



Planning Committee  
21 September 2022

Agenda Item 6

WORTHING BOROUGH  
C O U N C I L

Ward: ALL

Key Decision: Yes / No

**Report by the Director for Economy**

**Planning Applications**

**1**

**Application Number: AWDM/0605/22      Recommendation – APPROVE**

**Site: HM Revenues And Customs, Barrington Road, Worthing**

**Proposal: Reserved matters application for Appearance, Landscape, Layout, Scale and access within the site, for 287 new homes (Use Class C3) together with car parking, landscaping and associated works.**

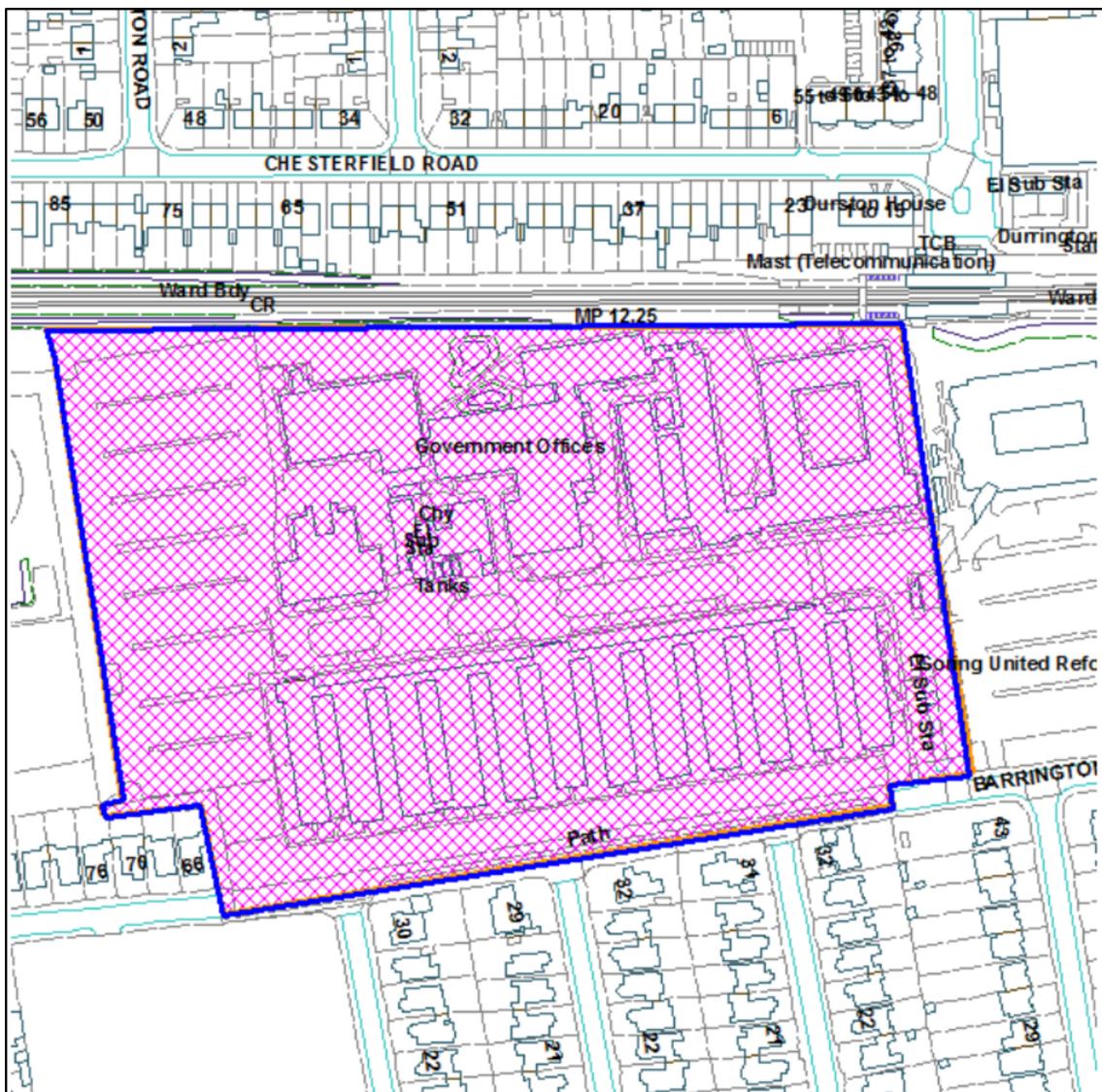
**2**

**Application Number: AWDM/0387/22      Recommendation – GRANT permission for a temporary period of 3 years**

**Site: Unit 3, Meadow Road Depot Meadow Road Worthing**

**Proposal: Change of Use from Class B2/B8 to Class E**

Application Number:	AWDM/0605/22	Recommendation - APPROVE
Site:	HM Revenues And Customs, Barrington Road, Worthing	
Proposal:	Reserved matters application for Appearance, Landscape, Layout, Scale and access within the site, for 287 new homes (Use Class C3) together with car parking, landscaping and associated works.	
Applicant:	Bellway Homes Ltd (South London)	Ward: Goring
Agent:	DHA Planning	
Case Officer:	Stephen Cantwell	



Not to Scale

Not to Scale

## Proposal

This application relates to the site of approximately 6ha, comprising the former HMRC offices in Barrington Road, to the south west of Durrington On Sea railway station. It seeks approval of details of development (reserved matters), following the grant of planning permission in April 2021 for up to 287 dwellings, a mixture of houses and flats and a 68 bed care home. The outline permission set broad development parameters. This reserved matters application seeks approval for the remaining details of **Layout; Scale; Appearance & Landscaping**.



report. The applicant, Bellway Homes also undertook pre-submission public consultation during February 2022.



**Fig.2: Examples of Apartment Blocks and Houses**

The application excludes the care home land at the north of the site for which a separate reserved matters application will be submitted in the future.

Two current applications for the discharge of some of the outline planning conditions are due to be determined under delegated authority. These deal with noise and biodiversity.

### **Site and Surroundings**

The site of approximately 6 ha is roughly rectangular and generally level, with slightly lower ground to the north-east corner. It contains various office buildings ranging between single and five storeys dating largely from the 1960s, although a series of narrow single-storey blocks along much of the southern side of the site date from around 1940, originally used as a military hospital. A large tarmac-surfaced car park forms the western-most part of the site.

The site is located between Barrington Road to the south and the railway line to the north, with Durrington-on-Sea railway station immediately adjacent to the north east-corner. A long, straight pathway forms eastern boundary, connecting the site to Barrington Road and the railway station. The path lies within the site but is currently contained on both sides by chain-link fencing on either side. To the east are the adjoining grounds and car park of Durrington Bridge House, which is a large modern office building, also recently vacated by HMRC.

Vehicular access is via the short cul-de-sac of Barrington Raad (east), leading to a junction with Shaftesbury Avenue, almost opposite the entrance to Worthing Leisure Centre. Barrington Road serves the United Reformed Church, Little Fishes Children's Nursery and the adjoining Rosebery Avenue. Beyond this, a long, narrow, partially surfaced and hedgerow-lined footpath forms the southern boundary of the site. This connects the eastern part of Barrington Road to the western part, which is

also a cul-de-sac. Informal gaps at the edge of this path gives pedestrian access to three adjoining streets Elgin Road and Walpole & Wellesley Avenues.

Along the western boundary are large, mature trees at the edge of vacant land to the west; most are evergreen holm oak. Part of the neighbouring land is owned by Southern Gas Network, formerly by a gas container, now dismantled. The southern part of the western neighbouring land in separate ownership amounts to some 0.8ha and is also vacant and overgrown, this is referred to as the 'nib' land. Planning conditions of the outline permission require that redevelopment of the HMRC site must provide access up to the nib land boundary.

A tall leylandii grows row along the northern railway edge, it is currently around the same height as the five storey office block near the northern boundary of the site..

The site is within Flood Zone 1, with low flood risk probability. The Shaftesbury Avenue Conservation Area of inter-war sun-trap style houses is 150m to the south east. Field Place is the closest listed building, situated approximately 300m to the north east. Local shops and medical centre at Strand Parade and The Causeway are 200m to the north and are reached either via the railway footbridge at Durrington Station or via Shaftesbury Avenue. Bus services include the frequent 'Pulse' town centre service with stops in Shaftesbury Avenue.

### **Relevant Planning History**

**AWDM/1979/19:** Outline planning permission for the demolition and phased, comprehensive, residential-led redevelopment for a maximum of 287 dwellings (use class C3), of which up to 140 would be houses and up to 158 would be apartments/retirement apartments. Provision of a 68-bedroom care home (use class C2). Provision of car parking, landscaping and associated works. All detailed matters reserved except for access points at the site boundaries.

**Approved 30.04.2021 (subject to s.106 Agreement)**

**AWDM/0576/22:** Discharge of Condition. Biodiversity. **Pending**

**AWDM/0577/22:** Discharge of Condition. Noise Insulation **Pending**

**AWDM/0578/22:** Discharge of Condition. Noise-external plant **Pending**

### **Consultations**

#### **West Sussex County Council Highways Authority** Comments:

The Highway Authority is satisfied with the proposals. The site is well located to encourage travel by sustainable modes including the use of walking, cycling and public transport.

- **Layout and Turning.** The proposed street hierarchy and widths accord with Manual for Streets (MfS) including adequate visibility. Accessibility and turning

has been demonstrated via satisfactory swept-path diagrams (for fire appliances, refuse and residents).

- **Parking.** The proposals would fall slightly short of the County parking parameters. For privately owned houses, an average of 1.5 parking spaces/dwelling is proposed and 0.9 spaces/privately owned flat. Sizes of spaces (2.5m x 5.0) and 6m rear clearance are considered acceptable.

A TRICS-based assessment, investigating parking demand, has been undertaken by the applicant and is considered to be robust. As the site is located close to good transport links and a sustainable 'offer' is to be secured from the developer (a Travel Plan has been negotiated with a number of measures included to promote alternatives to travelling by car) the Highway Authority does not consider that there would be a detriment to highway safety as a result of the parking provision provided. Also, 37 percent active EV charging points should be provided in accordance with County guidance

- **Emergency Access** - A 10.0m wide emergency access route at the south-eastern corner via Barrington Road would use either retractable or demountable bollards, which is considered to be an appropriate form of control for all emergency users. These could be controlled via a key or key code system so that the bollard can be pushed into the ground. The fire services would then have the code or key. It would also allow for pedestrian and cycle movements, enhancing permeability through the site, but restricting vehicle access. A future S278 / S38 highway agreement would include a technical check.
- **Road Adoption & lighting** - Several proposed roads are shown for adoption under a s.38 Highway Agreement with remaining roads privately-maintained with adequate lighting including walking and cycling routes and necessary indemnity insurances to cover servicing
- Conditions should include a Construction Environmental Management Plan (CEMP) for agreement with the Highway Authority; the provision of parking, EV charging and secure cycle parking

#### **West Sussex County Council Fire and Rescue** Comments

Recommends planning condition for approval of fire hydrant positions

#### **Adur & Worthing Councils**

#### **Council Drainage Engineer** Objection, pending further information

The currently proposed strategy and layout continues to fail to comply with County LLFA (Lead Local Flood Authority) policy for the management of surface water and draft local plan policy DM20. It does not support infiltration; uses a pumped solution and not conveyance through swales and permeable paving sub-bases. Insufficient evidence has been submitted to demonstrate that a policy compliant design can be

achieved. it is not clear that drainage can fit within the proposed layout and be secured via conditions. The applicant should submit:

- results of winter infiltration and groundwater testing & monitoring, and
- a revised policy-compliant drainage strategy i.e that pumping will not be used; which demonstrates minimum achievable discharge rate and demonstrates a SuDS approach
- The drainage strategy states that infiltration is not possible. However, this depends upon the degree and type of contamination identified by further on-site investigations and whether remedial works to remove contaminated & robust validation will facilitate infiltration.
- Full winter groundwater monitoring October to March, must be completed to demonstrate that design adequately accounts for flotation [*upward pressure from groundwater*] even if infiltration is not proposed .Permeable paving is suitable within private areas.
- Surface water pumping as proposed fails to comply with County LLFA policy 3 for the management of surface water, although the area reliant upon pumping has been reduced in the amended plans with very minor lengths of swales included within rev C of the drainage technical note. Please consider the use of permeable paving within private areas and more extensive swales for conveyance at shallow gradients.
- If attenuation is accepted evidence is required of the minimum achievable discharge rate. and why a lower discharge rate, closer to QBar [*greenfield*], cannot be achieved, with calculations and modelling of the catchment . The rate is calculated assuming no water except from the site is flowing into the manhole, conclusive evidence of this has NOT been supplied. Rates have been based upon the capacity of the sewer, assuming that water from no other source enters the sewer here.
- Trees are proposed over drainage features, which is not appropriate with potential for root conflict. Use of root barriers would not be supported but offset distances should be required in accordance with Southern Water requirements.

#### ***Building Control Officer* Comments**

The submitted sustainability plan is based on 2012 Standard Assessment Procedures (SAP), and improved the construction elements, energy provision and renewables in line with the proposed new [ADL1] guidance to achieve a stated 32% reduction in energy efficiency from today's standards. However some insulation (U-)values are below the proposed targets. This may be allowable, provided the new SAP package shows compliance for the dwelling, which allows a slight variant on the 'U-values' but offset in different elements and by improved heating systems, (using efficient energy systems, renewables etc). However until the SAP calculations are actually produced (once the specification is finalised) this will be unknown.

**Parking Manager** Comments

No parking objections but note that whilst Barrington Road is predominantly unrestricted albeit there are some double yellow lines at existing junctions there is a school nearby and Clive Avenue has quite a few parking controls, residents may use Barrington Road to park during the day/evening.

**Environmental Health - Public Health** Further Information Required

Additional modelling is required of day and night time noise levels across the site for buildings at various floor heights, including external amenity areas and including noise from the adjoining commercial site and traffic. The assessment should also consider options for mitigation via layout/distance from noise sources, including the railway, orientation of noise sensitive rooms or use of noise barriers. Trickle ventilation alone is unlikely to provide adequate thermal comfort, what measures will reduce the need to open windows? (e.g. shading from vegetation, dual aspect rooms, glazing to reduce solar heat gain).

**Environmental Health - Private Sector Housing** Comment

Under the Housing Act 2004 the 'Potter' house-type has a means of escape past an open high-risk kitchen, effectively making them 'inner rooms'. Compliance with Building Regulations will not necessarily address this. The applicant should contact the Private Sector Housing team to confirm that the layout of the property is acceptable prior to commencing the development in order to avoid the need for any future formal intervention or the requirement of retrospective works. [officer note: Comment upon updated assessment awaited]

**Parks Manager** Comment

I recall that the outline planning application negotiated the provision of a LEAP on the central open space and the provision of £50,000 for enhancing West Park to provide facilities for older children. This approach is supported and we are working with the friends of West Park to enhance facilities for all age groups on West Park. I note the original s106 provided an option for managing the central area of open space. Given the ongoing maintenance issues with the SUDs feature on this area of open space it would be more appropriate for a Management Company to maintain this area rather than the Council. If the balancing facility is to contain water then appropriate fencing and warning signs should be erected given the close proximity of the proposed play area. Ideally the balancing feature should have gently sloping sides to maximise opportunities for planting and ecological enhancement opportunities.

**Environment Agency** No objection

We recommended a number of planning conditions which were included in the decision for the outline permission. Please consult us on any applications for the discharge of those conditions.

**Tree Officer:** Comments awaited

**Southern Water** No objection

The drainage strategy uses existing connections to the public surface water sewers with a reduced flow. No additional flows other than currently received can be accommodated within the existing sewerage network. Our previous response [to the outline application] remains unchanged. In summary:

Foul Drainage - Our initial investigations indicate that Southern Water can provide foul sewage disposal to service the proposed development. A formal application is required for connection

Surface Water - The outline drainage strategy report states surface water flows are reduced (50% betterment) from the current flow contributions. The developer can discharge surface water flow no greater than existing levels if proven to be connected and it is ensured that there is no overall increase in flows into the surface water system.

A topographical site survey and/or a CCTV survey including existing connection points, pipe sizes, gradients and calculations is required to show that surface water flow will be no greater than the existing.

No new tree planting should be carried out within 6m of the external edge of the public water main without consent from Southern Water.

