

## **ITEM 6**

### **19/01063/REM - LAND EAST OF RUGBY CLUB, AVIATION WAY, ROCHFORD**

1. The above application was deferred from the Committee meeting held on 23 January 2020 to allow for a Members' site visit. This was conducted on Saturday, 8 February 2020. The site visit included viewing the application details from the neighbouring land.
2. The developer has submitted a further plan reference 1311-JSA-XX-XX-SK-A-8100-P4-Southern Boundary Extracts to demonstrate the separation distances between the neighbouring buildings in Aviation Way and the application site boundary.

## **ITEM 7**

### **19/01181/FUL - SITE OF 22 MAIN ROAD, HOCKLEY**

1. Consultation Response – Hockley Parish Council

No objections.

2. Consultation Response – RDC Strategic Housing

We are happy to support this development proposal provided the client delivers the affordable housing unit required which on a site of the number proposed we would expect 1 affordable housing unit. Whilst we would wish to see affordable housing delivered in respect of the policy requirements, it is understood that the delivery of this is subject to any robust viability study.

3. Consultation Response – ECC Lead Local Flood Authority (summarised)

Having reviewed the documents which accompanied the planning application, we do not object on the basis of the following:

On further analysis of the site, the proposed development will not have a significant impact on the surface water flood risk.

4. Consultation Response – London Southend Airport

No safeguarding objections.

5. Viability Assessment Review Response from Dixon Searle (DSP)  
(summarised)

DSP has reviewed the latest information provided by Arebray – a letter dated 5 November 2019 (as sent to DSP by RDC on 24 January 2020). This is in connection with a full planning application (reference 19/01181/FUL) which seeks permission for the conversion of the existing commercial building to form 10no. 2-bed apartments and 1no. commercial unit.

By way of background, DSP was previously instructed to review the viability information submitted in support of planning application reference 18/00482/FUL which sought permission for the conversion of the commercial building to form 11no. 2-bedroom apartments. The outcome of DSP's review in June 2019 was that the applicant's offer in the sum of £32,041 could probably be considered by RDC as acceptable. DSP understands that the application was refused on grounds unrelated to viability.

The following is our report of the viability position relating to the new planning application (19/01181/FUL), provided in response to the original viability appraisal submitted in relation to the previous application reference 18/00482/FUL and the aforementioned letter dated 5 November 2019, from Arebray Development Consultancy.

The new planning application proposes a development of 10no. apartments providing 712m<sup>2</sup> of residential accommodation and 69m<sup>2</sup> of commercial space. The November letter provided by Arebray states that due to the inclusion of the commercial unit (in place of 1 no. apartment), the scheme produces a deficit of -£86,697.

Our primary purpose for this review is to identify if, during the intervening period, any changes to costs or values have occurred which would materially alter the overall outcome. Therefore, DSP has not revisited agreed assumptions where our view remains unchanged.

**Gross Development Value – Residential/Commercial**

In order to assess whether the assumed sales values remain reasonable, we have updated our desktop research of property values to review local market indications for comparable properties considering current/recent asking prices and sold prices within ½-mile radius of the application site. Based upon this we are of the view that the assumed sales values remain reasonable. In order to reflect the new scheme, we have excluded (formerly proposed) apartment no. 3 from the development appraisal (which space is now shown on the plans as the proposed retail unit).

The assumed capital value of the proposed retail unit has been based upon a rental assumption of £140/m<sup>2</sup>, capitalised at a yield of 10%. In order to verify or otherwise the GDV assumption for the retail unit, DSP has also updated our own research into investment evidence looking at asking or achieved (where available) rents within the surrounding areas of the application site. Based upon this evidence we are of the view that the rental assumption is probably not unreasonable.

#### Costs

The development appraisal accompanying Arebray's original report adopted the BCIS mean rate. DSP remains of the view that utilising the 'Mean' costs is not the correct approach and that we would usually expect to see the median value used. We note that Arebray adopted a build rate of £1,500/m<sup>2</sup> for the proposed retail unit and a build rate of £1,464/m<sup>2</sup> was previously agreed for the residential units. We have reviewed the BCIS median rate for 'new build' and 'rehabilitation/conversion' flats looking at the most recent data and rebased to a Rochford location factor. A lower base build cost equating to a blended rate of £1,355/m<sup>2</sup> is the rate that we have used for the purposes of our sensitivity testing.

