

DEVELOPMENT CONTROL COMMITTEE

ADDENDUM REPORT #2 of 2

Published 19th April 2023

UPDATES TO PLANNING APPLICATIONS

Item 4:

Application 06/22/0546/F: Land north of Scratby Road, Scratby

This report is produced in addition to the Update Report published as dated 22nd March.

The following additional and new information has been received since 22nd March.

1) Additional information from the applicant:

Affordable Housing mix and tenure –

- (a) The applicant has confirmed the 3no. intermediate tenure affordable homes will be provided as Shared Ownership.

OFFICER RESPONSE - This better addresses the identified housing need than shared equity or other forms of discounted home ownership would, and the clarification is welcomed.

- (b) In response to the Strategic Housing Officer's concerns about the overall mix and affordability of 3-bedroom 'shared ownership' properties (at paragraph 11.15 – 11.18 of the original officer report [agenda page 48]) – the applicant has changed a previous 2-bedroom affordable rent home to shared ownership, and changed a 3-bedroom shared ownership property to an affordable rent tenure.

OFFICER RESPONSE –

This redresses some of the concern about the ability of the local community to access the proposed affordable housing, though does not completely resolve the Strategic Housing Officer's concerns. The amendment is welcomed but the overall mix and tenures of affordable housing will still need to be reappraised and confirmed (as proposed under delegated authority) once the viability appraisal is agreed.

No change is proposed to the recommendation – the affordable housing mix should still be agreed as per Officer Recommendation parts (ii) and (iii).

Highways works -

- (c) The applicant has proposed to widen the Scratby Road and Beach Road footpaths from the 1.8m proposed to 2.0m.

- (d) The applicant has proposed to amend the route of the Scratby Road / Beach Road path to run alongside the road carriageway and on the outside of the junction curve, rather than cut-across land in third party ownership. This will also help remove the existing informal parking area which creates a hazard on the bend.

OFFICER RESPONSE –

The Highway Authority has confirmed they have no objection to these amendments.

These amendments are minor and are welcomed to improve safety and visibility of pedestrians and prevent complications of land ownership. Whilst a desire-line may well be created alongside the trees anyway it is a small issue that could be resolved by landowner providing landscaping outwith the remit of this application.

The applicant has also reassured the Highway Authority that the land on the west side of Scratby Road is within their control in order to provide the proposed path and widened carriageway to accommodate the pedestrian refuge island in Scratby Road.

Land ownership and legal agreement on undetermined application 06/18/0475/O -

- (e) In Update Report No. 1 dated 22nd March [agenda page 71]) an objector mentions:
- (i) that they offered access rights and sewage connections for this development through their land to the north - the applicant responds by stating no such offer was made to themselves; and,
 - (ii) that the unresolved scheme for 19 dwellings could be agreed – this applicant claims there is no legal interest for that person in that land, but it would not necessarily need the applicant to have an interest, only a willing landowner.

2) Additional consultee comments

Norfolk County Council's Strategic Planning Obligations team has confirmed they would expect the development to provide:

- No financial contributions required for Education (there is ample capacity at all school levels in the local catchment).
- At least one fire hydrant to be provided (subject to layout and accessibility).
- £3,075 (£75 per dwelling) for library enhancements for stock and IT.

OFFICER RESPONSE –

These were largely as expected and reported at paragraph 23.1 of the officer report (agenda page 61). The officer recommendation is not affected by this confirmation.

3) Additional public representations and consultation comments

Since the publication of the original officer report for 22nd March committee, some 53 additional objections have been submitted, with 3no. additional comments, and 2no. additional letters of support.

This changes the overall number of comments received to:

- 74 objections
- 4 in support
- 2 comments

The objections raised cover the following matters which are material and which were addressed in the officer report paragraphs 6.4 – 6.10 (agenda pages 35-36):

- Inappropriate scale of development for Scratby
- Increased CO2 emissions
- Lack of off-site footpaths and routes to school to and from the site
- Safety of use of the open space at the front of the site
- Impact on protected species inc. newts, grass-snakes
- Local infrastructure, utilities and services are overloaded
- Traffic in the area will increase and speeds are already exceeded
- Loss of agricultural land / greenfield sites
- Noise pollution
- Loss of privacy to recently-built homes
- Over development
- Setting a precedent for other inappropriate developments
- Increased flood risk

Supporting comments are provided re: affordable housing.