**Network Rail** Comment

Recommends informatics including avoidance of encroachment / oversailing of Network Rail (NR) land at least 2 metres of railway boundary or 3m where any third rail and no adverse effect on railway land or structure. Future maintenance access to railway land may not be granted or subject to special provisions & costs to applicants. Also:

- Noise/vibration impacts caused by the railway must be assessed, according to NPPF The level of railway usage; frequency, night time trains & heavy freight may change at any time without notification
- Fencing: A substantial, trespass-proof fence of at least 1.8 metres must be provided
- Landscaping: NR wishes to be involved in the approval of landscaping adjacent to the railway. Trees/shrubs should be positioned a minimum distance greater than their predicted mature height and avoid certain broad-leaf deciduous trees due to leaf fall effects. NR can provide advice.
- Lighting: must not interfere with sighting of signals or train drivers' vision. The developers should obtain NR's approval of detailed lighting proposals.
- Drainage: No discharge onto railway land or soakaways within 20m of boundary
- Barrier / high kerbs alongside hard standings near the boundary to prevent vehicles driving or rolling onto railway land or damaging fencing.
- Development works:

- Distances for cranes and scaffolding away from railway land
- Approval of any vibratory / compaction piling methods

**Sussex Police - Designing Out Crime Officer** Comments

Apartment blocks:

- Access control is imperative from a crime prevention perspective
- Communal parking must be within view of an active room (not bedrooms & bathrooms) with direct and visual connection.
- Blocks A & B: Note that developments over 25 dwellings can suffer adversely from anti-social behaviour due to unrestricted access to all areas & floors of the building. A compartmentalised access system is recommended.
- Postal arrangements should be through the wall or externally mounted secure post boxes not through apartment doors.
- Cycle stores should be securely, no more than 30 cycles, robust cycle stands to recommended specifications.

Orientation of the dwellings ensures that all publicly accessible areas benefit from overlooking and good natural surveillance.

Footpath pedestrian, and cycle routes throughout the development to comply with para 8.8 – 8.12 of SBD Homes v.2 2019.

Areas of play should be stimulating and safe for all children, with good natural surveillance, with clear boundaries and gated railings

Planting should maintain natural surveillance ground planting throughout the development should not be higher than 1 metre with tree canopies no lower than 2 metres.

Lighting throughout the development should conform to BS 5489-1:2020.

Care Home: Although not part of this application it will house potentially vulnerable persons. Access control is essential with a staffed reception and staff controlling access during out of hours Boundary treatments fit for purpose ensuring no side & rear access. All vulnerable ground floor door and windows should have suitable defensible space or ground planting where appropriate.

Reference: Secured by Design (SBD) (Part Q Security – Dwellings)  
[www.securedbydesign.co](http://www.securedbydesign.co)

**Neighbourhood Policing Team** - Comments & Questions

Refers to behavioural issues to north of the railway station and asks:

- Will there be any communal space CCTV?
- Will service cupboards & bin stores have key press code access? (this has been an issue at The Causeway)
- Is resident-only access intended for communal gardens?

- Is there to be street lighting in parking and communal garden areas?

## Representations

Comments on Amended Plans (5no.)

- Amended Plans totally unacceptable, especially increased impact by northward relocation of proposed apartments and reorientation to face North towards neighbours north of the railway, instead of Eastwards where there would have been no intrusion. Thoughtless infringing construction. Loss of privacy into gardens and properties and loss of light.
- Increased height of the apartment blocks to five storey and with pitched roofs making them considerably higher, an eyesore. Keep the high-rise buildings to a maximum of three to four storey in height, with flat roofs not pitched. If pitched roofed apartments are needed to be in keeping with proposed housing then make them a storey less.
- Creates a ghetto type area with reduced open space with high rise apartments. Existing problems with a minority of tenants in the area. The Causeway, Drake Avenue, Strand Parade, and The Boulevard and Durrington railway station are becoming no go areas with constant police presence.
- High development density does not blend well with surroundings (mainly) semi-detached houses and bungalows
- Network Rail stated that the station property is private and not part of the proposed site access Where will proposed footpaths go?
- Proposals have changed many times without proper community / residents' input, to benefit construction company needs and finances.
- Apartments were to have been partial retirement properties. Housing is needed, not further flats. Bungalows for the elderly would release 2, 3 & 4 bedroomed housing.
- Removal of existing tall trees would further reduce privacy. They only need a bit of pruning, cropping and maintenance. What is the logic in felling these trees just to plant new ones?
- The rest home – further information needed about proposed size, height and details opposite my property track side; concern that we will become a further goldfish bowl.
- Local services such as GPs, police, social services, dentists and schools will be further overloaded.
- Overdevelopment of a much-congested area with considerable effect. Additional traffic will cause delays and increased risk of accidents.

- Traffic data used is out of date and compared with smaller developments from far afield (Merseyside and Cumbria) - hardly comparable to West Sussex. Adds to concerns for increased traffic at single access point
- While supporting the construction of new homes of real concern is the junction of Barrington Road with Shaftesbury Avenue. Several non-injury incidents have occurred and queues for right-turning and corner-cutting. Leisure Centre redevelopment will increase traffic. Barrington Road / Rosebury Ave are used to cut through including West Park School drop-offs by parents. Barrington Rd should be left-turn only with a pedestrian island and existing yellow lines on the north side extended along the south side.
- Emergency access incorrectly described in application as south east corner not south-west.
- Proposed narrowing of the pedestrian path, which frequently is used by wheelchair users, prams and cycles from 3m to 2m as it approaches the station is inexplicable.
- The proposed pathway connection from the new two-way southern pedestrian/cycle pathway into Walpole Avenue, would cross a line of established 12m (resident-planted) conifer trees on a steep 1m bank outside the site boundary. Developers have assured residents of their retention but...
- Plans are ambiguous / contradictory as to whether the informal unsurfaced path through a 1.5m gap over the bank will remain or a pedestrian only or cycle/pedestrian link would be constructed, or Walpole Road extended. Concerns are that a major pedestrian/cycleway link and increased use will cause significant damage to the trees.
- Concerns should be resolved to ensure that trees are not compromised.
- How will well-used pedestrian access along the southern edge be maintained during the construction?
- Construction traffic should only be permitted to use Barrington Road only with turn left only
- Mitigation arrangements during construction are limited to wheel-washing and does not cover the issue of site workers parking on local streets (already taking place)
- Earlier objections not satisfactorily addressed

#### Comments on Original Plans

#### **Objections (9no)**

Overdevelopment

Height of buildings out of keeping with context

Privacy light and noise

Affordable component too low

Additional traffic and congestion

Inadequate parking

Barrington Road will become overspill car park  
Traffic congestion – Shaftesbury Avenue extra busy since conversion of 3 office blocks, will come to a standstill  
Increased road traffic danger  
Green buffer is unclear, concern for privacy, trespass & vandalism  
Arising fumes, cannot open windows without fumes, smells, traffic noise  
Pollution standards are frequently breached at nearby diffusion tube N48  
Insufficient infrastructure to cope with this amount of houses, people and vehicles  
GP practices at breaking point with already over 2000 patients per GP is both dangerous and irresponsible  
Mature hedgerows and trees that will be at risk  
Loss of outlook towards Hightown Hill  
Need details of proposed care home

### **Comment / Support (2no)**

Hope that care home will follow  
Footpaths at Barrington Rd and station well used and need to be lit & maintained – will WSCC assume responsibility?  
Widening for cyclists is a positive step.  
Importance of limiting [western] access to emergency vehicles only, important  
A second site entrance is needed to allow for emergencies

### **Relevant Planning Policies and Guidance**

Worthing Core Strategy (2011):

Policies include:

- 7 - Meeting Housing Need
- 8 - Getting the Right Mix of Homes
- 10 - Affordable Housing
- 12 - New Infrastructure
- 13 - The Natural Environment and Landscape Character & 14 Green Infrastructure
- 15 - Flood Risk and Sustainable Water Management Policy
- 16 - Built Environment and Design
- 17 - Sustainable Construction & 18 Sustainable Energy Policy
- 19 - Sustainable Travel

Worthing Local Plan (WBC 2003)

Saved policies:

- RES7 - Development Which Has Potential To Generate Pollution
- RES 9 - Contaminated Land
- H18 - Reduction of Amenity For Local Residents

## Submission Draft Worthing Local Plan 2020 - 2036 (As Modified) 'SDWLP':

The SDWLP underwent independent examination in Autumn 2021 and consultation on the Proposed Modifications closed in May 2022. The Proposed Modifications to the SDWLP have been formally submitted and the Inspector's final report is awaited.

The following relevant policies (As Modified) now have materiality in the determination of planning applications:

- DM1 - Housing Mix
- DM2 - Density
- DM3 - Affordable Housing
- DM5 - Quality of The Built Environment
- DM6 - Public Realm
- DM7 - Open Space, Recreation & Leisure
- DM9 - Delivering Infrastructure
- DM15 - Sustainable Transport & Active Travel
- DM16 - Sustainable Design
- DM17 - Energy
- DM18 - Biodiversity
- DM20 - Flood Risk & Sustainable Drainage
- DM22 - Pollution
- A8 - Site Allocation - HMRC Offices, Barrington Road

## Other Documents:

- Supplementary Planning Document 'Space Standards' (WBC 2012)
- Guidance on Parking at New Developments, May 2019 (WSCC, August 2019)
- 'Infrastructure Delivery Plan' (WBC 2010)
- Tall Buildings Guidance (WBC, 2013)
- Developer Contributions' (WBC 2015)
- Circular 04/07 'Tree Preservation Orders: A Guide to the Law and Good Practice' (DETR 2000)

## Relevant Legislation

The Committee should consider the planning application in accordance with:

Section 70 of the Town and Country Planning Act 1990 (as amended) provides that the application may be granted either unconditionally or subject to relevant conditions, or refused. Regard shall be given to relevant development plan policies, any relevant local finance considerations, and other material considerations. Section 38(6) Planning and Compulsory Purchase Act 2004 that requires the decision to be made in accordance with the development plan unless material considerations indicate otherwise

Under Section 73A and also Section 72 Planning (Listed Building & Conservation Areas) Act 1990 which require the Local Planning Authority (LPA) to pay special attention to the desirability of preserving or enhancing the appearance of the Conservation Area.

Although the site does not adjoin any conservation area or listed building, Shaftesbury Avenue Conservation Area is located to the south of the site and there is duty placed on planning authorities to pay special attention to the desirability of preserving or enhancing the character or appearance of the Conservation Area as required by Section 72(1) Planning, Listed Buildings and Conservation Areas Act 1990, and to have special regard to the desirability of preserving its setting of and any features of special architectural or historic interest (under Section 66(1) Planning (Listed Buildings and Conservation Areas) Act 1990.

In terms of the Town and Country Planning Environmental Impact Assessment Regulations 2017, a screening opinion was issued in November 2019. This concluded that a development of 312 dwellings, would be unlikely to have significant environmental impacts under the Regulations. The current proposals involve a lesser amount of development, 287 dwellings, and it is not considered that matters such as site or location characteristics, or other circumstances have changed such that impact significance under the Regulations would be greater than at that time and no Environmental Impact Assessment under those Regulations is required.

However, it remains important that in the determination of this reserved matters application, its detailed impacts are assessed in accordance with planning policies, including design and appearance, residential amenities for proposed and existing residents, transport, drainage, energy and heritage.

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## Planning Assessment

The principle of development has been established with the outline permission and therefore the key issues for determination in this reserved matters application are:

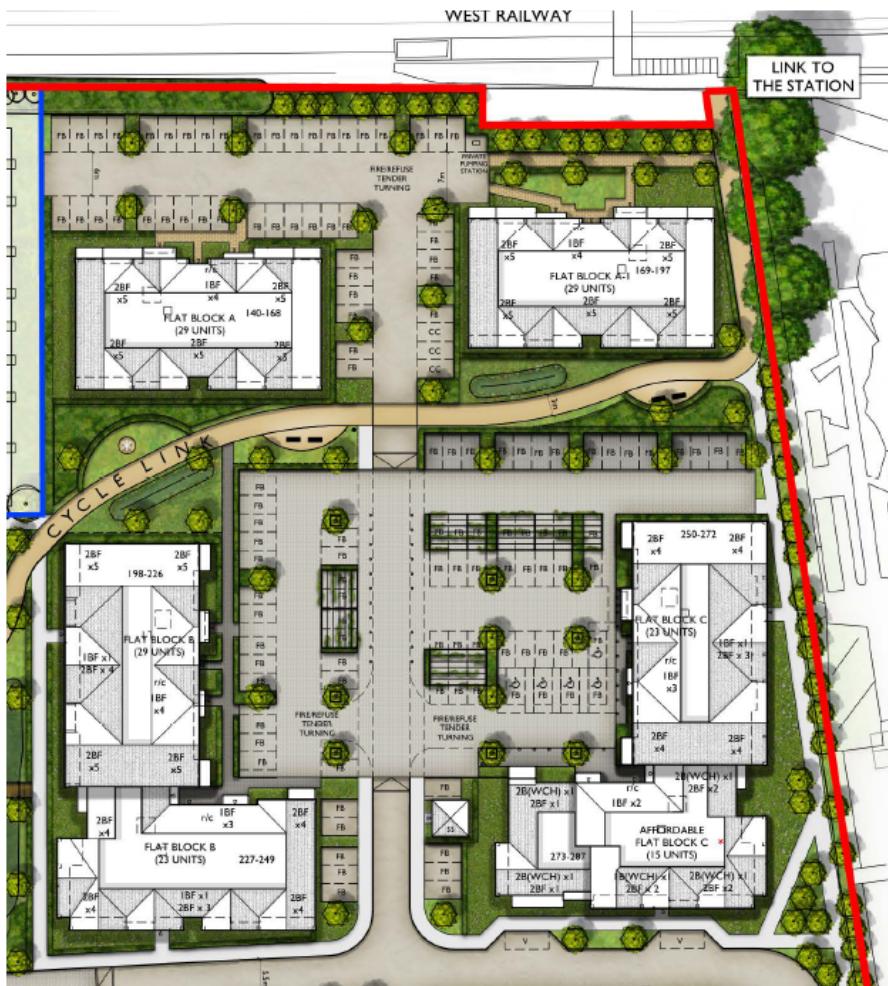
- **Design and Layout**
- **Residential Amenity**
- **Housing Mix, Affordable & Viability**
- **Access & Parking**
- **Energy & Sustainability**
- **Drainage**
- **Other Matters**

### ***Design and layout***

#### Outline Parameters - compliance

The outline planning permission for up to 287 dwellings is subject to a Design Code document, which describe potential buildings and some key distances. There are also three 'Parameter Plans' concerning access, boundaries and development zones (apartment zone; housing & care home zone and open space). These plans are attached as Appendices 2-4, the Design Code is online at: <https://docs.adur-worthing.gov.uk/NIM.WebSearch/Results.aspx>

The following summary compares the proposals with these outline requirements



**Fig. 3:  
Apartment  
Zone**

*The apartment zone (Fig.3) comprising four blocks occupies the north east part of the site.*

The apartment zone comprises four blocks, in accordance with outline parameters, albeit two of these are L-shaped with larger footprints than the indicative material. In terms of height, each block is five storeys (Fig 4), by comparison with the outline mix of 2no. four storeys and 2no. six-seven storeys. Two of the proposed blocks step down to four storeys, one of these (the south-easternmost) also steps to three and two storeys.

These height ranges are considered to be reasonably consistent with parameter heights but does necessitate sizeable footprints in order to achieve the maximum permissible number of homes without using sixth and seventh storeys.

Parameter requirements for vertical tapering including staged/graduated heights (lower 'shoulders'), are discussed below. The Design Code reference to windows on northern elevations closest to the railway and neighbours beyond in the interests of privacy, is also considered in the Residential Amenity Section below.

*The housing and care home zone* parameters allow for 2-3 storey houses, as proposed, comprising a mixture of detached & semi detached houses and short terraces of 3-5 units. The proposal meets this requirement and locates 3 storey houses (shown in red below) away from the boundaries, also in accordance with parameters. A land parcel of the required size 0.49ha, is retained for a future care home at the middle of the northern boundary. An illustrative H-shaped building is shown.



Fig. 4: Building Heights

*Open Space area.* This also conforms to outline parameters in terms of its 0.3ha size. It is located slightly closer to the centre of the site than previously, but this provides the benefit of being better-related to the care home which will face towards it, as recommended by the Design Panel. The central space is also augmented by a new, informal linear space which provides footpath access from the apartment area, and continues eastward towards the railway station. Its detailed layout is considered below.

*Site Access* (Fig. 5) is also in accordance with outline parameters. Vehicular access is via Barrington Road (east), with an emergency-only access from the western part of Barrington Road, where a new turning area is also proposed for the existing street. Internal streets observe a hierarchy of widths, 5.5m - 6m for main access roads and 5m for cul-de-sacs, most have a separate footway on one or both sides, with shared surfaces in cul de-sacs, in accordance with or slightly better than parameters.



**Fig. 5: Accesses: West (Emergency-only); East (Main Access)**

Pedestrian access is via a 1.8m wide continuous footpath along the eastern boundary (based on the existing well-established path), within a landscape buffer, giving a combined 4m width as required. Also, as required, the existing path along the southern boundary (Fig 6) is upgraded to a combined pedestrian and cycle pathway of 3m width, which is due to be adopted by the Highway Authority.

