

Application No: 12/3786M

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

Proposal: Erection of a three-storey office building for B1 & D1 uses, and 34 dwellings (outline)

Applicant: KEYWORKER HOMES & EAST CHESHIRE N H S

Expiry Date: 15-Feb-2013

Date Report Prepared: 15 March 2013

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 the development is acceptable
- Whether the proposed layout and means of access are acceptable
- The impact of the proposal on the setting of the listed buildings
- Whether the 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 a number of existing buildings including the education and training building, three blocks of nursing accommodation, the pavilion building and the Arley building. The site is located towards the southern end of the Macclesfield Hospital site. The education and training building and the pavilion building are curtilage listed buildings and are currently used by the hospital as offices, consulting rooms and training rooms. The Arley building is used as offices. The buildings are of mixed age and construction with the

education and training building being a two storey building constructed from a mixture of natural and re-constituted stone, the nursing accommodation being two storey brick buildings and the Arley and Pavillion buildings being single storey brick buildings.

The education and training building is located to the north of the Ingersley and Henbury Buildings and to the east of a decked car park. The Pavillion building is located to the rear of the Ingersley building, with the Arley building and nursing accommodation located to the south of the site, to the west of the Regency hospital and residential properties on Nixon Street and to the east of Macclesfield Day Nursery, located on Chester Road.

DETAILS OF PROPOSAL

Outline planning permission is sought for the erection of a three storey office building (1858 sq metres floorspace) to replace the education and training building and for the erection of 34 dwellings. The dwellings are to be a mixture of 2 and 2.5 storey. Approval is sought for layout and means of access with all other matters reserved. Vehicular access to the office building is to be via the main hospital entrance with access to the dwellings to be taken from the new access point off Cumberland Street (adjacent to Morrisons and Kids Allowed). Scale parameters have been provided and indicate a ridge height of 15.55m and an eaves height of 11.35m for the office building. Four different house types are proposed with maximum ridge heights of 9.45m, 8.14m and 6.6m with eaves heights of 5.3m, 5.06m and 4.26m respectively. 200% parking provision is proposed for the dwellings (2 spaces per dwelling) together with 6 visitor spaces, with 23 spaces proposed adjacent to the office building with an additional 15 spaces to the front of the Ingersley building giving a total of 38 spaces. Additionally, as part of this proposal, 4 additional parking spaces are proposed on Nixon Street.

An application for listed building consent which covers the demolition of the education and training building and the pavilion building is also being considered by the Council (12/3784M), a report on which is on this agenda. Additionally the Council is considering a full application for the conversion of the Ingersley and Henbury buildings to apartments (12/3779M). 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

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
BE16 Setting of listed buildings
H2 Environmental Quality in Housing Developments
H5 Windfall Housing Sites
H13 Protecting Residential Areas
C2 Macclesfield Hospital
T2 Public Transport
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: originally raised concern regarding an under provision of parking spaces for visitors to the residential properties. However, the proposal has been amended during the course of the application and 6 visitor spaces are now proposed along the southern access road that leads towards Nixon Street.

As the overall amount of office space is being reduced by this proposal and the full application (12/3779M), the demand for parking associated with the office use should be reduced by this proposal.

No objections are therefore raised by highways.

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 £172,900 for public open space and recreation/outdoor sports provision.

Cheshire Police: comments awaited.

English Heritage: no comment.

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 12/3779M, 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. The education and training building is currently used by a number of NHS departments although many are soon to be re-located. The Arley building is used as offices but again, staff are soon to be re-located. The pavilion building due to its age and condition is only used as overflow consulting rooms and private offices. 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”.

Part of the proposal is for offices that are currently intended to be used by the NHS. As such, this element of the proposal is considered to comply with policy C2. The proposal is also for housing which is not considered to fall within the terms of policy C2 in that it is not health related developments. 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.

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 34 dwellings. As submitted none of the dwellings are proposed to be affordable. The applicant’s state that the proposal together with application 12/3779M 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 this application, 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 12/3779M. In accordance with the Council's policies, housing state that of the 34 dwellings proposed by this application, 10 should be affordable with 7 provided as rented accommodation and 3 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 application 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 of the Ingersley building. Access arrangements are also changing meaning that additional traffic would be utilising the Cumberland Street entrance. The proposed office building would be located adjacent to the Henbury building and two curtilage listed buildings are to be demolished.

