

COMMITTEE REPORT

Date: 15 December 2011 **Ward:** Skelton, Rawcliffe, Clifton Without
Team: Major and Commercial Team **Parish:** Clifton Without Parish Council

Reference: 11/02454/OUTM

Application at: Grain Stores Water Lane York

For: Application to extend time period for implementation in respect of 07/01992/OUTM (allowed on appeal dated 1/09/08) in respect of redevelopment of site for uses including offices(B1c), hotel (C1), residential institutions (C2), dwelling houses (C3) and non-residential institutions (D1) including parking and new access arrangements.

By: Water Lane Ltd

Application Type: Major Outline Application (13 weeks)

Target Date: 12 December 2011

Recommendation: Refuse

1.0 PROPOSAL

1.1 This application is a duplicate of a previous application ref:- 11/00860/OUTM in respect of an extension of time to allow for the submission of Reserved Matters in respect of Outline Planning Permission 07/01992/OUTM previously granted on appeal on 15th September 2008. This earlier application is subject to an appeal to be determined at Public Inquiry in January 2012. The previous permission gave outline approval for a mixed use development on land forming part of the former Clifton Airfield having most recently been used for grain storage. The scheme comprises a mix of B1c) (Light Industry), C1(Hotel), C2(Residential Institutions), C3(Dwelling Houses) and D1(Non-Residential Institutions) with all matters other than access reserved for further approval.

1.2 The appellant submitted a Unilateral Undertaking under Section 106 of the 1990 Act in respect of the appeal outlining a number of mainly financial provisions that would be made in respect of the application site in the event of permission being given. Included within the Undertaking was an offer to provide 38% of the residential units to be provided in the site as affordable. The applicant has submitted an amended Undertaking with the current application indicating a wish to avoid making provision for affordable housing within the site altogether.

1.3 Central Government guidance in respect of applications for extensions of consent indicates that an extension of the period of consent, ordinarily for a further two years should be given unless material considerations subsequent to the grant of the original consent dictate otherwise.

2.0 POLICY CONTEXT

2.1 Development Plan Allocation:

City Boundary York City Boundary 0001

DC Area Teams East Area (2) 0005

2.2 Policies:

CYH4A
Housing Windfalls

CYH5A
Residential Density

CYH4A
Housing Windfalls

CYSP7
The sequential approach to development

CYL1C
Provision of New Open Space in Development

CYED4
Developer contributions towards Educational facilities

CYGP4A
Sustainability

CYH3C
Mix of Dwellings on Housing Site

3.0 CONSULTATIONS

3.1 The application is identical in every respect with application 11/00860/OUTM against which an appeal for Non-Determination has been made. The representations made in respect of that application will therefore serve for both.

INTERNAL:-

3.2 Environmental Protection Unit raise no objection to an extension of time for the implementation of the permission subject to the re-imposition of the conditions earlier applied to the outline permission.

Application Reference Number: 11/02454/OUTM

Item No: 4c

Page 2 of 6

3.3 Lifelong Learning and Leisure raise no objection to an extension of the time period for implementation of the permission.

3.4 Design, Conservation and Sustainable Development raise no objection to an extension of the time period for implementation of the permission.

3.5 Highway Network Management raise no objection to an extension of the time period for implementation of the permission.

3.6 City Development Unit raise no objection to an extension of the time period for implementation of the permission but seek submission of additional information to satisfy the criteria of the Impact Test outlined in PPS4 "Planning for Sustainable Growth". This information has subsequently been submitted.

3.7 Housing Services object to an extension of time for the application on the grounds that insufficient justification has been supplied for the failure to provide an element of affordable housing as an element of the wider scheme.

EXTERNAL:-

3.8 Clifton (Without) Parish Council raise no objection to an extension of time for implementation of the permission subject a satisfactory internal road layout being agreed.

4.0 APPRAISAL

KEY CONSIDERATIONS :-

4.1 KEY CONSIDERATIONS INCLUDE:-

* Impact upon the availability and supply of affordable housing within the wider City.

POLICY FRAMEWORK:-

4.2 The Draft National Planning Policy Framework is particularly relevant in consideration of this proposal. In paragraph 111 this clearly states that to deliver a wide choice of quality homes Local Planning Authority's in respect of affordable housing should set policies for meeting such need on site unless other means of provision can be robustly justified.

4.3 PPS 3"Housing" as revised is particularly relevant in considering this application. In paragraphs 27-30 it sets out a clear framework for Local Planning Authorities, in the presence of a robust, rolling five year housing land supply to set clear thresholds for provision of affordable housing and undertake an informed assessment of their viability and impact upon the delivery of wider targets in terms of housing units.

4.4 Policy H2a) of the York Development Control Local Plan is particularly relevant in the consideration of this application. This seeks the provision of a level of affordable housing in line with a clear threshold figure in respect of all new housing sites of significant size. This has recently been reinforced by the formal adoption of an Interim Policy linked closely to a comprehensive Affordable Housing Viability Study undertaken by Fordham Research in respect of affordable housing in advance of the formal adoption of the LDF Core Strategy. This puts in place through the use of a carefully derived formula a means to tailor affordable housing to the specific circumstances of each site with the capacity in place for an allocation to be challenged in the event of a site not being found thereby to be viable.

4.5 Policy H3c) of the York Development Control Local Plan is particularly relevant in the consideration of this application. This requires a mix of new house types, sizes and tenures on all new residential development sites where appropriate to the location and nature of the development. Residential developments must demonstrate that the range of, type, size of units, design, and layout of the plot, tenures and pricing meets local housing needs.

