

Supplementary Committee Agenda



**Epping Forest
District Council**

Cabinet Monday, 7th September, 2009

Place: Council Chamber, Civic Offices, High Street, Epping

Time: 7.00 pm

Democratic Services: Gary Woodhall (The Office of the Chief Executive)
Email: gwoodhall@eppingforestdc.gov.uk Tel:01992 564470

24. PARADE GROUND SITE, NORTH WEALD AIRFIELD (Pages 3 - 10)

(Legal & Estates Portfolio Holder) To consider the attached report which replaces the one sent to members with the main agenda (C-033A-2009/10).

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Report to the Cabinet

Report reference: C-033A-2009/10
Date of meeting 7 September 2009



**Epping Forest
District Council**

Portfolio: Legal and Estates

Subject: Former Parade Ground, Merlin Way, North Weald – Sale of to Crest Nicholson (Eastern) Ltd

Responsible Officer: Mark Scott (01992–564407)

Democratic Services Officer Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

(1) To note the Housing Minister’s allocation of “Kickstart” funding for Epping Forest District and in particular for the proposed residential development on the Parade Ground Site at North Weald, in the sum is £ 8.324m to provide an additional 46 affordable homes;

(2) To agree that the Council sells an additional area of land (Area B on plan) to Crest Nicholson (Eastern) Ltd to provide off site public open space, for a purchase price of £10,000 and on terms to be agreed by the Director of Corporate Support Services;

(3) To approve the grant of a lease to the appropriate electricity supply company for a new substation to serve the development on terms to be agreed by the Director of Corporate Support Services; and

(4) To approve entering into an agreement with Essex County Council for the diversion of part of the Council’s high voltage electricity supply into the public highway on terms to be agreed by the Director of Corporate Support Services.

Executive Summary:

Crest Nicholson (Eastern) Ltd (Crest) have made two unsuccessful planning applications for the development of this site. Due to the density of the proposed development the schemes could not accommodate the necessary public open space. They have now produced a scheme which, in the opinion of Officers, does meet this requirement but intend to purchase land to provide off street open space in order to improve the visual amenity of the area. The development has been stalled for some time and with the introduction of “Kickstart” housing initiative urgent action is required to secure this.

Reasons for Proposed Decision:

To secure development of the site and obtain the benefits of “Kickstart” funding.

Other Options for Action:

Take no action and further delay development and risk loss of “Kickstart” funding because the Government timetable for the "kickstart" scheme requires the developer to have commenced works by the end of March 2010.

Report:

1. On 8 May 2006 the Council completed the sale of the Parade Ground Site, Merlin Way, North Weald to Crest for residential development with the benefit of outline planning permission. A Section 106 (S106) agreement was completed, covering the affordable

housing contribution, improvement of roadways to adoptable standard and extra off street parking provision. This transaction was authorised by Cabinet at their meeting 19 December 2005 and achieved £ 8,772,000 equating to £ 1.77 million per acre.

2. The land is shown by black verge on the Ordnance Survey plan attached as Appendix 1 and comprises a site area of approximately 2.01 ha (4.96 acres). The adjoining land is the subject of sale negotiations to a specialist healthcare developer for the provision of an NHS Health Centre. This cannot be progressed until a suitable access has been secured from Blenheim Way, following Crest's S106 access works.

3. Crest have made two unsuccessful detailed planning applications and have submitted a third application, which has yet to be determined. The details are as described below

(a) Reserved matters application for the erection of 141 no. one, two, three and four bedroom apartments and houses together with associated roads, parking, ancillary buildings and landscaped area.

Application Refused and Appeal Dismissed;

(b) Reserved matters application for construction of 127 one, two, three and four bedroom apartments and houses with associated roads, parking, and ancillary buildings and landscaping.

