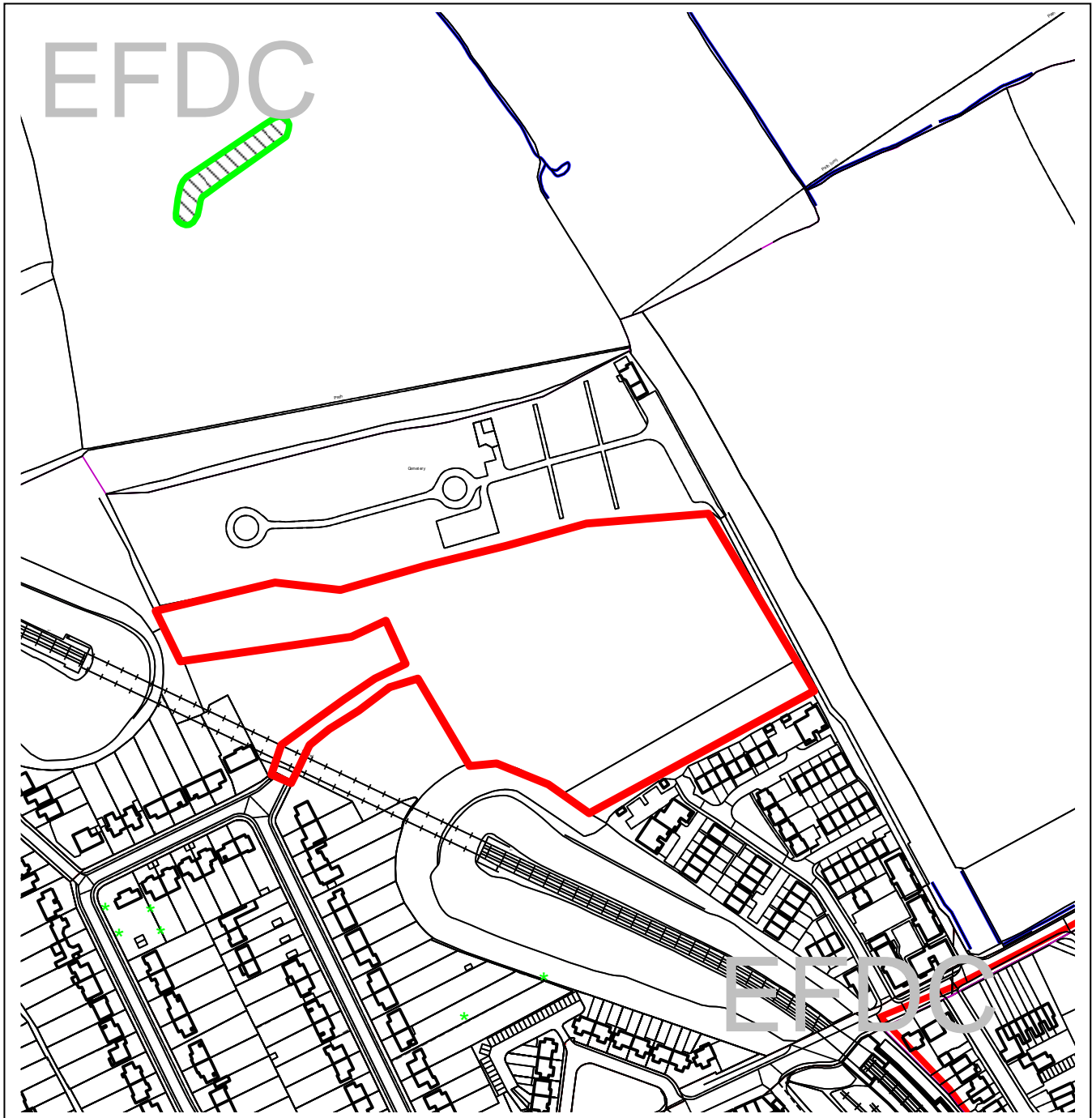




Epping Forest District Council



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Application Number:	EPF/1182/18
Site Name:	Land west of Froghall Lane Chigwell Essex
Scale of Plot:	1:3200

