

Application No: 12/3779M

Location: MACCLESFIELD DISTRICT HOSPITAL, VICTORIA ROAD,
MACCLESFIELD, SK10 3BL

Proposal: Change of use of Ingersley and Henbury buildings to form 36 apartments
together with associated car parking and development

Applicant: KEYWORKER HOMES & EAST CHESHIRE N H S

Expiry Date: 15-Feb-2012

Date Report Prepared: 15 March 2013

REASON FOR REPORT

This application is required to be determined by Committee as it is an application for major development.

SUMMARY RECOMMENDATION

**Approve subject to conditions and
the prior completion of a S106
legal agreement**

MAIN ISSUES

- Whether the principle of housing on the site is acceptable
- The impact of the proposal on the setting of the listed buildings
- Whether the access and parking arrangements are acceptable
- The impact of the proposal on nearby residents
- Affordable housing
- Public Open Space/leisure provision

DESCRIPTION OF SITE AND CONTEXT

The application site comprises the Ingersley and Henbury buildings together with surrounding land and access. The site is located towards the southern end of the Macclesfield Hospital site. Both buildings are Grade II Listed buildings and are currently used by the hospital, primarily as offices, though they appear to be in a mixed use comprising offices and hospital consulting rooms etc. The Ingersley building is a two storey, rectangular shaped building constructed primarily from stone. The Henbury building is a two and a half storey building, also constructed from stone. Vehicular access to the buildings is currently via the main hospital entrance, with a one way system operating around the Ingersley building. Parking is

available to the side and rear of the Ingersley building and to the front of the Henbury building. The Grade II Listed Clock tower building which has recently been converted to residential accommodation is located to the north of the site, with the recently constructed care home and new build residential flats located to the east and the Regency Hospital located to the south.

DETAILS OF PROPOSAL

Planning permission is sought for the residential conversion of the Ingersley and Henbury buildings. The Ingersley building is to be converted to 27 apartments, 25 one bedroom and 2 two bedroom, with the Henbury building being converted to 9 apartments, 4 one bedroom and 5 two bedroom. As part of the proposal, a number of unsympathetic extensions to the Ingersley building are to be removed. Vehicular access to the buildings is to be amended, with access to the main hospital entrance to be blocked off by bollards with access to be taken from the new access point off Cumberland Street (adjacent to Morrisons and Kids Allowed).

An application for listed building consent for the proposed development is also being considered by the Council (12/3784M), a report on which is on this agenda. Additionally the Council is considering an outline application for a three storey office building and 34 new build dwellings (12/3786M). A report on this application is also on this agenda.

RELEVANT HISTORY

The Macclesfield Hospital site has an extensive history, the most relevant applications to this proposal are outlined below:

12/1254M - Erection of additional hospital related car parking at proposed first floor deck. Approved 25.06.12

09/1300M - PROPOSED ERECTION OF :- A 3 STOREY 75 ONE BED CARE HOME; A 3 STOREY BUILDING INCORPORATING A TOTAL OF 542 SQ M OF RETAIL IN 3 GROUND FLOOR UNITS WITH 16 APARTMENTS (8 ONE BED & 8 TWO BED) ON THE UPPER 2 FLOORS; A 3 STOREY OFFICE BUILDING OF 3,599 SQ M (TO BE DIVIDED UP INTO 2 400 SQ M OF B1 ON THE FIRST AND SECOND FLOORS AND 1 199 SQ M OF D1 USE ON THE GROUND FLOOR); 15NO. 2.5 STOREY TOWNHOUSES IN 7 BLOCKS; ASSOCIATED CAR PARKING AREAS, ACCESS ROADS & OPEN SPACE; ADDITIONAL HOSPITAL RELATED CAR PARKING AT PROPOSED FIRST FLOOR DECK. (OUTLINE APPLICATION). Approved 18.12.09

