

Development Control Committee 31st July 2009
 Sherford (7/49/2426/06)
Addendum Report

Summary of key changes to report

This addendum report provides a number of points of clarification and correction, together with an update to the Housing section of the analysis and reports on a number of late consultation responses and an advisory letter from ATLAS.

The following table highlights the key amendments to the report;

Item	Key point	Main report reference
2.(1) Consultations	Response to the PCC portfolio holder	N/A. this is additional information
2.(2) Consultations	Outcome of the PCC Planning committee	N/A this is additional information
2.(3) Consultations	Wembury Parish Council	N/A this is additional information
2.(4) Representations	Additional representations received from nearby residents	7.23
2.(5)	ATLAS	N/A this is additional information
3.b)	Update on Housing Section	9.2.9, 9.2.13 and 9.2.16
4.a)	Change to the recommendation	Executive Summary & Recommendation
5.a)	Changes to the Heads of Terms	Appendix 2

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1. The Planning Application

Your Officers believe it would be useful to set out the following points of clarification or correction of a factual nature;

1. At para. 3.7 the first sentence should read "The applicants are predicting the generation of up to 3400 vehicle trips in the busiest peak hour, of which 2,310 are additional vehicle trips on the external highway network (two way flow of both arrivals and departures).
2. At para. 3.15 The Adult Social Care Base is now reduced to 80sqm, not 90sqm.
3. At para. 3.71 replace with;
The Affordable Housing would be 'tenure blind' and as such, would be visually indistinguishable from market housing in terms of design and build quality. The application suggests that whilst a degree of social rented dwellings may be clustered for the ease of management and access to services, there will be no 'zoning'. The application suggests that the clustering would be fine grained whereby no more than 16 houses or 32 flats of social rented units would be situated within anyone block.
4. para. 3.72 is deleted.
5. At para. 3.98 replace with;
The South West neighbourhood would, within phase 1, comprise 700 dwellings and include a neighbourhood centre. This would include approximately 186 non-residential units in phase 1 (approximately years 1-3).
6. At para. 3.104 'Vinery Lane Nursery' should read 'Priors Park Nursery.

2. Consultations

The following consultation responses have been received subsequent to the publication of the draft report;

(1) Plymouth City Council (response of the portfolio holder);

PCC comments on 7_49/2426/06/0

1.0 INTRODUCTION

The City Council, as the neighbouring strategic planning authority, supports the principle of the Sherford development as being consistent with the regional and sub regional planning context.

2.0 BACKGROUND

It is appreciated that both planning applications have already been considered by both local planning authorities within the context of both authorities' Core Strategies and AAPs and it is agreed that, in the event of planning permission being warranted it would be essential for the applicants to comply with the clauses of a joint S106 Agreement as well as the relevant planning conditions imposed by each local planning authority.

The City Council Planning Committee considered the amended planning application (06/02036) on the 28th July. That Committee report is familiar to your officers and the resolution of the Planning Committee was to adjourn the meeting until the 6th August.

3.0 THE RESPONSE:

The following points are made in respect of the amended planning application submitted to your authority and trust that they will be considered by your Planning Committee in it's determination of 7_49/2426/06/0.

The City Council considers that the following 10 points are particularly relevant:

1 The scale and nature of provision of development and the requirements should be as indicated in the section 106 Draft Heads of Terms (Appendix 2), The required contributions to the Major Scheme Bid and to HQPT are of regional importance and essential to adequately reflect Regional and sub regional planning policies. It is appreciated that the suggested Heads in the Committee report appendix form the basis of the legal agreement and are subject to a process of clarification and adjustment. Nevertheless, the required contribution towards MSB is defined and should not be reduced. A business model was developed to assist in determining the level of service required from the HQPT and the timing of contributions. The public transport provision and contribution defined in the Heads of Terms should not be reduced.

2 The re-phasing proposals affect the timescales for the delivery of the Main Street and the consequent commencement of the HQPT relative to the housing development has had to be reviewed. This adjustment is only warranted if additional non-HQPT bus services are secured to bridge the gap and this temporary period must be kept to the very minimum. The use of unsuitable routes by both construction vehicles and through traffic must be effectively controlled, and traffic impact on local roads must be suitably mitigated.

3 It is also important to be mindful of the likely direction for future development to the north west of Sherford., There is a need to impose a planning condition indicating the need to complete an adequate link road to the western boundary of the site from the proposed High Street prior to the commencement of residential development within the last phase.

