



Report of the Chief Planning Officer

NORTH AND EAST PLANS PANEL

Date: 26th April 2018

Subject: 16/07871/FU – Planning Application for residential development comprising of 27 flats and 15 houses with parking and greenspace at the former public house site, Rathmell Road, Halton.

APPLICANT

Provident Land Ltd - Mr
Jerome O'Malley

DATE VALID

TARGET DATE

Electoral Wards Affected:

Temple Newsam

Yes

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

RECOMMENDATION: Members are asked to agree the proposed Deed of Variation to the existing S106 legal agreement associated with the above permission in the light of the conclusions reached in the revised viability appraisal.

1.0 INTRODUCTION

- 1.1 This proposal is brought to Plans Panel as it relates to planning application that it considered in September of last year. The application was considered on the basis it would meet its full affordable housing and greenspace requirements (amounting to 2 x 2 bed dwellings and £93,524.20 respectively) and formal planning permission was granted on 30th November 2017 following completion of the S106 agreement.
- 1.2 Since the permission was granted, it has come to light an error with the original Viability Appraisal (VA) was made which has significant implications in terms of the scheme's ability to reasonably deliver the S106 obligations as currently signed up to. The error relates primarily due to the failure to include the communal areas associated with the flat blocks. There are 3 flat blocks within the development so

the original built costs assessed were significantly below (by £389,536) what they should have been. In addition, further information has been obtained regarding the site preparation works (demolition, utility diversions, asbestos removal and abnormal foundations) which have pushed up these costs relative to the original estimates – albeit these particular cost increases are not determinative in themselves.

1.3 The purpose of this report is therefore to outline the revised viability case relating to the original permission and for Members to consider if they are willing to agree the proposed Deed of Variation to the original S106 agreement.

1.4 In light of the viability being the only issue for consideration, this report focuses solely on this topic but a copy of the original officer report is appended for Members information (appendix 1).

2.0 BACKGROUND

2.1 As Members are aware, government advice on the issue of taking viability into consideration as part of the planning process is set out in the National Planning Policy Framework (NPPF) and states the costs of any requirements likely to be applied to development (e.g. affordable housing, etc) should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing landowner and/or developer to enable the development to be deliverable. Viability considerations also remain relevant in the revised draft for the NPPF which is currently out to public consultation. The draft NPPF now includes an entire appendix on viability and although it has a strong emphasis on ensuring local plan policies are subject to viability testing to reduce the instances where individual viability cases are needed, it still recognises that individual Viability Appraisal's will be advanced. Where this occurs, it advocates full disclosure to ensure openness and transparency in the decision making process and also the use of a more standardised inputs so as to ensure greater consistency across the board when dealing with such matters.

2.2 In reviewing the revised NPPF, it is worth noting Leeds has already moved towards full disclosure as formal advice from the relevant expert/consultee, which is often the District Valuer (DV) as is the case here, is now generally appended to the officer report and standardised inputs in accordance with best practice are also used as a matter of course.

2.3 An additional matter which Members should be aware of is that there is no formal requirement to enter into negotiations or agree variations to completed S106 legal agreement within the first 5 years for matters that are not related to affordable housing. As such, consideration of this proposed amendment is discretionally albeit the applicant could submit a revised planning application and ask for the same issue to be considered. As such, the ultimate question to Members would be the same and accordingly officers have sought to advance the applicant's request outside of a formal planning application in the interests of expediency and noting the potential regeneration benefits associated with the scheme were its redevelopment to be implemented.

3.0 CONSULTATION

3.1 Although the proposed deed of variation does not form part of a formal planning application so is not subject to publicity, Ward Members have been advised of the

revised situation (in January) but have not offered any comments either in support or against the proposal. Panel Members will also note from the appended officer report that no neighbour representations were received at the application stage.

4.0 VIABILITY APPRISAL

4.1 A copy of the DV's appraisal is appended in full to this report (appendix 2) but a summary of the main values and costs for the development is also provided below:

Values		
Gross Development Value (GDV)		
Market Value		
4 bed detached	£ 228,228 each	£228,228
3 bed semi	8 at £203,338 each	£1,626,704
2 bed semi	4 at £154,090 each	£616,360
2 bed flat (2 storey)	8 at £98,000 each	£784,000
2 bed flat (3 storey)	12 at £97,000 each	£1,164,000
2 bed flat (4 storey)	7 at £98,571 each	£689,997
<i>Market sub-total</i>		£5,109,289
Affordable units		
2 bed semi (Social Rent	£52,310 each	£52,310
2 bed semi (Intermediate)	£67,159 each	£67,159
<i>Affordable sub-total</i>		£119,468
Ground rent investment	27 flats at £250 per annum	£135,000
GDV TOTAL		£5,363,757

Costs		
Land value		£90,000
Land fees		£1,800
Build costs		£3,973,672*
Professional fees		£238,420
Finance (incl. interest)		£152,453
Marketing, sales, legals		£181,005
S106 - Greenspace		£93,524
CIL		£15,028.50
Total land, build and costs		£4,745,902.50
Profit	At 16.94% of GDV	£908,368
Total Costs		£5,654,271

***Original appraisal missed off the communal areas to flats (costing £389,536)**

- 4.2 In reviewing the above tables, the costs of the development when both affordable housing and the greenspace are factored in exceed the scheme's value by some £290,513. The DV has therefore confirmed the scheme is unviable with these costs assuming a developer provide of just under 17%.
- 4.3 In considering the acceptability of the revised VA, the proposed level of developer profit is comparable with others that have been advanced in separate appraisals. Furthermore, the scale of the development and its nature is such that this level of profit margin is considered to generally reflect the likely risks to the applicant. For these reasons, although the scheme's inability to deliver affordable housing and the greenspace contribution is disappointing, the surrounding area has a very high presence of social housing and some new public greenspace is to be delivered as part of the detailed layout. The delivery of housing on the site also has significant regeneration benefits.

5.0 CONCLUSION

- 5.1 To conclude, a VA has been provided and assessed by the DV following an omission in an earlier appraisal which had been considered. The VA concludes the development will not generate sufficient profit to be able to deliver the Council's normal policy ask in respect of affordable housing and greenspace contributions. This is based on a profit level of just under 17% which is considered to be reasonable for the type of development proposed. Officers are therefore of opinion the proposed deed of variation can be supported as this will help delivery of the scheme which Members will note from the original officer report has a number of positive regeneration benefits.

Background Papers:

Application files: 16/07871/FU

APPENDIX 1



Originator: Sarah Hellewell

Tel: 0113 37 88026

Report of the Chief Planning Officer

NORTH AND EAST PLANS PANEL

Date: 14th September 2017

Subject: 16/07871/FU – Planning Application for residential development comprising of 27 flats and 15 houses with parking and greenspace at the former public house site, Rathmell Road, Halton.

APPLICANT

Provident Land Ltd - Mr
Jerome O'Malley

DATE VALID

9th January 2017

TARGET DATE

22nd September 2017

Electoral Wards Affected:

Temple Newsam

Yes

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

RECOMMENDATION: DEFER and DELEGATE approval to the Chief Planning Officer subject to the following conditions and the prior completion of a section 106 to cover the following:

1. Affordable housing (5%) – 2 units on-site
2. Commuted sum in lieu of on-site greenspace – £93,524.20

In the circumstances where the Section 106 has not been completed within 3 months of the Panel resolution to grant planning permission, the final determination of the application shall be delegated to the Chief Planning Officer.

1. Time limit – 3 years.
2. Development to be carried out in accordance with approved plans.
3. Wall, roofing, surfacing windows and door materials.
4. Levels and Finished floor levels.
5. Landscaping scheme

6. Landscape management plan to cover maintenance of all new landscaping for the first 5 years, and the management of on-site open space and areas of landscaping not within individual plots for the lifetime of the development.
7. Lighting
8. Vehicle areas to be laid out prior to occupation.
9. Construction management statement, to include provision of contractor parking, material storage etc within the site
10. Bin storage
11. Cycle parking to be provided
12. Electric vehicle charging points to be provided
13. Infiltration drainage methods feasibility method study
14. Drainage scheme
15. Sustainability measures to be agreed
16. Drainage details
17. Submission of remediation statement
18. Amended remediation statement if unexpected contamination is encountered
19. Verification report following remediation

1.0 INTRODUCTION

- 1.1 This application is brought to Plans Panel as the proposal is a departure from the adopted development plan as housing is proposed on parts of the site that is formally designated as N1 Greenspace within the saved UDP (Review).

