

Planning Reference No:	P09/3535C
Application Address:	Land Southwest Of, Old Mill Road, Sandbach, Cheshire
Proposal:	Proposed housing development consisting of 43no. 1, 2, 3, & 4 bedroom dwellings
Applicant:	Morris Homes Ltd
Application Type:	Full
Grid Reference:	375745 360498
Ward:	Sandbach East and Rode
Earliest Determination Date:	20 January 2010
Expiry Dated:	24 February 2010
Date of Officer's Site Visit:	29 December 2009
Date Report Prepared:	7 January 2010 – Updated 27 January 2010 & 22 February 2010
Constraints:	

SUMMARY RECOMMENDATION:

- **APPROVE** subject to signing and completion of a S106 agreement and imposition of conditions.

MAIN ISSUES:

- **The acceptability of the development in principle**
- **Layout, design and street scene**
- **Impact on neighbour amenity**
- **Provision of affordable housing**
- **Open space provision**
- **Renewable energy**

BACKGROUND AND STRUCTURE OF REPORT

This application has been deferred from previous meetings for a site visit and updated information. It was deferred at the last meeting to enable an amended report to be presented to members which brought together all the submitted information regarding the viability of the site and levels of affordable housing provision.

This report therefore seeks to draw together the past reports and updates into a unified officers report to committee. The initial report has been used as a basis for this agenda item but has been updated in a key number of areas:

In section 3; Details of the Proposal, this has been amended to reflect the increased offer to three affordable units by the applicants. In respect of section 6; Consultations, comments from the Environmental Health, Nature Conservation, Affordable Housing and Landscape officers have

been provided and the comments from the Town Council have been provided in section 7. In section 10, the paragraphs on affordable housing have been updated to reflect current advice and give weight to the various material considerations.

The Conclusions and Recommendation as set out in sections 11 and 12 have also been amended.

1. REASON FOR REFERRAL

This application has been referred to the Strategic Planning Committee due to the significance of the application in terms of its location on one of the principle junctions in Sandbach and the scale of development proposed.

2. DESCRIPTION OF SITE AND CONTEXT

The site is located on the edge of Sandbach town centre and is adjacent to the Old Mill Roundabout which joins the A534 Crewe Road to the A533 to Middlewich.

The site is bounded to the north by the existing Homebase store from which it shares an access of the main A533. The boundary between the two sites is defined by a close boarded fence with railings and a wall some 2.0m in height. To the west is an existing football pitch with associated pavilion. This site has recently received planning consent to be redeveloped into an extra care facility (ref 09/3400C).

To the east lies the Old Mill Road Roundabout and to the south there is a ribbon of vegetation and planting that follows the line of the A534 forming a soft boundary to this part of the site in contrast to the more defined boundaries to the north and west

The site itself is relatively level but does slope on the eastern side leading to the by-pass. There is also a slight drop down outside of the boundary of the site to the Homebase site which sits at a lower ground level than the site.

The site is in close proximity to the town centre being a relatively short walk past Waitrose which lies to the north of the A533.

The site has been remediated as part of the work undertaken in line with an earlier permission granted on the site and its current character is one of intermittent vegetation resulting in an untidy appearance. The site is also bounded on the north and east by hoardings protecting the area from intrusion.

3. DETAILS OF PROPOSAL

This application is for the development of 43 dwellings at an average density of nearly 33 d.p.h. comprising of a mix of detached and semi-detached houses with the remainder made up of apartments. In total, the split will be 31 houses and 12 apartments. The majority of the development will be open market housing but 3 dwellings or 7.0% of the total will be for affordable housing.

Although most of the development will be two storey, some of the units will be three storey in nature.

It is proposed that the scheme will be accessed off the roundabout leading to Homebase.

Although the site benefits from consent granted in 2007 (see below) the applicants have submitted this scheme to introduce a different mix of property types on the site to more closely reflect the requirements of the current housing market which has shifted away from apartments to more traditional forms of accommodation.

4. RELEVANT HISTORY

There are two main applications in respect of this site.

