

COMMITTEE REPORT

Date: 25 October 2012 **Ward:** Micklegate
Team: Major and **Parish:** Micklegate Planning
Commercial Team Panel

Reference: 09/01606/OUTM
Application at: Factory, Bishopthorpe Road, York, YO23 1NA
For: Mixed use redevelopment scheme for a range of uses to include business use (Classes B1a, b and c), hotels with ancillary leisure (Class C1), community facilities including a health centre / doctor's surgery (Class D1), a nursery (Class D1), galleries and museum (Class D1), leisure uses (Class D2), retail (Class A1), food and drink (Classes A3 and A4), assisted living accommodation and residential institution (Class C2) and residential units (Class C3) with new means of access, associated servicing, car parking and highways works
By: GHT Developments LLP
Application Type: Major Full and Outline Planning Permission
Recommendation: That officers be authorised to vary the provisions of the legal agreement in respect of affordable housing to accord with the Council's interim policy.

1.0 PROPOSAL

1.1 The application for the mixed use redevelopment of the former Terry's Factory site was approved by the Council's Planning Committee on 3 February 2010 subject to the completion of a legal agreement under section 106 of the Town and Country Planning Act to secure (amongst other things) 82 no. affordable housing units. As currently drafted the agreement specifies that the mix of the affordable provision should be 32no. two bed flats; 7no. two bed houses and 10no. three bed houses for affordable rent together with 28no. two bed flats; 1no. two bed house and 4no. three bed houses for discounted sale. This provision equates to 30.3% of the total number of dwellings (271) proposed for the site.

1.2 Whilst the provisions of legal agreement have been generally agreed by the various parties it remains unsigned by the developers. As such the planning permission has not been issued.

1.3 The applicant has written to request that the affordable housing provision be reduced to 25% of the total number of dwellings on the site.

2.0 POLICY CONTEXT

2.1 Development Plan Allocation:

Contaminated Land

The Racecourse and Terry's Factory Conservation Area

Grade II Listed Building Terry's of York Factory Bishopthorpe Road

Grade II Listed Building Terry's of York Head Offices Bishopthorpe Road

Grade II Listed Building Liquor Factory Terry's Factory Bishopthorpe Road

Grade II Listed Building Terry's of York Clock Tower Bishopthorpe Road

Grade II Listed Building Terry's of York Time Office Block Bishopthorpe Road

2.2 Policies:

Revised Terry's Development Brief 2009

CYCH2A Affordable Housing

3.0 CONSULTATIONS

3.1 Given the nature of the request which is in accordance with council policy, no consultations/notifications have been undertaken.

3.2 For information the following responses regarding affordable housing were reported to Members when the application was originally submitted:

- Yorkshire Forward - The provision of affordable housing on this site is important in achieving a balanced and stable residential community, and planned provision should be aligned to the RSS target for affordable housing in York of 40%. It is therefore regarded as important that the council continues to strive to maximise the level of affordable housing that may viably be achieved on this site.
- Leeds, York and North Yorkshire Chamber of Commerce - urges the Planning Committee to take account of the prevailing economic conditions whilst considering an appropriate level of affordable. It considers that the Council currently has a policy of up to 50% affordable housing, but believes this policy was never the subject of public consultation. In comparison, the Regional Spatial Strategy (RSS) recommended a policy in the order of 40% affordable housing, and that the RSS was in fact put out to public consultation. It urges Committee to be realistic over the proportion of affordable housing that is required to be incorporated into the development and remains concerned that if too high a proportion of affordable housing were required, development might become unviable and might not proceed, which, in its view, would be nothing short of a disaster for York.

- An objection was received from a local resident objecting to 50% affordable housing as it would have a negative effect on area.

4.0 APPRAISAL

4.1 The aim of section 6 of the National Planning Policy Framework “Delivering a wide choice of high quality homes” is to boost significantly the supply of housing. At paragraph 203 the NPPF states that “where (section 106) obligations are being revised, local planning authorities should take account of market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled.”

4.2 The original agreement provided for 30.3% of housing on the site to be affordable. It was acknowledged in the 3 February 2010 Committee Report that this was below the Council's 50% target within local plan policy H2A but concluded that

“in the current economic climate and seen together with other substantial developer contributions for local school and recreation facilities and improvements to the local highway network, (it) represents the maximum level achievable without impacting on the residual value of the scheme so much that development would be extremely unlikely to go ahead.”

4.3 At its meeting on 14 December 2010 The Council's Executive approved the Fordham Affordable Housing Viability Study (AHVS) and an interim 25% affordable housing target on brownfield sites of 15 homes and above, in line with the targets in the AVHS. Following the withdrawal of the Local Development Framework Submission Document, this remains the Council's most up to date planning policy in respect of affordable housing.

4.4 It is recommended that the agreement be amended to require that the total amount of affordable housing to be provided shall meet the council's affordable housing target for brown field sites (currently 25%). In addition it is recommended that the legal agreement links the provision of affordable housing on the site to the council's dynamic viability model (DVM). The DVM allows the targets to remain aligned with market conditions based on house prices, build costs and alternative use values of land. If, for example, house prices fall and/ or build costs increase then viability will fall and affordable housing targets will be lowered, based on a detailed matrix of values. The variables are updated annually based on information from established sources. The proportion of affordable housing to be provided would be calculated at the date of the first Reserved Matters Approval for that part of the residential development land.

4.5 The tenure mix of the affordable housing will remain as 60% affordable rent and 40% discounted sale. In addition it is proposed to amend the legal agreement to

address consequential changes to the provisions in respect of size, type and specification of the affordable housing to be constructed.

5.0 CONCLUSION

5.1 The applicant's request to vary the legal agreement in respect of affordable is reasonable given the council's interim planning policy. The proposed amendment would link the provision of affordable housing on the site to the council's affordable housing target for brown field sites (currently 25%). The proposed use of the dynamic viability model within the legal agreement allows the amount of affordable housing to be determined at the point of the approval of the reserved matters application for the housing land which will take into account any further changes in viability of the development.

6.0 RECOMMENDATION: That officers be authorised to vary the provisions of the legal agreement in respect of affordable housing to accord with the Council's interim policy.

Contact details:

Author: Gareth Arnold Team Leader (Major and Commercial Team)

Tel No: 01904 551320