2.0 PROPOSAL

- 2.1 The proposal includes demolition of the existing derelict public house and its replacement with 27 flats and 15 houses (42 dwellings in total) on the wider site. Parking, greenspace and associated landscaping is also proposed. The proposal comprises of:-
- 2.2 15 houses (6 x 2 bed, 8 x 3 bed and 1 x 4 bed) and 27 flats (2 bed with a mix of 2 and 4 person units). All the houses with the exception of 1 (which would be detached) would be provided as semi-detached properties. The flats would be provided within 3 blocks.
- 2.3 The proposed layout takes account the shape of the site with the buildings located around the boundary, in a horse shoe shape. This has regard to the crescent form of the western boundary of the site. Vehicular access to the site is taken from the northern boundary off of Rathmell Road. The proposed access road runs north to south (but is restricted at the southern boundary).
- 2.4 The site is split into two parts (east and west) as a result of this new internal road. The western section of the site, which includes the crescent shaped element, consists of 5 buildings. This includes the largest flat block that forms a feature building as it is sited in line with the junction of Coronation Parade and Rathmell Road. This block is a mix of 3-storeys with pitched roof (with a flat in the roof space) in the centre stepping down to 2-storeys with pitched roof and then a single storey element to the side providing access the ground floor flats. All the houses are two storey and have parking off Rathmell Road. Located to the rear of flat block and houses are the private amenity spaces and a parking court for the flats. Pedestrian access is provided north to south on the site and access through the site to the public open space which adjoins the eastern boundary of the site.

2.5 To the east of the internal access road the site is rectangular in shape and has house and flats flanking each boundary with a central greenspace area proposed. The greenspace area is 0.12 hectares. All these buildings are two storey, with frontage parking and private amenity areas to the rear.

2.6 The materials proposed are brick and cladding concrete roof tiles, all of which relate to the surrounding buildings. Final details are indicated to be subject to agreement.

3.0 SITE AND SURROUNDINGS:

3.1 The application site is 0.95 hectare in size and largely comprises of open grass. In the centre of the site is a 2-storey building known as the Halton Hotel public house which is now in a dilapidated state of repair. A small area of hardstanding for parking is also available with access taken from north.

3.2 The surrounding area is residential comprising of two storey, semi-detached properties. There are two Public Rights of Way running down the side (north boundary) and through from south to the neighbouring public open space area which runs behind the Rathmell Road properties.

3.3 There are other sites in the locality that form part of the East Leeds Brownfield Land Programme which went to Plans Panel on 30th March 2017. This site is listed on the Derelict and Nuisance Property Programme by the Council.

4.0 RELEVANT PLANNING HISTORY:

4.1 None relevant to this site

5.0 HISTORY OF NEGOTIATIONS:

5.1 There have been pre-submission discussions regarding this site (PREAPP/14/00380) for 72 units and comments provided to the applicant were it would be beneficial to retain some greenspace and that the development was too intensive/cramped.

5.2 Further revisions to the above have been considered which have lower the overall density and resulted in the submission of the current planning application.

5.3 During the process of the application, the application has been amended by reducing the height of the large flat block which reduced the total number of units by 1. Elevational changes to buildings (use of materials) and an increase in greenspace provided on site and changes to parking provision have also been secured.

6.0 PUBLIC/LOCAL RESPONSE:

Ward Members

- 6.1 Ward Members have been briefed during the planning application stage. Whilst none have formally commented, in principle they are supportive of redeveloping the site but raised some concern regarding the height of the flat block to the front of the site.
- 6.2 A public consultation event was carried out by the applicant agents on 15th March 2017, 3 – 7pm at Halton Moor Social Club (following a leaflet drop in the area). Feedback was positive feedback regarding aesthetics, greenspace provided on site, the site regeneration as it has been a site of anti-social behaviour for a number of years.
- 6.3 The application has been advertised by site notices posted 27th January 2017 and newspaper advert published 13 January 2017. No letters of representation have been received.

7.0 CONSULTATIONS RESPONSES:

- 7.1 LCC Highways: No objection to the revised layout subject to conditions as initial points raised have been addressed through negotiations.
- 7.2 LCC Flood Risk Management: No objection subject to conditions
- 7.3 LCC Contaminated Land: No objection subject to conditions
- 7.4 LCC Sustainable development Unit (design and landscape): No objections subject to conditions.
- 7.5 West Yorkshire Combined Authority: Request bus stop improvements and residential travel cards.
- 7.6 Coal Authority: No objection subject to conditions.
- 7.7 LCC Architectural Liaison Officer – the development creates a safe and secure environment that reduces the opportunities for crime without compromising community cohesion
- 7.8 Yorkshire Water; No objection subject to the conditions
- 7.9 Public Right of Way (PRoW) – running through the site which will require diverting. A diversion/new route has been agreed in principle.

8.0 PLANNING POLICIES:

- 8.1 Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires that planning applications are determined in accordance with the Development Plan unless material considerations indicate otherwise. The Development Plan for Leeds currently comprises the Core Strategy (2014), saved policies within the Leeds Unitary Development Plan (Review 2006) and the Natural Resources and Waste Development Plan Document (2013) and any made Neighbourhood Plan.

Adopted Leeds Core Strategy (LCS)

- 8.2 The following Core Strategy policies are considered most relevant:

Spatial Policy 1	Location of Development
Spatial Policy 6	Housing requirement and allocation of housing land
Spatial Policy 7	Distribution of housing land and allocations
Policy SP4	Regeneration Priority Area (East Leeds)
Policy H1	Managed release of sites
Policy H3	Density of residential development
Policy H4	Housing mix
Policy H5	Affordable housing
Policy T2	Accessibility requirements and new development
Policy P10	Design
Policy P12	Landscape
Policy G4	New Greenspace provision
Policy G6	Protection and redevelopment of existing greenspace
Policy EN1	Climate change
Policy EN5	Managing flood risk
Policy ID2	Planning obligations and developer contributions

Saved Policies - Leeds UDP (2006)

- 8.3 The site, apart from the area of hardstanding with access road and building are designated N1 Greenspace (Saved UDP Policy) which links into an existing area of greenspace to the east of the site. The following saved policies within the UDP are considered most relevant to the determination of this application:

GP5: Development Proposals should resolve detailed planning considerations.

N1: protection of existing greenspace

N23/25: Landscape design and boundary treatment

LD1: Detailed guidance on landscape schemes.

Submission Draft Site Allocations Plan (SAP) (May 2017)

- 8.4 In the Draft SAP the majority of the application site is allocated as a Phase 1 housing allocation ref HG2-215. However, at present the SAP does not outweigh the current greenspace status. The Plan was formally submitted to the Secretary of State for Communities and Local Government on 5 May 2017. This means the Plan is now in the examination period (which is a continuous process running from the date of submission through to the receipt of the appointed Planning Inspectors Report). The Plan is at an advanced stage and has material weight in considering planning applications. The LPA must however apply balance and planning judgment against the current PAS policy against the Councils lack of a 5 year housing supply.
- 8.5 Within the Draft SAP the application site (SAP reference HG2-215) is proposed as having a capacity for circa 30 dwellings. The application site is larger than the site allocation under the Draft SAP hence the increase number of Properties proposed. The application is considered to be premature given the allocation of the site and should be determined via the plan making process. However, the application is in general conformity with the SAP proposed allocation.

Relevant supplementary guidance:

- 8.6 Street Design Guide SPD
Neighbourhoods for Living SPG13

Sustainable Design and Construction SPD
Parking Standards SPD
Public Transport Improvements and Developer Contributions SPD
Travel Plan SPD

Halton Moor and Osmondthorpe Development Framework

- 8.7 This framework was approved by Planning Board in July 2017 and is a material consideration when determining a planning application; the application site is included as a proposed housing site within the framework.