Application Withdrawn

(c) Reserved matters application for the construction of 126 one, two, three and four bedroom apartments and houses with associated roads, parking, ancillary buildings and landscaping. The detailed planning application is likely to be considered by Area Planning Subcommittee East on 23 September 2009, subject to Cabinet accepting the recommendations in this report

4. To maximise the number of housing units on the land Crest sought to purchase or acquire sufficient landscaping rights over two adjoining areas of land from the Council to meet the public open space requirements of the scheme. These areas are shown as Areas A and B on the plan. Area B measures approximately 93m x 8 m, contains services and cannot be developed.

5. Area A, situated in the Green Belt, was retained for future development and the possible extension of Lancaster Road from the east. Under the sale Crest were granted a licence to landscape this area. Either party may determine this licence on providing 6 months notice not to expire before 8 May 2011. This does not constitute public open space for the purposes of the development.

6. Crest were attempting to structure an agreement with the Council so Area A could be used against the Public Open Space requirement for their development. However this was not considered possible as all bids for the sale of the land were on the basis that the development had to be accommodated within the sale area. It would be unfair and possibly leave the Council open to challenge to permit Area A to be included in the scheme, as it would allow a higher density on the site.

7. Following representations from Crest's Managing Director the Deputy Chief Executive confirmed that the Council wished to retain ownership of the land and was not minded to seek its dedication as public open space. However there might be some more flexibility around Area B and the new entrance to the site.

8. Accordingly, the current planning application does not rely on Area A but includes Area B. Crest also require an electricity substation, to supply the development, on the Council's retained land, which will require a lease between the electricity supply company and the Council and also further off street parking. The parking will require a S106 agreement.

9. The Council's 11 kV high voltage cable supplying the Airfield will be diverted at

the cost of Crest from the jagged line route on the plan to the route shown by broken black line. The new route follows the intended road layout. The existing substation as shown by a jagged line on the plan will be relocated at Crest's cost for reuse in a position elsewhere on the Airfield. The plan only shows the Council's services. There are other services under the land which would still preclude development of the northern section of Area B.

10. Area B does not form part of the site of the original outline consent issued for development at the Parade Ground. Therefore there is no planning or S106 obligation on Crest to acquire this land. Officers have suggested that the strip of open land would help provide a reasonable landscape setting to the development when viewed from York Road and in a landscaped state would contribute to the Public Open Space for the development. At the Council's request Crest have offered to purchase Area B for a price of £10,000. The outcome will be reported orally at the meeting. At present the Council does have the responsibility to maintain the land which will represent a saving.

11. The Parade Ground site without the incorporation of Area B does have a lesser amount of Public Open Space than policy requires. However, the current application is an improvement on that which was previously refused and mindful of the surrounding areas of public space available (the flood alleviation area and the Epping Forest area on the opposite side of the high road) Officers feel the shortfall in open space alone would not necessarily be sufficient to justify refusal of the application. Having said that the inclusion of Area B would provide a significant aesthetic benefit to the overall scheme.

12. As a result Area B would serve more as a setting for the development with Crest clearly achieving policy objectives as opposed to Officers and Members making a judgment on the matter. The land is of course not developable primarily because of the existence of the 11Kv high voltage cable and will not result in any net increase in units from those already presented.

13. Were Crest to purchase this land for landscaping purposes this would free the Council of maintenance of a strip of land and improve the visual amenity of the area. Crest intend future maintenance of the land would be dealt by the same management company that will deal with the open space areas within their site. This will be financed by a service charge paid by all future house owners, and legally enforceable by the management company. The Council's normal practice is to obtain a commuted sum payment for the future maintenance of open space. However, as Area B will form a small proportion of the land dealt with by the management company the Council will be at negligible risk of having to assume the maintenance liability by default.

14. In design terms, the ability of the developer to landscape the adjacent area will improve the landscaping on site and increase the aesthetic value of the scheme as a whole.

15. In respect of the areas used for car parking, these may be under Council ownership, but the S106 agreement in place prohibits the Council hindering the development of these areas for parking purposes. The development of the parking areas does not appear controversial and would benefit the existing residents in York Road and Blenheim Way.

16. Officer's would highlight the importance of the delivery of affordable homes which is explored in more detail within Housing issues and highlight the opportunities to improve parking and access in the Blenheim Way and York Road areas for existing residents, as was the intention of the original S106 obligations.