APPLICATION NO:	EPF/1182/18
SITE ADDRESS:	Land west of Froghall Lane Chigwell Essex
PARISH:	Chigwell
WARD:	Grange Hill
APPLICANT:	MPM Limited
DESCRIPTION OF PROPOSAL	Hybrid application requesting full planning permission for an assisted living development comprising of apartments and integrated communal and support facilities; landscaped residents' gardens; staff areas; refuse storage; construction of a new site access; a sustainable urban drainage system; a new sub-station and associated infrastructure and services, and outline planning permission for a 0.45 hectare extension of the cemetery.
RECOMMENDED DECISION:	Grant Permission (Subject to Legal Agreement)

ADDENDUM REPORT

1. This addendum is prepared in conjunction with the previous officer's assessment/report and its recommendations attached at Appendix. It should therefore be read alongside this report with specific regard to other relevant planning issues concerning:
 - Compliance with the EFDC site allocation policy for specialist residential care accommodation;
 - Green Belt balance
 - Design and visual impact;
 - Access, parking and highway safety;
 - Epping Forest Special Area of Conservation; and
 - Flood risk, archaeology and waste collection.

2. This hybrid planning application was deferred from being determined at the October 2021 South Committee meeting following Member's principal concern that the financial viability information (and the resulting officer's conclusions) were based on assumptions made in 2017. Accordingly it requested that the viability information is updated before further consideration of application can be made. In addition, it also requested that matters relating to sustainability and ecology are addressed.

3. The following updates to the original technical information submitted therefore includes:

- i. Financial viability assessment – prepared by Newsteer Real Estate Advisors (November 2021);
- ii. Energy & Sustainability Statement – prepared by Hoare Lea (January 2021); and
- iii. Ecological Assessment including updates to Arboricultural Impact and Method Statements– prepared by Ecology Solutions and Arbor Cultural Ltd. (November 2021).

Further statutory and non-statutory consultations

4. The applicant was also requested by officers to carry out a further update to their original Statement of Community Involvement given the delayed period of determination. In this regard, officers acknowledge that Redwood Consulting (the applicant's Community Engagement Specialists) have:
 - Offered an update briefing to members of Chigwell Parish Council
 - Updated elected representatives for the Chigwell Area of the updated technical reports and addressed queries concerning parking provision
 - Prepared a briefing note for all South Area Committee Members in advance of the next meeting.
5. All updated information that has been provided by the applicants has been the subject of further consultation with local neighbouring residents and statutory/non-statutory consultees.
6. Public notification of the amendments were carried on the 21st December 2021 for a period of 21 days. 16 notices of objection have been received in this round of which only 1 new issue has been raised concerning the lack of disclosure of key financial data in the submitted financial viability statement.

Officer Comment – Current practice guidance encourages applicants to be as transparent wherever possible although are not compelled to disclose information that it considers commercially sensitive. Notwithstanding this, Council officers and its specialist viability advisors have had full disclosure of the commercial data relied upon by the applicants in order to enable a transparent and full assessment to be made.
7. Chigwell Parish Council has retracted its previous support for the scheme and now **OBJECTS** on the following grounds:
 - Fails to deliver 40% affordable housing or equivalent as an offsite contribution;
 - The viability assessment is not transparent and open as required under government policy;
 - Land values are unrealistic;
 - Healthcare provision is considered inadequate given the high level of specialist care residents will require; and
 - Fails to deliver required amount of parking in accordance with the Essex Parking Standards which states that parking should be provided for each unit in retirement homes.
8. With regard to statutory and non-statutory consultee responses, a holding objection was initially received from the Lead Local Flood Authority (LLFA - Essex County Council) stating its requirement for the following clarifications:

- Surface water drainage hierarchy should be considered as stated in the Essex SuDS Design Guide;
 - Opportunities for source control features such as green roofs, permeable paving and rainwater gardens need to be considered within the drainage strategy;
 - Discharge rates from the site should be demonstrated and restricted to 1 year Greenfield runoff rate for all storm event including 40% climate change event; and
 - Further information on water storage features should be provided.
9. The applicant's have provided the additional clarifications which have now satisfied the LLFA. The holding objection has subsequently been removed subject to inclusion of additional planning conditions (see below).
10. EFDC Trees and Landscape Officer has reviewed the amended AIA and AMS and do not object subject to those conditions previously reported (see nos. 17 and 18).
11. Further planning conditions and/or updates to those reported previously are included at the end of this addendum report.