National Planning Policy Framework (NPPF)

- 8.8 The National Planning Policy Framework (2012), and the National Planning Practice Guidance (NPPG) (2014) set out the national policies for England and how these are expected to be applied. One of the key principles running through the Framework is a presumption in favour of Sustainable Development set out in three parts: Social, Economic and Environmental.
- 8.9 With regard to housing applications, the NPPF sets out at paragraph 47 that to boost the supply of housing, LPAs must identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements with an additional of 5% (moved forward from later in the plan period) to ensure choice and competition in the market of land. Deliverable sites should be available now, be in a suitable location and be achievable with a realistic prospect that housing will be delivered on the site within 5 years. It states that where there has been a record of persistent under delivery of housing, LPAs should increase the buffer to 20%.
- 8.10 Paragraph 49 of the National Planning Policy Framework states the following:
- “Housing applications should be considered in the context of the presumption in favour of sustainable development. Relevant policies for the supply of housing should not be considered up-to-date if the LPA cannot demonstrate a five-year supply of deliverable housing sites.”*
- 8.11 In the appeal decision dated 8 June 2016 in relation to land at Grove Road, Boston Spa in accordance with appeal APP/N4720/A/13/2208551, the Secretary of State (SoS) took the view that on the basis of the evidence available to him at that time, the Council was unable to demonstrate a deliverable 5-year supply of housing land. Paragraph 13 of the SoS finding states that: *Having regard to the Development Plan position, the SoS agrees with the Inspector that there is no 5-year housing land supply.*
- 8.12 In light of the above findings, the Council is now in the position that it does not have a 5 year housing supply and the policies within the saved UDP and LCS that are relevant to the supply of housing are considered to be out of date. In determining which policies are defined as ‘relevant policies for the supply of housing’, in terms of those policies that should be considered out of date, case law has determined that Paragraph 49 of the NPPF should be interpreted narrowly and applies to all policies which relate to the supply of housing.
- 8.13 Also relevant is the guidance contained within the NPPF that relates to policy implementation and the status to be given to emerging plans. Paragraph 216 of the

NPPF advises decision-makers may also give weight to relevant policies in emerging plans according to:

- (i) The stage of preparation of the emerging plan (the more advanced the preparation, the greater the weight that may be given);
- (ii) The extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and
- (iii) The degree of consistency of the relevant policies in the emerging plan to the policies in this Framework (the closer the policies in the emerging plan to the policies in the Framework, the greater the weight that may be given).

This is pertinent to the Draft SAP in Leeds which is at an advanced stage and is currently under inspection by the SoS.

8.14 The below sections are also considered to be relevant:

Section 1 - Building a strong, competitive economy
Section 4 - Promoting Sustainable transport
Section 6 - Delivering a wide choice of quality homes
Section 7 – Requiring good design

DCLG - Technical Housing Standards 2015

8.15 This document sets internal space standards within new dwellings and is suitable for application across all tenures. The housing standards are a material consideration in dealing with planning applications. The government's Planning Practice Guidance advises that where a local planning authority wishes to require an internal space standard it should only do so by reference in the local plan to the nationally described space standard. With this in mind the City Council is currently developing the Leeds Standard. However, as the Leeds Standard is at an early stage within the local plan process, and is in the process of moving towards adoption, only limited weight can be attached to it at this stage.

9.0 MAIN ISSUES

1. Principle of development
2. Character of area / Visual Amenity
3. Housing Mix
4. Highways and access
5. Residential amenity
6. Planning Obligations and CIL Other Matters

10.0 APPRAISAL

Principle of development

10.1 The majority of the site is currently designated N1 Greenspace in the UDP (Review) apart from the area of land which contains the dilapidated former PH building, access road and parking (area of hard-surfacing) which is located in the centre of the site and is therefore Brownfield Land which is previously developed.

Part of the site to the eastern boundary, a strip of land 3m in depth running the full length of the site remains designated as N1 Greenspace under the UDP (Review) and the SAP as the land to the east of the site is now and will remain designated greenspace.

- 10.2 Core Strategy policy G6 states that the development of existing open space will not be supported unless (i) there is an adequate supply of greenspace in the area, (ii) compensatory provision is made within the locality or (iii) 'where supported by evidence and in the delivery of wider planning benefits, redevelopment proposals demonstrate a clear relationship to improvements of existing green space quality in the same locality.'
- 10.3 The site itself has become run-down and is not used as a greenspace facility and overtime it has become a nuisance site with significant anti-social behaviour occurring on and around it and has become an eyesore within the streetscene and local area. The proposed development provides some replacement greenspace on site which is located near the existing greenspace at the bottom of the site (which does not form part of this application) and creates good links to this area, therefore complying with G6 (iii). This provision of on-site greenspace is proposed to be combined with a commuted sum of £93,524.20 to be used towards greenspace improvements within the locality. The proposals for the use of this sum are still being finalised, in discussion with Ward Members and colleagues in Parks and Countryside.
- 10.4 As stated, the site is designated as N1 greenspace in the UDP (Review), however the Draft SAP for the Outer West' proposes to allocate this site for housing in the plan period. At present the SAP does not outweigh the current PAS status. The Plan was formally submitted to the SoS on 5 May 2017. This means the Plan is now in the examination period (which is a continuous process running from the date of submission through to the receipt of the appointed Planning Inspectors Report.) The Plan now is now advanced and has material weight when considering planning applications. The LPA must however apply balance and planning judgment against the current PAS policy against the Councils lack of a 5 year housing supply.
- 10.5 Having regard to relevant policies within the Core Strategy, it is noted that the Core Strategy is up-to-date; it was published after the NPPF and was found to be sound. Accordingly, full weight can be attached to the distribution strategy for the appropriate location of development as set out in Core Strategy Spatial Policies SP1, SP6 and SP7.
- 10.6 Spatial Policy 1 of the Core Strategy relates to the location of development and confirms the overall objective is to concentrate the majority of new development within and adjacent to urban areas, taking advantage of existing services, high levels of accessibility, priorities for urban regeneration and an appropriate balance between brownfield and greenfield land. It confirms that the largest amount of development will be located in the main urban area and major settlements with small settlements contributing to development needs subject to the settlement's size, function and sustainability. As a consequence, the priority for identifying land for development is (i) previously developed land within the Main Urban Area/relevant settlement, (ii) other suitable infill sites within the Main Urban Area/relevant settlement and (iii) key locations identified as sustainable extensions to the Main Urban Area/relevant settlement. The site falls within the urban area and within the NPPF, the effective use of land by reusing brownfield land is

encouraged but the development of Greenfield land is not precluded with the presumption in favour of sustainable development the primary determinant.

- 10.7 The determination of this application must be on the basis of a planning balance in the context of the shortfall in the 5 year housing supply. In this regard, it is also the case that the site is adjoined by existing housing development.
- 10.8 Spatial Policy 6 of the Core Strategy relates to the City's Housing Requirement and the allocation of housing land. It confirms that the provision of 70,000 (net) new dwellings will be accommodated between 2012 and 2028 with a target that at least 3,660 per year should be delivered from 2012/13 to the end of 2016/17. Guided by the Settlement Hierarchy, Spatial Policy 6 confirms that the Council will identify 66,000 dwellings (gross) (62,000 net) to achieve the distribution in tables H2 and H3 in Spatial Policy 7 (which identifies a need for 4700 new homes in the Outer West Housing Market Character Area within which the site is located, representing 7% of the City-wide distribution) using the following considerations:
- (i) Sustainable locations (which meet standards of public transport accessibility), supported by existing or access to new local facilities and services, (including Educational and Health Infrastructure);
 - (ii) Preference for brownfield and regeneration sites;
 - (iii) The least impact on Green Belt purposes;
 - (iv) Opportunities to reinforce or enhance the distinctiveness of existing neighborhoods and quality of life of local communities through the design and standard of new homes;
 - (v) The need for realistic lead-in-times and build-out-rates for housing construction;
 - (vi) The least negative and most positive impacts on green infrastructure, green corridors, green space and nature conservation;
 - (vi) Generally avoiding or mitigating areas of flood risk.