09/1296M - CHANGE OF USE AND ALTERATIONS TO GRADE II LISTED CLOCKTOWER BUILDING TO PROVIDE 36 AFFORDABLE FOR RENT APARTMENTS, 161 SQ M COFFEE SHOP, 183 SQ M GYM AND ANCILLARY ACCOMMODATION; ASSOCIATED CAR PARKING AND EXTERNAL SITE WORKS; DEMOLITION OF 2 CURTILAGE BUILDINGS (BUILDINGS 2 AND 9) TO ENABLE THE ASSOCIATED MIXED USE DEVELOPMENT WITHIN THE OVERALL APPLICATION SITE AND WHICH IS THE SUBJECT OF A SEPARATE OUTLINE PLANNING APPLICATION. (FULL PLANNING). Approved 18.12.09

09/1295M - CHANGE OF USE AND ALTERATIONS TO GRADE II LISTED CLOCKTOWER BUILDING TO PROVIDE 36 AFFORDABLE FOR RENT APARTMENTS, 161 SQ M COFFEE SHOP, 183 SQ M GYM AND ANCILLARY ACCOMMODATION; ASSOCIATED CAR PARKING AND EXTERNAL SITE WORKS; DEMOLITION OF 2 CURTILAGE BUILDINGS (BUILDINGS 2 AND 9) TO ENABLE THE ASSOCIATED MIXED USE DEVELOPMENT WITHIN THE OVERALL APPLICATION SITE AND WHICH IS THE SUBJECT OF A SEPERATE OUTLINE PLANNING APPLICATION. (LISTED BUILDING CONSENT).
Approved 18.12.09

07/3054P – New entrance to rear of Ingersley building. Approved 25.02.08.

POLICIES

Regional Spatial Strategy

DP1 Spatial Principles
DP2 Promote Sustainable Communities
DP5 Manage Travel Demand; Reduce the Need to Travel, and Increase Accessibility
DP7 Promote Environmental Quality
EM1 Integration and Protection of the Region's Environmental Assets
L4 Regional Housing Provision
L5 Affordable Housing
RT2 Managing Travel Demand
EM18 Decentralised Energy Supply

Local Plan Policy

NE11 Nature Conservation
BE1 Design Guidance
BE2 Historic Fabric
BE15 Buildings of Architectural and Historic Importance
BE16 Setting of listed buildings
BE19 Change of Use of Listed Buildings
H2 Environmental Quality in Housing Developments
H5 Windfall Housing Sites
H13 Protecting Residential Areas
C2 Macclesfield Hospital
T2 Public Transport
DC2 Extensions and Alterations
DC3 Amenity
DC6 Circulation and Access
DC8 Landscaping
DC9 Tree Protection
DC38 Space, Light and Privacy

Other Material Considerations

National Planning Policy Framework

Interim Planning Statement: Affordable Housing
Blue Zone Macclesfield District Hospital Development Brief
Macclesfield Borough Council Supplementary Planning Guidance on s106 (Planning)
Agreements

CONSULTATIONS (External to Planning)

Highways: initially raised concern regarding an under provision of parking spaces for the proposed apartments. Amended plans have been received during the course of the application, increasing the amount of parking proposed. No highways objections are raised to the amended plans.

Environmental Health: no objections.

Housing: object due to the fact that no affordable housing is being provided as part of the proposed development.

Leisure : request a commuted sum of £68,000 for public open space and recreation/outdoor sports provision.

Cheshire Police: comments awaited.

English Heritage: application should be determined in accordance with national and local policy guidance and on the basis of the Council's expert conservation advice.

Environment Agency: no objection subject to a condition regarding an existing culvert.

Manchester Airport: no safeguarding objections.

United Utilities: no objections.

VIEWS OF THE PARISH / TOWN COUNCIL

Not applicable.

OTHER REPRESENTATIONS

One letter of representation has been received from a resident of the Clock Tower. Whilst it is stated that they do not generally object to the development, the following issues are raised:

- Concern about increased noise, air pollution and volume of traffic from the proposed dwellings
- Concern regarding water pressure to properties on site
- Traffic calming measures required between Morrisons and the development site
- Development will result in loss of parking spaces for the hospital and existing problems with hospital staff parking in residents spaces
- Suggest a restriction on construction hours of 8am – 5pm, Monday to Friday, 9am – 5pm Saturday and no work on Sundays or Bank Holidays

Macclesfield Civic Society – the applications represent a major proposal within the hospital site which merits careful study. However, the Society welcome a mixed use proposal involving conversion of Listed Buildings to affordable social housing and the provision of new small private housing to accommodate local needs. The office use appears acceptable as part of the mixed development. Clearly much will depend upon the evaluation of the transport assessment and site specific impacts on trees and the residential amenities of existing and proposed occupiers. In principle the scheme is welcomed.