Officer Assessment

Financial viability assessment (FVA) and requirement for affordable housing

12. The applicant's updated FVA has been independently assessed by the Council's expert viability advisors BPS Chartered Surveyors (BPS). For convenience of Members, officers have prepared a table on the following page which summarises the key viability inputs assessed, the results of negotiations between representative parties in January and February and the agreed position reached in March.
13. In accordance with the previous officer assessment, it remains the view that the site is not suitable for onsite affordable housing provision given the management complexities that could arise between a care home and affordable homes providers. Members are therefore advised that any provision towards affordable housing should be secured as a financial contribution if they are minded to support the proposed scheme.

Summary table of negotiations between respective expert viability representatives

Viability Input	Newsteer (November 2021)	Newsteer Addendum (February 2022)	BPS Review (January 2022)	BPS Addendum (February 2022)	Agreed Position (March 2022)
Benchmark Land Value (BLV)	£4.69m	£2.5m	£762,000	£762,000	£900,000
Gross Development Value (GDV)	£74.0m	£75.12m	£76.31m	£75.12m	£75.12m
Service Charge	£9,000 pu.	£9,000 pu.	£9,000 pu.	£9,000 pu.	£9,000 pu.
Off Plan	10% P1 Nil P2	10% P1 Nil P2	30% P1 20% P2	30% P1 20% P2	30% P1 20% P2
Sales Rate	2 per month	2 per month	4 per month	4 per month	1-2 per month
Sales Period	53 months	53 months	26 months	40 months	48 months
Start Up Costs	£2.17m	£2.17m	£805,000	£994,415	£1,643,357
Sales Fees	£3.89m	£3.12m	£2.29m	£2.95m	£2.95m
Profit	20%	20%	17.50%	17.50%	17.50%
Finance	6.75%	6.75%	6.50%	6.50%	6.50%

14. At the outset of negotiations, the applicant's viability assessment identified that the proposed scheme would generate a £4.4m deficit and on that basis would be unable to provide an (off-site) contribution towards affordable housing. In contrast, BPS's initial assessment disagreed with the applicant's inputs and assumptions and advised officers that the scheme would generate a surplus of £9.21m, although this was pending agreement on a range of factors such as:
- Benchmark land value
 - Market values/event fees
 - Service charges
 - Sales timings
 - Start-up and void costs
 - Sales fees
 - Developer profit
 - Finance
15. Members will note from the summary table provided that the key disparity between each party (similar to the previous negotiations in 2017) was the assumed benchmark land value (BLV) for the site. The applicant was initially proposing a BLV based on an Existing Use Value with significant uplift based upon what a landowner might consider a reasonable return. In this instance, the premium being factored/assumed by the applicant is approximate to 15 times the market value of the land. BPS argue that the emerging Local Plan Viability Assessment (2017) provides a more robust position in eliciting any financial premium to be paid to the landowner in the current circumstances. The applicant has agreed to reduce its assumption of BLV from the original starting position of £4.69m to £900,000.
16. The other key differences between each party relates to the proposed sales rates, period and start-up costs.
17. In terms of sales rates and period, the applicant has indicated that the assumptions made by BPS of 4 unit sales per month (26 months) is akin to the circumstances expected in a standard C3 residential for sale project. The applicant advises that a specialist care home provider would normally expect to sell its units over a much longer time frame (53 months in total, avg. 1-2 units per month in this case) which reflects the unique nature of the product and its target market.
18. With regard to start-up costs, the applicant also advises that the facilities being provided as part of the scheme would have to be delivered and operational from day 1 of occupation by future residents. The cost of doing this is significant at the outset and would only be fully recovered when all the units have been sold.
19. Whilst disputes relating to sales rate and start-up-costs would normally be resolved by including a late-stage review mechanism within a S106 Agreement, officers consider that in this instance there are arguments that its inclusion could now disincentivise delivering the scheme particularly given the extended delays and uncertainty that was caused by the SAC.
20. Taking the above into consideration, officers consider that a balance between the requirement for a review mechanism and agreeing a compromise on sales rates and start-up-costs would enable an improved viability position to be reached.