IMPACT UPON THE AVAILABILITY AND SUPPLY OF AFFORDABLE HOUSING WITHIN THE WIDER CITY:-

4.6 Central Government Guidance in respect of processing applications to extend the time for implementation of Outline Permissions emphasises that particular weight should only be given to where a material change of circumstances has occurred since the original permission was granted. In the current case the permission was granted on appeal subject to a Unilateral Undertaking which included a firm indication that affordable housing would be provided within the relevant part of the site at a proportion of 38% of the total number of units. Subsequent to the grant of permission the new Interim Policy and Targets have been adopted which stipulate a target figure of 25% affordable housing provision on Urban Brown Field sites with scope for a reduced target in the event that a development would otherwise prove unviable. Underpinning the Policy and associated Affordable Housing Viability Study is the Dynamic Viability Model which allows for the target to vary in accordance with fluctuations in local housing market conditions.

4.7 In the current case when the application was initially determined the applicant was willing to allow for development of the site with a 38% affordable housing requirement. The applicant now contends on the basis of their own house price and land value data that development of the site with any allocation for affordable housing would simply not be viable using the assumptions and model (the Dynamic Viability Model) underpinning the adopted Interim Affordable Housing Policy. This is suggested on the basis that the site was not initially purchased to undertake residential development rather to maximise the applicant's investment return. The applicant has incurred subsequent significant unexpected additional costs which

impair the viability of the wider scheme and justify the assumption of a greater than normally expected rate of investment return. However in terms of other recent mixed use development schemes notably the redevelopment of the former Terry's plant and the Nestle South site affordable housing allocations of 30.3% and 25% respectively have been found to be viable. Both these schemes have if anything a higher degree of complexity in terms of being delivered than the current proposal. To counter this the applicant has highlighted the high proportion of apartment type units within both schemes whereas the current scheme relates to the provision of more conventional housing units. No evidence has however been submitted to demonstrate such a radical difference in build cost and viability.

4.8 The applicant has submitted their own viability information based upon local house prices and land values. Their assumptions in terms of local house prices are significantly lower than those adopted in the AHVS which were highly conservative in any case. A mix of new build and resale prices were used with no allowance for a "new build" premium. In terms of the difference between the two data sets the applicant is assuming a value of £2,244 per sq metre with the AHVS assuming £2,337 with a York wide average of £2,459. That said there are other indications notably from the City's Property Valuers of higher prices in the immediate vicinity of the application site in the region of £2,691 per sq metre. Such a difference in figure clearly has a significant impact upon viability. Even allowing for this the Dynamic Viability Model underpinning the derivation of the current affordable housing targets allows for variation in line with local market circumstances.

4.9 In terms of land values the value of the site is assumed to be £4,499,304 with a further significant upward adjustment to allow for the applicant's unexpected additional costs. This gives a total value for the site of £371, 843 per acre. This is significantly higher than the figure previously set by the independent District Valuer of £3,523,116. In dealing with this issue the AHVS indicates an approach of setting residential land value at existing use value with the addition of a cushion value to encourage a landowner to sell. This gives a total value per acre of £205,000, with a total value of £2,480,500 for the whole site. However, in determining the original outline application on appeal it was held that the site simply was not viable for employment use therefore it may not be appropriate to adopt a cushion value in which case residential value for the site would be £1,996,500 or £165,000 per acre. There is thus a very substantial difference in the assumptions relating to the site's viability. Notwithstanding such differences it is clear that some allocation of affordable housing would be viable on the site using the adopted assumptions.

4.10 Prior to appealing Non-Determination of the earlier extension of time application and indeed as the reason behind the application not being determined within 13 weeks, the applicant was engaged in a process of negotiation in respect of the provision of affordable housing within the site at a rate of 15% but not linked to the Dynamic Viability Model. There is therefore a degree of acceptance that some form of affordable housing would be viable within the application site. However, as it

stands the application fails to comply with the terms of Policies H2a) and H3c) of the Draft Local Plan or the associated Central Government Guidance outlined in PPS 3 as revised.

5.0 CONCLUSION

5.1 The Former York Grain Stores, Water Lane, Clifton was granted Outline Planning Permission on 15th September 2008 for a mixed use development including an element of residential use subject to a Unilateral Undertaking on the part of the applicant agreeing to the allocation of 38% of the residential units as affordable. Subsequent to the original determination the Authority has adopted a target of 25% on urban brown field sites linked to a viability model that makes allowances for changes in local market variations. Notwithstanding that the applicant has been willing to negotiate a lower allocation for affordable housing, the original application for an extension of time to implement the original permission has been appealed on the grounds of non-determination and the current duplicate application submitted on the basis that no allocation for affordable housing would be viable. The applicant has failed to sufficiently justify this permission and it is therefore recommended that permission be refused.

6.0 RECOMMENDATION: Refuse

1 The application fails to demonstrate that the 25% target allocation of affordable housing outlined in the Adopted Housing Viability Study for urban brownfield land can not be reasonably achieved on the site. It is therefore contrary to the terms of Policies H2a) and H3c) of the York Development Control Local Plan together with Central Government Guidance in respect of planning and affordable housing outlined in PPS3 (as amended).

7.0 INFORMATIVES:

Contact details:

Author: Erik Matthews Development Management Officer

Tel No: 01904 551416