External works and abnormal costs were previously agreed at £91,100. Representing c. 7.5% of the base build costs, these assumptions remain reasonable in our view. Professional fees were agreed at 9% for the residential and 8% for the commercial and an allowance of 2.5% for contingencies was agreed. These assumptions are not outside of normal market parameters and we continue to consider them reasonable.

For the purposes of our sensitivity testing we have adopted a mid-point of 17.5% profit on GDV for the market housing and 15% for the commercial. We note Arebray in the November 2019 letter also adopts a profit of 15% for the commercial unit.

#### Conclusion

When running the trial appraisal using the assumptions as set out in our appraisal of the applicant's viability assessment, the scheme produces a deficit of -£50,034 and therefore does not appear sufficiently viable to provide a contribution towards affordable housing.

This position is as expected, when reducing the number of residential units. The value of the proposed retail unit now included in place of an apartment is insufficient to meet the loss in value from the reduction in residential units.

6. Officer Comments – Affordable Housing

As set out in the National Planning Guidance, viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it.

In short, if after deducting all costs associated with developing a scheme from the Gross Development Value (GDV) of the scheme (value arising from sales/rent) the residual sum is in excess of the Benchmark Land Value (taken to be the Alternative Use Value (AUV) of the site) then the scheme is considered viable and able to viably provide planning contributions (including to affordable housing) up to an amount equal to the difference between the two figures.

If, however, after deducting all costs associated with the development scheme from the GDV, the residual sum is less than the AUV then the scheme would not be able to viably make any contribution towards affordable housing.

Gross development value is an assessment of the value of development which for residential development will be an estimation of total sales and/or relate to net rental income from the development. Costs include but are not limited to build costs based on appropriate data, abnormal costs including, for example, relating to possible contaminated land, general finance costs, and professional, marketing and legal costs. For the purpose of any viability assessment, a benchmark land value should be established on the basis of the existing use value of the land.

The Council's independently appointed consultant has considered all aspects of the submitted viability assessment. DSP has not agreed with the applicant's variables in all instances. However, despite the changes to variables DSP would seek, including that build costs should be reduced, the outcome of the DSP review is that the scheme could not viably contribute to affordable housing. In conclusion DSP state that:

*'When running the trial appraisal using the assumptions as set out in our appraisal of the applicant's viability assessment, the scheme produces a deficit of -£50,034 and therefore does not appear sufficiently viable to provide a contribution towards affordable housing.*

*This position is as expected, when reducing the number of residential units. The value of the proposed retail unit now included in place of an apartment is insufficient to meet the loss in value from the reduction in residential units.'*

The fact that the scheme proposes to make no contribution to affordable housing is therefore not considered to amount to a reason to refuse this application.

## ITEM 8

### 19/01023/REM - LAND NORTH OF LONDON ROAD, RAYLEIGH

1. Clarification is provided that this Reserved Matters application seeks approval in respect of all matters that were reserved for future consideration at outline planning stage. The matters for consideration and approval at this Reserved Matters stage include: Access, Appearance, Landscaping, Layout and Scale.
2. Consultation Response: Essex County Highways

A consultation response has been received on 12 February 2020 (following the production of the officer report and recommendation) raising an objection to the current design.

The response is included as follows:

**From a highway and transportation perspective the impact of the proposal is not acceptable to the Highway Authority for the following reason (s):**

As far as can be determined from the submitted plans (Terence o Rourke – TOR-L(93)-40), the position of the access roads 12 and 11 and proximity to each other creates a conflict with right turning movements. The access should be staggered in line with the requirements of the Essex Design Guide for Road Type 1 (min 60m).

The position of both pairs of bus stops needs to be moved to provide “Tail to Tail” configuration in line with industry best practice to facilitate the free flow of vehicles around stopped buses.

The developer has not demonstrated that the proposal would be acceptable in terms of highway safety and efficiency. This proposal would therefore be contrary to the aims and objectives of the following policies; Policy DM1 (General Policy) DM6 (Estate Roads) of the Development Management Policies Feb 2011.

### 3. **REVISED OFFICER RECOMMENDATION**

In light of this consultation response, officers recommend that the application be **DEFERRED** by Members to provide the applicant with an opportunity to address the design of the spine road with a view to the submission of further revised plans and further consultation with the County Highway Authority prior to being referred back to the Committee at a future date.