4 Whilst the development of the overall site should have its own cross-boundary identity, it is important to secure provisions for integrating the development well with the existing communities in the locality. Walking and cycle links to the proposed Sports Hub complex and to Elburton and Plympton and to the Saltram countryside park need to be secured. Tree planting within the registered parkland is required to help screen the proposed turbines and there needs to be a reasonable contribution towards the establishment of the proposed countryside park that will serve the wider area. The provision for such contributions has been carried over into the HoTs and S.106 drafting and should be retained and secured.

5 The applicants need to comply with conditions and clauses to secure sustainable development. It is suggested that the Review and Monitoring section should include provision for a review of the applicants progress towards meeting the 50% on-site energy reduction target across the overall site with a requirement for remediation measures to be taken to the satisfaction of the local planning authority. A condition is required to ensure that the 2nd wind turbine is operational by the end of Phase 3 and there should be a review of the Energy Strategy, including the monitoring of how on site renewable technology is being implemented, if the second wind turbine cannot be delivered as envisaged.

6 The site will have local employment benefits, particularly during the construction years. The S.106 Heads of Terms incorporate essential requirements to secure implementation of a local skills training and apprenticeships scheme and these arrangements should be enhanced by the reasonable endeavours of the applicants

7 It is envisaged that the development within the Plymouth area will be part of the South West neighbourhood of Sherford. The proposed mixed uses should be provided in phase with the provision of dwellings. The potential developers will need to provide a 'context' plan showing locations of mixed uses within the Design Code Regulating Plans for the South West neighbourhood centre (as well as for the other neighbourhood centres, High Street and for Areas within Plymouth) ahead of Reserved Matter applications.

8 It may be some time before an effective Community Trust is established and it is considered that there must be very clear management arrangements and that the default responsibilities must be set out in the S.106 at the outset. It is important to secure a framework that ensures that community facilities develop unimpeded in phase with development. , Adequate arrangements and mechanisms must be in place to secure both early delivery of the Sports Hub, and default arrangements for on-going estate management and maintenance responsibilities. The responsibility should be retained with the Estate Management Company unless otherwise agreed by the local planning authority

9 Affordable Housing nomination arrangements have been agreed between PCC & SHDC with an agreement to share nomination rights for the rented units on a 50:50 basis. Shared ownership properties will be allocated through the current mechanism of the Home Buy Zone Agents for the SW (Current agents are Westcountry HA).

10 It is understood that Red Tree and Western Power are proceeding to negotiate an agreement upon the diversion/undergrounding works for the power lines. It is suggested that, at point of issuing of any consent, an acceptable assurance is obtained about the delivery of the diversion works.

(2) Plymouth City Council Planning Committee.

Members of Plymouth City Council's Planning Committee considered the development proposal, as amended, at a special planning committee on 28th July 2009.

It is noted that the Members of the Planning Committee voted 11 to 1 to adjourn the meeting for 5 days to allow further time to assimilate the information. The meeting is due to reconvene on Thursday 6th August 2009.

(3) The following late consultee comments have been received since publication of the Report and should be taken into account;

1. Public Art South West (PASW);

The full response to the planning application is available to view on the South Hams District Council planning website; their comments are primarily concerned about the level of contribution towards public art funding being reduced by 30%, but still welcome the retention of public art within the development. They suggest that the construction period will out live the recession and that public art funding should be increased if the general economic climate improves.

2. Wembury Parish Council

Wembury Parish Council take the view that if the Sherford development is to go ahead, then it should be done in the way that it was originally planned i.e. the infrastructure being put in place so that the scheme can then be developed around it.

The Parish Council understand that the developer is proposing to develop the scheme in a piecemeal fashion with the infrastructure being put in as necessary, or by the taxpayer, due to financial constraints. The Parish Council view is that if this is the case, then the Sherford scheme should not go ahead.

It was felt that the developers should be prepared to honour their original agreement, they are happy to take profit in good times but not so quick to invest in the future in times of recession. The Wembury Parish Council would be opposed to the taxpayer having to fund the infrastructure costs for this scheme.

3. English Heritage

English Heritage have not objected but require the application to be determined in accordance with national guidance.