APPLICANT'S SUPPORTING INFORMATION

The following documents have been submitted in support of the application:

- Planning Statement
- Design & Access Statement
- Heritage Appraisal
- Transport Assessment
- Flood Risk Assessment
- Waste Management Plan
- Tree survey Report
- Ecological Survey and Assessment

Copies of these documents are available to view on the application file.

In addition, a financial appraisal of the development, together with that proposed by application 12/3786M, has been submitted during the course of the application. This is not available to view on the application file due to the sensitive nature of the information contained within the appraisal.

The Planning Statement provides a background to the proposals and explains that the Ingersley and Henbury buildings are soon to become vacant as existing services located within the buildings are moved to other NHS premises on and off site. It is stated that the apartments within the buildings have been designed primarily as one bedroom as it is likely that they are to be occupied by key workers of the NHS trust. It is acknowledged that the site is allocated as a community use on the Local Plan where policy C2 states that permission will normally be granted for health and related developments, however it is argued that as the apartments are likely to be occupied by the NHS trust, that there would be no conflict with policy. Reference is also made to the fact that at the time of submission, the Council could not demonstrate a five year housing supply and to the presumption in favour of sustainable development in the NPPF.

OFFICER APPRAISAL

Principle of Development

Paragraph 14 of the NPPF states that at the heart of the NPPF is a presumption in favour of sustainable development. For decision taking this means:

- Approving development proposals that coord with the development plan without delay;
and

- Where the development plan is absent, silent or relevant policies are out of date, granting permission unless:
 - any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole
 - specific policies within the Framework indicate development should be restricted

Paragraph 7 of the NPPF states that there are three dimensions to sustainable development: economic, social and environmental.

The application site, together with the wider hospital site, is allocated as a proposed community use on the Macclesfield Local Plan where policy C2 applies.

Policy C2 states that the site of Macclesfield Hospital is “allocated for health purposes and planning permission will normally be granted for health and related developments”.

The proposal is for housing which is not considered to fall within the terms of policy C2 in that it is not health related developments. Whilst the applicant states that the proposed apartments are likely to be occupied by key workers of the NHS trust, in the absence of a mechanism to control occupation i.e. a S106 legal agreement, there is no guarantee that this will be the case. It is understood that the NHS have signed a 21 year lease to occupy the buildings. However, given that the needs of the hospital are such that the buildings are to become vacant in the near future, and given that the site is located in a suitable and sustainable location for housing, no objections are raised to the principle of housing on the site subject to compliance with other relevant policies and guidance.

Housing (including the need for affordable housing)

As stated, there is no objection to the principle of housing on the site. As a windfall housing proposal, Local Plan policy H5 applies. The proposal is considered to comply with policy H5 in that the site is close to the town centre and is accessible to a wide range of jobs, shops and services.

In accordance with the Council’s Interim Planning Statement: Affordable Housing, there would be a requirement for 30% of the houses to be provided to be affordable.

The proposal is for a total of 36 apartments, 29 one bedroom and 7 two bedroom. None of the apartments are proposed to be affordable in the sense that the applicant is not proposing to enter into a S106 agreement with the Council to control the management, tenure and long term future of the occupancy of the apartments. As stated, the applicants have indicated that the apartments would be occupied by key workers of the NHS trust for at least a period of 21 years from completion. In addition they state that the proposal together with application 12/3786M should be seen as a second phase of the Hope Park development, the first phase of which comprised the Blue Zone development brief area. The first phase included the provision of 67 dwellings, 36 of which were affordable apartments in the Clock tower. This equates to a 54% provision of affordable housing. Additionally reference is made to the fact that as part of application 12/3786M, some existing blocks of nursing accommodation are to be demolished and that these total 42 units of accommodation.