In response to these considerations, the following is advised:

- 10.9 In terms of a sustainable location; the site sufficiently meets the Accessibility Standards established at Table 2, Appendix 3 of the Core Strategy such that it is considered to be a sustainable and accessible location with suitable access to local facilities and services.
- 10.10 With regard to health infrastructure, the provision of health facilities falls within the remit of NHS England and at a local level, Leeds' three Clinical Commissioning Groups (CCGs). The amount of new housing identified for Leeds up to 2028 would equate to, on average, 5-6 new GPs a year across Leeds based on a full time GP with approximately 1800 patients. The Site Allocations Plan cannot allocate land specifically for health facilities because providers plan for their own operating needs and local demand. Existing practices determine for themselves (as independent businesses) whether to recruit additional clinicians in the event of their registered list growing. Practices can also consider other means to deal with increased patient numbers, including increasing surgery hours.
- 10.11 Whilst the application site is mainly a Greenfield site (designated N1 greenspace) with the remaining part of the site Brownfield land, neither Spatial Policy 6 nor the NPPF preclude the development of Greenfield sites. The standards and design of the development will offer the opportunity to add and enhance the distinctiveness of the locality and provide a high quality design standard for new homes having regard to the character and urban grain of the wider area. The impact with regard to nature conservation and flood risk have been fully considered and are addressed in

the report below but none of these issues are considered to preclude development in accordance with Spatial Policy 6.

- 10.12 With specific regard to the managed release of sites, Policy H1 of the Core Strategy confirms that the LDF Allocations Documents will phase the release of allocations according to the following five criteria to maintain a 5-year housing supply:
- i. Location in regeneration areas,
 - ii. Locations which have the best public transport accessibility,
 - iii. Locations with the best accessibility to local services,
 - iv. Locations with least impact on Green Belt objectives,
 - v. Sites with least negative and most positive impacts on existing and proposed green infrastructure, green corridors, green space and nature conservation.
- It is considered that its release can be supported complying with H1 (i) and it is also considered to be compliant with (ii), (iii) and (v).
- 10.13 The site is located within Spatial Policy 4 Regeneration Area of which this site forms part of the East Leeds regeneration priority programme area and this proposal supports this policy and regenerates a run-down site with no positive benefits to the area or local residents and will bring the site back into use providing housing and useable greenspace.
- 10.14 Within the Draft SAP the application site is being proposed for housing with a capacity of 30 dwellings. With reference to Paragraph 212 of the NPPF, the Draft SAP can, at this point in time, be afforded material weight given that it is with the SoS for examination. As set out above, the application is premature as it seeks approval for housing prior to the site being allocated as such as part of the plan making process – however it is acknowledged that it does conform with the proposals put forward in the emerging SAP.
- 10.15 Policies SP1, SP6 and SP7 of the Core Strategy, which provide a framework for directing housing development to the most sustainable locations, are considered to be broadly consistent with the NPPF, and so the principle of the approach promoted by them may be given significant weight.
- 10.16 The presumption in favour of sustainable development means that planning permission must be granted unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the NPPF taken as a whole. Due to a lack of 5 year housing land supply current housing supply policies are considered out of date but not irrelevant and an assessment must be made in respect of the weight to be attached to such policies in the planning balance of decision making.
- 10.17 Weight must be attached to the fact that this application will make a contribution to housing supply within the City providing 53 units at a time when the Secretary of State has determined in the recent appeal decisions that the 5-year housing land supply requirement across the City is 6379 units per annum. .
- 10.18 In terms of location of the development, whilst this is a greenfield/greenspace site it is within the main urban area and whilst it is acknowledged that development of brownfield sites should be sought over the development of greenfield, development of undeveloped sites are not precluded by either the LCS or the NPPF. It is also

Officers view that this site can be regarded as an infill development within the immediate area as it is adjoined on most sides by residential development.

- 10.19 As set out in the below report it is determined that there is a presumption in favour of granting permission and that there are no demonstrably adverse impacts which outweigh that presumption, and a site specific analysis is required as set out in this report below. It must therefore be considered in the context of the presumption in favour of sustainable development and, in accordance with guidance within the NPPF, approved without delay unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole.
- 10.20 In light of the above, it is considered that the scheme would bring significant regeneration benefits. The proposal compliments the strategic approach to the regeneration of the area that includes the recently approved Brownfield Land Programme. After many years of neglect, and no investment in the site it has become an eyesore site within the streetscene. The site has been also been subject use causing significant anti-social behavioral problems. This proposal can provide a well-designed scheme eradicating the issue on a site and with clearly related investment in existing greenspace. Therefore the development of the area of open space for housing is considered acceptable in principle.

Character of area/Visual Amenity

- 10.22 The scheme submitted to Plans Panel has been revised following discussions since the application was submitted. Part of the scheme is the creation of a feature building located at the junction of Rathmell Road and Coronation Parade. The site is located at the top of Coronation Parade and in urban design terms it is entirely appropriate to provide a landmark/feature building in this location. In responding to some detailed design matters, including those expressed by Ward Members this building has been specifically amended and reduced in height to 3 storeys (plus an apartment in the roof space) so as to reduce its overall scale and massing.
- 10.23 The remaining buildings proposed throughout the development have more comparable proportions to the surrounding house types and accordingly the general scale and massing of these buildings is considered to be acceptable.
- 10.24 A key feature in the design of all the buildings is the use of materials in vertical panels of brick and render/cladding to provide a more contemporary appearance but with a simple palette of materials that responds well to those used in the surrounding area. This batter design approach is considered by officers to be acceptable and adds further interest to the appearance of the buildings.
- 10.25 In terms of layout considerations, the buildings are logically positioned within the site to provide, strong, active frontages than respond positively to both Rathmell Road and also internal to the site by facing onto the central greenspace area. Parking provision is also well integrated along the Rathmell Road frontage by the use of side driveways. With the area, a central parking court is proposed for the main flat block but is to be enclosed by boundary screening and landscaping. Whilst frontage parking is more apparent to either side of the greenspace, the detailing landscaping for these area will be designed to reduce its overall visual impact.

- 10.26 The proposed on site greenspace is well located within the site and has good pedestrian link to it from outside the site and provides a good link to the existing adjoining greenspace along the eastern boundary.
- 10.27 In the light of the above and noting the proposal adopts good design principles which respond to the area which is also consistent with the Halton Moor Design Framework that supports a modern design approach the overall appearance of the development can be accepted.

Housing Mix

- 10.28 Policy H4 aims to ensure that the new housing delivered in Leeds is of a range of types and sizes to meet the mix of households expected over the Plan Period, taking account of SHMA preferences and difference in demand in different parts of the City, and changing demand. With this aim in mind, the Policy is worded to offer flexibility. For small developments such as that proposed, achievement of an appropriate mix to meet long term needs is not overriding. The form of development and character of area should be taken into account too. In considering the issue of housing mix, both housing and flats are offered and within these some variation in sizes also. For these reasons the proposed mix is considered to be acceptable.

Highways and access

- 10.29 The highways officer has advised that the proposals would not have an adverse impact on the local highway network, and that the proposed layout is acceptable, following the submission of revised plans to address earlier feedback on the initial proposals. A pedestrian access is provided through the site along the new internal road and also through the site for access to the existing greenspace on the eastern boundary of the site. No off-site highway works are required from this development.
- 10.30 Sufficient parking is provided for the flats and houses in line with policy. In the light of the above, the proposals are considered acceptable in this respect, subject to conditions, including the provision of cycle parking and electric vehicle charging points.

Residential amenity

- 10.31 The garden areas to all properties on the whole comply with the 2/3 floor area for houses and ¼ floor areas for flats as recommended in *Neighbourhoods for Living*, and it is considered that appropriate levels of separation are on the whole proposed between properties within the development, and between the new housing and existing houses around the site. As such, it is considered that the proposed development would provide an appropriate level of amenity for future residents and would not have significant implications for the amenities of neighbouring residents in terms of overlooking, overshadowing or over-dominance.
- 10.32 Although Leeds is seeking to adopt the national standards as part of the development plan and whilst this is a material consideration, this process is still at a relatively early stage and the weight that can be attached to the standards is limited. All of the houses would have good levels of separation, outlook and external amenity space. In the light of the above, and the relatively limited weight that can be given to the National Described Space Standards (NDSS) at this stage, it is considered on balance that the proposals are acceptable in this respect.

Planning Obligations and Community Infrastructure Levy (CIL)

- 10.33 The CIL Charging Schedule was adopted on 12th November 2014 with the charges implemented from 6th April 2015 such that this application is CIL liable on commencement of development at a rate of £5 per square metre of chargeable floor-space. However, CIL is not a material consideration and in any event, consideration of where any Strategic Fund CIL money is spent rests with Executive Board and will be decided with reference to the Regulation 123 list.
- 10.34 There is also a requirement for site-specific requirements to be secured via a Section 106 agreement as assessed in the report and summarised below:
- Affordable Housing – 5% (two intermediate houses)
 - Commuted sum in lieu of on-site greenspace £93,524.20
- 10.35 The Community Infrastructure Levy Regulations 2010 set out legal tests for the imposition of planning obligations. These provide that a planning obligation may only constitute a reason for granting planning permission for the development if the obligation is:
- (a) necessary to make the development acceptable in planning terms;
 - (b) directly related to the development; and
 - (c) fairly and reasonably related in scale and kind to the development.