(4) Representations

16 late representations were sent to Plymouth City Council from the residents of 2, 29, 32, 59, 63, 65, 67, 69, 72 and 96 Sherford Road; 2 and 18 Hartwell Avenue; 45 and 47 Brookwood Road; 5 Nettlehayes and 79 Candish Drive. Most of these late letters express concerns about the notification procedure, suggesting that all residents should have been notified by letter of the amendments to the planning application. Most of these letters express similar concerns relating to the re-phasing proposal as those already mentioned by many other Elburton residents as already outlined in the Report – including that the

original phasing should be adhered to, with major infrastructure provided first. There is concern that Sherford Road is an extremely busy country lane used for 'rat running' between Plympton and Plymstock and that contractors' vehicles will add to the problems. There is concern about the "Lower Haul Road". A couple of residents refer to a possible subsidence risk area along Sherford Road. Some residents state that access along Sherford Road by even light traffic to serve 200 dwellings would imply a massive increase in Sherford Road traffic. This increase in volume would result in traffic bottlenecks, accidents and an erosion of the character of the area.

Letters also refer to concerns about the reduction in size of the Community Park and the number of affordable houses, and a suggestion is made that all the changes warranted a fresh planning application rather than an amended one.

All representations are available to read in full on the Council's website.

(5) Advisory Team for Large Applications (Atlas)

A letter from Atlas, who have been advising the authorities is attached to the end of this Addendum. ATLAS is supportive of the application and the approach that has taken to this development.

3. Analysis

a) The following points need including within the Analysis section;

1. At para. 9.6.10 the first sentence should read "Additional information has been received which the Highway Authorities conclude results in traffic levels well within the capacity of the road links involved".
2. At para. 9.6.11 it should be noted that it has been demonstrated to the satisfaction of the Highway Authorities that the Main Street and Park & Ride can be secured by the 1101st dwelling occupation without adverse impact [as correctly set out in the Heads of Terms HW7c) and HW8b)]
3. At para. 9.7.14 it should be noted that the mitigation provided under this contribution results in no significant residual adverse impacts remaining from the development.
4. para. 9.7.32 is deleted and replaced with "English Heritage have responded in respect of the Addenda proposals but have nothing further to add to their previous response."
5. At para. 9.8.1 the third sentence should read "The applicants intend to build the Health and Well Being Centre and Town Hall in lieu of capital contributions but capital contributions are required for the schools by DCC".
6. At para. 9.8.3 the HWBC specification is required at the 300th dwelling occupation (plus 3 months) and not prior to the commencement of development.
7. At para 9.11.14 the multi purpose room is now proposed at 200sqm which is sufficient to provide the level of sports equipment required.

b) **Housing Update.** The following update needs to be considered in respect to the Analysis section on Housing starting at 9.2.9 (clawback mechanism), 9.2.13 (review template) and 9.2.16 (tenure caps) of the Report.

9.29 Clawback Apportionment

Members were advised that Officers were seeking an improved apportionment of the clawback arrangement. The clawback is the mechanism by which any improvements in the market is shared with the community by way of increased levels of affordable housing provision. The offer from Red Tree at the time of publication amounted to an

apportionment of 36.5% to 63.5% in favour Red Tree. This offer provided a without grant base position of approximately 21% affordable housing according to Red Tree or approximately 17% affordable housing according to the Council’s advisors Knight Frank.

Subsequent discussions with Red Tree have resulted in an increased apportionment of the clawback. The increased apportionment amounts to a 40% to 60% split in favour of Red Tree or an increase to the Council of 3.5% on the original offer. According to Red Tree, this increased apportionment of the clawback would provide 22.4% affordable or based on the Council’s advice from Knight Frank, would provide 18% affordable housing. Both figures are the base position without grant across the whole development .

The availability of grant in future years is incredibly difficult to predict, particularly in the current climate. Housing commentators have however suggested that there is likely to be up to a 50% reduction in the availability capital grant funding for affordable housing over the next few years. Red Tree have however taken a view and modelled the effect of an assumed level of housing grant over the life of the development. Combined with the grant free base, they suggest that the improved clawback apportionment could deliver up to 39.2% affordable housing overall.

In reporting the likely levels of delivery in the main report, officers adopted a lower assumption in respect of the level of grant likely to be available. The outcome was a suggestion that the ‘with grant’ position could be in the range of 25-30%. It is acknowledged that the improved clawback apportionment increases the top end figure of 30% by approximately 2%. It is however recognised that by applying Red Tree’s higher grant assumptions to Knight Frank’s assessment of the clawback apportionment, the potential overall level of delivery could be approximately 34%. These figures are summarised as actual unit numbers below.