*Boundaries:* In accordance with the boundaries parameter plan the existing, mature hedgerow alongside the southern pathway, is retained in figure 6 below. Two gaps, one of them existing, are intended through the hedge to provide pathway links with the proposed cul-de-sacs. The hedge would be reduced to 1.8m height & 2m depth



**Fig. 6: Southern Boundary**



**Fig. 7: Northern Boundary**

At the northern boundary, parameters envisaged removal or selective removal of the tall, mature leylandii cypress hedge as part of a 4m wide buffer. In the proposal the central section of the hedge alongside the care home site is to be removed and replanted. The remainder is shown to be retained within a buffer strip, outside of proposed gardens, the side boundaries of which would run parallel to it.

At the western boundary, garden lengths are among the longest of those proposed, in order to allow for retention of the line of large trees (largely Holm Oak with other species), which is also specified in the boundary parameter plan.

#### Buildings - Houses and their plots

In accordance with the parameter plans the proposed housing streets, which account for approximately 64 percent of the site area, comprise a range of house types and sizes, with varied heights, forms and spacings. The range of materials comprise a fairly consistent palette of red brick and grey tile. Character variations are found in the deployment of silver grey weatherboarding, grey brick detailing or projected brick courses for varied texture and occasional white / light render and chimneys. The images of the site entrance in Fig 8 illustrate this variety, including the transition into the apartment block area, which is discussed further below.



**Fig 8: Site Entrance (upper) and corner of first internal street (lower)**

Figure 9 below shows the series of detached houses fronting two sides of the central open space. Side driveways with recessed garages serve to contain parking behind narrow apron gardens. The repetition of tall, steeply gabled roofs creates a distinctive character, which is echoed in the roofs of the apartment blocks on the third side of the central space. Initial concerns that this may appear monotonous and overly vertical have been somewhat softened by the use of varied gable detailing (projected brickwork), varied red & grey banting at ground floor and weatherboarding at first floor for most houses and more extensively for the houses at each end of the street.



**Fig 9: Central Open Space frontages**

Figure 10 below is a sample of other streets, showing varied detached, semi-detached and terraced housing. Following amendment, the range of roof forms has been increased with greater use of hipped roofs to accentuate space and skyline, in accordance with the Design Guide. Recessed garages and driveways also contain parking behind small front gardens for detached/semi detached houses.

For terraced houses parking is within grouped roadside bays, in runs of up to 5 spaces separated by small planted islands, including individual trees, which help to counterbalance the rather prominent rows of parked vehicles. In the amended plans, opportunities have been taken to move a few spaces into side driveways.



**Fig 10: Typical Streets and Cul-De-Sacs**



**Fig 11: Southern edge**

The southern edge in Figure 11 has the highest proportion of detached houses. This retains a sense of spaciousness. It also serves as a transition to the existing streets to the south, which contain detached homes, many of them bungalows. The southern boundary hedge, not shown in this image, would remain between these houses and the upgraded southern foot/cyclepath. A variation in roof materials, perhaps red-brown tile, may be better related to existing development at this edge and increase overall variety.

In consideration of external space standards, the proposals maintain a front-to-front separation of 21m and sometimes more between facing houses along most of the main access road. This is also found in some side streets, particularly where roads are wide to accommodate groups of frontage parking bays on each side of the street.

In some instances facing distances are less, between 14m - 16.5m, which accords with the Design Code for side streets with more intimate character. Notably this distance has also been used on the main access road between houses and proposed apartment blocks, which inevitably leads to a lesser degree of privacy, for instance where apartment balconies face house frontages; in one instance facing a rear garden across a 14m distance albeit filtered by proposed roadside trees

Spatial relationships to the rear and sides of neighbouring houses, appear to conform successfully to the Design Code, with rear to rear distances typically 21m and sometimes greater. However, it is noted that garden sizes themselves are sometimes smaller than Design Code expectations. This is particularly important where the smallest gardens were intended to be at least 50sqm, but in a few cases they appear to be around 40 - 45sqm. Detailed measurements have been requested from the applicant to check this point.

Also, in relation to neighbouring privacy, the use of obscure and fixed-obscure windows will be necessary in some places, for instance where the side wall of one dwelling is alongside the rear garden of another. This can be subject to a planning condition, which may also restrict the insertion of additional windows in these situations.

Internal space standards for proposed houses are considered as part of the discussion of the size mix of dwellings, which follows the Residential Amenity section further below.

## Buildings - Apartment Blocks

Two of the four proposed apartment blocks are shown in Figure 12 below. The upper image is one of the two similar northern pair. The lower image is one of the L shaped southern pair, albeit this does not show the south-easternmost block, which steps down to three and two storeys, (it is shown in Fig 8)



**Fig 12: Apartment Blocks**

The tallest part of the five storey element is 18.3m at the roof-ridge and 14m at the head of the top floor windows. This contrasts with the tallest of the existing office buildings at the site which is also five storeys, but at 15m with a flat roof it is approximately 3m lower than the proposal.

The apartments would provide a total of 124 one and two bedroom flats, the northern pair containing 29no flats each, the remainder being in the L shaped southern pair of blocks. Their design and layout has undergone substantial amendment since first submission, which comprised a series of tightly spaced flat-roofed buildings.



**Fig 13: Apartment Block zone facing east**

Figure 13, with the existing Durrington Bridge House in the background, illustrates that the resulting distances between blocks are reasonably successful in creating a sense of space between them, with much reliance on well designed landscaping and its upkeep. The L shaped blocks to the right hand side of the image are separated by 58m, well in excess of the 28m sought in the Design Code. The overall spacing of apartment blocks can be seen in Figure 3 / Appendix 1 of this report.

Where spaces fall below this (20-23m between the southern and northern pairs) the buildings face one another only partially, as can be seen in the foreground of Fig 13. Balconies of the northern blocks face onto part of the end elevations of the southern blocks, which have fewer windows and slightly smaller windows. Whilst greater separation would be preferred, a degree of privacy is provided similar to that of two storey houses which face one another across other streets in the proposed development.



The Design Code also sought vertical tapering for apartment blocks including staged and graduated heights. This was certainly an important requirement where the outline allowed for two blocks of 6-7 storeys alongside smaller four storey blocks.

The extract of Figure 4 (alongside), shows that in the current application there is staging of heights at the southern end of the southern pair of blocks. This provides a transition of scale to the 2-3 storey houses to the south. The two northern blocks have no such staging and rely only on their pitched roofs to create tapering; consequently these five storey blocks including the L-shaped block facing the central open space, have considerable mass and rely heavily upon their design to minimise the risk of appearing slab-like.

Detailed design can be seen at Figure 14 below, in the image of the apartment block facing onto the central green.

The key design feature is the series of large gables which are supported by substantial square columns running into the triangular upper fascias. These evenly-proportioned vertical structures help to balance the wide horizontal form of the building and provide a framework for the runs of spacious horizontal balconies, whose edges and railings in similar grey colour (presumed to be metal) appear architecturally unified. The variegated red & grey brick piers at the base of the columns provide solidity and physical linkage to the building, avoiding the risk that they, and the balconies, might otherwise appear bolted-on.

The upper weatherboarding in silver grey (also pastel green elsewhere), along with the varied ground floor brick courses, are vital horizontal distinctions which divide the vertical form, helping to further deflect the overall height and mass.



**Fig 14: Apartment Block and Central Open Space**

These horizontal distinctions are also vital for the tall, substantial and prominent side elevations shown in Figure 12, which would otherwise have little architectural interest and relief, aside from the columns of relatively narrow windows. Mindful of NPPF para 135, which advises and warns against the subsequent diminution of design quality during construction, it is important that detailing here and throughout the development is carefully handled and executed.



**Fig 15: Apartment Block - detailing**

For instance, the projected alternating red & grey brick courses shown in the close-up image at Figure 15 below; should not become flush and should continue around all sides of the blocks; intersections between materials should be well considered - the upper weatherboarding is likely to appear more considered if seated on one or two projected bands of brickwork; window and door frames to be recessed from brickwork faces rather than flush.

It is noted that window and door frames would be UPVC, which will require careful selection in order to provide the crisp and narrow profiles implied in the images, (which could be more readily achieved in metal). A planning condition would require details of these and other important design elements for approval at 1:20 or larger scale.

In the wider skyline, these largest buildings of the proposal will be visible from vanatages to the north, south and east and will intensify the built-up appearance of the area. From public vantages, they will be seen in the context of existing large buildings, such as Durrington Bridge House, and further away the former Lloyds Building in the Causeway. It is considered that this is unlikely to harm the wider character nor the setting of other buildings, including those of the Shaftesbury Avenue Conservation Area and the listed building at Field Place.

In summary, the design and layout of the apartment zone is considered to create a distinctive character, with facades enlivened by important detailing and made active by balconies. These alleviate the large masses of the buildings, which might otherwise appear excessive. Form and detailing also integrates the blocks into the wider development of houses. As mentioned, their overall success also relies upon well designed landscaping and its upkeep, which is considered next.

### **Landscaping, Open Space & Biodiversity**

In accordance with the outline parameters, the application proposes a central open space of approximately 0.3ha. The Design Code and s106 agreement requires playn for a mixed range of adult and child ages to be provided within this space, including a children's Local Equipped Play Area (LEAP).

In addition, for older youths and more general field/ball games a financial contribution of £50,000 was secured at the outline stage, for the provision or improvement of offsite facilities, such as at West Park, a short distance away adjacent to the Leisure Centre in Shaftesbury Avenue.

The proposed central space contains an area of play equipment for up to 12 yrs of age. Outside this are informal drifts of lawn grass, edging into wildflower meadow planting and banks of mixed shrubs. The perimeter is defined by evenly-spaced trees, which continue the intermittent roadside tree and shrub planting along main access roads. Around 35 percent of the central space is a drainage basin of wetland flower meadow planting and a reed bed close to the outfall. Clarification upon the depth and frequency of water has been sought, together with comments of the Parks and Drainage officers concerning layout, safety fencing and suitability of proposed play equipment.



**Fig 16. Central Open Space and Landscaped Parking Courtyard**

In the amended plan (Figure 16) a foot and cycle path has been included across the open space, linking into a new linear landscaped space within the apartment zone. This solves a challenge of the outline parameters: to connect residents of the apartment zone with the central open space in a direct and convenient way. Residents of the apartments, who lack an area of semi-private open space and who rely heavily upon balconies as outdoor space, are therefore provided with a physical and visual link to the open space

The central parking square between the southern blocks, which also fringes the northern blocks, is described as ‘a formal European square-type design’. This proposes tree planting in a grid pattern between the parking aisles, with evergreen and informal planted islands, edges and peninsulas. Metal and wire pergolas augment the vertical landscaping provided by the trees. Blockwork paving increases the design strength of this approach and vehicle ramps serve to keep traffic speeds low, with simple steel bollards to protect pedestrians and planted areas. Effective ongoing maintenance will be key to the success of this design.

In terms of biodiversity native planting is proposed in the central space and in the linear open spaces flanking the path which leads into the landscaped apartment zone towards the railway station. Other biodiversity enhancements include bat and bird boxes for roosting and nesting; fence cut-outs for hedgehogs and small mammals. These, coupled with the retention of the southern boundary hedge, provide much enhanced opportunities for wildlife, in contrast to the low existing biodiversity value of the site.

Elsewhere in the development, roadside trees are an important element in the new streets and in alleviating rather prominent ranks of parking spaces. They also define the site entrance and pedestrian routes. The Council's Drainage Engineer's

comments indicate the need for assurance that tree planting and roadside tree pits can co-exist with new drainage and underground services, preferably without need for root barriers. The applicant has been asked to confirm this. It is also recommended that this be verified at the detailed drainage design stage, by use of a

At the northern boundary with the railway, landscape drawings imply that the existing tall conifer tree-hedge will be retained, although there is some ambiguity between plans, particularly concerning the section comprising the care home land. Clarification has been sought.

It is noted that neighbour responses include a desire to retain this tree-hedge as a continuing screen. Whilst this may be possible it is noted that the fast growing nature of this vegetation, which would be alongside new gardens in narrow spaces, would require ongoing maintenance in narrow spaces alongside the railway. Network Rail comments indicate the need to be clear that this maintenance can be carried out if retained. Further comment from the applicant has been sought on this point.

### ***Residential amenity***

Proposed dwellings

**Space and Privacy:** As described in the Design and Layout section of this report, the spatial relationships between proposed buildings are, in the great majority of cases, at or above those sought by the outline Design Code. The main departure from this is the relationship between the northern and southern flats, which are partially 5-8m closer together than the target of 28m. Although this indicates the challenge of accommodating the amount of development proposed, as stated earlier, the relationship and arrangement of windows affords a degree of privacy which is similar to that of two storey houses which face one another across other streets.

Elsewhere the spacing and relationships between neighbouring buildings are considered to be satisfactory and in some cases better than outline parameters and the Design Guide. Planning conditions can be used to ensure the appropriate use of obscure/fixed windows and limitation on future insertion of windows, in particular places.

**Sunlight & daylight:** it is noted that each of the flats contains both dual and single aspect flats. Many of the single aspect flats are east, west or south facing, with receiving direct sunlight at some point in the day. Given the width of each block, and the L-Shaped configuration of the southern blocks, there are inevitably some north-facing single aspect flats, four in each block (total 16). In consideration of these it is noted that none are at ground floor level, where shadowing is greatest. These are also one bedroom units rather than family-sized homes. Whilst this is not ideal, there is some mitigation in the inclusion of external balconies, which allow a small degree of east or west facing outdoor space in each case.

**Outdoor Space:** As discussed earlier, access to other open space is considered to be well-planned in the amended layout. The main space is located close to the centre of the site, which helps to address the lack of semi-private or communal space for the apartment blocks. Elsewhere garden sizes appear to be reasonable,

but some are smaller than Design Code expectations and detailed measurements have been requested from the applicant to ensure compliance.

**Noise and ventilation:** An assessment has been undertaken, including noise sources, such as the railway and Durrington Bridge House, which possesses existing external ventilation equipment. It concludes that all proposed facades of flats and houses are at low risk of excessive noise, although it is unclear whether this is in the context of windows closed or open.

The northern facades of the apartment block are said to be at medium risk and will necessitate closed windows, other than opening for purge ventilation. The assessment recommends that trickle vents in windows would provide sufficient ventilation. Following the layout and design changes of the amended plans an updated assessment has been submitted. This also seeks to address questions raised by the Environmental Health officer (e.g modelling of noise, at various floor heights). He has previously advised that trickle ventilation alone is unlikely to provide adequate thermal comfort and that other measures need to be examined. An update will be given on receipt of his further comments

**Safety:** The proposed layout has been amended in part to provide well overlooked footpaths, including the existing path which leads to the southern platform of Durrington Railway Station. The resulting degree of passive surveillance of paths and spaces is considered to be successful.

Following advice of the Police Design Liaison officers at the outline stage, a planning condition (no.8) was included in the outline planning permission. This requires details of measures to promote a safe environment; a 'Safe Environments Plan'. This plan is yet to be provided but it can include police recommendations such as lit pathways and secure entry systems to buildings (the internal compartmentalisation of buildings also recommended by the Police Advisor would fall outside planning control).

Mindful of more recent police comments in relation to public behaviour issues to the north of the railway, and mentioned in neighbour responses, planning officers have requested further consideration of the public realm of the apartment block area, for instance, a questioning of the positions of seating and congregating opportunities, such as path-side spaces in the apartment area. It is anticipated that some fine-tuning of the landscaping layout may be needed, whilst maintaining the purposeful, open character of these spaces.

#### Existing dwellings

**Outlook & Privacy:** An important relationship between the proposed development and its surroundings is that of its northern apartment blocks to existing houses in Chesterfield Road, to the north of the railway line. The existing outlook from these is currently characterised by the existing tall conifer tree-hedge, beyond the intervening railway line, as shown in the recent photograph at Figure 17 below. A cluster of deciduous trees can also be seen on the left of the photograph, through which the top and end wall of the five storey office wing is glimpsed. The outline design code recognised that the distance of approximately 20m between the site boundary and

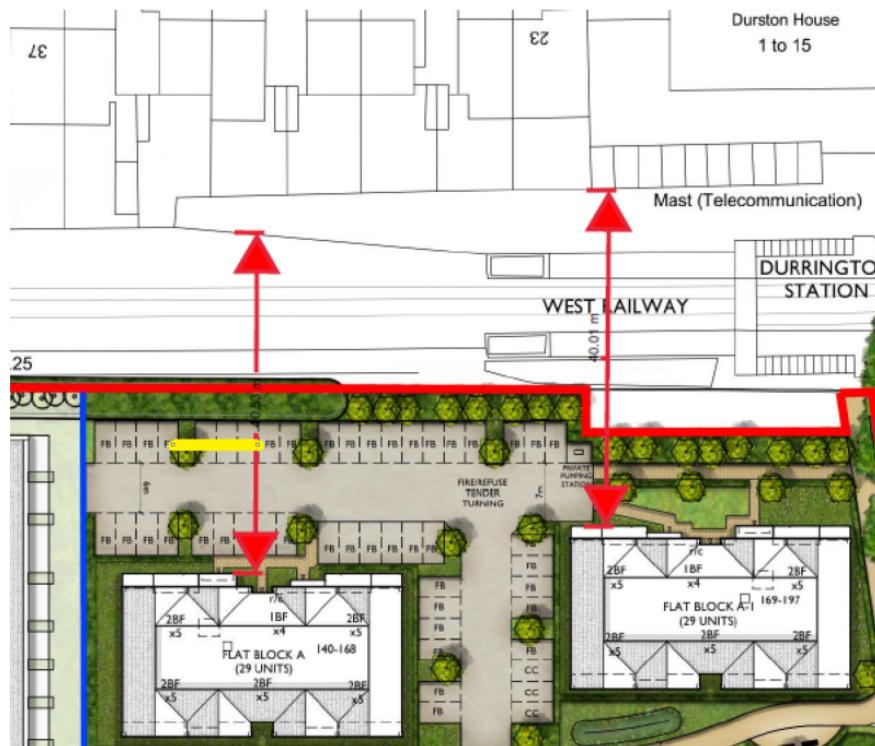
those of Chesterfield Road, required detailed consideration of future building sizes and their impact. It stated:

*'The orientation of windows will also have regard to the needs for privacy including the avoidance of windows on northern elevations closest to the northern boundary, where overlooking of neighbours to the north of the railway is a consideration, particularly above first floor level'.*



**Fig. 17. Northern boundary from Chesterfield Road**

Figure 18 below shows the proposal. Officers have indicated the approximate position of the existing five storey office wing as a yellow line.