The list of obligations above are considered to meet the tests set out.

11.0 CONCLUSION

- 11.1 The application site is identified as a Designated Greenspace N1 on the UDP Policies Map but is further proposed as a phase 1 housing site in the Draft SAP. Due to its stage of preparation, the Draft SAP can be afforded material weight and whilst the application may be considered premature in light of the Draft SAP it generally does accord with the proposal in the SAP apt of the SAP site is slightly smaller as stated than the application site, therefore the number of units proposed is more the SAP numbers. Further, in light of the lack of 5 year land supply there is a presumption in favour of granting permission and there are considered to be no significant demonstrable adverse impacts which outweigh that presumption
- 11.2 The scheme will bring forward 27 flats and 15 houses, 42 new units to include 5% affordable housing and there are no highways impact concerns. It brings a site back into use that has been an eyesore within the streetscene and has considered anti-social behavioural issues occurring on it and is within a regeneration priority area. The site is also considered to be sufficiently accessible to local services and facilities in accordance with the Council's Accessibility Standards such that it is considered to represent a sustainable development with a presumption in favour of such development clearly expressed within the NPPF.
- 11.3 Therefore, having taken all representations received into account and given the compliance of this application with relevant Policies within the Core Strategy, it is recommended that planning permission be granted subject to the list of recommended conditions at the head of this report including completion of the necessary S106 Legal Agreement.

Background Papers:

Application files : 16/07871/FU
Certificate of ownership: Applicant

APPENDIX 2

DVS Property Specialists
for the Public Sector

David A. Jones
Team Leader
Planning & Sustainable Development East
Leeds City Council
Leonardo Building
2 Rossington Street
LEEDS
LS2 8HD

Valuation Office Agency
6th Floor, Castle House
31 Lisbon Street
Leeds
West Yorkshire LS1 4DR

Our Reference : 1659702/SC
Your Reference : 17/07871/FU

Please ask for : Simon Croft
Tel : 03000 500867
Fax : 03000 508910
E Mail : simon.croft@voa.gsi.gov.uk

Date : 04 April 2018

IN CONFIDENCE

Dear David

DVS Independent Review of a Development Viability Appraisal

Proposed Development Scheme:	Former Halton Moor Pub, Rathmell Road, Halton Moor, Leeds
Scheme:	42 Residential Dwelling Houses
Planning Ref:	17/07871/FU
Applicant:	Provident Land Limited
Applicants Agent:	Savills

1. Introduction

Further to your instructions dated 19 May 2017 and my Terms of Engagement dated 22 May 2017. I have now inspected the site and reviewed the viability assessment prepared by Savills on behalf of the applicant, and I am pleased to supply my report. The purpose of this report is to advise on the implication of the information provided by the applicant in their e mail dated 31 November 2017. This new information relates to additional build costs as detailed later in this report. These costs have been reviewed by an external firm of Quantity Surveyors, Rex Proctor and Partners.

It is understood that Leeds City Council Planning Authority require an independent opinion of the viability information provided by Provident Land Limited, in terms of the extent to which the accompanying appraisal is fair and reasonable and whether the assumptions made are acceptable and can be relied upon to determine the viability of the scheme.

The report gives overview of the applicant's viability appraisal, then provides advice on those areas of the appraisal, which I consider to be incorrect, along with justifications where appropriate. A summary of the key differences of opinion and impact is then provided.

This report explains that it is my independent conclusion that a planning compliant scheme with 5% on site affordable and s106 contributions is unviable.

2. Assumptions and Limitations

This report is for the purposes of determining viability. It is not a Red Book Valuation Report.

3. Date of Viability Review

The viability review has been assessed at March 2018, adopts values, and built costs at this time. I note that the applicant's review is dated November 2017. It is my opinion that the conclusions regarding viability remain valid as at the date of this report.

4. Viability

This report remains valid for 6 (six) months from the date unless market circumstances change or further or better information comes to light, which would cause me to revise my opinion.

5. Conflict of Interest

In accordance with the requirements of the RICS Standards, the VOA has checked that no conflict of interest arises before accepting this instruction. It is confirmed that I am unaware of any previous conflicting material involvement and am satisfied that no conflict of interest exists. Should any such difficulty subsequently be identified, you will be advised at once and your agreement sought as to how this should be managed.

6. Restrictions on Disclosure and Publication

The report has been produced for Leeds City Council. The report should only be used for the stated purpose and for the sole use of your organisation and your professional advisers. No responsibility whatsoever is accepted to any Third Party who may seek to rely on the content of the report unless previously agreed.

It is understood that the report may be made available to the applicant and their viability adviser listed above. It is agreed that your authority and applicant/their viability adviser will neither make available to any Third Party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.

This report is considered Exempt Information within the terms of paragraph 9 of Schedule 12A to the Local Government Act 1972 (Section 1 and Part 1 of Schedule 1 to the

Local Government (Access to Information Act 1985) as amended by the Local Government (access to information) (Variation) Order 2006 and your Council is expected to treat it accordingly.

7. Status of Valuer

It is confirmed that the viability assessment has been carried out by myself, Simon Croft BSc (Hons) MRICS RICS Registered Valuer, acting in the capacity of an external valuer, who has the appropriate knowledge and skills and understanding necessary to undertake the viability assessment competently and is in a position to provide an objective and unbiased viability assessment.

The assessment of the applicant's viability assessment has been prepared in accordance with the recommended practice set out in the Royal Institution of Chartered Surveyors (RICS) Financial Viability in Planning Guidance Note (1st Edition); the RICS Valuation - Professional Standards 2014 UK Edition; the National Planning Policy Framework; and where appropriate the Viability Testing Local Plans (Harman) Report.

I have inspected the site and am familiar with the area and property values in the locality.

As part of the DVS Quality Control procedure, this report and my appraisal has been reviewed by Cecilia Reed BSc (Hons) MRICS, RICS Registered Valuer.

8. Background

The site currently comprises the former Halton Moor Pub, which is currently in a dilapidated condition having suffered from fire damage. The site is located within a large estate of local authority properties, known as Halton Moor, to the east of Leeds city centre. I am not aware of any previous planning applications relating to the site.

9. Applicant's Assessment

I refer to the Savills report titled Viability Assessment, Land at Rathmell Road, Leeds dated April 2017.

I have not conducted any negotiations with Savills, the applicant or any of their other advisers. I have however sought their confirmation on a number of items within their report.

The proposed development totals 42 dwellings, of various types and sizes. Total floor area of 3,168m². Net site area of 1.76 acres (0.71 hectares).

I make no comment about the density, design, efficiency, merit or otherwise of the suggested scheme.

There are two appraisals within the Savills report.

Their first appraisal incorporates an off site contribution of £100,000 for affordable properties and shows a negative residual value for the land of £75,835. The second appraisal incorporates 0% affordable housing either by way of provisional site or off site contribution and this shows a residual land value of £20,598. For the purposes of this report I have focussed on the former appraisal.

The scheme is summarised below:

Market Housing		
Type	Bedrooms	Units

Detached	4	1
Semi-detached	3	8
Semi-detached	2	6
Two storey block	2	8
Three storey block	2	12
Four storey block	2	7

There is no affordable housing provided.

In summary, Savills's appraisal allows for an off site contribution of £100,000 to affordable housing and a further cost of £156,500 towards Section 106 Costs. This shows a negative residual land value of £75,835.

10. Savills's Appraisal Assumptions

10.1 Development Period

The appraisal and report by Savills makes a number assumptions in terms of development period. These state that there is a construction period of 14 months and a sales period of 14 months with sales commencing 6 months after the construction period starts. This reflects a build rate of 3 units per calendar month and a sales rate of 3 units per calendar month. I consider that this development programme is reasonable.

10.2 Revenue - Gross Development Value (GDV)

I have considered the applicant's GDV of £5,499,813. For comparison purposes I have focused on my planning compliant appraisal (option 1).

10.3 Market Housing Revenue

I have first considered the reasonableness of the sales prices for the Market Housing.