Application 37691/3 was approved on 26 September 2007 for the development of 70 private dwellings and associated works. This was for a scheme predominantly comprising of apartment but linked to a section 106 agreement to provide a financial contribution in respect of public open space and to secure 25% of the dwellings i.e. 18 units for shared ownership tenure. This was to comprise 17 apartments and 1 mews flat.

The second application, 05/0265/FUL approved on 25 October 2007 was for the development of the Homebase store and the access roundabout off Old Mill Road. This scheme was followed in 2008 with approval on 29 May of application 08/0595/FUL for the addition of a garden centre on the side of the store.

5. POLICIES

National Policy

PPS 1: Delivering Sustainable Development

PPS3 Housing

PPG 13: Transport

North West of England Plan - Regional Spatial Strategy to 2011

DP1 Spatial Principles

DP7 Environmental Quality

L1 Health, Sport, Recreation, Cultural and Education Service Provision

L4 Regional Housing Provision

L5 Affordable Housing

EM11 Waste Management Principle

EM18 Decentralised Energy Supply

Cheshire Replacement Waste Local Plan

Policy 11 (Development and Waste Recycling)

Congleton Borough Council Local Plan First Review 2005

PS4 Towns

H1 & H2 Provision of New Housing Development

H4 Residential Development in Towns

H13 Affordable and Low Cost Housing

GR1 New Development

GR2 & GR3 Design

GR4 & 5 'Landscaping'

GR6 & 7 'Amenity and Health'

GR9 Accessibility, Servicing and Parking Provision (New Development)

GR17 Car Parking

GR22 Open Space Provision

RC1 'Recreation and Community Facilities – General'

SPG1 Provision of Public Open Space in New Residential Development

SPG2 Provision of Private Open Space in New Residential Development

SPD6 Open Space Provision

6. CONSULTATIONS (External to Planning)

Environmental Health

No objection in principle to the development although conditions recommended in respect of hours of work, piling operations and control of contamination on the site. In addition, supplementary reports in respect of noise and air pollution would be required if the scheme was approved.

Senior Landscape & Tree Officer

The officer considers that the layout may give rise to some future conflict due to shading of dwellings and gardens of proposed plots to the south which would back onto heavily vegetated areas beyond. This situation will affect the private amenity of these plots. In addition, the proposals will require the remove of some existing vegetation within the site edged red. However, such clearance would have been required to implement the previous approval. Nonetheless, in the event the application is deemed acceptable, conditions are suggested as per the existing approval in respect of:

- Submission of a detailed scheme of landscape proposals
- Submission of proposals for the management and protection of the wildlife corridor
- Tree protection measures
- Boundary treatment

Highways

The Strategic Highways Manager has assessed this application and has read the attached Traffic Statement from Singleton Clamp & Partners. The Strategic Highways Manager has confirmed that he agrees with the figures contained therein and that the proposed change in unit type for the development is acceptable.

Housing Officer

The Housing Officer has stated that there is a strong need for affordable housing in the Sandbach area based on the Strategic Housing Market Assessment carried out by arc4 for the Council. These findings are consistent with the Housing Needs Survey from 2004 and the update from 2006, both of which showed a substantial need for affordable housing in Sandbach. From the 2006 update there was a shortfall of 236 2-bedroom houses and 122 3-bed houses.

7. VIEWS OF THE PARISH / TOWN COUNCIL:

The Town Council had no objection, however members were concerned about the low level of affordable housing.

8. OTHER REPRESENTATIONS:

United Utilities

No objection subject to the site being drained on a separate system with only foul drainage connected to the foul sewer.

9. APPLICANT'S SUPPORTING INFORMATION:

Planning Statement

The applicants have supported the application with a planning statement from Nathaniel Lichfield & Partners that seeks to justify the development and looks closely at policies appertaining to the scheme proposed and the relevant planning history of this site and the adjoining Homebase site.

The Statement also looks at the main planning issues and details why the scheme is considered by the applicants to be in compliance with the Local Plan and other policy guidance.

Transport Assessment

A transport assessment undertaken by Singleton Clamp & Partners was prepared by the applicants and submitted with the application. This study shows the change in levels of impact between the permitted scheme and that currently proposed would be insignificant.

Accordingly, it is the consultants view that the development would not have a material impact on the operation of the local highway network.