21. Accordingly, the applicant has advised that it is prepared to support (on a without prejudice basis only) an off-site financial contribution of £3m towards the Council's affordable housing building programme.
22. Members will acknowledge that the £3m contribution (alone) represents a significant improved planning benefit when compared to the amount secured during negotiations in 2017.
23. Overall, officers consider that the negotiated contribution represents the maximum reasonable amount that can be achieved and therefore recommends it to be supported.

Sustainability and ecology

24. In terms of sustainability, the applicant is required to demonstrate how its development will meet the Council's adopted and emerging policy commitment to meeting net zero carbon emissions by 2030.
25. Relevant planning policies that specifically underpin the Council's efforts in achieving this are CP3, CP4 and CP5 of the adopted Local Plan including emerging Submission Version Local Plan policies DM9, DM10, DM11, DM15, DM16, DM18, DM19 and DM20. In addition to these policies, a Sustainability Guidance & Checklist for Major Development (*Volume 1, March 2020*) is required to be completed by all applicants for further consideration.
26. With regards to sustainable design, the applicant's proposals are considered to align with the requirements necessary for achieving net-zero carbon by 2050 and can therefore be considered to be policy compliant in that respect. Notwithstanding however, the Council considers that further attainable steps could be taken by the applicants at a post-planning stage such as:
 - Providing a 'whole life carbon assessment' that achieves a reduction in embodied carbon as well as operational carbon;
 - Exploring/enhancing on-site provision of renewable energy sources;
 - Incorporating principles of passive design;
 - How the scheme integrated landscaping responds to the Council's Green and Blue Infrastructure Strategies; and
 - Evidence how building materials will be sourced and their potential for recycling.
27. The information to demonstrate how each of these steps are/can be achieved will be secured by the additional planning conditions set out below (nos. 5,6,7 and 8).
28. In respect of the socio-economic benefits, the applicant has identified that the development would enable:
 - provision for independent living for elderly people for which there is an acute need in the District;
 - Improvement to the quality of life, reduce social isolation and free up family sized-housing;
 - Reduction/diversion of care provision away from NHS Hospitals;
 - Creation of job opportunities for local people during the construction and operational stages of development;

- S106 planning benefits that mitigate the impacts on local infrastructure, e.g. contributions towards primary healthcare services; and supporting/enhancing sustainable local transport measures in the area.
29. Subject to inclusion of the relevant conditions outlined above, the design of the development is considered to comply with the aims and objectives set out in the Council's development plan policies and supporting guidance/standards for achieving net zero carbon in all new developments by 2030.
30. Ecological enhancements are integral to the design of the scheme in the form of the retention and additional planting of hedgerows and trees. The applicant has acknowledged that the habitats present within the site provide potential opportunities for bats, reptiles, birds and invertebrates and accordingly seek to provide a number of appropriate mitigation and enhancement measures, including measures to safeguard nesting birds and foraging and commuting bats. Planning conditions recommended in the report at Appendix would satisfactorily secure the protections and enhancements for ecology onsite (see conditions 12,13, 14, 17 and 18).

Conclusion

31. In summary, the proposals would provide a significantly improved financial contribution towards enabling the Council to support additional affordable housing in the District. The scheme design will also enable the development to achieve net zero carbon status by 2050 whilst additional planning conditions will encourage further steps/opportunities to be explored by the applicants as the detailed design of the scheme evolves. On this basis, the original officer recommendation stands, subject to the additional conditions and S106 planning obligations reported being secured.

S106 Planning Obligations

32. Further to the S106 obligations presented in the previous published report at Appendix, officers confirm the following amendment and addition:
- i. The financial contribution towards the 'Chigwell Hoppa Bus' is now substituted towards local sustainable transport measures; and
 - ii. Ground rents to be restricted by the Council.

Additional Planning Conditions

For avoidance of doubt, the following planning conditions are included in Report Item No.9 of the published agenda.