The Council's Housing department are objecting to the proposal due to the lack of affordable housing being proposed on either this site or the adjacent site covered by application 12/3786M. In accordance with the Council's policies, housing state that of the 36 apartments proposed by this application, 11 should be affordable with 7 provided as rented accommodation and 4 as intermediate housing. The housing department do not accept that this should be seen as a second phase of development as the site lies outside of the Blue Zone Development Brief boundary and the Clock tower development was grant funded meaning that it was not subsidised by the developer. Additionally, the fact that 42 units of nursing accommodation is being demolished as part of the outline application (12/3786M) and is being replaced by open market housing on both sites only adds to the justification that affordable housing should be provided on this scheme in line with the Council's normal requirements. The Housing department advise that even if the proposal is accepted as a second phase, there would be a requirement for an additional 5 units of affordable accommodation. At the present time there is an identified need for affordable housing in Macclesfield.

In addition to the arguments being put forward with regard to the overprovision of affordable housing on Phase I of the development, the applicants are also arguing that there are other material considerations to justify the fact that no affordable housing is being provided as part of the development. These other material considerations are considered later in the report.

Impact on the setting of the listed buildings

Local Plan policy BE16 states that development which would adversely affect the setting of a listed building will not normally be approved.

As part of this proposal, changes are proposed to the land around the Ingersley and Henbury buildings and within proximity of the Clock tower building. Parking is to be provided to the front and rear of the Ingersley building and to the front of the Henbury building. Access arrangements are also changing meaning that additional traffic would be utilising the Cumberland Street entrance.

Additionally a number of later additions to the Ingersley building are to be removed as part of the proposal.

The Council's Conservation Officer has been consulted on the application and raises no objections to it, noting that there will be no adverse impact on the setting of the listed buildings on site.

Highways

Access to the buildings is currently via the main hospital entrance. However as part of this proposal, access arrangements will be altered with all access to be taken from Cumberland Street with a one way access system around the Ingersley building. 29 parking spaces are proposed for the Ingersley building, 15 spaces are proposed for the Henbury building, with the provision of 2 additional visitor spaces. Two cycle shelters are proposed to the rear of the Ingersley building (27 covered cycle storage spaces) with one proposed to the front of the

Henbury building (15 covered cycle storage spaces). Refuse/recycling facilities are also proposed adjacent to the Ingersley and Henbury buildings.

The Strategic Highways Manager has been consulted on the application and considers that the impact on the highway network from the development would be minimal. With regard to parking provision, it is now considered that the amount of parking proposed is sufficient as it allows for 1 space per 1 bed apartment and 2 spaces per 2 bed apartments, with an additional 1 space for the Henbury building together with 2 visitor spaces between the two buildings. This is in line with the Council's emerging parking guidelines. As such, no highways objections are raised to the proposal.

With regard to comments made in representation regarding traffic calming measures, these are not considered necessary given the nature and length of the access road and given the volumes of traffic that would be generated by the proposal.

Design

Minimal alterations are proposed to the buildings to be converted, with the most significant alterations being the demolition of unsympathetic, modern additions to the Ingersley building which are to be welcomed. The design and layout of the proposed parking and access arrangements are considered acceptable from a design point of view.

Amenity

Local Plan policies H13, DC3 and DC38 seek to protect the residential amenity of existing and future occupiers.

With regard to the Ingersley building, the front elevation faces towards the Clock tower building, is located to the east of the new nursing home, faces towards the Regency Hospital to the rear and lies to the east of the Henbury and education and training building. As proposed by the outline application (12/3786M), new residential properties would be constructed to the rear of the Ingersley, with a new three storey office building proposed to replace the education and training building. All proposed elevations of the Ingersley building contain habitable room windows, some of which are principal windows to habitable rooms.

With regard to the Henbury building, no principal habitable room windows are proposed in either side elevation, with the principal habitable room windows being to the front and rear of the building. The rear elevation of the building overlooks an existing decked staff car park that has just recently been extended, with the front of the building currently overlooking the pavilion building. As proposed by the outline application, the pavilion building would be replaced by new residential properties.