Wildlife Surveys

The applicant has recommissioned an Extended Phase 1 Habitat survey from Trevor Bridge Associates in respect of protected species that may be present on the site. This is an update to the original survey they undertook in 2004.

The survey found that no protected species had become established on the site since the time of the original survey.

Design and Access Statement

The applicants have produced a Design and Access statement by Nathaniel Lichfield & Partners which examines the viability of the proposal and the character of the surrounding area. The report also looks at the earlier proposal in terms of its relationship to the surrounding area and the potential for improvements in the form of development proposed for the site.

Financial Statement

The applicants have considered the viability of the development in light of the current housing market and submitted supporting information in respect of their offer of 5% provision of affordable housing on the site.

Sustainability Statement

The applicant has submitted a statement detailing the specific measures that will be taken to incorporate sustainability measures into the dwellings and to promote waste management measures.

Sustainable Drainage Statement

A report by REFA Consulting has been submitted detailing how attenuation measures will be employed on both this site and the adjoining Homebase store to reduce flow rates from the site in line with the guidance in PPS25.

Site Contamination Report

Following the remediation of the site for the previous approval Opus Joynes Pyke have submitted evidence to show that the site is now clear of contamination.

Air Quality Assessment

A report from the Waterman Group accompanies the application and shows that current pollutant levels around the site are well below the current air quality strategy standards and as such would be unlikely to give rise to health concerns.

Additional Material

A draft Heads of Terms for a Section 106 agreement has been offered by the applicant. This details provision for public open space in line with the previous approval for 70 dwellings on site but reduced pro-rata to reflect the reduced number of dwellings on site. The agreement also details the framework for the provision of 2 dwellings (5% of the total

site) for affordable housing to be managed through an RSL. (Note, this agreement does not reflect the increased offered in affordable housing to 3 units.)

Additional Comments from the Applicant

Following deferral of the previous report the applicant has submitted a series of bullet points in support of their application.

- The current affordable housing policy (H13) of the adopted local plan, the most recent SPD on affordable housing and the content of PPS3 that refers to affordable housing, all state that economics of provision, economic viability and other factors unique to a site can and must be taken into account when determining the level of affordable housing for a development. Hence if an LPA is satisfied with the information provided in an application then these policies allow for a reduction in the affordable housing provision.
- Because the current policies referred to allow for the circumstances of an individual development to be taken into account and those circumstances are unique to an individual site then there is no danger in setting a precedent by allowing a reduced element of affordable housing
- The affordable housing policies referred to also state that, how a development can contribute towards allowing a mix of housing which is appropriate to the local need is a factor which must be considered. The new development form of 43 houses, (75% of which are 2 and 3 bedroom starter houses) is a direct response to the local need and replaces the 70 apartments already approved for which there is almost no local need.
- More recent planning consents and inspectors decisions which have determined applications for housing and local plan policies show that economic viability, weighted up with deliverability when a developer has no recourse back to the original land owner and has properly taken into account policy provisions when they purchased a site, have been a material consideration in granting the consents with a negotiated affordable housing element. Hence our application stands up to the test of scrutiny in recent inspectors decisions.
- The financial viability submitted with our application has been carried out by a reputable independent valuer and its form is in accordance with the Government Guidance and HCA Tool Kit. It is an open book document and includes full disclosure of costs incurred to date and projected development costs. The format and the concluded residual values also accords with the adopted national guidance for Scotland, and other individual LPA's throughout the UK

- The financial viability submitted confirms; there is no recourse back to the original land owner or open market to reduce the land cost; the site is bought and paid for by Morris Homes; the price paid was reasonable and took into account of all the councils policies at that time and the associated costs incurred and projected are proven to be real
- The recently submitted supplemental information to our financial viability shows that the development costs have risen by 100k as has the current residential land value, yet these costs have not been put into the viability as it would produce a larger negative value.
- The financial viability shows a negative residual value of –£215k with no affordable housing. Despite this we have now offered 7% of the dwellings as 2 bedroom rented houses with an RSL.
- The financial viability for the approved 70 unit apartment scheme shows a negative residual value of –£415k and it therefore non viable.
- The new development proposals provide a repairing solution to the short falls of the design of the approved scheme.