**Fig 18. Comparative Distances (end of existing 5-storey wing in yellow)**

It is noted that amended proposals have moved the northern blocks closer to the northern boundary than in the plans originally submitted with this application. This was due to the need to create acceptable spacing in the internal planning of the site.

The north eastern block has also been re-orientated by 90 degrees so that both blocks present main elevations towards the north. Within these elevations are the living room and bedroom windows for nine flats above first floor level, together with a balcony and secondary side window for each.

In consideration of this relationship one factor is that of comparative distances. The existing office wing is 6m from the northern boundary whereas the proposed blocks are 11.5m and 16m further southwards. This gives a distance of approximately 40m between the proposed buildings and the rear boundaries of Chesterfield Road and a further 10-12m from the rear of these dwellings. The window heads of the proposed and existing buildings are roughly similar at 14m above ground level.

It is recognised that comparison with the position of the end wall of the existing wing has only limited value in this assessment; its numerous windows face east and west and most other existing buildings are lower and / or considerably further away. However, it is also of note that the Design Code contemplated taller buildings than the proposed (6-7 storeys), which could have attained greater prominence in the outlook from Chesterfield Road homes than those currently proposed.

Inevitably a degree of overlooking would occur which is likely to be greater than that of the existing development, coupled with a marked change of outlook. In considering what might lessen these effects it is also acknowledged that the distances involved are much greater than the 28m separations which were used as a design guide for buildings within the site, arguments regarding privacy and impact on outlook under policy H18 involve a degree of judgement as to what is reasonable.

One consideration is the height of the proposed buildings, which is 3m greater than the existing building, due to the use of pitched roofs, introduced by the amended plans. Officers have asked the applicant to consider whether the roof forms of this northern pair of apartment blocks might be made smaller, flat or partly flat. This may affect the internal design consistency within the site, but the outcome of this suggestion will be reported to the Committee.

A further suggestion is that windows might be angled, (for instance to face to the east by some degree towards the railway station) and balconies partly screened. This would suggest a markedly different architectural form for these buildings, or at least for their northern sides. The outcome will also be reported to the Committee.

**Sunlight & daylight:** In accordance with national guidance of the Building Research Establishment (BRE) an assessment has been submitted of the proposed development upon neighbours to the north, using the 25 degree angle test, and a 2-hour sunlight test based on the recommended spring equinox.

Results demonstrate that in each case light levels and sunshine are unaffected both in the neighbouring houses and their gardens, including flats at Durston House and its amenity space. The applicant has been asked to verify this assessment in relation to the amended plans, which variously changed the positioning and orientation of the northern apartment blocks. An update will be given.

**Noise:** The outline permission contained a planning condition (no.31) to control the acoustic performance of external air moving equipment, if used in the development, for instance in the care home development which is to be applied for separately.

The applicant has submitted a separate application (AWDM/0578/22) for the approval of the necessary acoustic specification, using recent noise survey data to establish background noise climate against which this should be set. The Environmental Health officer has asked for further information to augment this assessment. The application is due to be determined under delegated authority.

It is noted that details of the care home will be subject of a separate detailed (Reserved Matters) application in the future. However, it is considered that the location for this use in the parcel of land alongside the northern boundary, is reasonably compatible with the existing residential area to the north, subject to careful consideration at its detailed application stage.

**Safety:** In addition to resident concerns to promote a safe environment in the area close to the station, Barrington Road residents adjoining the south western corner of the site, (Figure 19) below, have expressed concerns regarding a strip of land wrapping around their side and rear boundaries. This is indicated in the ecologist's report and landscaping scheme as an area of existing hedgerow-tree species, which is to be retained, although its specific ecological value is not explained.



**Fig. 19: Land adjoining Barrington Road**

Additional tree planting is also proposed here which will assist in filtering oblique lines of sight from new houses.

Maintenance and fencing arrangements are unclear, although boundary walls are shown for new gardens. It is agreed that general access here could risk nuisance for existing and proposed neighbours. Therefore a robust fencing solution would be required to coincide with the rear of the turning bay indicated.

## Housing Mix, Affordable & Viability

### Mix and sizes

Table 1 below summarises the number and size of proposed houses and flats, giving the total of 287 dwellings, the maximum permissible under the outline permission.

**Table 1: Dwelling Sizes Compared With Needs**

	1 bed	2	3	4	Total
<b>Houses</b>	0	47	71	21	<b>139</b>
<b>Apartments</b>	24	124	0	0	<b>148</b>
<b>Total</b>	<b>24</b> (8.4%)	<b>171</b> (59.6%)	<b>71</b> (24.7%)	<b>21</b> (7.3%)	<b>287</b>

Table 2 summarises the number and percentage of proposed homes which are intended as market housing or affordable homes. The total of 22 affordable homes equates to 7.7 percent of the overall total of new dwellings, which is slightly more (+2 homes) than the minimum 7 percent required under the s106 agreement of the outline permission. This recent increase follows a viability re-appraisal which is described in the Affordable Housing & Viability section below.

Table 2 also compares the percentage of proposed homes of each size, against the percentage need identified in the Council's Strategic Housing Market Assessment, 2020 (SHMA).

**Table 2: Dwelling Sizes Compared With Needs**

	1 bed	2	3	4	Total
<b>Market</b>	21 (7.9%)	157 (59.2%)	66 (25%)	21 (7.9%)	<b>265</b>
Need	10%	42.5%	37.5%	15%	
<b>Affordable</b>	3 (13.6%)	14 (63.6%)	5 (22.7%)	0 (0%)	<b>22</b>
Need	35%	40%	20%	5%	

Table 2 shows that for market homes the proposed proportion of one bedroom dwellings is close to identified need. For two bedroom market homes there is a marked increase of provision above identified need (+16.7% or 44 homes) and corresponding under-supply of larger 3-4 bedroom homes.

For affordable homes, the 5no. three-bedroom dwellings are very close to the percentage of identified need. As with market housing, the two bedroom homes represent a higher percentage (+23.6% or 5 homes) than identified need, with a corresponding under-supply of one-bedroom homes.

These findings illustrate that the development has targeted smaller homes to a greater extent than the needs assessment would suggest; this is most evident in the 44no. two bedroom market homes with correspondingly lower numbers of three-four bedrooms. Conversely, the affordable homes tend to be a little larger than the assessed need, with more two-bedroom homes and correspondingly fewer one bedrooms.

Part of the reason for this tendency for smaller market homes, may be the spatial limitations of the site. Larger houses and associated car parking would be likely to occupy larger plots and result in corresponding lower numbers overall than the 287no. permitted by the outline approval. However, as acknowledged in the outline approval, the site is well located for public transport and local services, which would support higher density living.

The Housing officer's comments are awaited on the increased provision of affordable homes and their mix, but in terms of identified needs, the departures from the SHMA percentages is a matter of small numbers

It is noted that several (possibly 61no.) of the proposed houses appear to have additional upper rooms; also one two-bedroom house type may be slightly below space standards. Clarification has been sought from the applicant as to their purpose, and where necessary, more detailed floor plans. An update will be given on this point.

### **Affordable Housing & Viability**

The outline permission established that the development costs associated with this brownfield site would affect the ability of the development to meet the policy requirement of 30% affordable housing. The applicant at the time was the landowner seeking to establish the principle of development. Despite the poor viability case the applicant at the time agreed to commit to at least 7% affordable housing with a viability review at the Reserved Matters stage to assess whether any additional affordable housing could be delivered.

The submitted viability assessment with this current application sought to demonstrate that 7% affordable housing is the maximum that can be provided. As submitted the application proposes 20 affordable homes (15 affordable rent apartments and 5 houses).

Officers appointed external Consultants, DSP to review the submitted appraisal and they have concluded that,

*'The overall approach to assessing the viability of the proposed development appears to be appropriate in our opinion. Although the majority of the assumptions*

*appear fair, there are some areas we have queried or where a difference of opinion exists. These are as follows:*

- *Build costs – the build costs have been reviewed by MWA surveyors who were broadly in agreement with the submitted costs. MWA's report is attached as Appendix 1, and they estimate the total build cost including contingency to be £317,990 lower than the applicant's surveyor (RLF). We have applied MWA's costs (dated June 2022) in our appraisal – however we note that the difference between the two estimates is within the range to be expected when seeking opinions from different surveyors on a scheme of this size. To clarify, our appraisal includes a total of £66,346,010 reflecting all building works and contingency (excluding fees).*
- *Professional fees – we have not adjusted the 10% fees assumption at this stage but note that it appears high given the repetitive nature of some of the unit types and it having been applied to the total build cost including all external/abnormal works and contingency. We note that if the fee allowance were to be reduced by 1% and applied on the same basis this would reduce the scheme costs by £660,000.*
- *Sales values – this is the principal area of disagreement. We consider the values for the proposed dwellings to be overly cautious. Based on the discussion and comparable evidence set out in 3.3, above, we have tested a GDV of £91,580,000 for the private residential units, which is 5.67% above the submitted private housing GDV of £86,670,000. We have also increased the shared ownership values by £2,500 per property, reflecting the increased market value assumption. Adur & Worthing Councils AWC – HMRC Durrington – Viability Review – DSP Ref. No. 22407W 37*
- *Care home land value – the submitted value is within the range typically seen however is not supported by specific evidence. The Council may wish to request more specific information from the applicant to support the submitted land value (which could be shown to the Council only to reduce concerns regarding confidentiality).*

*It should be noted that the proposed values and costs cannot be directly compared with the previous scheme iteration, because the intention at that time was to provide the flats as retirement housing, and commercial space was included. The current scheme is stated to be intended as general market housing and no commercial space has been included in the submitted appraisal.*

*Applying the adjustments above the scheme as proposed, with 7% affordable housing, indicates a residual value of £2,971,558. When compared with the agreed BLV of £2,600,000 this indicates a surplus of £371,558.*

*We note that the above surplus is fairly small and is in the context of differences of opinion on build costs which in terms of the overall costs for a scheme this size are also relatively minor. We note also that evidence relating to the assumed land value for the care home has not been provided and the Council may wish to explore this further with the applicant. It should also be noted that the fee*

*allowances are high and are a related percentage of already high build costs, therefore again indicating scope for further efficiencies/savings within the overall development costs. As a general point, when considering a scheme of this size, small adjustments to individual assumptions will make a large difference to the overall viability outcome once applied to hundreds of properties. Overall, whilst viability is shown to be marginal we consider that there is potential for a greater contribution to affordable housing/S106.'*

In response to the Council's viability Consultants the applicants have reviewed their viability position and have offered 2 additional affordable rent housing units as set out below:

*'After further consideration of the comments for the Council's external advisors, it is proposed that 2 further affordable homes are offered. It is proposed that plots 94-95 (2 x 2 bed houses) are proposed. This will more than absorb the circa £300,000k difference in values.'*

The applicant has not sought to challenge the Councils' Consultants but has produced a revised viability appraisal which accepts the Councils' Consultants figures in relation to sales values. In relation to the Care Home the applicants stress that the figure in its appraisal is robust as: '*the care home land is now under offer to a reputable national developer at a price below that assumed in our appraisal.*' The revised appraisal now concludes that '*compared to the Benchmark Land Value of £2,749,244 (as indexed) this results in a deficit for the proposed development of £269,244.*'

On the basis that additional affordable housing is now being provided, the applicant has accepted the Councils' Consultants figures in relation to sales values and there is robust evidence of the land deal for the care home, the viability case is accepted by your Officers. The scheme now delivers 7.67% affordable with 77% being affordable housing and 23% shared ownership which is a slight improvement compared to the emerging Local Plan preferred mix of 75% rent and 25% shared ownership.

The s106 signed at outline stage will ensure that the rented housing is provided at Local Housing Allowance (LHA) levels which means that they will be affordable to those on the Councils waiting list. In addition, the s106 requires that the applicant uses *reasonable endeavours* to engage with Homes England (or a Registered Provider) to try and secure some affordable housing grant to increase the level of affordable housing provided on the site. Officers have raised this matter with Homes England already to ensure that it is aware of the viability constraints of the site.

### ***Access & Parking***

#### **Access**

As already described, vehicular access would be via the eastern end of Barrington leading to Shaftesbury Avenue. The Highway Authority is satisfied the impact of the development would accord with that considered at the outline approval stage. Mitigation in the form of new road markings at the Shaftesbury Avenue junction, and

the provision of bus shelters with real time information, also in Shaftesbury Avenue, have been secured by the existing s.106 Agreement.

Detailed design of the emergency only access at the western part of Barrington Road is to be agreed. However, the proposed layout of this area (shown in Figure 19), calls for some form of fencing, such as estate fencing, to prevent cutting-across the narrow separation verge between the existing and proposed roads. Further advice as to the type of access control mechanism would be agreed in liaison with the County Highway Office, under planning condition and as part of the separate Highway approval process which is envisaged for the adoption of the southern cycle/footpath.

The applicant has indicated that the completed southern path would be delivered early in the development programme, therefore keeping the time of its closure for upgrading works, as short as possible.

Another matter is the question of whether formal connections may be achievable between the southern path and the three existing cul-de-sac to the south (Walpole Avenue and others). However would involve works to a margin of land which is outside the applicant's site and is not highway land. This may pose a legal difficulty in achieving more than just the informal openings currently in place and may preclude the provision of barriers or bollards to ensure non-vehicular use only

As noted in letters of representation, a formal connection into Walpole Road would inevitably affect some of the conifer trees at the end of Walpole Road, and levelling of part of the existing 1m high bank but it is hoped that this could be kept to a minimum in the event of a connection being legally possible. If so this also would be subject of a separate Highway approval process with the County Council.

On the question of additional yellow lining in Barrington road, also mentioned in neighbour responses, this does not appear to be a proposal of the current application but further advice will be sought from the Highway Authority and an update given.

#### Construction Traffic

The applicant has commented:

*A Construction Environmental Management Plan is required by Condition 32 of the outline consent and will be submitted to the Local Planning Authority in due course*

*Site offices and welfare facilities will be located on the construction site. Wheel washing equipment will be provided as necessary for construction phases. Access to the construction site will be secured and operated in accordance with current health and safety legislation. Delivery and construction HGV traffic will be accommodated on the construction site, with no requirement for waiting on the public highway.*

*Third party suppliers and contractors visiting the site will be made aware of the construction access and routing arrangements at the start of the project. Site management will ensure compliance with the construction access arrangements.*

## Parking

Table 3 below summarises the proposed parking provision comprising a total of 462 spaces (238 allocated and 51 with garages; 173 unallocated comprising 123 for the proposed apartments and 28 visitor spaces distributed throughout the housing area. It is noted that three of the spaces in the apartment zone are for car club vehicles and five are for wheelchair users. The amended plans have increased the total provision fractionally to 464, Table 3 is therefore very slightly outdated.

Unit Type	Number of Units	Allocated Parking	Unallocated Parking	Garages
1 and 2 bed flat	148	0	123	0
2 bed house	47	54	22	0
3 bed house	71	142	0	30
4 bed house	21	42	0	21
Visitor Parking		0	28	0
<b>Total</b>	<b>287</b>	<b>238</b>	<b>173</b>	<b>51</b>

**Table 3: Proposed Parking**

According to West Sussex County Parking Guidance, the provision for unallocated apartment spaces in Parking Behaviour Zone 3, within which the site is situated would total 183, reducing by 10% to 165 to reflect the proximity of the railway and bus services, which provide alternative transport opportunities. The County Guidance produces a figure of 424 spaces for the proposed number and size-mix of house sizes, reducing by 10% to 381. The combination of these 10%-reduced figures gives a total County Guidance figure of 546 spaces. The difference of 82no between County Guidance and proposed provision is partly accounted for by the 28 visitor spaces which reduces the degree of difference to 54no spaces.

