

**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

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**REPORT TO:** Planning Committee

2 March 2011

**AUTHOR/S:** Executive Director / Corporate Manager – Planning and Sustainable Communities

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**S/2155/10- GIRTON**

**Erection of Building to Provide Five Flats Following Demolition of Existing Dwelling – 11 Mayfield Road, Girton, Cambridge, Cambridgeshire CB3 0PH for Mr David Hargrave, Lon-ist**

**Date for Determination: 31<sup>st</sup> January 2011**

**A. Update to the report – Precise details of Developer Contributions**

Further to paragraph 51 of the Committee Report and following a letter of representation from the occupant of no.12 Mayfield Road the applicant has provided a draft heads of terms concerning the level of contributions that are willing to be made.

On-site provision of affordable housing has dismissed in this instance. The previous 2008 submission (application ref: S/0468/08/F) was able to demonstrate that reasonable steps had been taken to involve a registered provider in the scheme but this had been fruitless. The reality today is that Registered Providers are even more unlikely to be interested in such a site and as such the Affordable Homes Team have agreed to a financial contribution in lieu of on-site provision.

Policy HG/3 of the development control policy DPD states 'The amount of affordable housing sought will be 40% or more of the dwellings for which planning permission may be given on all sites of two or more dwellings'. It then goes on to say that 'Account will be taken of any particular costs associated with the development (e.g. site remediation, infrastructure provision) and other viability considerations, whether there are other planning objectives which need to be given priority, and the need to ensure balanced and sustainable communities'.

Policy DP/3 of the development control policy DPD states that 'All development proposals should provide, as appropriate to the nature, scale and economic viability...Financial contributions towards the provision and, where appropriate, the maintenance of infrastructure, services and facilities required by the development in accordance with policy DP/4'.

DP/4 is the policy that requires section 106 contributions towards such things as open space, school places, transport, community facilities.

In this context all planning obligations are subject to viability, although it is for the District Council, and usually planning committee, to determine whether the development is still acceptable if it offers little in the way of community benefit (i.e. planning gain).

Pocock and Shaw is the independent valuer appointed by the District Council to assess the necessary level of contribution in respect of affordable housing commuted sum in lieu of onsite provision. In the assessment undertaken in 2008 John Pocock

reflected that the scheme would be unviable should a commuted sum equivalent of the cost of providing 2 plots elsewhere in Girton be sought. He went on to advise the commuted sum should therefore be reduced to allow the scheme to come forward and suggested a contribution of £50,000. This figure has subsequently been reduced to £40,000 in their January 2011 assessment, to take account of the different values expected and increase build costs.

The applicant has submitted a completed economic appraisal tool (as produced by the Homes and Communities Agency) based on a residual land value basis, in accordance with the affordable housing SPD. In line with national guidance on viability the Local Planning Authority has to have regard to the existing or alternative use value, in this case the dwelling that is proposed to be replaced by the flats. The current value of the existing dwelling has been subject of debate, however, the financial appraisal clearly demonstrates that the scheme is unviable regardless of whether an existing use value of £330,000 as suggested by Pocock and Shaw or £400,000, as the price paid by the applicant, is included.

The applicant has provided a heads of terms that sets out their acceptance in full of all contributions other than the commuted sum for affordable housing at £10,000 rather than the independent valuers suggested figure of £40,000. These figures are as below:

1. Community Facilities £1,168.12
2. Public Open Space £5,117.97
3. Section 106 monitoring fee £250
4. Affordable Housing Contribution £10,000
5. Household waste receptacles to be agreed

The submitted EAT demonstrates that the residual land value is circa £142,000 and therefore considerably less than the existing use value. A developer profit margin of 15%, which is lower than may be expected from developers and financial providers, has been included which generates a figure of circa £144,000. This demonstrates that even when these figures are combined the applicant is not expected to recover the sum paid for the land and therefore the heads of terms as submitted could be considered reasonable.

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