

Extract from

***Report to District Development Control
Committee***

Date of meeting: 15 February 2012



**Epping Forest
District Council**

Subject: Planning Application EPF/2361/09 – Redevelopment of land formerly in use as a garden centre to provide 21 flats 80% of which will be affordable housing. (Revised application)

**Officer contact for further information: K Smith Ext 4109
Committee Secretary: S Hill Ext 4249**

Recommendation:

That the following revisions to the planning application EPF/2361/09 be approved:

(i) The enlargement of the application site to accommodate surface level car parking, instead of the underground car parking which was previously approved (resulting in a reduction in the number of car parking spaces provided from 25 to 20);

(ii) A change to the proposed mix of affordable housing, resulting in 53% of affordable units being available for affordable rent and 47% available for shared ownership; and

(iii) The requirement for the proposed access to be built prior to commencement to be relaxed to allow the development to be built up to a height no more than 1 metre above ground to allow the securing of housing grant funding; and

also subject to the application of the original planning conditions agreed on 8 June 2010 and to the completion of the original legal agreement (as amended above) within 6 months of the date of this meeting.

Report Detail

1. (Director of Planning and Economic Development) Members may recall this application, which was first considered by this Committee in June 2010. The Committee resolved to grant planning permission subject to referral to the Government Office and subject to the completion of a Section 106 legal agreement within 9 months to secure:

- The provision of the vehicle access to the site prior to the commencement of development;

- The amount, tenure and occupancy of the affordable housing;
 - Highway Matters, including street lighting;
 - Education Provision (financial contribution and/or other); and
 - A contribution towards the re-opening of a Post Office facility within Manor Road.
2. Confirmation was received from the Government Office in August 2010, stating that the Secretary of State had concluded that the application should be determined by Epping Forest District Council.
3. A copy of the report to the District Development Control Committee and minutes at that time are attached to this report.
4. Following that resolution to grant planning permission, no action was taken on the completion of the Section 106 legal agreement within the required time period and in April 2011 the application was reported back to the Committee for further consideration. At that time Members gave a further resolution to grant planning permission, subject to the completion of a legal agreement within 6 months.
5. Whilst that resolution has subsequently lapsed, the Applicant's Agent has engaged with officers from the Council's Planning and Housing Directorates and negotiations regarding the development have resumed.
6. The Applicant has amended the scheme by slightly increasing the site boundary onto land which previously formed part of the application for the adjacent site. This has provided space to accommodate surface level car parking within the development, thereby reducing the construction costs by omitting the need to provide underground parking. This amendment does result in a reduction in the number of car parking spaces within the development from 25 spaces to 20. However, having regard to the highly sustainable location of the site, in particular its proximity to Grange Hill Underground Station, this reduction in car parking is considered to be acceptable.
7. Amendments have also been proposed to the Heads of Terms for the legal agreement which will accompany this planning permission, if granted. These are discussed in greater detail below.

The Applicant's Position

8. The Applicant has provided the following statement, indicated why it has not been possible to sign the legal agreement subject to the terms set out in the Committee's decision of April 2011:
9. "Due to the downturn in the housing market since 2007 when the property was purchased and because of the change in government funding to Housing Associations together with additional construction costs and contributions we were unable to deliver the heads agreed by the committee in June 2010."

Revised Terms for Legal Agreement

10. The following revised terms for the legal agreement have been agreed in principle by the Applicant and officers from the Council's Planning and Housing Directorates:

(1) Affordable Housing (all 2 bed units)

- (a) 17 affordable units to be provided
- (b) 9 (53%) of the affordable units to be for affordable rent
- (c) 8 (47%) of the affordable units to be for shared ownership
- (d) All shared ownership properties to meet the Council's Shared Ownership Policy, i.e.:
 - (i) The *average* initial equity share sold to shared owners across all the shared ownership homes within to development to be no more than 35%;
 - (ii) Shared owners to be able to purchase a minimum equity share of 25% and a maximum equity share of 50% for shared ownership schemes;
 - (iii) Shared owners to be able to purchase additional equity shares (staircase) up to full 100% ownership; and
 - (iv) Shared owners to pay an initial rent of no more 2.5% of the unsold equity per annum, with subsequent rent increases determined in accordance with the selected housing association's Rent Setting Policy.
- (e) All the affordable housing to meet the HCA's design and quality standards.
- (f) None of the market housing on the development to be occupied until the developer (or subsequent developer) has entered into a legally binding agreement with the selected housing association for the sale of the affordable housing to the selected housing association.
- (g) The name of the housing association to provide the affordable housing is East Thames

(2) Other Matters

- (a) Post Office Contribution of £40,000
- (b) Education Contribution of £35,072
- (c) The approved development not to be built beyond a height which exceeds one metre above the ground level of the site, until the access road has been provided.
- (d) The delivery of required Highway improvement works (e.g. street lights)

Appraisal

11. The main changes in relation to the previously agreed Heads of Terms relate to the proportion of the affordable housing which will be available for affordable rent in relation to the shared ownership units and also to the requirement for the access road (the subject of a planning application on the adjacent site) to be provided.

12. In relation to the affordable housing, the Council's Director of Housing has agreed a mix of 53% affordable rent to 47% shared ownership following careful consideration of the circumstances and merits of this case.

13. Turning to the access road, it was previously agreed that this development would not be commenced until such time as the access road leading from Manor Road had been provided. This requirement was necessary as if the development were to proceed in isolation to the access road proposed on the adjacent site, then there would be no access to the development by car. It is on the basis that the access would be provided via the adjacent site that the Council has previously accepted that this site is capable of sustaining the number of dwellings proposed.

14. However, East Thames, the potential housing association for the development, has advised that this raises a problem in relation to their intended use of grant funding, which is necessary to deliver the affordable housing. It will be a requirement of their use of grant funding that the development commences by a certain date. Compliance with this date may not be possible if the commencement of the development has to be preceded by the completion of the access road. It is, therefore considered reasonable that this requirement be relaxed as set out above, to provide the opportunity for a commencement to be made on the site to secure the funding, prior to the access road being provided. The limitation of the progress of the commencement to a maximum of one metre above ground level will safeguard against the development proceeding to completion without the access road.

15. The Applicant's agent has expressed some concern regarding the inclusion of an education contribution, because they consider that the site lies outside of the catchment area for West Hatch School and is not, therefore, necessary. However, previous resolutions given by the Committee have included this contribution and if the committee considered that this obligation is necessary, the Applicant is willing to make the contribution. It is the opinion of officers that the sum should be retained within any new resolution that is given, on the basis that additional demand for education services within the locality will arise from the proposed development.

Potential for the Future Delivery of the Development

16. The Applicant's Agent has stated that the developer confirms that he is now able to complete the development with all the aforementioned proposals in place.

Conclusion

17. In light of the above appraisal, it is considered that the amendments to the development and the Heads of Terms for the legal agreement do not have a material impact upon the proposed development, the principle of which has already been agreed by previous resolutions to grant planning permission.