LLFA recommended

1. No works except demolition shall take place until a detailed surface water drainage scheme for the site, based on sustainable drainage principles and an assessment of the hydrological and hydro geological context of the development, has been submitted to and approved in writing by the local planning authority. The scheme should include but not be limited to:
 - Verification of the suitability of infiltration of surface water for the development. This should be based on infiltration tests that have been undertaken in accordance with BRE 365 testing procedure and the infiltration testing methods found in chapter 25.3 of The CIRIA SuDS Manual C753.
 - Limiting discharge rates to 1:1 Greenfield runoff rates for all storm events up to and including the 1 in 100 year rate plus 40% allowance for climate change. All relevant permissions to discharge from the site into any outfall should be demonstrated.
 - Provide sufficient storage to ensure no off site flooding as a result of the development during all storm events up to and including the 1 in 100 year plus 40% climate change event.
 - Inclusion of 10% urban creep allowance in storage calculations
 - Demonstrate that all storage features can half empty within 24 hours for the 1 in 30 plus 40% climate change critical storm event. Where half drain time exceeds 24 hours, it should be demonstrated that features are able to accommodate a 1 in 10 year storm events within 24 hours of a 1 in 30 year event plus climate change
 - Final modelling and calculations for all areas of the drainage system.
 - The appropriate level of treatment for all runoff leaving the site, in line with the Simple Index Approach in chapter 26 of the CIRIA SuDS Manual C753.
 - Detailed engineering drawings of each component of the drainage scheme.
 - A final drainage plan which details exceedance and conveyance routes, FFL and ground levels, and location and sizing of any drainage features.
 - An updated drainage strategy incorporating all of the above bullet points including matters already approved and highlighting any changes to the previously approved strategy.
2. No works shall take place until a scheme to minimise the risk of offsite flooding caused by surface water run-off and groundwater during construction works and prevent pollution has been submitted to, and approved in writing by, the local planning authority. The scheme shall subsequently be implemented as approved.
3. Prior to occupation a maintenance plan detailing the maintenance arrangements including who is responsible for different elements of the surface water drainage system and the maintenance activities/frequencies, has been submitted to and agreed, in writing, by the Local Planning Authority.

4. The applicant or any successor in title must maintain yearly logs of maintenance which should be carried out in accordance with any approved Maintenance Plan. These must be available for inspection upon a request by the Local Planning Authority.

Sustainability/Supporting Efforts for Net-Zero Carbon Development

5. Before above ground works commence, a whole life carbon assessment of the development shall be submitted that will include details of how the design seeks to reduce both embodied and operational carbon emissions for the written approval of the Local Planning Authority.
6. 1) Before above ground works commence, details of the proposed PV system including location, dimensions, design/ technical specification together with calculation of annual energy generation (kWh/annum) and associated reduction in residual CO2 emissions shall be provided within the Energy Statement.

2) Prior to occupation the following information shall be provided: - Evidence of the PV system as installed including exact location, technical specification and projected annual energy yield (kWh/year) e.g. a copy of the MCS installer's certificate. - A calculation showing that the projected annual yield of the installed system is sufficient to reduce residual CO2 emissions by the percentage shown in the approved Energy Statement.
7. Before above ground works commence, the applicant shall submit a ventilation and cooling strategy in accordance with CIBSE recommended guidance that demonstrates how passive design measures will optimise opportunities to minimise the lifetime carbon footprint of the development hereby approved.
8. Prior to development commencing, the applicant shall submit a Circular Economy Statement that will set out how the proposed development, including any public realm and supporting infrastructure, will incorporate measures into all aspects of the design, construction and operation process. The statement shall specifically demonstrate:
 1. how all materials arising from demolition and any remediation works will be re-used and/or recycled
 2. how the proposal's design and construction will reduce material demands and enable building materials, components and products to be disassembled and re-used at the end of their useful life
 3. opportunities for managing as much waste as possible on site
 4. adequate and easily accessible storage space and collection systems to support recycling and re-use
 5. how much waste the proposal is expected to generate, and how and where the waste will be managed in accordance with the waste hierarchy
 6. how performance will be monitored and reported.