For the houses, Savills have applied sales values ranging from £170.15 per sq ft (£1,831.49 per m²), to £173.61 per sq ft (£1,868.74 per m²). The details are as follows:

Type	Storeys	Beds	Units	sq m (each)	sq m (total)	£ per sq m	£ each	£ total
Detached	2	4	1	120.12	120.12	£1,831.49	£220,000.00	£ 220,000.00
Semi-detached	2	3	8	107.02	107.02	£1,868.75	£200,000.00	£1,600,000.00
Semi-detached	2	2	6	81.10	486.6	£1,857.00	£150,667.00	£ 904,000.00
Total			15					£2,724,000

In respect of the apartments Savills have applied average sales rates of between £142.50 per sq ft (£1,533.94) to £144.22 per sq ft (£1,552.60 per m²). The details are as follows:-

Type	Storeys	Beds	Units	sq m (each)	sq m (total)	£ per sq m	£ each	£ total
Apartment	2	2	8	63.18	505.00	£1,552.60	£98,000.00	£ 784,000.00

Apartment	3	2	12	62.52	750.00	£1,551.50	£97,000.00	£1,164,000.00
Apartment	4	2	7	64.26	450.00	£1,533.94	£98,571.00	£ 690,000.00
Total								£2,638,000

My office holds details of all sales of residential properties in the region including referencing information such as accommodation, floor areas etc. I have analysed sales of dwellings built since 2015 in the surrounding post code areas.

The report by Savills considers house values on a number of local schemes namely Cartmel Beck and Parkside as well as existing stock within the immediate vicinity.

I have also considered a number of new development sites within the local area and also looked at evidence provided by sales of existing stock within the locality of the site.

I would therefore comment as follows:-

Cartmel Beck, Cartmel Drive, Halton Moor

This is a recent development of 44 dwelling on the site of a former White Bridge School. The construction of the scheme is complete albeit there are a number of properties still to be sold. The properties were constructed by Gleasons, who in my experience build a lower quality product, denser scheme with smaller plots this is then reflected in the sale prices. My analysis of recent sales shows a median value for the houses on site of £1,807 per m² and a mean value for houses on site as £1,834 per m². I consider that this is a comparable site albeit that the specification is below what an average developer would construct, which in my opinion reflects in the sale prices achieved. This is good evidence,

Parkside, South Parkway, Seacroft

This is a development by Bellway consisting of a number of houses and apartments. My analysis of recent sales show a median house to value for two storey houses of £1,529 per m² and for apartments of £1,663 per m². This is an attractive scheme with the majority of houses sold in 2015/16.

Oaktree Gardens, Gipton

This is a new scheme that is currently under construction by Bellway and comprising of a number of different house types. This shows a median house values of £2,144 per m². I consider this comparable property albeit I will accept that it has a better location.

Asket Drive, Leeds

This is a scheme by Strata Homes, situated on the edge of a large Council Estate. My analysis of recent sales shows that a median value, for houses of £2,315 per m². These properties are comparable, albeit that they have been built to a significant higher specification in a better location.

Existing Stock

The majority of houses within the vicinity are semi-detached Local Authority housing. I note that a number of properties in the vicinity have sold for prices ranging from £80,000 to £100,000. I am also aware that there is a relatively modern development of houses on

Cartmel Drive that was built in 2004. There are two semi-detached properties that sold in August 2016 for between £119,900 and £136,500. This equates to sales values of between £1,699 to £1,889 per m².

In my experience I am of the opinion that new build properties achieve substantially higher figures than existing stock.

I am of the opinion based upon the above evidence, Savills valuation of the houses on the scheme is below what I would consider for new residential dwelling houses in such a location. I consider that an average rate of £1,900 per m², is more appropriate. In terms of the apartments on the scheme, I accept the values put forward by the applicant and note that the target price of just £100,000 per apartment seems reasonable given the scene and its location. My values are detailed below:

GROSS DEVELOPMENT VALUE (GDV)				NSA	NSA	£ per	£ each	£ total
Type	Beds	Units	sq m (each)	sq m (total)	sq m			
Detached	4	1	120.12	120.00	£1,900.00	£228,228.00	£ 228,228.00	
Semi-detached	3	8	107.02	856.00	£1,900.00	£203,338.00	£1,626,704.00	
Semi-detached	2	4	81.10	324.00	£1,900.00	£154,090.00	£ 616,360.00	
Apartments	2	8	63.18	505.00	£1,552.60	£98,000.00	£ 784,000.00	
Apartments	2	12	62.52	750.00	£1,551.50	£97,000.00	£1,164,000.00	
Apartments	2	7	64.26	450.00	£1,533.94	£98,571.00	£ 690,000.00	
Sub totals		40		3,006			£5,109,289	

10.4 Affordable Housing

The report by Savills has proposed an off site contributions for affordable houses of £100,000.

I consider that the site can support a higher proportion of affordable housing. Advised by Leeds City Council the policy requirement is for 5% of units to be affordable.

To calculate the affordable revenue I have had reference to the current planning policy guidance 'affordable housing benchmarks update' dated 2 May 2017 and have used the transfer values within this document.

It is common to assume the smaller dwellings will be allocated for affordable homes.

My affordable allocation and revenue calculation is as follows:-

GROSS DEVELOPMENT VALUE (GDV)				NSA	NSA	£ per	£ each	£ total
Type	Beds	Units	sq m	sq m				

			(each)	(total)	sq m		
Semi-detached - social rented	2	1	81.10	81.00	£645.04	£52,310.00	£52,310.00
Semi-detached - intermediate	2	1	81.10	81.00	£828.10	£67,159.00	£67,159.00
Sub totals		2	162.00				£119,468

The above equates to affordable housing of 5%.

10.5 Ground Rent Revenue

Ground rent revenue has a positive impact in terms of viability. Some national builders sell the houses subject to a long leasehold interest and receive an annual rent, typically ranging from £100 to £500 per annum. Ground rent revenue can positively impact on the viability of a scheme.

The applicant has stated that a ground rent of £250 per unit, would be paid in terms of the apartments within the scheme. They have capitalised the total rents receivable of £6,750 per annum, using a yield of 5% which produces a value of £135,000. I consider over the rental level and capitalisation rate to be reasonable and have used these within my appraisal.

There are draft government proposals to restrict ground rents on new leasehold properties to a peppercorn rent, but this has not taken effect yet so it is reasonable to continue to adopt these at this time. The methodology for reviewing financial viability assessment is to assume current day costs and values so given that this government policy has yet to take effect, I feel it is appropriate to include ground rent income. Indeed, there is a recent Planning Appeal decision (APP/L3245/W/16/3161114) which involved a local authority and Churchill Retirement Living where the Inspector considered it was an appropriate inclusion in the appraisal.

I have assumed the houses will be sold freehold, further to the sales evidence in this location.

10.6 DVS Gross Development Value (GDV)

My opinion of the GDV for the scheme comprises:

Market Housing	£5,109,289.00
Affordable Housing	£ 119,468.00
Ground Rent Investments	<u>£ 135,000.00</u>
Total GDV	£5,363,757.00

Savills's GDV is £5,499,813. The difference reflects the affordable housing within DVS' figures and the slightly higher GDV for the market housing within DVS figures.

As part of any future negotiations or appeal process, and in the event of further or better sales evidence, I may revisit this opinion of GDV.

10.7 Construction Costs

Savills have used a construction costs ranging from £97 per sq ft (£1,048 per m²), to £114 per sq ft (£1,223 per m²). These figures are based upon BCIS build costs for new build estate housing in Leeds, West Yorkshire. In the e mail dated 27 November 2017 the applicant's agent, Savills, advised that an error had occurred with their initial appraisal. This involved missing out the common parts of the building in their calculation of the build costs. The additional floor area is 329 sq m. As a result the build costs have increased to £4,005,147.

The construction costs together with the abnormal costs have been checked by Rex Proctor and Partners and their opinion is detailed in their e mail dated 26.3.2018. They advise that the build costs including abnormal and contingency of £3,973,672 are 'fair and reasonable'. I have therefore used these figures in my appraisal.