The proposed provision is accepted by the Highway Authority, in light of both the sustainable transport location, the provision of 3 car club spaces, with paid membership for the first two years, and vehicles provided by a car club operator pursued by the developer.

In consideration of parking distribution, it is noted that parking for 3 & 4 bedroom homes, which have both allocated spaces and garages, would have parking ratios which are 0.5 to 0.6 above County Guidance, providing 56 additional parking spaces for these 93 dwellings, largely accounted for by the 51 garages.

For two bedroom houses, the total of 76 spaces (54 allocated, 22 unallocated) gives a ratio of 0.3 above County Guidance i.e 14 additional spaces

Therefore it appears that in each case the amount of car parking provided for houses is greater than County Guidance. This suggests that parking pressure within the

housing areas are adequately catered for. The lesser provision made for apartments is a reflection of the concentration of smaller dwellings, proximity to the railway station and the car club provision. Mindful of the proximity of the railway station, these would be managed by a residential permit system, operated by the site management company. The applicant has been asked to confirm whether or not this would extend to the housing area of the site, in order to avoid displacement of proposed residents and their visitors.

Cycle parking is also provided in a series of secure cycle stores for the apartment blocks, and garden sheds and garages for the housing area, in accordance with County Guidance.

### ***Energy & Sustainability***

As recommended by the Local Plan Inspector the emerging Local Plan Policy **DM16 - Sustainable Design** published as a Main Modification to the Plan earlier this year states that:

*Revise criterion a) as follows:*

a) All development (excluding householder applications) will be required to achieve the relevant minimum standards below unless superseded by national planning policy, or Building Regulations, or it can be demonstrated that it is not practicable, feasible or viable (in which case the minimum standard should be met as far as is possible) Applications for major...

*Revise criterion b) (relating to housing) as follows:*

b) All new build housing will achieve a minimum 20% CO<sub>2</sub> reduction compared to the Building Regulations Part L 2013 standard, through energy efficiency measures, and where achievable a 31% reduction in CO<sub>2</sub> based on the ~~2013 Edition of the 2010 Building Regulations (Part L)~~. unless superseded by national policy or Building Regulations. Developers will be expected...

*Revise criterion c) as follows:*

c) All major New non-domestic buildings developments will need to achieve a 31% ~~27%~~ reduction in CO<sub>2</sub> on average per building compared to the Building Regulations Part L 2013 standard. Applications for major development should (see above) and demonstrate how the design and layout of the development has sought to maximise reductions in carbon emissions in line with the energy hierarchy.

*Revise criterion f) as follows:*

f) Non residential development of at least 1,000 sqm floorspace ~~and residential or mixed use development consisting of more than 200 residential units~~ should achieve BREEAM New Construction ~~or BREEAM Communities~~ 'Very Good' as a minimum rating...

The originally submitted Sustainability report stated that the development would incorporate/achieve the following:

- Improved optimal building fabric improvements, energy efficient design of building services;
- Complies with Part L 2013 Building Regulations and will reduce carbon emissions by 20% through energy efficiency measures;
- Provides an estimated 150.42 kWp of PV to the houses to increase the carbon saving to 32%;
- Utilises a low carbon solution to supplying hot water to the apartments through the use of hot water heat pump technology;
- 10% of the total predicted energy demand is generated through renewables;
- Specifies low Nox emitting domestic boilers to the houses;
- Exceeds the TFEE minimum reduction requirements by 20%; and,
- Water saving measures will limit the water consumption of the dwellings to 110 litres/person/day.

As such the applicant submits that,

*'The development proposals meet and exceed both adopted and emerging planning policy requirements. This is achieved through a combination of measures, including taking a fabric first approach to improve the efficiency of the home including thermal insulation. In the case of houses PV panels are also proposed to all roofs, with the apartments being provided with air source heat pumps (ASHP).'*

Nevertheless, the scheme incorporates gas boilers as part of the energy strategy for the site. Given that these are to be phased out from 2025 and the Council has declared a climate emergency, the applicant has been requested to reconsider the use of gas boilers. In response, the applicants have increased the number of dwellings with air source heat pumps and Bellway states that,

*'As you are already aware, there are significant viability issues with the proposals with it delivering a reduced level of affordable housing. The addition of further energy technologies will only increase construction costs, further impacting viability and the proportion of affordable housing that can be delivered.'*

*Notwithstanding, Bellway is willing to include ASHP on a further 33 homes (the Turners, Bower and Philosopher) these are larger properties best benefiting from the additional technology.*

*Overall, 23.7% of the houses would not have gas as an energy source. Including the apartments this would increase to 51.5% of the total no. of properties.'*

Although this is an improvement it is disappointing that the scheme still incorporates gas boilers. The difficulty in planning terms is that the Government has made it quite clear that sustainability measures are to be delivered through building regulations. Members will be aware that the Council's attempts to seek higher levels of carbon reduction and renewable energy were taken out of the emerging Local Plan on the basis that they were contrary to current Government advice to planning authorities.

In this case, the scheme exceeds both the adopted and emerging Local Plan and therefore there are no grounds to resist the development on sustainability grounds.

### **Drainage**

**Surface water drainage** comprises a set of proposed piped systems within the site. These would discharge into a central basin occupying approximately 40 percent of the central open space. One of these systems includes two underground rainwater storage tanks beneath the car park contained by the two L-shaped apartment blocks. The surface of this parking area and the other further north would be permeable paving, providing further water storage. Permeable paving is also proposed for the sections of road forming the sides of the open space, and at road junctions at the west of the site.

Most of the system (95 percent) would operate by gravity. A low-spot at the north east corner of the site would require a pump to drain water from the environs of the two northern apartment blocks (5 percent). This would join into the system and flow to the central basin. Drainage from the basin would pass into a discharge pipe at a regulated rate (check), joining into the existing public system in Walpole Avenue.

**Foul water drainage** would be via a new system connecting into the public sewer in Barrington Road at the south west corner of the site. Southern Water has repeated its comments of the outline stage that it can provide for foul sewage disposal. It adds that this is in the context of no overall increase in flow. This indicates the importance of ensuring that the surface water flow component is not increased, and in accordance with County policy and the emerging Local Plan drainage policy (DM20), that it is reduced. Policy DM20 aims to achieve similar rates to undeveloped land (greenfield run-off rate), where possible.

### **Sustainable Drainage**

The proposed surface water system includes elements of sustainable drainage: the below ground tanks and lined permeable paving for the storage of water, coupled with a flow control device at the outflow from the central basin. A pair of path-side grass swales are also included in the amended plans. These all would regulate the rate at which the water would either flow into the public sewer or pass to evaporation. System capacity includes assumed climate change increases as required by the Environment Agency.

It is noted that the impermeable area of development within the site, would appear to increase from 3.7ha to 3.89ha, including an allowance for assumed future domestic extensions. However, by the use of sustainable drainage features the development is estimated to produce a reduction of surface water outfall into the public system of between 50% in rainfall events of annual severity and 87% in an event of 1:100 year severity and therefore is within the capacity required by Southern Water.

This significant improvement above existing drainage rates is a positive one, although it is unclear how it compares against the greenfield rate targets sought by policies. It is also noted that it includes an assumption that 36 percent of the impermeable part of the site is already drained by soakaways/soakage, and it does

not appear to consider whether there is other water entering the outfall from the site and has assumed only surface water from the site.

The Council's Engineer has recommended that further information is needed to check these matters. Furthermore there may be opportunity to provide drainage infiltration, which will further reduce the total outfall, thus bringing the site closer to the greenfield rate. The extent to which this might be possible would rely upon the outcome of further contamination surveys, which can only be completed after existing buildings are demolished. (please see 'Contamination' below)

The Engineer also refers to the need for an additional period of groundwater testing during winter months, to include the high-mark of January – March. This would inform any infiltration opportunities as well as the detailed design of drainage structures, which will need to be resilient against the upward pressure of groundwater.

The applicant's technical report acknowledges that a strategy for infiltration could be implemented at a detailed design stage, if contamination could be adequately mitigated. However, it also comments that a significant increase in below ground attenuation would not be achievable given the density required to deliver the number of units required and therefore there may be a question of viability. It is also noted that infiltration within 20m of railway land, which includes the low spot of the NE corner, would be unacceptable to Network Rail.

In consideration of these viewpoints, it is recognised that whilst the drainage proposals appear likely to improve surface water drainage, (once assumptions have been further checked), there is a matter of timing to consider. After buildings are demolished and further winter groundwater data is obtained, possibilities for viable forms of infiltration may emerge. These may be quite limited, partly due to the quantum of development proposed, which affects the amount of space available, but the opportunity could be built into a phased approach to development.

This phased approach would allow for demolition works to take place alongside winter soakage testing followed by any further site contamination surveys and remediation design (planning conditions already require the approval of detailed remediation). Following this, final details of drainage, including any possible infiltration, alongside confirmation of the aforementioned assumptions, could then be submitted for approval under the provisions of a planning condition.

In terms of water quality, the proposed basin and swales contribute to the filtration of surface water in addition to, areas of granular fill above underground tanks and interceptor gullies to avoid pollution from oil and petrol. These will rely upon effective ongoing management by the developer and future owners.

A management company is anticipated for these areas, as provided for under the s.106 Agreement attached to the outline permission. This responsibility would include the pump serving, together with its telemetry system, alarms and an underground storage tank, which provides additional storage capacity in the event of an emergency.

Confirmation of this management approach has been sought from the applicant. Furthermore, confirmation has also been sought that drainage pipes and structures can co-exist with proposed and existing trees and hedgerows, avoiding the need for root barriers (as recommended by Council Engineers), but ensuring that trees of the type and stature contained in the landscaping plans can be practically realised.

One remaining matter is the inter-relationship between drainage in the low-spot of the NE corner of the site, and the height of two apartment blocks proposed here. The applicant's consultant has recommended that the ground floor be set above the height of any shallow rainwater ponding which may occur in a higher than predicted rainfall event, and presumably in the event of any prolonged pump failure.

The applicant has indicated that the low-spot itself could only be eliminated by infilling of ground by 2m height in this area, but it is unclear how this informs the height of the proposed ground floor, and the height itself. Further information has been sought. This consideration is also relevant in the consideration of the size of the proposed apartment buildings and their relationship to neighbours, as already considered. An update will be given.

### ***Other Matters***

#### Contamination

This was considered at the outline stage and is subject of planning conditions to require remediation details following completion of post-demolition survey works. The applicant's consultat comments that this will produce a more-robust data set and may indicate only localised areas of contaminated soils.

The Environment Agency has commented that additional site investigation and remedial works to remove the contaminated soils and robust validation testing would be required for the Agency to consider the use of surface water infiltration from sustainable drainage systems (SuDS) and to demonstrate the risks to controlled waters have been removed.

Detailed remediation would also include safeguards for the execution of works, (which may involve removal and importation of soils), to be administered under Environmental Health and Health and Safety requirements. These overlap with the requirement of the outline planning for a construction management plan,including matters such as minimising dust, odour and noise during development.

#### Air Quality

Two components of air quality impact mitigation f the proposed development are: Provision of car club vehicles as part of the lower private parking provision of apartments; also the provision of electric vehicle charging.

The applicant states that each dwelling with on-plot parking will be provided with one 'active' Electric Vehicle (EV) charging facility, to accord with WSCC guidance and Condition 19 of the outline planning consent. Confirmation has been requested that

provision will also be made for apartments, in accordance with guidance and recently amended Building Regulations, including 100% active provision (ducting/cabling) and a proportion of live charge points.

The view of the Environmental Health officer will then be sought to confirm to the extent to which these provisions provide the degree of air quality mitigation required by the outline permission. If it does not, the s106 requires the payment of a financial contribution for any shortfall.

### ***Summary***

The amended application is considered to provide a successful layout, with the relocation of apartment blocks and care home land in a better relationship with the open space, including the new linear space in the apartment zone. This responds positively to Design Panel advice. The range of building designs and spacings are considered to create a distinctive appearance and help to create a sense of place with good legibility throughout the site.

The mix of homes is reasonable and, whilst the proportion of two bedroom homes is somewhat high by contrast with needs, this allows the maximum number of homes to be provided in proximity of good transport links and local services. A slight improvement in the affordable housing offer is welcomed, along with the requisite engagement with Homes England contained in the s106 Agreement of the outline permission.

A consequence of high density is the large scale and mass of some buildings, and ideally those closest to the north might be reduced in some way and window arrangements changed to reduce lines of sight to neighbours, but otherwise massing is ameliorated by good quality and distinctive architectural design, the execution of which will need to stay close to the quality of submitted images.

Access and parking arrangements are satisfactory and the early provision of the upgraded southern path is very welcome. Parking provisions reflect the locality, with a focus on car reduction in the apartment zone and a slightly generous provision for houses, subject to careful ongoing management to minimise risk of opportunistic parking by non-residents. A construction management plan would be submitted under existing planning conditions, to manage/control development traffic and parking.

The matter of sustainable drainage and its relationship to contamination / remediation can be approached by the timing of the development programme to explore any further opportunities for reasonable sustainable drainage / infiltration. Although this is unlikely to deliver greenfield drainage conditions, due to the high development density, it is likely to be a marked improvement over existing drainage and flood risk.

Some points of information remain to be addressed, such as the practical relationship between trees and drainage to achieve the planting of stature; depth of the drainage basin in the open space, also the query in relation to dwelling sizes and space standards in the housing mix. Further comments are also awaiting in relation

to noise and ventilation. Accordingly, the recommendation is for these matters to be concluded under delegated authority. Subject to this, the overall planning balance is considered to support approval of the application.

### **Recommendation**

**To delegate the decision to approve Reserved Matters to the Head of Planning and Development subject to the satisfactory comments of Environmental Health in relation to the amended Noise Strategy, Tree Officer and Technical Services and subject to Conditions:-**

1. Approved Plans
2. As per outline and any additional required by Consultees.

## Proposed Layout

## Appendix 1



## Parameter Outline Plan - Zones (key)

## Appendix 2i



Houses & Care Home



Apartments



Public Open Space

----- Road outline Illustrative Only

Notes:

### Apartment Area (Blue Zone)

- May contain up to four apartment blocks, the tallest of which would be up to 7 storeys, another up to 6 storeys and two up to 4 storeys.
- Building designs will include lower shoulders to give vertical tapering effect and avoid slab-like appearance for the tallest pair. Lower shoulders for the lower pair of buildings would also be encouraged.
- The area may also comprise or contain housing similar to that of the housing and care home area.
- The apartment area has a gross development area of approximately 1.1139ha.

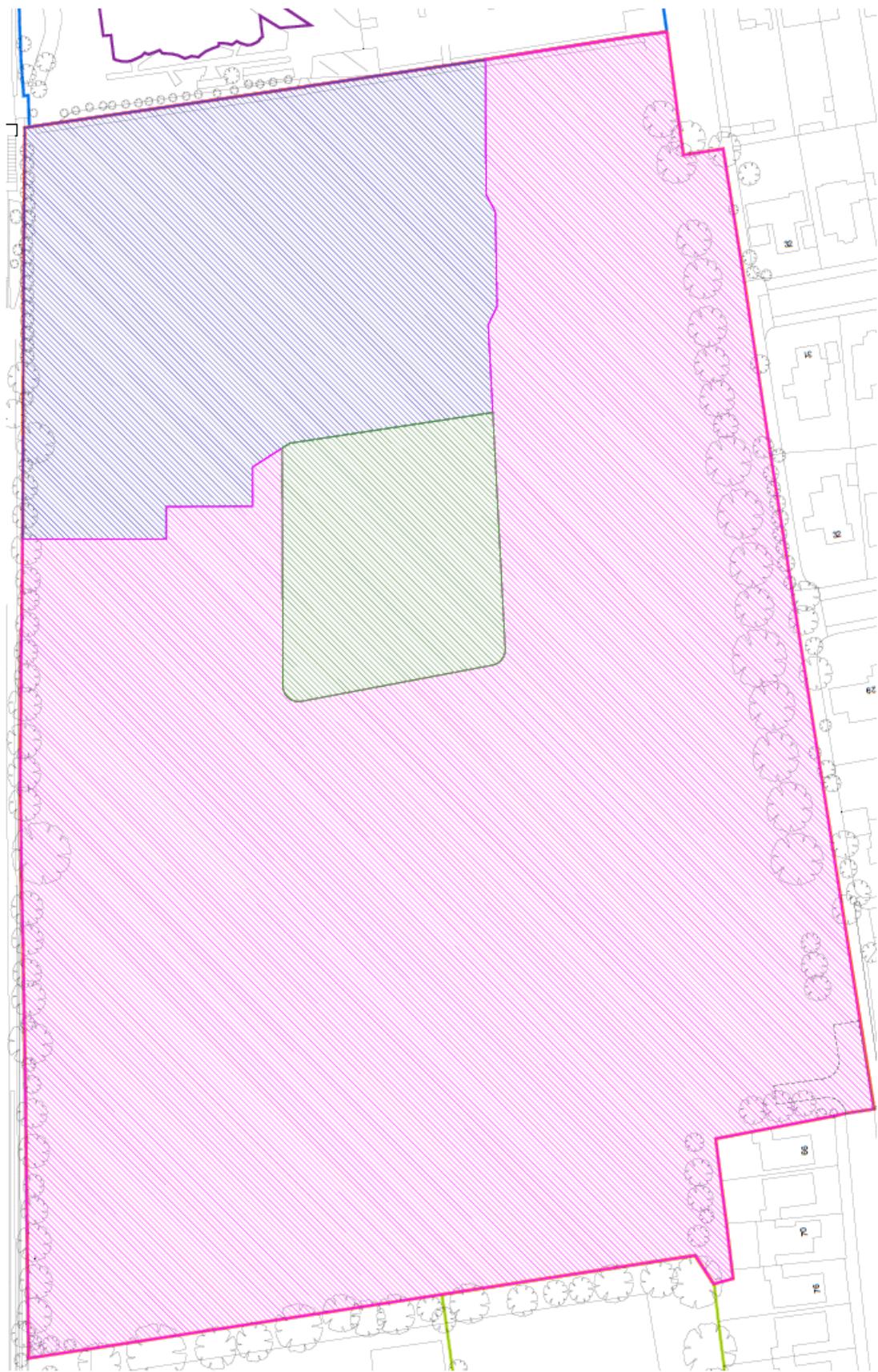
### Housing & Care Home Area (Pink Zone)

- May contain a mixture of semi-detached, detached and terraced housing and well balanced spacing along street frontages.
- Houses may range up to 3 storeys with tallest houses in most spacious locations (such as corners or fronting open space), with predominantly 2–2.5 storeys elsewhere.
- A care home may occupy up to 0.49ha of this area and will be predominantly up to 2.5 storeys but may include some three storey elements.
- Apartments may appear within the housing area but these would be very occasional and located in most spacious locations (such as corners or fronting open space), with predominantly 2–2.5 storeys but 3 storeys away from site boundaries may be considered subject to careful massing, location and design.
- The housing and care home area has a gross development area of approximately 3.23ha, of which up to 0.49ha is to be allocated as a care home.