10. OFFICER APPRAISAL

Principle of Development

As the site already benefits from an extant approval for the development of 70 dwellings, it is recognised the principle of residential development on this site has already been established. What is at question therefore is the detail surrounding the scheme.

Layout, Design and Street Scene

In appraising the current scheme, consideration has to be given to the extant approval which is an important material consideration.

The original scheme was a product of its time reflecting the move towards higher density development driven by apartments and flats. Whilst there are places within Cheshire East where such scheme would not only be acceptable but preferable to complement the character of the surrounding development.

The new scheme seeks to address these issues which are facilitated through the greater use of more traditional dwelling types as opposed to apartments. The layout now faces the street scene more effectively and where possible the majority of the parking is relegated to small courtyards leaving only a few cars on the frontage to ensure a degree of vitality remains about the area.

In considering each plot, it is felt that only unit 28 on the western side of the site represents a weakness to the layout with the boundary fence to the rear garden being a prominent feature. This could readily be resolved through the submission of an amended drawing showing the building re-orientated 90o clockwise to face the main road similar to its neighbours to the south. Whilst this means the neighbours to the north would face a gable elevation, this is felt preferable to the current arrangement on balance. This matter can be effectively addressed through the use of a condition.

The buildings themselves are traditional brick and tile properties and the developers have sought to provide a range of differing house types to ensure a degree of variety within the scheme which is brought together as a cohesive development through the use of a complementary range of materials.

Amenity

Given the location of the development in respect of other developments, it is recognised that the scheme will not have an impact on existing properties in the area. It is noted however that consent has recently been given for the development of a new extra care facility on the land to the west. Given the distances involved however, it is felt that the two developments will not result in detriment to residential amenity levels and the scheme is therefore felt to be acceptable in this respect.

Landscape

The site as it currently stands is clear of any significant landscaping features given the extent of remediation work that has been undertaken on the site.

A detailed landscaping scheme has been provided and this will bring some planting to the front of the dwellings helping to soften the character of the site.

Ecology

In light of the habitat survey, it is noted that there are no protected species on the site. Accordingly, there are no objections to the development on these grounds.

Highways and Parking

This matter has been considered by the Strategic Highways Manager. As the scheme is essentially similar to the earlier approval utilising the access past Homebase but comprising of a reduced number of dwellings, no objections are raised.

Like the earlier scheme, this proposal incorporates two access points leading to the land to the south which may come forward for development at a later date.

Contamination

Extensive clearance work have been undertaken by the applicant following the granting of approval of the earlier scheme in 2007 and this has been verified through the supporting documents by Opus Joynes Pyke. As a result, it is felt that in principle there are no objections to this development proceeding.

In respect of the issues of noise and air quality assessments, the development is situated some distance away from the A534. Whilst some noise and disturbance may be generated by the adjoining Home Base store it is felt that this could be overcome through the use of appropriate conditions.

Open Space Provision

Policy GR22 requires the provision of Public Open Space. Policy GR22 requires that this public open space is of 'an extent, quality, design and location in accordance with the Borough Council's currently adopted standards and having regard to existing levels of provision'. It goes on to state that the 'Council may accept a commuted payment in lieu of on site provision, providing the alternative is near to and easily accessible from the housing site'.

Through the draft Heads of Terms for a Section 106 agreement, the applicants have offered to provide a financial contribution of £32,000 in lieu of provision. This is in line with the agreement reached in respect of the earlier approval subject to being discounted pro-rata in line with the reduction in the number of dwellings on the site.

Discussions have been held with the Streetscape officer on the issue of maintenance of the space and in this instance it has been accepted that in order to secure the delivery of a third socially rented unit, maintenance can be dealt with through a private management company rather than a lump sum payment to the Council.

Affordable Housing

The earlier approved scheme provided for 25% of the 70 units to be delivered as shared equity dwellings.

Since that time however, the market has changed and the demand for shared equity properties has changed. In addition, the applicants are arguing that the scheme is not as financially viable as previously considered. As a result, they have reduced the provision to only 7% and supported this with a viability assessment and cited case law through recent appeal decision to support this stance.

One of these decisions is the recent Bath Vale case in Congleton where the applicant successfully proved that they could only afford a 5% provision on the site.