The end elevation of Plot 1 of the Clock tower faces directly towards apartment 6 of the Ingersley building and contains two windows which appear to serve a habitable room (kitchen/living/dining room), though these are not the only windows that serve this room. Apartment 6 of the Clock Tower contains a principal habitable room window facing towards Plot 1 (bedroom). The submitted masterplan indicates a distance of approximately 16m between these two properties. Local Plan policy DC38 requires a minimum distance of 21m front to front between principal habitable room windows and 25m, back to back. 14m is

required where a principal habitable room window faces a non habitable room or blank wall. In this case as it appears that the windows to Plot 1 are not sole or principal windows to the room in question, and as there is 16m between the properties, the proposals comply with DC38 guidelines.

Apartment 1 and apartment 18 of the Ingersley building have principal habitable room windows facing towards the care home. However, the masterplan indicates a distance of 25m between these elevations which is compliant with policy DC38.

The relationship between the proposed apartments to the rear of the Ingersley building and the existing pavilion building is considered to be acceptable.

During the course of the application, the internal layout of some of the apartments within the Ingersley building has been amended in order to ensure a satisfactory relationship between the Ingersley building and Plots 1-4 proposed under application 12/3786M. The relationship now complies with guidelines contained within Local Plan policy DC38.

With regards to the impact of the proposal on the amenity of nearby residents in terms of traffic and the resulting noise and disturbance, the proposed change to the access arrangements means that traffic accessing the Ingersley and Henbury buildings would access the site via Cumberland Street rather than via the main hospital entrance. This would take additional traffic past residential properties located within the Blue Zone Development Brief Area including residents of the Clock Tower and the new build apartments. However, given the level of traffic involved, it is not considered that the impact is such that it would result in a significant impact on levels of amenity presently enjoyed.

Ecology

An ecological survey was submitted with the application and the Council's Nature Conservation Officer has been consulted. He advises that the only likely ecological constraint on the proposed development is the potential presence of roosting bats and breeding birds.

No evidence of bats was recorded during the surveys undertaken however due the suitability of some of the buildings on site to support bat roosts and difficulties in accessing some parts of the buildings for survey purposes the ecologist who undertook the survey recommended that a bat activity survey be undertaken to establish the presence/absence of roosting bats. Further survey work has been carried out during the course of the application following advice received from the Council's Nature Conservation Officer. No conclusive evidence of a bat roost was recorded and based on past knowledge of the site, the Council's Nature Conservation Officer is satisfied that bats are not reasonably likely to be present or affected by the proposed development. The tests of the Habitats Directive are therefore not triggered by this proposal.

If planning consent is granted, standard conditions will be required to safeguard breeding birds.

Public Open Space/Outdoor sport and recreation provision

In accordance with the Council's policies, the development triggers the need for both Public Open Space (POS) and Recreation / Outdoor Sports (R/OS) provision. The Council's leisure services department has been consulted on the application and advises that in the absence of any POS or R/OS provision onsite, a commuted sum for offsite provision will be required. The commuted sum for POS provision, based on 36 open market apartments is £64,500, with the R/OS provision being £3,500. This results in a total figure of £68,000.

The commuted sums would be used to make additions, improvements and enhancements to the play, amenity, recreation and sporting facilities within West Park Macclesfield, situated just a very short walk from the proposed development site. The commuted sums would be required upon commencement of development and the spend period would be 15years from receipt.

During the course of the application, an amended masterplan has been provided which indicates the provision of on site public open space located to either side of the Henbury building (total area of 555 sq metres). It is proposed to locate benches within these areas and to make them available to both office workers and to residents. If these areas of on site open space are considered acceptable to the Council then this would reduce the amount of commuted sums being sought for off site contributions. Comments have been received from the Council's leisure services department in relation to the on site POS proposed. Whilst the areas proposed are considered less than ideal, if they are accepted having regard to the overall impact and benefits of the scheme, then it is considered that further facilities would need to be provided within them e.g. all weather footpath, interpretation, green gym (minimum 5 pieces and landscaping. These matters could be adequately controlled by condition.