### Public Open Space Green Zone)

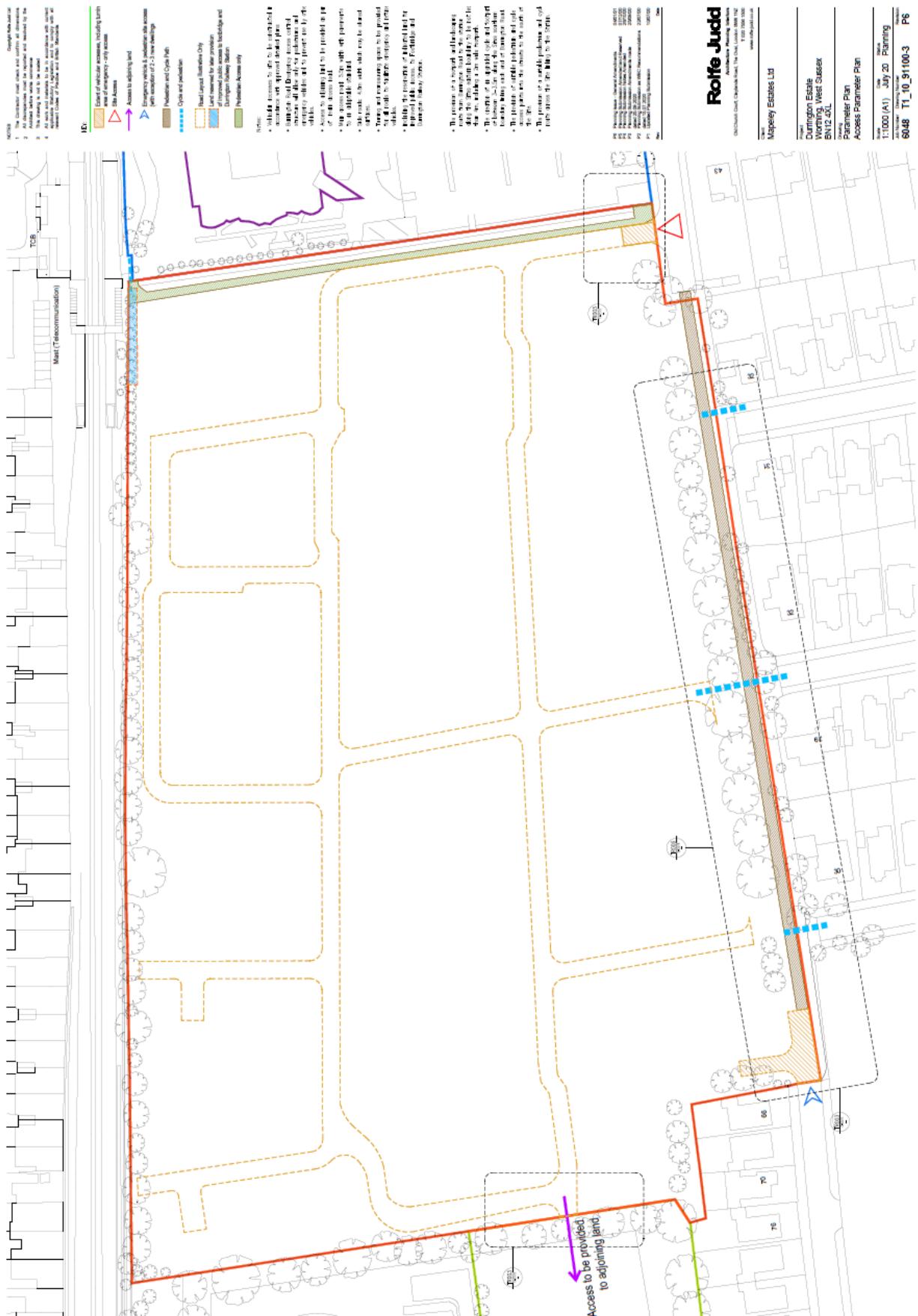
## Parameter Outline Plan - Zones (plan)

## Appendix 2ii



## **Parameter Outline Plan - Access**

## Appendix 3

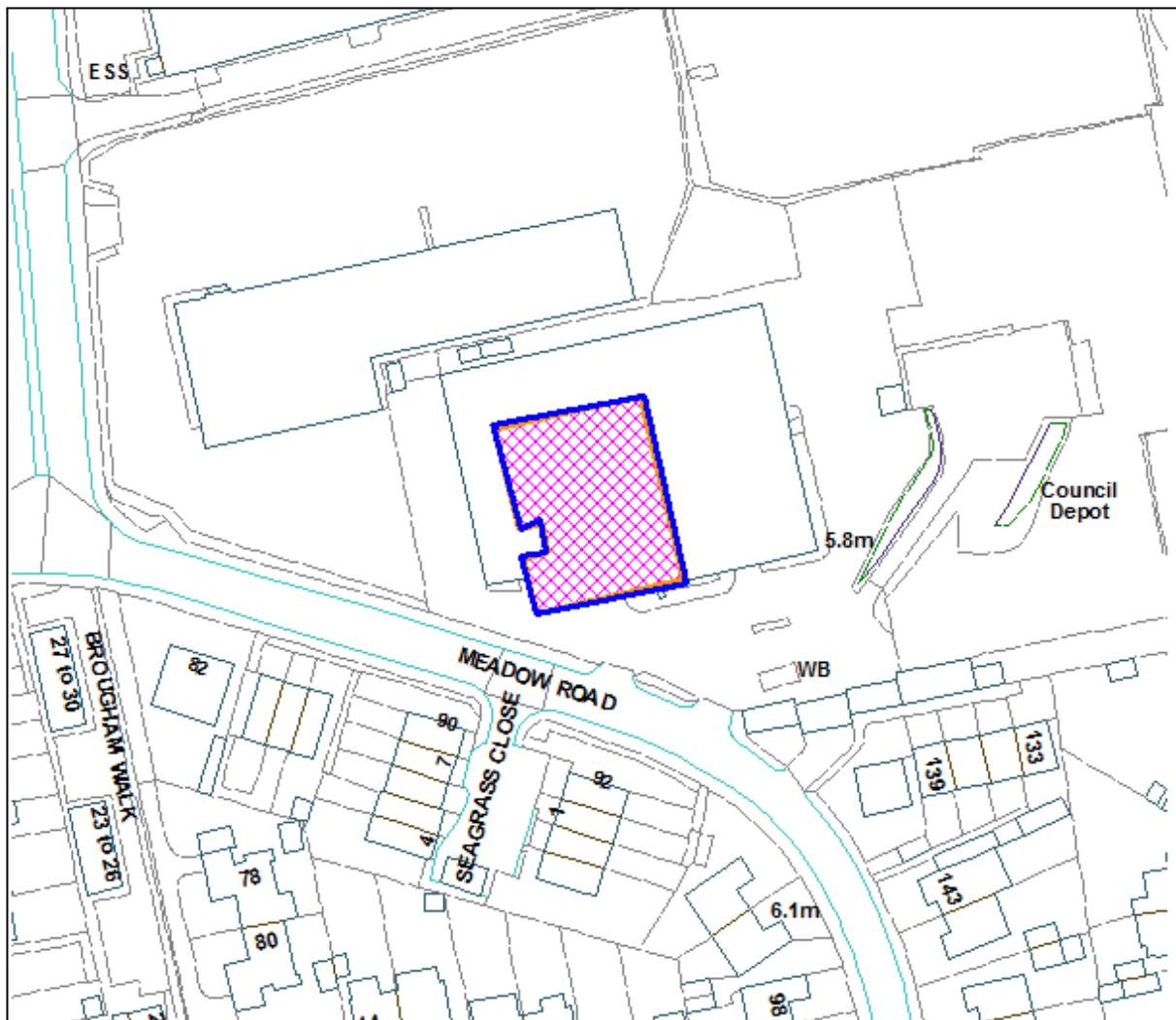


## **Parameter Outline Plan - Boundaries**

## **Appendix 4**



<b>Application Number:</b>	<b>AWDM/0387/22</b>	<b>Recommendation - GRANT permission for a temporary period of 3 years</b>
<b>Site:</b>	<b>Unit 3, Meadow Road Depot Meadow Road Worthing</b>	
<b>Proposal:</b>	<b>Change of Use from Class B2/B8 to Class E</b>	
<b>Applicant:</b>	<b>Guild Care</b>	<b>Ward: Seldon</b>
<b>Agent:</b>	<b>Warwick Lane Developments</b>	
<b>Case Officer:</b>	<b>Jo Morin</b>	



**Not to Scale**

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## **Site and Surroundings**

The application relates to part of a vacant warehouse building (Unit 3) on the north side of Meadow Road opposite the entrance to a modern development of terraced houses in Seagrass Close. There is a large roller shutter door opening on the south elevation of Unit 3. Unit 1 adjoins to the west, within the same building, and is used by Guild Care Transport as a repair workshop. Unit 2 is attached to the east and is occupied by The Greenhouse, also operated by Guild Care. Tarmac areas to the south, east and west of the warehouse buildings are served by 2 vehicular access points off Meadow Road, one is an ingress and the other an egress. The warehouse buildings are owned by the Council, formerly comprising the Council depot. The site is enclosed by a combination of palisade and chain link fencing.

## **Proposal**

Permission is sought by Guild Care, a local charity, for the change of use of Unit 3 (685sqm in floor area) from Class B2/B8 (General Industry/Warehousing) to Use Class E (Commercial, Business and Service uses). The proposals would provide for the expansion of The Greenhouse into Unit 3, involving minor internal alterations to facilitate connection between the 2 units, but no external alterations. The Greenhouse, described on the charity's website as a 'charity superstore', comprises one of a number of outlets currently operated by Guild Care in and around the town. These include smaller retail shops within town, district and local shopping centre locations and another 'charity superstore' at 27 Woods Way in Goring. The latter is the subject of a current retrospective planning application AWDM/1855/21 made by Guild Care for a change of use from Sui Generis to retail, workshop and offices. That application will come before the Committee in due course.

The Greenhouse consists of a large retail floor area where items for sale (furniture, clothing, books, homeware and bric a brac) are displayed for sale, with customer access from a shop front formed within the former roller shutter door opening of Unit 2 on the front (south) elevation of the building. There is a separate door opening on the east side of the warehouse building where donations are received. A room within the north-east corner of the building is used for sorting the donated goods, with some kept on site and others sent to Guild Care's other retail outlets. There is a small mezzanine area with a workshop where electrical goods are checked/repaired.

It is proposed that the ground-floor of Unit 3 would be used to expand the retail floor area of The Greenhouse, together with ancillary storage. The building would be used throughout the week and would be open between the hours of 0900 to 1630 Monday to Saturday and 1000 and 1600 on Sundays.

## **Relevant Planning History**

**WB/04/00806/WBR3** - Change of use from Council Depot to part B1, B2, B8 together with some retail, vehicle storage, clean recycling and ancillary parking, some existing uses to be retained. Permitted 02.09.2004.

## **Consultations**

**West Sussex County Council:** The Local Highway Authority (LHA) initially commented:-

*"From inspection of the application documents, the applicant has provided no details regarding vehicular parking provision or traffic patterns/trip generation for the proposed development. The LHA requests the applicant to provide details of existing/proposed vehicular parking provision, and trip generation data for the existing/proposed uses, preferably from the TRICS Database. Please raise the above with the applicant."*

Following submission of a Highways Technical Note the LHA has subsequently raised no objection, commenting:-

### **Summary and Context**

*This proposal is for the change of use of the existing B2/B8 unit to Class E, to allow for use as an open-plan charity superstore/furniture warehouse. The site is located on Meadow Road, an unclassified road subject to a speed restriction of 30 mph. WSCC in its role as Local Highway Authority (LHA) previously provided comments pertaining to highway matters for this application, dated 08/04/2022, requesting more information regarding parking and trip generation. The applicant has submitted a Highways Technical Note prepared by Egg Transport Planning. Following an inspection of the newly submitted documents, the LHA raises no objections to the proposed development.*

### **Access and Visibility**

*The applicant proposes to utilise the existing vehicular access for this development, with no alterations to this arrangement proposed. From inspection of local mapping, there are no apparent visibility issues with the existing point of access onto Meadow Road. An inspection of collision data provided to WSCC by Sussex Police from a period of the last five years reveals no recorded injury accidents attributed to road layout within the vicinity of the site. Therefore, there is no evidence to suggest the existing access is operating unsafely or that the proposal would exacerbate an existing safety concern.*

### **Capacity**

*The Highways Technical Note includes trip generation data taken from the TRICS Database. The data suggests that the change of use to Class E would result in a net increase of 194 two-way trips on weekdays and 270 two-way trips on a Saturday. Whilst this is a moderate increase in material movements, the LHA acknowledge that the proposed change of use would be providing an extension to an existing retail business, and therefore the trips associated with the extension will be linked to existing trips to the business park. Considering this, the LHA is satisfied that this number of trips can be accommodated into the local highway network and is not anticipated to give rise to any adverse impacts on highway safety.*

### **Parking and Turning**

*The applicant proposes to increase the existing level of parking provision from 13 spaces to 16 spaces. On-site turning arrangements will remain unaffected by the*

*proposals. Under WSCC Parking Standards, the LHA would expect a development of this size to provide 93 parking spaces. Consequently, any overspill parking would have to be accommodated on-street. Whilst, on-street parking is limited in the immediate vicinity, there are comprehensive parking restrictions in place on the nearby roads prohibiting vehicles from parking in places that would be a detriment to highway safety. The LHA does not anticipate that this development would have a detrimental impact on highway safety, but the LPA is advised to consider the potential impacts on on-street parking from an amenity point of view.*

*It should be noted that the site has currently been operating with a parking provision shortfall with no known highway safety concerns. Due to the nature of the proposed charity warehouse, a number of the vehicular trips to the site are anticipated to be “drop-in” trips, whereby they may not be parked at the site for very long. In addition, the nearby roads do benefit from unrestricted on-street parking and provide viable connections to the site by footways with street lighting. Therefore, when considering the above, the LHA does not anticipate that the proposed development would give rise to a parking capacity issue.*

*Regarding cycles, the applicant is advised to consider the implementation of secure cycle parking provision in accordance with WSCC Parking Standards, to promote the use of sustainable transport methods and reduce the need for staff/visitors to use a private car.*

#### Sustainability

*The site is situated in a sustainable location that is accessible on foot or by cycle. The site is also well connected by public transport, with regular buses available from bus stops on Brougham Road, approximately 350m south of the site. Conclusion The LHA does not consider that this proposal would have an unacceptable impact on highway safety or result in ‘severe’ cumulative impacts on the operation of the highway network, therefore is not contrary to the National Planning Policy Framework (paragraph 111), and that there are no transport grounds to resist the proposal.”*

#### **Southern Water:**

Southern Water has advised that a formal application for a connection to the public foul and surface water sewer will be required to be made by the applicant or developer.