10.8 Abnormal Costs

Savills's appraisal originally included abnormal costs of £125,000. These comprise as follows:-

Item	Cost
Demolition and site clearance diversions and disconnections	£ 25,000 Utility £ 100,000

Total	£125,000

As a result of further work by the applicant I have been provided with actual quotations relating to the abnormal costs on site. These are as follows:

Item	Cost
Asbestos Removal	£10,970
Demolition and site preparation	£25,000
Abnormal Foundations	£10,000
Utility Diversion	£127,209

Total	£173,179

As stated in section 10.7 the applicant's abnormal costs have been reviewed by an external firm of Quantity Surveyors, Rex Proctor and Partners.

I note that Savills have also included within their appraisal the cost of £18,500 for site investigation costs. I would normally expect these costs to be within the professional fees and I have referred to them later in my report.

10.9 Planning Obligations

Savills have used within their appraisal the following planning obligations:

- Affordable Housing Contribution - £100,000.
- Public Open Space Contribution - £121,000.
- Highways Contribution - £11,000.
- Education Contribution - £24,500.
- Total: £256,500

I am advised by the Planning Authority of the following Section 106 contributions which are required in addition to the Affordable Housing:-

- Green Space Contribution - £93,524.00
- Community Infrastructure Levy (CIL) - Zone 3 – 3,006m² @ £5 per m² = £15,028.50

In terms of affordable housing, the applicant has not provided a planning compliant appraisal including the provision of affordable housing on site. I have received guidance from the planning authority the requirement of affordable housing on site is at a level of 5% of the dwellings. I therefore calculate as follows.

42 units @ 5% = 2 units. Thus my total Section 106 Contribution for affordable houses is as follows:-

Section 106 Contributions:-

- Green space contribution - £93,524.00
- CIL - £15,839.50
- Total: £109,364.00

and

Affordable Homes - 2 units

10.9 Section 106 Hierarchy and Timing

Regarding the timing of these contributions I note that Savills have simply stated that a sum of money is available for Section 106 costs and have not considered the timing of these costs. I have in my own appraisal spread the costs over the construction period.

10.10 Professional Fees

The applicant has used 4% for professional fees, applied to their build costs.

I consider that this is below what I would expect for a development of this size and I have applied a rate of 6% to the build costs. Note I have also assumed that within the professional fees would be the cost of the site investigation work.

10.11 Finance

The applicant's agent has used a debit rate of 6.5% which I consider to slightly higher than I would normally recommend. I would recommend a rate of 6%. I would also recommend that credit be included to reflect the reality that once the scheme is in credit a developer will use this to offset their debt elsewhere. A 2% credit rate has been included in my appraisal.

10.12 Land Value

The applicant has considered in some detail the appropriate benchmark land value to be incorporated within the appraisal.

They have noted that the site is currently a former public house and have commented that the benchmark land value should be based on an existing use value plus an incentive. They have determined the benchmark land value is £90,000.

In addition to the evidence put forward by the applicant I am aware of the following recent sales of former public houses by auction:

- Former Bay Horse Pub, Hill top, Knottingley. This detached pub which was fire damaged sold on the 27.4.17 for £47,000.
- The Merlin, Helston Road, Leeds 10 – Former Public house on a site of 0.43 acres – sold on the 23.2.17 for £125,000
- The Griffin Inn, Lock lane, Castleford, Former Public house sold on the 21.7.16 for £105,000

I have considered the evidence available to DVS. It is my conclusion that a land value of £90,000 is suitable and have incorporated this figure within my own viability appraisal.

10.13 Remaining Appraisal Inputs

All other costs have been carried forward into my review. I may not agree with all these inputs, and DVS reserve the right to reconsider these as part of any future discussions.

10.14 Profit

For moderate to large sized residential developments it is not uncommon for developers to state a profit figure as a certain percentage based on scheme costs or scheme value. There are no hard and fast rules here and some developers will be content if the profit is expressed as a significant cash sum.

Savills report implies they are seeking a minimum profit margin equivalent to 20% of total revenue.

When assessing a scheme with affordable housing it is common practice and my opinion, that a blended profit should be applied to reflect the different risk levels associated with disposing of affordable homes compared to general market housing.

This dual rate approach to profit is also recommended by the HCA.

For my review I have adopted 17.5% of revenue for the market housing and 7% of cost for the affordable homes. I consider profit margins at these levels to be well supported by other similar developments DVS have appraised and reviewed across the region. Evidence can be supplied in a private forum if required. This produces a blended rate of 16.94% of the revenue.

To demonstrate viability therefore I am looking for the residual figure for profit of a planning compliant scheme to show a positive profit level in excess of the rates detailed above.

11. Key Differences

The key differences between the two appraisals are summarised below:

	SAVILLS	DVS	Monetary Difference
GDV	£5,499,813	£5,363,757	£136,056 Different assumptions
Section 106 total	£256,500	£109,364	£147,136
Profit	£1,099,400	£908,368	£190,032

12. DV Appraisal and Conclusion

My appraisal has been undertaken “through the eyes” of a typical developer intent on implementing the planning permission.

As detailed above I have a difference of opinion on a number of inputs to the Savills appraisal and the cumulative effect is that my planning compliant appraisal (with 5% on site affordable) generates a loss and therefore I consider that a policy compliant scheme is unviable.

A copy of my appraisal is included.

It is my conclusion that a planning compliant scheme with 5% on site affordable and s106 contributions is unviable.

However I have also undertaken further appraisals to establish if a reduced level of s106 contributions and affordable housing is viable. I have concluded that the scheme is unable to support any s106 contributions and affordable housing.

13. Recommendations

If the factual matters above relating to unit numbers, floor areas, planning obligation hierarchy, cost of planning obligations, cost of abnormals etc. are incorrect my report would not be valid and I would have to revise my appraisal and advice.

I recommend that any further increase in abnormal or build costs should be reviewed by an Independent Expert.

I emphasise that my appraisal embraces the costs and revenues appropriate to the review date and is therefore valid only if the building construction work commences within 3 months and proceeds at a rate consistent with achieving sales in the market.

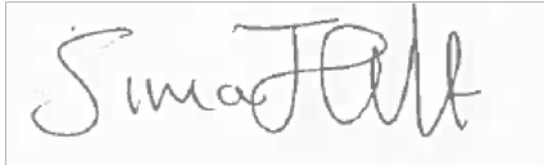
If commencement of the works were to be delayed and is then undertaken at some other time when market conditions may be different, then I believe a re-appraisal will be required adopting the costs and revenues then obtaining.

Some of the content of this report may be regarded by DVS, Savills or the applicant as commercially confidential and, in this regard, I assume that you will restrict the report's circulation as appropriate.

I would be pleased to discuss any of the foregoing with your Authority if you wish. My instruction does not extend to negotiations with the applicant / Savills however if your authority think that this would be of benefit this can be facilitated through a separate instruction.

Should the applicant disagree with the conclusions of our assessment, we would recommend that they provide further information to justify the values and costs they have adopted. Upon receipt of further information and with your further instruction, we would be happy to review the information and reassess the schemes viability.

Yours sincerely



Simon Croft BSc(Hons) MRICS
RICS Registered Valuer
Senior Surveyor
DVS

Report reviewed by



Cecilia Reed BSc (Hons) MRICS
RICS Registered Valuer
Principal Surveyor DVS

Sector Leader Viability (North) and Local and Devolved Government (Northwest) Appendix 1
– Appraisal