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 the dwellings to be taken from Cumberland Street and access to the office building remaining from the main hospital entrance on Victoria Road. 68 parking spaces are proposed for the new dwellings, 2 per dwelling plus 6 visitor spaces and 38 spaces for the office building.

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, the amount of parking provided for the residential properties is considered to be adequate.

With regard to the office proposal, the proposed parking spaces are to be split with 23 spaces proposed adjacent to the building and accessed via the main entrance and 15 spaces proposed to the front of the Ingersley building and accessed off Cumberland Street. This is not ideal as it could lead to one area being under subscribed and the other over subscribed. Emerging Council parking standards stipulate 1 parking space per 30 square metres, which implies a provision of 62 spaces. There is therefore a considerable shortfall in dedicated parking provision for the offices (shortfall of 24). However this applies equally to the existing office building which it replaces and which is dependent on other parking provision, principally the staff car park to the west. Additionally between them the existing office buildings affected by this application and 12/3779M have approximately 100 parking spaces whereas their combined floorspace equates to a demand for 150 spaces. Therefore it is considered that the demand for car parking beyond the application site area should if anything be less than now or in the past.

Refuse/recycling facilities are proposed within the proposed office with in garden facilities proposed for the dwellings. A cycle shelter providing 7 covered cycle storage spaces is proposed to the front of the proposed office building.

No objections are raised to the proposal on highways grounds.

Amenity

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

With regard to the proposed office building, it would be sited to the north of the Henbury building, to the north east of the Ingersley building and to the west of the converted clock tower. Given the fact that it would be in a similar position to the education and training building which is to be demolished, its relationship relative to the Henbury, Ingersley and Clock tower buildings and its proposed scale, it is not considered that it would result in a significant impact on the residential amenity of existing occupiers located in the Clock tower or future possible residents in the Henbury and Ingersley buildings.

With regard to the dwellings, some of these would be built on or near to the footprint of existing buildings on site. Plots 30-34 would be located to the west of the properties/garden areas of properties located on the northern side of Nixon Street, with the rear elevations of the new dwellings at right angles to and facing towards the rear gardens of the properties. All of the new dwellings contain habitable room windows in the rear elevation and the distance between the rear elevations and the boundary of the rear garden at 2 Nixon Street (the nearest property) varies between 10 and 12m. Additionally the side garden area of Plot 34 would partially overlap the side elevation of 2 Nixon Street with the side elevation containing a number of windows at ground and first floor. 2 Nixon Street is set at a lower level than the hospital site. There are currently two, two storey accommodation blocks located on the part of the hospital site that would be occupied by Plots 29-34 and these are located closer to the shared boundary with 2 Nixon Street. The block to the south is end on to the gardens with the end gable being blank and not containing any windows. The block to the north has its longest elevation adjacent to the boundary with 2 Nixon Street and contains a number of windows at ground and first floor, some of which appear to be habitable. There is currently existing

screening along the boundary between the hospital site and 2 Nixon Street. As originally submitted, there was concern regarding the impact of Plots 31-34 on the residential amenity of the occupiers of 2 Nixon Street. However, during the course of the application, the house types for Plots 31-34 have been amended from three storey to two storey dwellings. As such, the impact of these dwellings on the rear elevation/garden area of 2 Nixon Street is now considered to be acceptable.

Additionally, as with application 12/3779M, there was some initial concerns regarding the inter relationship between Plots 1-4 and apartments 1&2 and 16&17. However, the amended plans have adequately addressed these concerns.

With regard to the inter relationships between the proposed dwellings, there was initial concern regarding the relationship between Plots 17 & 18 and Plot 21 due to a breach of DC38 guidelines. The amended masterplan has re-positioned Plots 17 & 18 and Plots 21 – 24 such that the initial concerns have been overcome. Additionally, the distance between the rear of Plots 27 & 28 and the side of Plot 29 falls short of that advised by DC38 by 2.1m (11.9m as opposed to 14m). Whilst this is not ideal, no objections are raised to this relationship. The rear elevation of Plots 27 & 28 are south facing and it is considered that this factor together with the fact that Plots 29 & 30 are two storey dwellings rather than 3 storey as originally proposed means that the outlook from the rear elevations of Plots 27 & 28 would be acceptable.