In situations where surface water is being considered for discharge to the Southern Water network, the hierarchy for surface water (below) should be followed which is reflected in part H3 of the Building Regulations. Whilst reuse does not strictly form part of this hierarchy, Southern Water would encourage the consideration of reuse for new developments.

- Reuse
- Infiltration
- Watercourse
- Storm sewer
- Combined Sewer .

It is possible that a sewer now deemed to be public could be crossing the development site. Therefore, should any sewer be found during construction works, an investigation of the sewer will be required to ascertain its ownership before any further works commence on site.

**Adur & Worthing Councils:**

The **Planning Policy Manager** has commented:-

*"The earlier planning permission for this site, although determined some years ago, is still of relevance as it is clear that the application was approved on the basis that the retail element was ancillary to other uses. The supporting statement at that time emphasised how the unit would be used for the testing and restoration of white goods and furniture and highlighted the educational benefits that this would provide. This is not the case with the current application for Unit 3. The current supporting statement, whilst being somewhat limited in detail, explains how the application is for 'a large open plan retail area with ancillary storage'. Although the statement refers to the unit staying in 'employment' use this is not (by definition) the case when Core Strategy Policy 4 and emerging Worthing Local Plan policy DM11 are applied. These policies seek to safeguard existing employment areas, specifically use Classes B2 and B8. As illustrated within the Worthing Local Plan (policies map) the unit lies within Meadow Road Industrial Estate."*

*It is accepted that the proposal would represent a logical extension and that it could provide valuable social and community benefits. However, in my view, further encroachment of retail use into this designated employment area would set an unwelcome precedent and is contrary to the clear objectives established in existing and emerging policy."*

The **Head of Major Projects & Investment** has commented:-

The estates team retains a long term plan to redevelop this site for employment uses primarily commercial and industrial developments.

"Given the poor state of repair of the buildings it is unlikely that we would be able to secure a suitable long term employment use on the site. Refurbishment of the existing premises is unlikely to be a preferred option due to increased energy performance criteria, and overall viability of the premises given rents achieved. Given these circumstances the overall best option is for redevelopment, and a suitable employment use is unlikely to be willing to take on a new tenancy on a very short term basis while redevelopment is progressing. Maintaining occupation and activity on the premises is seen as critical to prevent further degradation and to prevent anti-social behaviour that unoccupied properties can attract.

Given this situation, there is a clear aspiration for redevelopment on the site, there is not likely to be a significant loss of employment use in the short term, and the proposed time limited planning permission for retail use will not prevent the successful redevelopment and provision of high quality employment uses in the long term. We therefore offer no objection to the proposed application."

The **Environmental Health Officer** has no objection in principle, but given the proximity of residential dwellings to this site would recommend the addition of the following condition to ensure the noise of any future installations of external plant are considered:-

*"No external units of fixed mechanical plant are permitted unless a scheme which shall be submitted to and approved by the local planning authority for attenuating all external fixed plant. The scheme shall have regard to the principles of BS 4142:2014+A1:2019 and ensure there is no detrimental impact to the nearest residential dwellings. A test to demonstrate compliance with the scheme shall be undertaken within one month of the scheme being implemented. All plant shall be maintained in accordance with manufacturers guidance and any future plant shall also meet the specified levels within the approved scheme."*

It is also recommended that the proposed hours specified in the application form are conditioned.

The **Engineer** has no comments.

## **Representations**

No representations have been received.

## **Relevant Planning Policies and Guidance**

Worthing Core Strategy (2011): Policy 3, 4, 6, 19

Saved Worthing Local Plan (2003): TR9, RES7, H18

National Planning Policy Framework (HCLG 2021)

National Planning Practice Guidance (HCLG)

Supplementary Planning Document 'Sustainable Economy' (WBC 2012)

Submission Draft Worthing Local Plan (As Modified): DM11, DM13, DM16, DM18, DM19

## **Relevant Legislation**

The Committee should consider the planning application in accordance with:

Section 70 of the Town and Country Planning Act 1990 (as amended) provides that the application may be granted either unconditionally or subject to relevant conditions, or refused. Regard shall be given to relevant development plan policies, any relevant local finance considerations, and other material considerations

Section 38(6) Planning and Compulsory Purchase Act 2004 that requires the decision to be made in accordance with the development plan unless material considerations indicate otherwise.

## **Planning Assessment**

### ***Policy Background***

The policy context comprises the National Planning Policy Framework (NPPF) and the local development plan which consists of the saved policies of the Worthing Local Plan, the Worthing Core Strategy and accompanying Supplementary Planning Documents (SPDs).

A new Local Plan, the Submission Draft Worthing Local Plan (SDWLP) was the subject of an independent examination in Autumn 2021 and consultation on the Proposed Modifications closed in May 2022. The Proposed Modifications to the SDWLP have been formally submitted and the Inspector's final report is awaited. The relevant SDWLP policies (as Modified) now have materiality in the determination of planning applications.

The NPPF has considerable status as a material consideration which can outweigh development plan provisions if policies are out of date or silent on a relevant matter. In such circumstances paragraph 11(d) of the NPPF states that development should be approved unless it would cause adverse impacts which significantly and demonstrably outweigh benefits when assessed against NPPF policies overall, or if the NPPF affords particular protection to assets or areas of importance.

The key consideration is the principle of development involving the loss of employment use.

### ***Principle***

The vacant warehouse was last used for storage by a removals company (Class B8). The Government's change to the Use Classes Order in 2020 introduced the new Class E which incorporates a very broad range of uses including the former Classes A1 (retail), A2 (financial and processing services), A3 (restaurants and cafes), as well as former Class B1 uses (offices, research & development, and light industrial). Planning permission is not required to change freely between the range of uses now encompassed by Class E. The former Class B2 (general industrial) and Class B8 (storage & distribution) remain largely unchanged.

As part of the adopted Worthing Core Strategy the site is located outside of the designated Meadow Road Industrial Estate but falls to be considered in relation to Policy 4 of the adopted Core Strategy. This policy states that outside the protected employment areas the conversion or redevelopment of land and buildings currently in employment use or last used for employment purposes will be resisted unless it can be satisfactorily demonstrated that the site (or part of the site) or premises is genuinely redundant and is unlikely to be re-used for industrial or commercial use within the Plan period. Supported by evidence within the Council's Economic Research and Employment Land Review Study (2016 and update 2020) the emerging Local Plan takes a similar approach. However, as a Proposed Modification to the Submission Draft Local Plan, the entirety of the former Council Depot site is now included within the designated Meadow Road Industrial Estate. Policy DM11 (As

Modified) states that within the designated key industrial estates and business parks existing premises, sites or floor space which are used for, or last used for, employment uses, will be protected against loss to other uses. It goes on to state that these key employment areas are essential in maintaining a strong and diverse supply of employment sites and premises to meet the needs of the local economy and given the significant land constraints the Council is seeking to protect them for employment uses appropriate to their location. Only in exceptional circumstances where there is clear and robust evidence that the introduction of alternative uses is required to retain a diverse and resilient local economy will such change be considered. In undertaken any assessment regard will be had to robust evidence setting out the importance of the use to the local economy, a demonstration that the proposed use will not negatively impact on the functioning of the employment area or the local economy as a whole, and evidence that alternative sites outside the key employment areas have been considered and that no suitable sites are available.

The Greenhouse has operated from Unit 2 for approximately 15 years, but it is clear that the use of the premises, and particularly the scale of the retail operation, has evolved considerably since the planning permission was granted in 2004 (WB/04/00806/WBR3 refers). That application (which covered all of the buildings on the former depot site) described the proposed use of 'Area A' (Now Unit 2) as a charity based furniture restoration and retail scheme to be operated by Guild Care, involving the restoration, testing and resale of donated furniture and white goods. The planned layout consisted of 300sqm of retail floor space plus workshops, an education area, and offices. The stated aim of the occupier(s) was:

*"....to reduce landfill, provide training and employment to disadvantaged people, provide affordable, good quality furniture for all people, especially those in need, provide a stimulating educational facility and promote environmental awareness to local people".*

In weighing the merits of proposals at that time, it was noted that the full range of proposed uses across the whole site would lead to an overall reduction in the number of employees, but on the other hand, a reduction in traffic movements and hours of use compared to the former depot use, would be beneficial for local residents. The merit of introducing new education and community uses within the overall range of uses planned for the premises was also recognised. However, the permission deliberately sought to curtail the amount of retail floor space and a condition of the planning permission stipulates that:

*"The retail area approved in relation to Unit A [now Unit 2] shall be no greater than 300 square metres and shall only be used as a retail area ancillary to and in associated with the approved use and occupancy of Unit A".*

The current retail floorspace within The Greenhouse is considerably in excess of 300sqm (roughly 900sqm) and the proposed change of use of Unit 3 would add a further 685sqm of potential retail floor space. In support of the current application, the applicant has stated that The Greenhouse is the charity's highest revenue generator and main donation centre but is struggling to cope with the demand in receiving donations and storing goods for sale. In particular, it is stated that The Greenhouse does not have enough space to sell a full range of furniture to meet

customer demand. It is argued that the additional floor area will help Guild Care fulfill its fundraising ambition to service the community with more charitable benefit and to make up the shortfall in funding from WSCC contracts.

The Statement goes on to highlight the employment benefits of the proposal, indicating that 2 additional full time employees together with 3 part time employees will be required to staff the expanded operation, which will also provide opportunities for 30-40 local volunteers (across 7 days of the week) of whom roughly 30% have a learning disability.

Whilst, the number of employees associated with the former removals business that operated from the premises was likely to be relatively few in number, the clear purpose of Core Strategy Policy 4 (and emerging DM11) is to ensure a supply of suitable employment land and floorspace to meet future economic growth requirements. The recent changes to the Use Classes Order (and associated freedoms for changing between uses within the new Class E) have, if anything, reinforced a need to protect employment land where control may still be exercised, as in this case.

On the other hand, it is clear that The Greenhouse provides a social, economic and environmental benefit to the local community, not only as an income stream for the charity, but in providing employment and volunteering opportunities for local people, and supplying affordable, second-hand goods and items, not only to people in need, but anybody seeking to avoid 'buying new'. The Applicant has explained that the scale of the existing premises and parking facilities allows for donations to be easily dropped-off, sorted and re-distributed to other Guild Care retail outlets within the town centre or other shopping parades, which typically do not have the capacity to accept, sort or store large quantities of donated items, particularly bulky goods such as furniture.

The Applicant also points to the poor condition of the building and the short-term nature of the existing tenancy agreement (with the lease only offered with a short-term exit clause of 6 months), which would have limited attraction for other commercial tenants. This view is also supported by the Council's Head of Major Projects & Investment, who identifies redevelopment as the best opportunity for the site to secure a high quality employment use on the site going forward. However, no timescale for redevelopment has been indicated. Nor is the site identified as a site allocation within the emerging Local Plan. That aside, the Head of Major Projects & Investment has also commented on the importance of the existing vacant unit being occupied in order to avoid further degradation of the building fabric, and to deter anti-social behaviour that unoccupied properties can sometimes attract.

Guildcare has highlighted the lack of any security of tenure for its existing Unit (No 2) as its current lease has a redevelopment clause and the Charity has been advised that the Council was looking at the redevelopment potential of the site. This prompted the Charity to look at alternative options and it has opened a new unit at 27 Woods Way, Goring. This is subject to a retrospective application reference No AWDM/1855/21 which is due to be determined at next month's meeting. Guildcare

has indicated that it would need all 3 units to meet current demand and address the current uncertainty regarding its ability to use units 2 and 3 at Meadow Road.

On balance, it is accepted that in the short-term, until plans to redevelop the site are formalised and brought forward, a limited period permission for 3 years would allow the existing poor quality, vacant unit to be occupied, and would facilitate the expansion of a valuable service provided to the local community by Guild Care, as well as providing some additional employment and volunteering opportunities.

### ***Visual amenity***

As no external alterations to the building are proposed, there would be no adverse impacts on visual amenity.

### ***Residential amenity***

The main impact on residential amenity would arise from the increase in vehicle trips to the site by customers compared to the current warehouse use. This is estimated at an additional 22 trips per hour on a weekday and an additional 44 two-way trips per hour on a Saturday based on TRICs data. The most affected property is 92 Meadow Road, an end-of-terrace house fronting Meadow Road (forming part of the recent Seagrass Close development), which directly faces toward the ingress and access to the site. The nearest part of the warehouse comprising the front elevation is some 30 metres distant. Occupiers of the nearest residential properties may be aware of additional vehicle movements and activity, but this is unlikely to generate disturbance given the nature and mix of former and current uses on this site. Nevertheless it is recommended that the hours of opening (including receipt and dispatch of deliveries) are conditioned to the hours stipulated within the application submission.

### ***Accessibility and parking***

The Local Highway Authority (LHA) has raised no objection to the increased vehicle trip rate in terms of impact on the capacity of the local highway network.

There are currently 13 car parking spaces (10 regular spaces plus 3 accessible spaces) available for existing customers of The Greenhouse to the east side of the building (Unit 2). There are 3 car parking spaces allocated to Unit 3 adjoining the site boundary with Meadow Road (opposite the main front elevation) in-between the ingress and egress points, resulting in 16 spaces in total.

An assessment of parking demand calculates that on a weekday and Saturday the proposed use (of Unit 3 alone) would generate demand for 12 car parking spaces. The shortfall of 10 parking spaces would need to be met on-street (although realistically the existing 13 spaces serving Unit 2 would also potentially be available). There are double yellow line parking restrictions in place in the vicinity of the site accesses and also on the opposite (inner bend) of Meadow Road, extending in front of Nos 84-94 Meadow Road and the entrance into Seagrass Close. However, beyond these there are long stretches of Meadow Road where there are no parking restrictions in place, as well as nearby Dale Road. The LHA is satisfied that the

additional parking demand generated by the proposed use can be accommodated on-street without detriment to highway safety.

The LHA has recommended a condition relating to the provision of cycle parking and this can be secured as a condition of planning permission.

### ***Sustainability***

The proposals involve the re-use of an existing vacant building which in itself is a sustainable form of development. There are no plans by Guild Care to carry out external or internal works other than to provide internal connection between the 2 units. A requirement to upgrade thermal insulation or carry out other energy-saving or carbon reduction measures would be impractical bearing in mind the short-term nature of the tenancy arrangements. However, a condition is recommended requiring a Travel Plan Statement to be submitted, setting out measures to encourage staff and volunteers to travel to and from the site using sustainable forms of transport.

### **Recommendation**

### **APPROVE**

#### **Subject to Conditions:-**

1. Approved Plans
2. Within 3 years of the date of this permission the use hereby permitted shall cease and return to its former lawful use
3. The building shall not be open to customers, including for the receipt and dispatch of goods, except between the hours of 0900 and 1630 on Monday to Saturday and between 1000 and 1600 hours on Sundays and Bank and Public Holiday.
4. No external units of fixed mechanical plant are permitted unless a scheme which shall be submitted to and approved by the local planning authority for attenuating all external fixed plant. The scheme shall have regard to the principles of BS:4142:2014+A1:2019 and ensure there is no detrimental impact to the nearest residential dwellings. A test to demonstrate compliance with the scheme shall be undertaken within one month of the scheme being implemented. All plant shall be maintained in accordance with manufacturers guidance and any future plant shall also meet the specified levels within the approved scheme.
5. Agree and implement cycle parking provision in accordance with WSCC guidance.
6. Agree and implement a Travel Plan Statement.

21 September 2022

**Local Government Act 1972**

**Background Papers:**

As referred to in individual application reports

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## **Schedule of other matters**

### **1.0 Council Priority**

- 1.1 As referred to in individual application reports, the priorities being:-
- to protect front line services
  - to promote a clean, green and sustainable environment
  - to support and improve the local economy
  - to work in partnerships to promote health and wellbeing in our communities
  - to ensure value for money and low Council Tax

### **2.0 Specific Action Plans**

- 2.1 As referred to in individual application reports.

### **3.0 Sustainability Issues**

- 3.1 As referred to in individual application reports.

### **4.0 Equality Issues**

- 4.1 As referred to in individual application reports.

### **5.0 Community Safety Issues (Section 17)**

- 5.1 As referred to in individual application reports.

### **6.0 Human Rights Issues**

6.1 Article 8 of the European Convention safeguards respect for family life and home, whilst Article 1 of the First Protocol concerns non-interference with peaceful enjoyment of private property. Both rights are not absolute and interference may be permitted if the need to do so is proportionate, having regard to public interests. The interests of those affected by proposed developments and the relevant considerations which may justify interference with human rights have been considered in the planning assessments contained in individual application reports.

### **7.0 Reputation**

7.1 Decisions are required to be made in accordance with the Town & Country Planning Act 1990 and associated legislation and subordinate legislation taking into account Government policy and guidance (and see 6.1 above and 14.1 below).