The on site POS being offered will provide for amenity space but would not be suitable for children's play.

The applicant's agent has been informed of the requirements regarding POS and R/OS on both this application and 12/3786M and is willing to offer a total of £114,000 towards off site POS and R/OS provision across the two applications. Leisure Services have advised that £35,750 of this amount should be allocated to this proposal in order to provide £32,250 for children's play and £3,500 for recreation and outdoor sport (R/OS).

Trees/Landscaping

A tree survey report has been submitted with the application and the Council's Forestry Officer has been consulted on the application. He concludes that the change of use associated with both the Ingersley and Henbury buildings can be implemented with the loss of a single group of low value trees. On balance the forestry officer raises no objection to the application, subject to the imposition of appropriate conditions, with the development proposals broadly having a neutral impact on the retained tree cover with the tree losses accepted and mitigated by replacement planting.

With regard to landscaping, the Council's Landscape Officer has been consulted and raises no objections subject to a number of conditions/comments. It is considered that the landscape masterplan is generally in keeping with the landscape works approved and implemented on the Blue Zone development brief site. If the application is approved the landscape masterplan should be revised to make some amendments and to include further details for specific areas.

Other Matters

Housing Supply

Paragraph 14 of the NPPF states that at the heart of the NPPF is a presumption in favour of sustainable development. For decision making this means:

- Approving development proposals that accord with the development plan without delay; and
- Where the development plan is absent, silent or relevant policies are out of date, granting permission unless:
 - any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the framework taken as a whole; or
 - specific policies in the framework indicate development should be restricted

With regard to housing, paragraph 49 states that housing applications should be considered in the context of the presumption in favour of sustainable development. Relevant policies for the supply of housing should not be considered up to date if the local planning authority cannot demonstrate a five year supply of deliverable housing sites.

The applicant's agent makes reference to the fact that at the time the application was submitted, the Council could not demonstrate a five year housing supply as is required by the NPPF. However, during the course of the application, the Council has published an up to date Strategic Housing Land Availability Assessment (SHLAA) which demonstrates a housing supply in excess of that required by the NPPF i.e. five years plus a buffer.

However, in accordance with Paragraph 14 of the NPPF, the presumption in favour of sustainable development still applies.

Education

The proposal does not generate any requirement for a financial contribution towards school places.

Decentralised Energy Supply

In line with policy EM18 of the RSS, were permission to be granted for the proposal, 10% of the predicted energy supply should come from decentralised and renewable or low carbon sources, unless it can be demonstrated by the applicant that, having regard to the type of development and its design that this is not feasible or viable. This matter could be adequately controlled by condition.

Other Comments made in Representation

Other comments raised in representation that have not already been considered elsewhere within the report are water pressure and the restriction of construction hours.

With regard to water pressure, this is not a material planning consideration and is an issue that would need to be addressed by the developer in conjunction with united utilities.

A condition is proposed which restricts the hours of construction to Monday to Friday, 8am to 6pm and Saturdays 9am to 2pm with no work on Sundays or Public Holidays. These hours are as suggested by the Environmental Health department and allow 1 hour later working than requested in representation and restrict working to 3 hours earlier on Saturdays. Notwithstanding the comments made in representation, the hours suggested by Environmental Health are considered to be reasonable given the nature and location of the site.

Viability/Other Material Considerations

As previously stated, no affordable housing is being provided as part of the proposal. This is contrary to the Council's policies. Additionally, the applicants do not consider that the request to provide full contributions towards off site open space provision is justified. The applicant's have submitted various documents in support of their contention that affordable housing is not required to be provided as part of the proposal. These include a viability appraisal supported by two independent valuations and a letter submitted in response to the Council's queries relating to the viability appraisal. Each of the considerations put forward by the applicants will be considered in turn.