In considering the policy requirements as set out in the Congleton Local Plan, the applicants commissioned DTZ to produce a viability

assessment to look at what level of affordable housing and public open space could be offered. Whilst the site is currently vacant, the applicants have incurred considerable cost in respect of the decontamination the site to its current state where development could be undertaken.

They have taken the view that consideration needs to be given to the historical purchase price of £1.2m against which the residual value of the site can be considered. On this analysis, the site with two affordable units would generate a loss of £215,319.

Officers have sought the view of the District Valuer on this matter and they have taken the view that the appraisal should not be taken against historic land values but against a current market value as a cleared and decontaminated site. Given the significant change in land values since the site was purchased in 2006 and today, there is the possibility that the appraisal might result in a positive output compared to the £215,319 deficit shown by the applicants (note, profit at 18% or £1.2m has already been factored into the appraisal). If this were the case, it would allow a greater degree of compliance with the affordable housing policy than the 7% currently offered.

The District Valuer has also highlighted a number of points of detail that could be re-examined. These include changes in anticipated sale prices through sensitivity testing, additional information on the actual decontamination costs and a revised profit margin on the affordable housing units down from 18% to a figure in the region of 8%.

At the heart of this application are two fundamentally different approaches to the nature of base line information that is entered into the appraisal. Appeal decisions have in the past supported both lines of argument resulting in a degree of ambiguity that is unhelpful to all parties concerned. Both DTZ for the applicants, and the District Valuer, feel they have appeal decisions in support of their views and are willing to defend them if necessary.

Whilst the applicants have submitted some appeal evidence to substantiate their views they also acknowledge in their supporting papers that the appraisal toolkit used by the London Boroughs states that the existing use value or alternative value should be used in an appraisal. The applicants then go on to counter this through the references to appeal decisions. This gives support to both views but a similar appeal at Micham Surrey determined in March 2009 (Appeal Ref. APP/T5702/A/08/2087666) was allowed on the grounds that the Inspector felt that significant weight should be applied to need to regenerate the site.

Consideration is then given to the views of the Housing Officer. They have stated that there is a strong need for affordable housing in the Sandbach area based on the Strategic Housing Market Assessment carried out by arc4 for the Council. These findings are consistent with

the Housing Needs Survey from 2004 and the update from 2006, both of which showed a substantial need for affordable housing in Sandbach. From the 2006 update there was a shortfall of 236 2-bedroom houses and 122 3-bed houses.

Decisions from the Planning Inspectorate advocate approval on the grounds of delivering housing in a subdued property market whilst the need for affordable accommodation in the locality would suggest that preferential weight will be given to the affordable housing policies in the Local Plan.

Policy H13 of the Local Plan deals in part with the issue of viability. The policy states

‘...The scale and nature of provision will be determined by local need, site characteristics, general location, site suitability, economics of provision, proximity to local services and facilities and other planning objectives. ...’

The key aspect here is that of economics of provision. The policy does allow for variance from the normal level of provision if it can be adequately shown by the applicant that the delivery of the full 30% provision cannot be delivered in this instance.

Renewable Energy

Although the applicant has not met the requirements of the Region Spatial Strategy in showing that the development will provide 10% of its energy requirements through renewable energy sources, they have set out a series of building standards to provide for sustainable development.

These are felt to be appropriate measures and, given the difficulty the applicants are facing in providing an adequate level of affordable housing due to the limited viability of the development, are deemed to be acceptable. This can be secured through condition requiring the development to be undertaken in accordance with the submitted details in the applicants Sustainability Assessment if the scheme is approved.

Other Matters

On the matter of drainage, it is felt that this scheme will represent an improvement over the approved scheme improving attenuation and minimising the risk of local flooding. It is recognised that the site has a low probability of flooding and on this basis no objection is raised to this aspect of the scheme

11. CONCLUSIONS

As indicated earlier, the principle of development on this site is accepted as the application site is on a brownfield and benefits from an extant approval for a larger residential scheme. In design terms, the proposal

represents an improvement over the approved scheme in terms of the design and character of the development being proposed.

The balance of decision however in this case is on the viability of the scheme and its compliance with affordable housing policies.