General comments provided cover the need for improved footpath provision in the area.

The following comments are raised which are not material to the current application:

- Possibility to facilitate additional development at 27 Beach Road.

4) Initial feedback from the LPA's appointed viability consultants

The consultants have provided some initial points of assessment of the applicant's submitted viability reports. Discussions are ongoing to see if which areas require further clarification and re-appraisal, but the initial reports suggest there is a better viability position than was proposed by the applicant. The following are most pertinent:

- The applicant has included some £2.2m of 'abnormal costs' which are not usually considered abnormal and are accepted only pending further evidence to justify inclusion.
- The value of the site has been depressed by using outdated sales values and no 'real-life' purchase values for similar dwellings in the local area, amounting to some £28/sq.ft.
- The site value has relied on an outdated valuation of the affordable housing properties which needs reappraising.
- The costs of construction can be increased slightly, as could anticipated profit margin.

The land value of the 'exception site area' has been valued inappropriately and not based on the required 'existing use value + incentive'. This in turn has distorted the 'benchmark value' assessment that the release of land should be compared against. As such it could be said that the land value expectation is artificially high for this part of the site, based on 'hope' value rather than 'land use policy-based' value. This means the incentive to release the land assumes a higher value to be passed than

planning policy would support, and in turn then assumes more dwellings to be necessary to achieve a 'fair price'.

The appointed consultants have therefore looked at how many private-market dwellings are necessary in the 'rural exceptions site' area and found that rather than needing 9 open-market dwellings, the scheme would appear to only need 6 open-market dwellings to provide the 10 affordable dwellings proposed in this area and remain viable with an appropriate and competitive land value.

When taken as a whole, this would suggest that the scheme of 41 dwellings could be reduced to 38 dwellings and still provide the proposed 14 dwellings across the site, whilst remaining viable and provide a fair return to the applicant/developer and landowner.

OFFICER RESPEONSE –

Clearly this emerging evidence has potentially very significant ramifications for the application, but it is important to stress that the emerging assessment is still heavily reliant on the applicant providing appropriate additional information to explain their proposed position.

The part of the development within the adopted village boundary would remain viable with 20% affordable housing provision, and that aspect of the development would not need to be questioned.

However, there are potentially significant consequences for both the 'rural exceptions site' portion of the application site, the application's proposed extent of 'public benefit', and the overall development quantum and layout as a 'hybrid' application spanning the village boundary.

If the emerging viability information and assessment is proven to be appropriate to pursue improved data, resulting in a position whereby Officers and applicant have differing opinions on viability, Officers suggest (and to some degree speculate) that the application could eventually remain viable despite either:

- Providing fewer dwellings overall; or,
- Proposing more affordable housing from within the 41 dwellings overall; or,
- Propose a smaller site area and appropriately adjusted layout.

However that is not what is currently proposed in this application. It is therefore proposed that the development viability should continue to be investigated under Delegated Authority, and if Officers do consider there are grounds to make any changes to the mix of affordable housing, or other alterations to the form of the proposed development, then this should be reverted to the Development Control Committee in due course.

5) Amended Recommendation:

The recommendation in the original Officer Report is still considered relevant.

The conditions recommended for use are as per Officer Update report (agenda page 71).

However – it is recommended to amend the Recommendation thus:

- (1) The viability appraisal review suggests house price valuations are relevant for the current period of time only with a slightly depressed housing market until 2024 (values are expected to increase akin with previously-experienced house price growth from 2025). As such, it is recommended that any approval should be subject to a planning condition **requiring commencement within 12 months of the date of the decision** (which could be 18 months from the committee meeting by the time section 106 agreements are completed). This would secure the public benefits quicker than the usual 3 years, and be relevant to the economic circumstances in which the decision is made.

This is a proposed amendment to proposed Condition 1 on agenda report page 71.

- (2) As the application is proposed to supply significant public benefits in the form of additional affordable housing, the affordable housing quota should be subject to a viability re-appraisal if the development has not provided any affordable housing ready for occupation within 18 months of the commencement of development, and a reappraisal would secure more affordable housing or a commuted sum from any 'uplift in value' if the affordable dwellings do not proceed to a timely fashion.

This is a proposed amendment to add the additional requirements to proposed recommendation part (iv) on agenda report page 64.