## **ITEM 9**

### **19/01065/FUL - LAND ADJACENT 14 HAMBRO CLOSE RAYLEIGH**

1. Neighbour Correspondence

Neighbour letters have been received from the following addresses:

7 Hambro Close  
18 Hambro Close  
23 Hambro Close

The following comments have been made:-

Having just received another letter regarding RDC tweaking of the proposed plans for Hambro Close, I am slightly puzzled. I feel sorry for the residents at numbers 12 and 14; not only will they lose precious light but now will be overlooked. My other concern is the moving of the street light. Hambro Hill has very poor lighting and the moving of our light will be frankly dangerous. My third concern relates to what this 'tiny' piece of land has cost RDC to date.

The planning application being considered for the green area in Hambro close SS6 8BZ adjacent to 14 Hambro close is a communal area where children play. As you may be aware there are children with special needs who live here and highly rely on this space as it's a safe area for them without a carer. There is already an issue with parking within the close where people often have nowhere to park as it is due to people parking from Hambro Hill itself and residents having multiple cars. Applications have been previously made and twice been declined and I fail to see how this application is any different. The request for balconies is purely cosmetic and encroaches on people's privacy. We are a quiet estate and a close community and this should be respected. Residents should be put first over any financial gain. We are strongly against this application and look forward to your response.

To me this entire planning application is shocking and a complete waste of taxpayers' money.

The short answer we received from the Assistant Director regarding residents' legal right of easement including as a covenant in their title deeds:

"This is not a matter that is considered during the course of the planning application. It is essentially a private legal matter that would need to be dealt with by the landowner, in this case the Council."

To paraphrase his response to the same question from the Managing Director:

Let's get the planning application approved, and then look if the legal restrictions mean the development cannot be implemented.

How can RDC consider trying to sell a green space with planning development approved, without telling the developer there are legal restrictions which will block the building of the proposed apartments?

RDC paid in excess of £25k to solicitors to value all assets under the Asset Strategy. The solicitors failed to notice the Land Registry Covenants in place, granting residents right of easement.

RDC paid in excess of £3k in 2017 to the architects to design this planning application, which fails to adhere to planning policy.

Refused in August 2019 on the basis of failing to adhere to parking standards.

Re-submitted in November 2019 with reconfigured parking bays, tandem bays which are the least favoured by RDC parking standards as 'Tandem parking is unlikely to be utilised to its potential, especially if both cars are in regular use. Acceptance of this by designers may require additional provision of unallocated parking spaces.'

Tandem parking will impact on the already crowded unallocated parking availability in the cul-de-sac and on the highways, as it will be directly opposite the entrance of the cul-de-sac.

As one space will be in front of the other, one car will need to be moved in order to access the other one. This will impact on the main traffic area of the close, and the street light will already be moved.

Amenity space planning standard is 25m<sup>2</sup> per apartment, ie. 50 m<sup>2</sup> overall.

The space is 47m<sup>2</sup> due to the tandem parking. Tandem parking must be at least 2.9m (w) x 11m (l) - the entire plot is only 24m in depth.

Re-design again in January 2020, adding a balcony presumably to counteract the lack of amenity space.

A balcony on these apartments will impact on noise levels in this quiet cul-de-sac, overlook next door property no. 14 resulting in a loss of privacy.

The other street light on the far side will be directly opposite the balcony and shine into their bedrooms. I would hope the developers wouldn't ask to relocate that street light too, as it would render the street light non-functional, and impact on residents' safety.

Street lights - all data below has been taken from the Essex Highways website.

Essex Highways charge £250 per initial request per street light. Relocation cost is approximately £3k.

Highway safety is paramount, and this green space is directly opposite the entrance to the cul-de-sac. Street lights are installed for the benefit of society and are designed to light the surrounds to a road, as well as the road itself. In this way road users are assisted in seeing potential hazards, such as children.

'The spacing between lights is critical for the distribution of lights on the road surface and therefore moving one light a few feet creates light and dark areas on the road and compromises safety.'

This re-submission fails to adhere to RDC planning policies, parking standards, and compromises existing residents' quality of life by removing legal access to green space and impacting on road safety with the relocation of street lighting whilst adding tandem parking directly in front of the entrance to the cul-de-sac.

I would hope that the Development Committee would reject this and leave the green space for the residents to access, as per the original plan for the Hambro Close Community.

2. Officer Comment

The comments from the neighbouring properties have been fully considered during the appraisal of the application. The proposal is found to be policy compliant in all respects and is a suitable location for a mixed-use development.