17. It is Officers intention to be able to clarify the extent of Public Open Space and parking for Members on the Sub Committee East before the application is determined in order that there be no delivery problems should consent be forthcoming.

18. Officers would also draw to Cabinet's attention that the Outline consent has now lapsed and that the submission of any further schemes would require a new Full Planning application to be submitted together with a new S106. This potentially would have implications on the award of grant funding on the affordable housing components under the current "kickstart" scheme which require Crest to have commenced works by end of March

2010. Realistically, however, delivery of a full redesign of the development by Crest, submission and determination of a full planning application and discharge of all conditions prior to commencement of work on site is not possible within this timeframe.

Affordable Housing Position and Need for Urgent Action

19. The Section 106 Agreement signed in respect of the outline planning application requires the developer to provide around 30% of the properties in the form of affordable housing, with a mix of social rented and shared ownership housing, with a property mix for the affordable housing that reflects the property mix of the market housing, in terms of the ratio of flats to houses and 1, 2, 3 and 4 bedroom properties.

20. Based on the current application, the provision of 33 affordable properties would be required. However, because the development does not easily allow a fully reflective mix, the provision of an additional affordable 2 bedroom flat has been negotiated, which increases the affordable housing provision to a level above that required by the Section 106 Agreement.

21. Crest Nicholson has entered into a legally-binding contract with Home Group, one of the Council's Preferred Registered Social Landlord Partners, for the provision of the affordable housing, conditional on the receipt of detailed planning permission.

22. In July 2009, the Council received a letter from the Housing Minister, John Healey MP, announcing the provision of "Kickstart" funding secured for the Epping Forest District. The Kickstart funding was announced in the 2009 Budget, and is being targeted by the Government at currently stalled development sites, "to support the construction of high quality mixed tenure housing developments".

23. Both developers and registered providers of social housing (housing associations – previously referred to as registered social landlords) were invited to submit bids to the Homes and Communities Agency (a Government-funded agency, that has taken over the responsibilities of the investment function of the former Housing Corporation and the role of the former English Partnerships).

24. The letter advised that a total of £925m funding has been allocated nationally, which is set to fund 270 projects providing 22,400 new homes and creating around 20,000 jobs in the construction industry. The average funding is therefore £41,300 per property.

25. Only one development in the Epping Forest District has been allocated this provisional funding, which is for the Parade Ground development, following a bid by Crest Nicholson.

26. The Housing Minister's letter states that the development is "in line" for Kickstart funding of £8.324m, which would fund both the affordable housing required by the Section 106 Agreement, **plus** additional funding to fund the provision of a further 46 affordable homes by the developer direct, this year and next. This amounts to average funding of £104,050 per property – far higher than the national average.

27. The additional affordable housing by the developer would be in the form of an equity share arrangement, whereby first time buyers could purchase equity in the property (e.g. 50%) and receive an interest-free loan on the remaining equity, repayable on the subsequent sale. These additional 46 properties would come from the total number previously proposed for market housing.

Resource Implications:

Finance

£ 8,772,000 capital receipt in 2006/7

Government "Quickstart" funding of £ 8,324,000 in 2009/10 which will provide an additional 46 affordable homes.

£10,000 Capital receipt in 2009/10 for the sale of a non developable strip of amenity land which will also free the Council from the ongoing maintenance liability for this strip of land.

Land

Sale of 2.01 hectares (4.96 acres)

Provision of 34 affordable homes as part of the original scheme plus an additional 46 affordable homes as a result of "Quickstart" funding.