Viability

As stated, a viability appraisal has been submitted by the applicants during the course of the application. Following the receipt of the appraisal, the Council commissioned an independent assessment of it. This concludes that the applicants have not provided enough information to support their view that they are unable to provide any affordable housing or additional S106 contributions as part of the proposal. In particular concern was raised with regard to the land valuation which does not appear to have been calculated in accordance with the RICS guidance note: Financial Viability in planning. The RICS guidance defines site value as *'site value should equate to the market value subject to the following assumption; that the value has regard to the development plan policies and all other material planning considerations and disregards that which is contrary to the development plan'*. Whilst it is noted that the developer profit levels are far below normal levels required by developers, in this instance Keyworker Homes are acting as a contractor in respect of the conversion and letting to the NHS and therefore a contractors level of profit is appropriate as the development is effectively de-risked. However, a normal level of developer return would be expected on the residential new build units and the office development.

The applicants advise that as developer profit is already minimal without any affordable housing, the only basis upon which affordable housing could be provided as part of the scheme is if the receipt to the Trust for the sale of the land is less than that which has been agreed. The applicants advise that the Trust is mandated to sell their assets at or above market value.

Further information has been requested regarding the land value, the terms of arrangements for the NHS to occupy the site and regarding programming and phasing. At the time of writing, additional information regarding land value and programming and phasing has not been

received. Information has very recently been received regarding the arrangements for the NHS to occupy the site.

Required Level of Affordable Housing

The applicant's contend that the level of affordable housing being requested by the Council is not justified for a number of reasons.

Firstly, it is considered that as there was an overprovision of affordable housing on Phase I, this negates the need to provide affordable housing.

Secondly, it is considered that the as the 36 apartments proposed would be leased by the NHS and as these would be replacing 42 units of existing keyworker accommodation on the site, there is a net decrease in keyworker accommodation. On that basis they consider it unreasonable to expect the proposed conversion to incorporate affordable housing. Whilst the applicants acknowledge that the existing accommodation is located within the outline application area (12/3786M), they consider that as the two applications are interrelated, it is perfectly reasonable to treat the proposal as a single hybrid application. Additionally, as the 36 apartments are to be block leased by the NHS, it is not possible to separate the buildings to be sold to a registered social landlord for use as general affordable housing.

Benefits to the Hospital

It is stated that the proposal, together with that proposed by application 12/3786M, will deliver very clear benefits to the hospital which would not come forward if the scheme is refused planning permission. These include:

- Proposed development includes a high quality building for office/D1 uses which would significantly improve the facilities for those NHS operations that will remain on the site. These would otherwise have to remain in substandard accommodation which the Trust does not have the capital resource to improve
- 36 high quality keyworker apartments at BMA standard which assists in attracting and retaining the best medical staff
- Reduced maintenance and utilities costs, reduced carbon emissions and a net reduction in capital charges to the trust. The proposals would enable the Trust to reduce backlog maintenance liability, reducing the strain on the Trust's capital resources enabling more patient centred improvements. If permission were refused, the Trust would be left with an underutilised site and vacant buildings, where running costs would drain their capital resources to the detriment of patient centres investment
- The committed relocation of certain NHS operations from the existing premises would be financed through the sale of the site. The refusal of planning permission would mean that these costs would have to be covered by the Trust's own capital resources to the detriment of patient centred investment
- The agreed revenue to the Trust for the sale of the land would not just cover the enabling works for the proposed development, but will also provide capital receipts to fund a third endoscopy room as well as surgical theatre refurbishment, together with money towards a new dedicated pay on exit patient and visitor car park immediately adjacent to the hospital entrance. The applicant's state that these projects will not be

possible without the Trust receiving the capital receipt from the sale of the land following the grant of planning permission.

The applicants state that the requirement for the full 30% affordable housing provision would result in the highly beneficial scheme being shelved and that any reduction in the monies received by the Trust would prevent the patient centred improvements outlined above being provided. It is argued that the community benefits from the hospital improvements outweigh the community benefits of delivering affordable housing on the site, especially given that Phase I over provided in terms of affordable housing.

Improvements to Heritage Assets

The proposal would bring improvements to a heritage asset.

Conclusions on Viability/Other Material Considerations

As stated within the report, as submitted neither this application or the application for outline permission 12/3786M proposes the provision of affordable housing. However, the 1 and 2 bedroom apartments proposed by this application are to be occupied by the NHS Trust for the first 21 years following completion of the development. Whilst it is not considered that the viability argument put forward by the applicants can be accepted at this time due to concerns regarding the land value used in that appraisal, it is considered that in this case there are other compelling factors weighing in favour of the proposal.

