indicates that all the affordable housing could be lost if this route were pursued.

### The Level of Employment Land to Retained.

Policy SS3 of the local plan identifies a requirement for 10.10 hectares of employment land in Crewkerne to 2028. The expectation is that this will be delivered on this site. The applicant is adamant that this is excessive and unjustified. Their view is that the Council cannot reasonably insist on more than 3.25 hectares, and in any event there is no reason to presume that additional employment land could not come forward elsewhere in Crewkerne.

Planning policy refers to Table 1 – Employment land Justifications of the local plan which supports Policy SS3 and establishes that the employment land required to support 'B' use jobs growth up to 2028 is 3ha. The figure of 10.10 hectares in SS3 equates to the

employment land allocation (CLR) which was saved and carried forward from the previous Local Plan. This approach was accepted by the Local Plan Inspector.

Economic development officers suggest 3.75 hectares based on historic completion rates, and accept that the care home could count towards this. This approach reflects the methodology used to support Rural Centres and was also accepted by Local Plan Inspector.

### A Reduction of £2M in other Planning Obligations

Discussions with other officers indicate a number of potential areas for review:-

- A reduction of the landscaping costs from £2,027,744 should be achievable and could include alternative management arrangements and community involvement.
- The figure of £2,594,340 for enhanced use of natural stone could be reviewed without compromising the standard of development or watering down the recommendation of the Enquiry by Design
- The figure of £633,375 for highways contributions could be reviewed with the removal of some of the 'softer' travel planning measures
- The justification for the dormouse bridge could be brought forward with the applicant surveying land they own to the west to the site and discussing further with our ecologist;
- The total figure of £1,328,615 for leisure contributions could be reviewed

A total education contribution of £2,306,000 plus a school site is sought, however given the infant school situation in Crewkerne it is not suggested that this be renegotiated. Finally, whilst the highways authority's comments on the requested change to the trigger points for the delivery of the link road are awaited, informal discussions have not revealed a highways concern. On this basis that this position is confirmed it is not suggested that this change be resisted.

### **Suggested Course of Action**

- (1) That officers seek to achieve a reasonable balance between the provision of employment land and affordable housing.
- (2) That officers identify £2,000,000 savings from the identified obligations.

### **Background Papers:**

*Planning Application 05/00661/OUT*  
*Planning Application 14/02141/OUT*  
*District Valuer's report (separate confidential Appendix A)*

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