Legal and Governance Implications:

Section 123 Local Government Act 1972 – best consideration for the land and property assets

Safer, Cleaner and Greener Implications: N/A

Consultation Undertaken: None

Background Papers:

19 December 2005	Cabinet
24 April 2006	Portfolio Holder Decision

Impact Assessment:

Loss of Government funding and development of the site to provide increased number of affordable homes if agreement on these matters is not reached

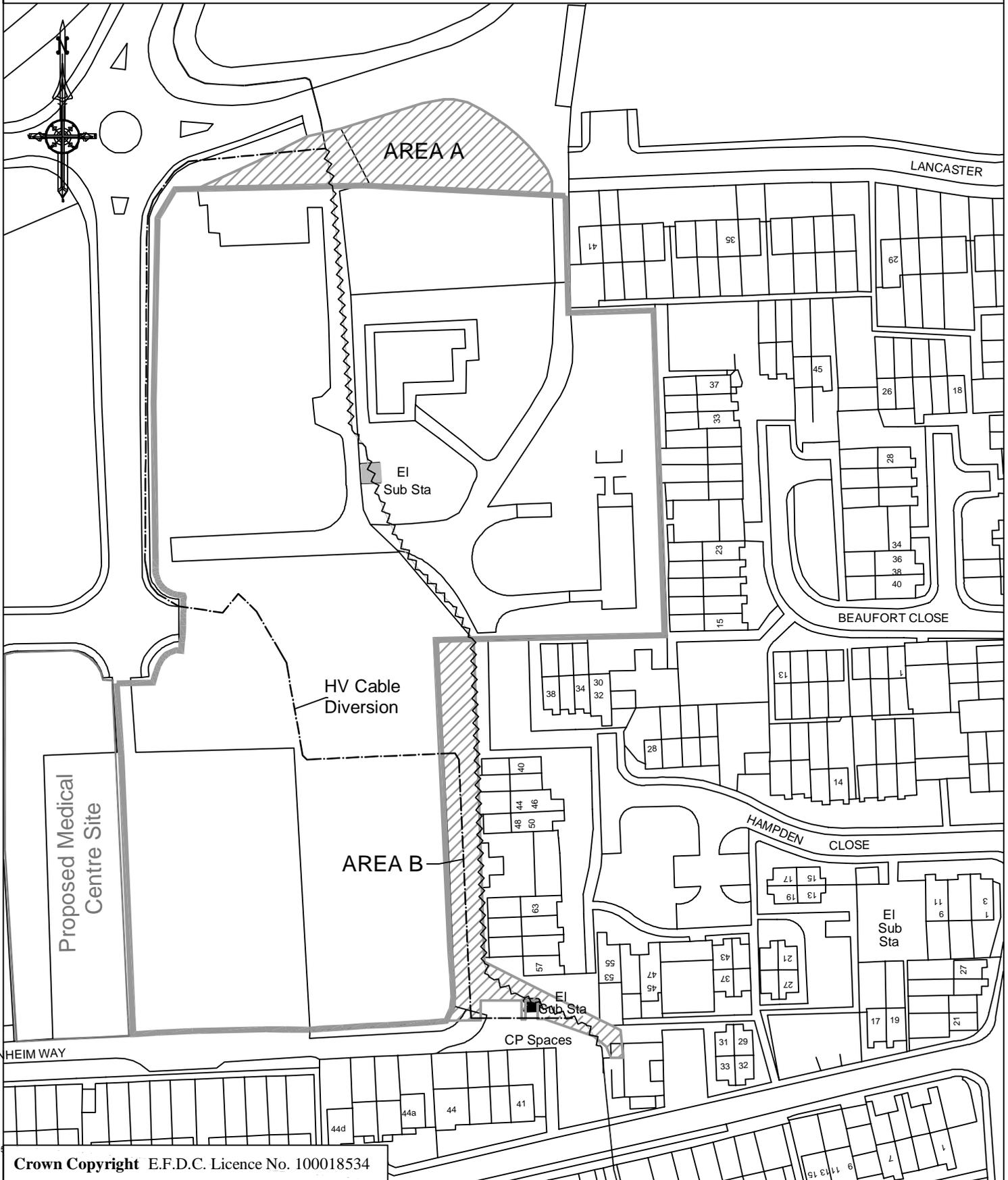
Equality:

No equality issues

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EPPING FOREST DISTRICT COUNCIL



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