Layout/Scale/Appearance of the Development

This application seeks approval of layout at this stage and indicative scale parameters and designs have been submitted.

As noted above, the siting of the proposed office building is considered to be acceptable and no objections have been raised by the highways department in relation to the proposed road and parking layout.

The layout of the proposed dwellings, subject to an amendment to the house type to Plots 29 & 30, is considered to be acceptable.

The scale parameters as submitted are considered to be acceptable, subject to the necessary change required in order to overcome amenity concerns.

Additionally the design details submitted at this stage, although indicative, are also generally considered to be acceptable.

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 to 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 34 dwellings and 1858 sq metres of office accommodation is £120,450, with the R/OS provision being £52,450. This results in a total figure of £172,900.

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 15 years 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. However, it should be noted that these areas fall within the site edged red of application 12/3779M and as such would not affect the commuted sums being sought in relation to this application.

The applicant's agent has been informed of the requirements regarding POS and R/OS on both this application and 12/3779M 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 £78,250 of this amount should be allocated to this proposal in order to provide £51,000 for children's play and £27,250 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. Part of the site is covered by a Tree Preservation Order.

During the course of the application, the position of proposed dwellings 19/20 has been amended slightly following concerns raised by the forestry officer. He is now satisfied that the siting of these proposed dwellings can be accommodated without significant detriment to trees located within the vicinity. With regard to the overall proposal, on balance, he considers

that the direct and indirect impact on the tree cover is significantly off set by the net gains established in respect of the trees located on the western boundary of the site. Adequate space to accommodate some additional planting has also been established which also off sets tree losses. Subject to the imposition of appropriate conditions, the forestry officer considers that the development should proceed from an arboricultural perspective.

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.

Viability/Other Material Considerations

As previously stated, as submitted no affordable housing was 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 as it is considered that there was an overprovision of affordable housing on Phase I and that this negates the need to provide affordable housing.

Additionally, as there are currently 42 units of accommodation on the application site, as a result of the proposal there would be a net reduction in the number of dwellings on site.

Benefits to the Hospital

It is stated that the proposal, together with that proposed by application 12/3779M, 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 full permission 12/3779M proposes the provision of affordable housing. However, the 1 and 2 bedroom apartments proposed by 12/3779M 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 this proposal. 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 the full application (12/3779M) 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 and to the setting of these buildings.

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:

- Provision of 5 units of affordable housing
- Commuted sum of £51,000 towards the off site provision of public open space (children's play) and £27,250 towards recreation/outdoor sport provision

CONCLUSIONS AND REASON(S) FOR THE DECISION

There is no objection to the principle of an office building and housing on the site. 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 Outline Planning

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

1. A01OP - Submission of reserved matters
2. A03OP - Time limit for submission of reserved matters
3. A06OP - Commencement of development
4. A09OP - Compliance with parameter plans
5. A01AP - Development in accord with approved plans
6. A22GR - Protection from noise during construction (hours of construction)
7. A02HA - Construction of access
8. A01HP - Provision of car parking
9. A04HP - Provision of cycle parking
10. A06LP - Limitation on use
11. A09LS - Landscaping submitted with application for reserved matters
12. A10LS - Additional landscaping details required
13. A16LS - Submission of landscape/woodland management plan
14. A12LS - Landscaping to include details of boundary treatment
15. A04LS - Landscaping (implementation)

- 16.A08MC - Lighting details to be approved
- 17.A19MC - Refuse storage facilities to be approved
- 18.A23MC - Details of ground levels to be submitted
- 19.A02TR - Tree protection
- 20.A03TR - Construction specification/method statement
- 21.A04TR - Tree pruning / felling specification
- 22. Pile driving restrictions
- 23. Phase II Contaminated Land
- 24. Phasing programme for implementation of landscape works
- 25. Breeding birds
- 26. 10% Decentralised Energy Supply

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