Firstly, Keyworker Homes have now verbally agreed to the provision of 5 affordable units as part of the outline proposal (12/3786M). This is subject to further discussions with the NHS Trust who would also need to agree to this as joint applicant's.

Assuming that the 5 affordable units are to be provided, this would ensure that across Phase I and II of the development, a 30% provision of affordable housing would be provided. Whilst this argument on its own is not accepted by officers, in combination with other benefits of the scheme it is considered to add weight to the argument in favour of the proposal. Additionally, following lengthy discussions with the applicants, it seems likely that were the Council to require the full provision of affordable housing, across both schemes the development would be unlikely to proceed, meaning that the sympathetic conversion of two listed buildings together with a new build office and residential scheme in a suitable and sustainable location would not take place. Whilst the occupation of the residential units by the NHS Trust proposed by this application is not to be controlled by condition or legal agreement, it will nevertheless mean that for at least the first 21 years following completion, the apartments will be occupied by employees of the NHS Trust.

Additionally it is noted that the sale of the land by the Trust would enable the release of capital which would enable improvements to be made to hospital facilities. It is acknowledged that this would bring about benefits to the wider community. It is also acknowledged that the proposal would result in some improvements to the listed buildings that are to be converted. A number of unsympathetic additions would be removed from both listed buildings which would serve to improve their appearance.

Members are advised that these benefits should not be at the cost of socially sustainable development and the planning system does not exist to provide a form of subsidy to the hospital trust. However, in this particular case, the wider provision of affordable housing across both sites is considered to be a compelling argument.

Paragraphs 203 to 206 of the NPPF relate to planning conditions and obligations with paragraph 205 stating that *“where obligations are being sought or revised, local planning authorities should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled”*.

In this case, based on the particular circumstances of the applications, it is considered that for the reasons outlined above, a more flexible approach to the normal requirements for the provision of affordable housing and POS/ROS provision is acceptable and will ensure that a development that will bring wider benefits will go ahead.

Heads of Terms

If the Council are minded to approve the application, the following Heads of Terms would be required within a S106 legal agreement:

- Commuted sum of £32,250 towards the off site provision of public open space (children’s play) and £3,500 towards recreation/outdoor sport provision

CONCLUSIONS AND REASON(S) FOR THE DECISION

There is no objection to the principle of housing on the site and the conversion of the listed buildings which secures improvements to the appearance of the buildings is welcomed. Initial concerns regarding parking provision and amenity have adequately been overcome by the receipt of amended plans. Whilst the proposal fails to comply with Council policies regarding affordable housing and the provision of POS/ROS, for the reasons outlined within the report, in this case it is considered that there are other material considerations that weigh in favour of the proposal. The development is considered to be sustainable socially, economically and environmentally and meets the objectives of the NPPF. The application is therefore recommended for approval.

Application for Full Planning

RECOMMENDATION: Approve subject to a Section 106 Agreement and the following conditions

1. A03FP - Commencement of development (3 years)
2. A01AP - Development in accord with approved plans
3. A05EX - Details of materials to be submitted
4. A09EX - Rainwater goods
5. A20EX - Submission of details of windows

6. A22EX - Roofing material
7. A22GR - Protection from noise during construction (hours of construction)
8. A02TR - Tree protection
9. A04TR - Tree pruning / felling specification
10. A01LS - Landscaping - submission of details
11. A04LS - Landscaping (implementation)
12. A02HA - Construction of access
13. A01HP - Provision of car parking
14. A04HP - Provision of cycle parking
15. A08MC - Lighting details to be approved
16. A19MC - Refuse storage facilities to be approved
17. Pile Driving restrictions
18. Dust control measures
19. Phase II Contaminated Land Report
20. Survey of existing culvert
21. Scheme to limit surface water run off
22. scheme to manage the risk of flooding from overland flow of surface water
23. Breeding birds
24. Decentralised Energy Supply

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