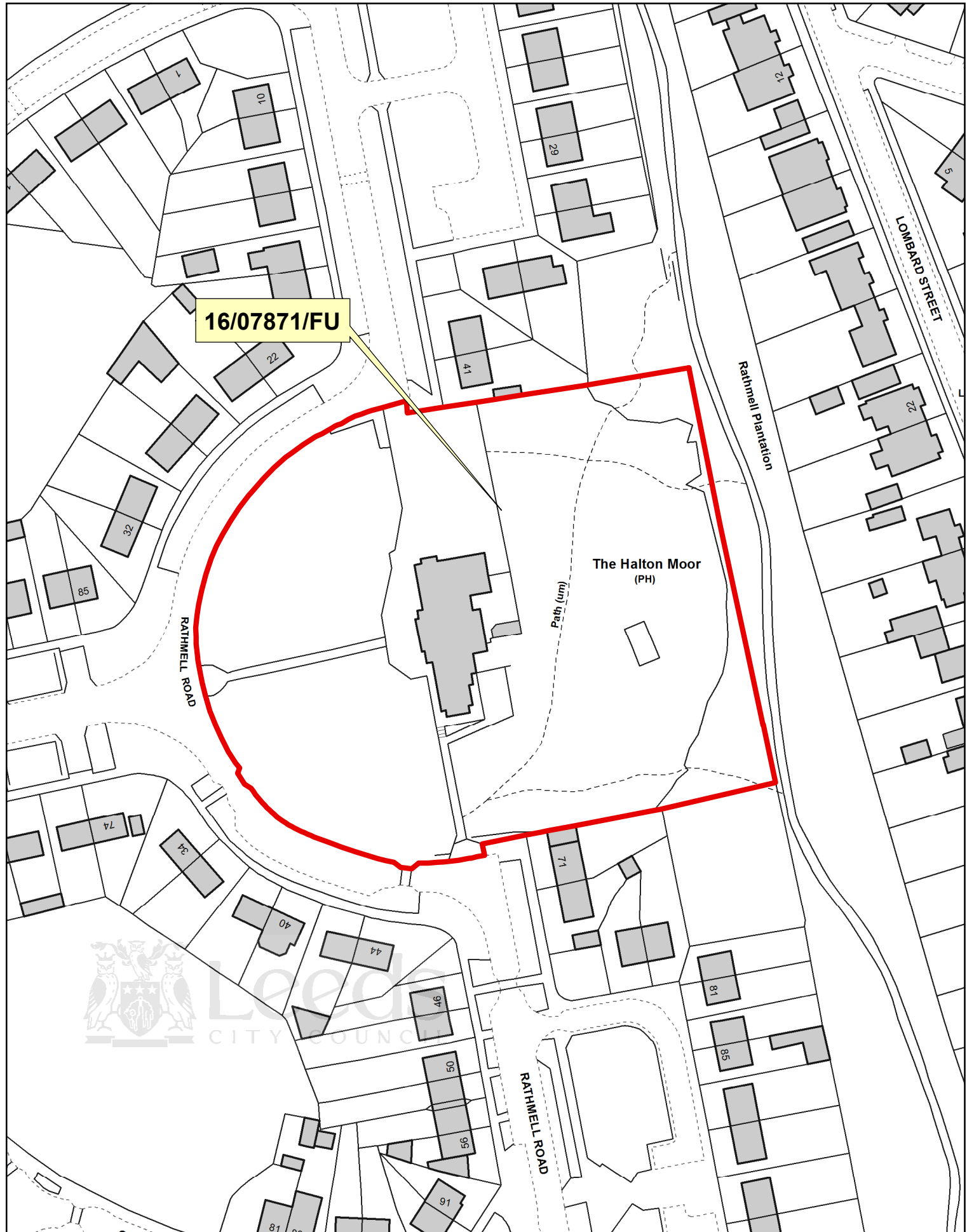
Land at Rathmell Road, Halton Moor, Leeds				2 AFFORDABLE HOMES DVS appraisal		1710787HFU	04-Apr-18	DVS Ref: 1659702	
GROSS DEVELOPMENT VALUE (GDV)									
Description	Type	Beds	Units	NSA sq m (each)	NSA sq m (total)	£ per sq m	£ each	£ total	
MARKET VALUE									
	4 Bed Detached	4	1	120.12	120	1,900.00	228,228	228,228	
	3 Bed Semi	3	8	107.02	856	1,900.00	203,338	1,626,704	
	2 Bed Semi	2	4	81.1	324	1,900.00	154,090	616,360	
	2 Bed Apartment 2 storey	2	8	63.12	505	1,552.60	98,000	784,000	
	2 Bed Apartment 3 storey	2	12	62.52	750	1,551.50	97,000	1,164,000	
	2 Bed Apartment 4 storey	2	7	64.26	450	1,533.94	98,571	689,997	
								AV price per sq m	
								1,700	
								<i>Loss in income</i>	
SOCIAL RENT / INTERMEDIATE									
	Sub totals		40		3,006			5,109,289	
	2 Bed Semi SR	2	1	81.10	81	645	52,310	52,310	
	2 Bed Semi INT	2	1	81.10	81	828	67,159	67,159	
	Sub totals		2		162			119,468	
GROUND RENT INVESTMENT									
	Units	Rent	Total rent		Yield %				
		27 250	6,750		5			135,000	
GDV TOTALS									
			Units	AH	Sq M			GDV less in income	
			42	2	3,168			5,363,757	
				4.76%					

GROSS DEVELOPMENT COSTS (GDC) - including land value and developer's profit									
Benchmark / Threshold Land Value									
Gross site area			1.76	acres		11,703	per gross acre	90,000	
Purchase costs									
Purchase legals		0.5 %				450			
Purchase agents		1.5 %				1,350			
Stamp Duty Land Tax						0		1,800	91,800
Standard Construction									
Sub total	As per Rex Proctors Report							3,973,672	
Externals	0.00%	of build costs		or			per gross acre		all in £ / sq m
Contingency	0.00%	of build costs						0	3,973,672
									1,254
Abnormal Construction									
Incl above									
									£ / gross acre
								0	0
Professional Fees									
Architect, QS, Engineer		6.00%		of build costs					238,420
Planning Policy Contributions									
s106	Greenspace Contribution							93,524	
CIL		3,006	sq m	at	£	5		15,028.50	
									108,553
Disposal									
Marketing and sales		3.00%		of GDV					
Legals-MV residential		40	units	at	500	per unit			
Legals - AF Residential		2	units	at	500	per unit		181,005	
Finance									
Interest	calculated by cash flow			6.00% debit		2.00% credit			152,453
Developer's Target Profit									
Market Value units		17.50%	of	GDV				894,126	Blended (GDV)
Affordable Units		7%	of	Cost				14,242	908,368
									16.94%
TOTAL COSTS								5,654,271	

Summary

Total income		5,363,757
Total outgoings		5,654,271
Outcome	(any surplus deemed to show a viable scheme)	-290,513

Conclusion: UNVIABLE



16/07871/FU

The Halton Moor
(PH)

RATHMELL ROAD

Path (urp)

Rathmell Plantation

LOMBARD STREET



Leeds
CITY COUNCIL

RATHMELL ROAD

NORTH AND EAST PLANS PANEL

© Crown copyright and database rights 2017 Ordnance Survey 100019567

PRODUCED BY CITY DEVELOPMENT, GIS MAPPING & DATA TEAM, LEEDS CITY COUNCIL

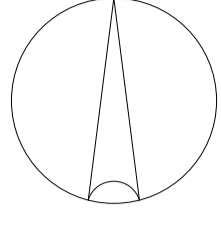
SCALE : 1/1000



S:\000 Projects\2947 Holton Moor, Leeds\0.00 Drawings\0.01 Project Drawings\2947 Site Model 011.rvt

Copyright of this drawing remains the sole property of Den Architecture Ltd unless otherwise assigned in writing. Do not scale from this drawing. Figured dimensions are to be worked in all cases with any discrepancies reported to Den Architecture Ltd prior to commencement of any work.

Northpoint:



Rev	Date	Amendments	By	Chkd
A	20/01/17	Site Layout Amended	ST	DJR
B	07/03/17	Layout amended following planners comments	ST	DJR
C	10/03/17	Schedule amended	ST	DJR
D	09/06/17	Layout amended following planners comments	ST	DJR
E	31/07/17	Site Layout Amended following Planners comments	ST	DJR



Accommodation	
2 Bed House	6
3 Bed House	8
4 Bed House	1
2 Bed Apartments	27
Total	42
Parking	
Apartment Spaces	24
Private Drives	26
Disabled Spaces	4
Visitor Spaces	9
Total	63

- - - Site Boundary
- - - Diverted Public Right of Way
- Proposed Tree
- Proposed Tree
- Proposed Shrub Planting
- Proposed Hedge
- 2 Bed House
- 3 Bed House
- 4 Bed House
- 2 Storey Apartments
- 3 Storey Apartments
- 4 Storey Apartments



8 Wharf Street, Leeds, LS2 7EQ
23 Hanover Square, London, W1S 1JB

T: 0844 844 0070
F: 0844 844 0071
info@den.uk.com
www.den.uk.com

Project: Proposed Residential Development, Rathmell Road, Holton Moor, Leeds				
Client: Provident Land Ltd				
Dwg Title: Proposed Site Plan				
Date: Jun 17	Scale: 1 : 250	Size: A1	Drawn: ST	Checked: DJR
Project No: 2947	Dwg No: 100	Rev: E	Status: Planning	