		Rent	Shared Ownership	Intermediate Other ¹	Total
Council / Knight Frank 17.9% - up to 33.7%	Without Grant	311	357	317	985
	With Grant	572	660	620	1852
Council / Knight Frank 17.9% - up to 33.7%	Without Grant	385	442	403	1230
	With Grant	664	768	728	2161

Table 1 – Forecast delivery based on market forecasts and grant assumptions. For simplicity, Grant assumed across all intermediate tenures– grant may however be directed at shared ownership only. Figures relate to total affordable housing delivery across the site to which access is divided equally between Plymouth City Council and South Hams District Council.

9.2.13 Review template

Members were advised within the report that advice from the Council’s advisors suggested that the Clawback Mechanism should be founded on market based assumptions as detailed at Para’s 9.2.13 to 9.2.15 on page 84 of the report. The headline principle is that the clawback is calculated by measuring the increase in house prices relative to the increase in build costs. The difference between the two creates the clawback margin which it has been agreed is apportioned 40/60.

Red Tree propose that base assumptions are agreed at the outset, currently £110 per square foot for build cost and £200 per square foot for sales values, and that any increase in these is measured by reference to increases in indices such as the Building Cost Information Service (BCIS) or a relevant house price index.

¹ Intermediate Other is a form of housing to be agreed between the parties at a headline discount of 20% from open market value. For example this may include low cost sale housing.

External advice suggests that it is more appropriate to ensure that any such measurement of sales values and build costs is capable of reflecting the reality of costs and values at Sherford, for example by applying actual house prices achieved at Sherford rather than indexing from an assumed price.

Red Tree does not however agree on this point and have made it clear that their offer to increase the clawback apportionment by 3.5% is contingent upon the Council accepting their proposed method of calculating the clawback fund.

9.2.16 Caps

Members were advised within the report that discussions were ongoing in respect of tenure caps i.e. the capping of each tenure type to a set level. This is detailed at Para's 9.2.16 and 9.2.17 on page 84 of the report.

The proposal from Red Tree was that each 500 unit phase is capped at 15% social rent and 35% intermediate. Essentially this isolates each phase and does not allow for an increased provision to be sought in subsequent phases in order to smooth out under delivery in previous phases. For example, if 10% rented housing was delivered in one phase, the caps would not allow for 20% to be delivered in a subsequent phase, at no additional costs to the developer, in order to achieve an aggregate level of 15% overall.

Following discussions with Red Tree, they have confirmed that their position remains unchanged and that the 15% cap on social rented housing within each phase remains at 15%. They have however suggested that *"it may be possible to look at ways to adjust the balance of social rented and intermediate tenure types in phases where the provision of social rent falls below 15%, but only as long as a broad mix of housing is delivered within each cycle to meet the full range of housing needs"*.

Conclusions

The improvement in the apportionment is welcomed and should produce significant benefit in the overall level of affordable housing that would be delivered. The approach to caps is also welcomed as this will allow periods of low delivery of affordable housing to be compensated for in subsequent phases. Red Tree are resistant to the use of actual build costs and sales values in the computation of the claw back pool because of the delays and complexities involved. They prefer to rely on indexation from an agreed base line. Officers regret this, particularly in relation to sales values because they believe residential sales values will be better than forecast because of the sense of place premium. However as the apportionment offer is made on the proviso that indexation is used and the possible benefits of using real time sales values is unproven then officers support the revised offer.

4. Recommendation

a) In light of the comments made above, point 4 of the recommendation is deleted.

5. Appendix 2 – Draft s106 Heads of Terms

a) The following changes to be made;

1. Preliminary Issues

Para.1, Final sentence; The word "adjustment" is deleted.

2. H.1. The final paragraph should be replaced with;

For the remaining phases of development, a Clawback Agreement shall be entered into between the Appropriate Authority and the Owner. The Clawback Agreement shall

provide a variable rate of Affordable Housing that is linked to a financial mechanism. The clawback would be based on a set of assumptions, typically housing values and construction costs. Any changes in these values and costs will be reviewed on a cyclical basis and the difference will be used to produce a Net Margin. A proportion of the Net Margin is the clawback and provides the funding to deliver affordable housing in the next phase of development, within caps that relate to the target levels of provision indicated in the Area Action Plan.

3. SR.6.(d)

xxsqm should read 200sqm.