At present, there is an offer of three social rented units which Plus Dane Housing has indicated they would be willing to take on. This falls short of the 13 units expected through the policy which would be a mix of social rented and equity share units.

The site though is in a very prominent location and particularly due to the hoarding around the site is visible to most people passing through the town.

If prominent weight is given to the affordable housing policies, and the scheme refused, the applicants have indicated that they would not revert to the approved scheme for 70 units as this provide apartments which would be difficult to sell in the current market and offer equity share affordable units, a tenure type not currently preferred by potential occupiers or RLS's due to funding difficulties. As a result, they would rather mothball the site than build out the extant consent in full in the short to medium term.

This scenario would have two disbenefits for the Council, firstly it would leave a stagnated site in Sandbach visible to all for a protracted period and secondly, no housing either open market or affordable would be provided. It would however set a message to other developers of the significant weight given to affordable housing policies over and above other material considerations leading developers to possibly be more cautious about entering into schemes where reduced obligations were being offered particularly in respect of affordable housing.

If the scheme were to be approved, the site would be likely to be developed out resulting in additional activity in the town and the delivery of 3 affordable units in the immediate term to address, albeit in a small way, some of the demand for affordable housing. This in turn may promote additional interest in Sandbach from housing developers who in turn will seek to provide additional market and affordable housing in the town at a more rapid rate than is currently the case.

It should be noted that reference has been made by the applicants that a divergence from the required level of 30% affordable housing in this instance would not in their view set a precedent for developers to seek a provision of below 10% to occur on other sites. This is correct in that Policy H13 does allow for viability to be taken into account in considering other applications. What this application will show however is the manner in which the Authority determines such applications and the degree of weight it attributes to differing policy demands e.g. delivery

of affordable housing compared to regeneration of sites and delivery of housing.

Having given consideration to these two factors, it is your officers opinion that the scheme in its current form, including the delivery of 3 affordable units and associated public open space, is acceptable.

This recommendation though is given on the basis that the developers make a material start within 12 months of any approval and, more importantly, the scheme will be subject to an uplift or overage clause through the s106 agreement to ensure that should some of the units remain unsold after 12 months of the approval date, the developers revisit the original appraisal and examine the viability of the scheme in light of known build costs and changes in the housing market. The review should continue on an annual basis until all the properties are sold or the developers provide a sufficient number of affordable units to meet the requirements of Policy H13 of the Local Plan.

Where it is shown that the development could support additional affordable housing units, these should in the first instance, be provided within the remaining undeveloped element of the site where feasible or if this is not possible, require the provision of a commuted sum payment to the Council.

12. RECOMMENDATIONS

Subject to the completion of a S106 agreement in respect of the Heads of Terms as set out below, that authority be given to the Head of Planning and Policy to grant approval subject to the imposition of the following conditions:

Heads of Terms for Legal Agreement

1. Contribution of £32,000 towards public open space and the requirement for a management company to secure ongoing maintenance of the facilities.
2. Delivery of 3 social rented dwellings towards affordable housing
3. Material commencement of development within one year.
4. Review of viability after 12 months of approval (uplift/ overage payment)

Conditions

General

1. 3 year time limit
2. Development in accordance with submitted plans
3. Submission of material samples

Environmental Health

4. Hours restriction - construction.
5. Hours restriction - piling activity.
6. Contaminated land remediation
7. Submission of noise survey

8. Submission of air quality survey

Highways and Drainage

9. Details of junctions to be submitted prior to the commencement of development
10. Drainage - surface water and sewerage to include SUDS.
11. Design of flood storage and mitigation.
12. Detailed junction design to be submitted and agreed.
13. Parking area to be completed and marked out prior to first occupation

Ecology and Trees

14. Breeding bird protection.

Sustainable Development

15. Waste management plan.
16. Development in accordance with submitted Morris Homes Sustainability Statement dated November 2009

Other Matters

17. Amended plans to be submitted in respect of the siting of plot no. 28
18. Landscaping in accordance with submitted details
19. Landscaping to be maintained for 5 years
20. Details of boundary treatments to be submitted
21. Submission of site management plan to include details on deliveries, staff parking, wheel washing