## **8.0 Consultations**

8.1 As referred to in individual application reports, comprising both statutory and non-statutory consultees.

## **9.0 Risk Assessment**

9.1 As referred to in individual application reports.

## **10.0 Health & Safety Issues**

10.1 As referred to in individual application reports.

## **11.0 Procurement Strategy**

11.1 Matter considered and no issues identified.

## **12.0 Partnership Working**

12.1 Matter considered and no issues identified.

## **13.0 Legal**

13.1 Powers and duties contained in the Town and Country Planning Act 1990 (as amended) and associated legislation and statutory instruments.

## **14.0 Financial implications**

14.1 Decisions made (or conditions imposed) which cannot be substantiated or which are otherwise unreasonable having regard to valid planning considerations can result in an award of costs against the Council if the applicant is aggrieved and lodges an appeal. Decisions made which fail to take into account relevant planning considerations or which are partly based on irrelevant considerations can be subject to judicial review in the High Court with resultant costs implications.

# **For: Adur & Worthing Councils**

## **Review of Applicant Submitted Viability Position**

**HMRC Durrington**

**Barrington Road**

**Goring-by-sea**

**Worthing**

**West Sussex**

**BN12 4SE**

**July 2022**

**(DSP20407W)**

**Dixon Searle Partnership**

Ash House, Tanshire Park,

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## 1. Notes and Limitations

- 1.1.1. The following does not provide formal valuation advice. This review and its findings are intended purely for the purposes of providing Adur and Worthing Councils (AWC) with an independent check of with an independent check of, and opinion on, the planning applicant's viability information and stated position in this case. In the preparation of this review Dixon Searle Partnership has acted with objectivity, impartiality, without interference and with reference to appropriate available sources of information.
- 1.1.2. This document has been prepared for this specific reason and should not be used for any other purpose without the prior written authority of Dixon Searle Partnership (DSP); we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned. To the extent that the document is based on information supplied by others, Dixon Searle Partnership accepts no liability for any loss or damage suffered by the client.
- 1.1.3. We have undertaken this as a desk-top exercise as is appropriate for this stage and level of review. For general familiarisation we have considered the site context from the information supplied by the Council and using available web-based material.
- 1.1.4. The information supplied to DSP to inform and support this review process has been supplied by the prospective / current planning applicant on a private and confidential basis. The Development Viability Assessment (DVA) states '*This report contains commercially sensitive information and is private and confidential. Neither the whole nor any part of this report or any reference thereto may be included in any published document, circular or statement, nor published, reproduced or referred to in any way without our prior written approval of the form and context in which it may appear*'. Therefore, we suggest that the Council and prospective / current or subsequent planning applicant may wish to consider this aspect together. DSP confirms that we are content for our review information, as contained within this report, to be used as may be considered appropriate by the Council (we assume with the applicant's agreement if necessary). In looking at 'Accountability', since July 2018 (para. 021 revised in May 2019), the published national Planning Practice Guidance (PPG) on viability says on this; '*Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances.*'

- 1.1.5. Dixon Searle Partnership conducts its work only for Local Authorities and selected other public organisations. We do not act on behalf of any development interests. We have been and are involved in the review of other planning stage proposals within the AWC area, in addition to strategic level (development plan/planning policy) projects.
- 1.1.6. In any event we can confirm that no conflict of interests exists, nor is likely to arise given our approach and client base. This is kept under review. Our fees are all quoted in advance and agreed with clients on a fixed or capped basis, with no element whatsoever of incentive/performance related payment.

## 2. Introduction

- 2.1.1 Dixon Searle Partnership (DSP) has been commissioned by Adur and Worthing Councils (AWC) to carry out an independent review of the ‘Viability Assessment’ (VA) dated March 2022 and supplied to the Council on behalf of the applicant by BNP Paribas Real Estate (BNP). This is in relation to the proposed redevelopment of HMRC Durrington, Barrington Road, Goring-by-sea, BN12 4SE. In addition to the March 2022 VA, an update letter dated 29 April 2022 has been submitted, setting out changes to the proposed unit mix and updating the VA assumptions and conclusions accordingly.
- 2.1.2 Outline planning permission has been granted for the site (ref AWDM/1979/19) for “*the demolition and phased, comprehensive, residential-led redevelopment for a maximum of 296 dwellings (use class C3), of which up to 147 would be houses and up to 163 would be flats/retirement apartments. Provision of a 68-bedroom care home (use class C2), and up to 160 sqm of flexible floorspace for use classes A1-A4 (retail use or professional & financial services or restaurant & café or drinking establishment). Provision of car parking, landscaping and associated works. All detailed matters reserved except for access points at the site boundaries.*”. The outline permission requires the provision of at least 7% affordable housing on site, with a viability review to verify whether any more than the minimum 7% can be provided. The submitted VA and update letter have been provided with the intention of demonstrating that 7% affordable housing is the maximum that can be provided.
- 2.1.3 The March 2022 VA is based on a mix as follows:
- 137 Houses (of which 5 affordable)
  - 150 Apartments (of which 15 affordable)
  - 68 Bed Space Care Home
- 2.1.4 The April 2022 updated mix has a minor change in overall numbers:
- 136 Houses (of which 5 affordable)
  - 151 Apartments (of which 15 affordable)
  - 68 Bed Space Care Home
- 2.1.5 The number of bedrooms of some of the units has changed. The updated mix will form the basis of this review.

- 2.1.6 The March 2022 VA and the April 2022 update letter do not include A1-A4 flexible commercial accommodation. (This was included in the previous viability submission).
- 2.1.7 We also note that the outline permission, and original viability submission reviewed by DSP in 2020, stated that the apartments were intended as retirement apartments. In the currently proposed scheme, the apartments are proposed to be standard market housing and not restricted to retirement use.
- 2.1.8 Worthing's Core Strategy Policy 10 requires 30% affordable housing to be provided on sites of 15 or more dwellings. A development of this scale should, therefore, deliver 86 units of affordable housing (based on a total of a current stage assumption of 287 dwellings, assumed to exclude the care home element).
- 2.1.9 WBC has recently submitted an updated Local Plan which (Policy DM3) requires 20% of flats built on previously developed land to be affordable housing, and 30% of houses. On this emerging policy basis, therefore, 71 affordable homes would be required on the site.
- 2.1.10 In presenting their viability position, the applicant has supplied to the Council the aforementioned 'Viability Assessment' (VA) together with the PDF and electronic version of their development appraisals, carried out using Argus Developer software, site plans, a pricing schedule (Bellway), a market/pricing report (McClaren Clark), and a cost plan (Robinson Lowe Francis (RLF)). The update letter of April 2022 includes an updated pricing schedule, cost plan and appraisal summary. DSP has also had sight of the documents contained within the Council's online planning application file.
- 2.1.11 We have considered the assumptions individually listed within the VA and provided our commentary based on those. This report does not consider planning policy or the wider aspects in the background to or associated with the Council's consideration of this scenario. DSP's focus is on the submitted residential viability assumptions and therefore the outcomes (scope to generate land value) associated with that aspect of the overall proposals.
- 2.1.12 This report does not consider planning policy or the wider aspects in the background to or associated with the Council's consideration of this scenario. DSP's focus is on the submitted viability assumptions and therefore the outcomes (scope to support land value and profit) associated with that aspect of the overall proposals.

- 2.1.13 For general background, a viable development may be regarded as one which has the ability to meet its costs including the cost of planning obligations, while ensuring an appropriate site value (i.e., existing use value) for the landowner and a market risk adjusted return to the developer in delivering that project. The Government's Planning Practice Guidance (PPG) on Viability sets out the main principles for carrying out a viability assessment. It states:

*'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. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return...Any viability assessment should follow the government's recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making...In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission<sup>1</sup>'.*

- 2.1.14 Under normal circumstances, if the residual land value (RLV) created by a scheme proposal exceeds the existing use value plus a premium (referred to as a benchmark land value (BLV) in this case) then we usually have a positive viability scenario – i.e., the scheme is much more likely to proceed (on the basis that a reasonable developer profit margin is also reached).
- 2.1.15 The submitted development appraisal has been run in a way which takes account of the benchmark land value (BLV) of the site and assesses the level of additional residual potentially available in excess of that after allowing for a fixed developer's profit. Therefore, an approach has been taken that sets out to consider, in the applicant's view, the maximum supportable financial contribution for affordable housing.
- 2.1.16 From this point onwards in our report, we will refer to 'the VA' meaning the VA and accompanying update letter/information.

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<sup>1</sup> Paragraph: 010 Reference ID: 10-010-20180724

- 2.1.17 The VA states that the scheme (with 7% affordable housing; 15 units affordable rented and 5 units shared ownership) produces a deficit of -£462,992 when considering all costs including a developer's profit of 17.5% GDV on market housing and 6% on affordable housing. This is before consideration of a Benchmark Land Value (BLV) which has been previously agreed and included in the S106 agreement, at £2,600,000. Therefore the overall deficit as presented is £3.06 million. The VA concludes that '*The Applicant is proposing a development of 287 residential units none of which are to be age restricted (in contrast to the outline permission) of which 20 (7% by unit) are to be affordable housing. Based on the amendments as set out above and the other appraisals assumptions as set out in detail as per our March 2022 report the Development currently generates a negative residual land value when allowing for an appropriate (indeed reduced) developer's margin.*'
- 2.1.18 This review does not seek to pre-determine any Council positions and merely sets out our opinion on the submitted viability assumptions and outcomes in order to inform the Council's discussions with the applicant and its decision making; it deals only with viability matters, in accordance with our instructions.
- 2.1.19 DSP's remit is to review the submitted information to assess whether the stated viability scope available to support planning obligations (for affordable housing and/or other matters) is the most that can reasonably be expected at the time of the assessment. Our brief does not go as far as confirming what should be the outcome where schemes are stated or verified as being non-viable per se, based on a viability submission or any subsequent review. It is for the applicant to decide whether there is sufficient justification to pursue a scheme, financially. While an absence of (or insufficient level of) planning obligations will be a material consideration, we are not aware that proof of positive viability is in itself a criterion for acceptable development under current national policy. The Council may wish to consider these matters further, however
- 2.1.20 Accordingly, AWC requires our opinion as to whether the viability figures and position put forward by the applicant are reasonable. We have therefore considered the information submitted. Following our review of the key assumptions areas, this report provides our views – information all provided below.
- 2.1.21 We have based our review on the submitted VA and the premise that the viability of the scheme should be considered based on the assumption of current costs and values. We then discuss any variation in terms of any deficit (or surplus) created from that base position by

altering appraisal assumptions (where there is disagreement if any) utilising in this case the supplied appraisal basis as a starting point.

- 2.1.22 This assessment has been carried out by Dixon Searle Partnership, a consultancy which has over 40 years combined experience in the development industry working for Local Authorities, developers, Housing Associations and in consultancy. As consultants, we have a considerable track record of assessing the viability of schemes and the scope for Local Authority planning obligation requirements. This expertise includes viability-related work carried out for many Local Authorities nationwide over the last 19 years or so.
- 2.1.23 The purpose of this report is to provide our overview comments with regard to this individual scheme, on behalf of AWC - taking into account the details as presented. It will then be for the Councils to consider this information in the context of the wider planning objectives in accordance with its policy positions and strategies.
- 2.1.24 In carrying out this type of review a key theme for us is to identify whether, in our opinion, any key revenue assumptions have been under-assessed (e.g., sales value estimates) or any key cost estimates (e.g., build costs, fees, etc.) over-assessed – since both of these effects can reduce the stated viability outcome.

## 3. Review of Submitted Viability Assumptions

### 3.1 Overview of Approach

- 3.1.1 The following commentary reviews the applicant's submitted viability assumptions as explained within the VA.
- 3.1.2 Primarily the review process takes into account the fact that the collective impact of the various elements of the cost and value assumptions is of greatest importance, rather than necessarily the individual detailed inputs in isolation. We have considered those figures provided, as below, and reviewed the impact of trial changes to particular submitted assumptions.
- 3.1.3 This type of audit / check is carried out so that we can give the Councils a feel for whether or not the result is approximately as expected – i.e., informed by a reasonable set of assumptions and appraisal approach.
- 3.1.4 Should there be changes to the scheme proposals this would obviously impact on the appraisal outputs.

### 3.2 Benchmark Land Value

- 3.2.1 In all appraisals of this type, the base value (value of the site or premises – e.g., in existing use) is one of the key ingredients of scheme viability. A view needs to be taken on land value so that it is sufficient to secure the release of the site for the scheme (sale by the landowner) but is not assumed at such a level that restricts the financial capacity of the scheme to deliver suitable profits (for risk reward), cover all development costs (including any abnormalities) and provide for planning obligations as a part of creating sustainable development. This can be a difficult balance to reach, both in terms of developers' dealings with landowners, and Councils' assessments of what a scheme has the capacity to bear.

- 3.2.2 The RICS (Royal Institution of Chartered Surveyors) has issued a guidance note<sup>2</sup> effective from 1<sup>st</sup> July 2021 and which replaces a previous (RICS 2012) guidance note<sup>3</sup>. The 2021 RICS guidance has an emphasis which reflects the Planning Practice Guidance (PPG) on Viability as noted below, and the PPG will remain the primary source of guidance in this field – viability in planning.
- 3.2.3 The 2021 RICS guidance states that:
- 'The BLV should not be expected to equate to market value. [...] The BLV is not a price to be paid in the marketplace; it is a mechanism by which the viability of the site to provide developers' contributions can be assessed. It should be set at a level that provides the minimum return at which a reasonable landowner would be willing to sell'*
- 3.2.4 It goes on to state:
- 'The BLV is a benchmark value against which the developer contributions can be assessed. Once those contributions have been set, land markets should take the level of policy requirements into account, just as all markets should take all relevant factors that affect value into account. PPG paragraph 013 states that 'Landowners and site purchasers should consider policy requirements when agreeing land transactions. This means that the actual price paid for a site cannot be used to reduce developer contributions.'*
- 3.2.5 The latest planning practice guidance on viability and the NPPF (most recently updated in July 2021) very clearly advise that land value should be based on the value of the existing use plus an appropriate level of premium or uplift to incentivise release of the land for development from its existing use. With regard to how land value should be defined for the purpose of viability assessment it states: *'To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner.'*
- 3.2.6 The PPG defines existing use value as: *'the first component of calculating benchmark land value. EUV is the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses. Existing use value is not*

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<sup>2</sup> [https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/sector-standards/land/assessing-financial-viability\\_final.pdf](https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/sector-standards/land/assessing-financial-viability_final.pdf)

<sup>3</sup> [https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/sector-standards/land/financial-viability-in-planning-1st\\_edition-rics.pdf](https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/sector-standards/land/financial-viability-in-planning-1st_edition-rics.pdf)

*the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield. Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.<sup>4</sup>*

3.2.7 It states that a Benchmark Land Value should:

- *'be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*
- *be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time<sup>5</sup>.'*

3.2.8 The guidance further states that: '*Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.*' It goes on to state: '*Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to*

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<sup>4</sup> Paragraph: 015 Reference ID: 10-015-20190509

<sup>5</sup> Paragraph: 014 Reference ID: 10-014-20190509

*emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement<sup>6</sup>.)'*

- 3.2.9 With regard to assuming an alternative use value to determine BLV the guidance states: *'For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its current permitted use, and other than other potential development that requires planning consent, technical consent or unrealistic permitted development with different associated values. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which have an existing implementable permission for that use. Where there is no existing implementable permission, plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.'*
- 3.2.10 It is therefore clear that the only acceptable approach to defining a benchmark land value for the purposes of a viability assessment, is the EUV+; or, exceptionally, AUV.
- 3.2.11 In this case, the S106 agreement requires that the residual land value of the scheme be compared to a Benchmark Land Value of £2,600,000 subject to indexation. BNP have set out the indexation calculation as follows:

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<sup>6</sup> Paragraph: 014 Reference ID: 10-014-20190509

<sup>7</sup> Paragraph: 017 Reference ID: 10-017-20190509

The Section 106 agreement states that the 'Relevant Index' for the purposes of indexing the Benchmark Land Value is the Royal Institution of Chartered Surveyors' Build Cost Information Service ("BCIS") All in Tender Price Index.

The BCIS All In Tender Price Index has increased from 331 in Q2 2021 to 350 in Q1 2022 which is an increase of 5.74%.

When this rate of indexation is applied to the figure stipulated in the Section 106 agreement, this results in an indexed Benchmark Land Value of £2,749,244.

We have therefore adopted a Benchmark Land Value of £2,749,244.

- 3.2.12 We have tested our appraisal residual value against a BLV of £2,749,244 as set out above.

### Gross Development Value - Private Residential - Houses

- 3.2.13 We have set out the applicant's proposed floor areas and values in the tables below.

FLOOR AREA	1 bed flat	2 bed flat	2 bed house	3 bed 4p house	3 bed 5p house	4 bed 6p house	4 bed 7p house	TOTAL
Private	16	120	41	34	14	28	14	267
Affordable	0	15	0	0	5	0	0	20
NSA sq ft (per unit)	538	753	769	949	1054	1289	1378	
Total sq ft	8608	90360	31529	32266	14756	36092	19292	232903
	Flats	98968		Houses	133935		Total	232903
VALUES	1 bed flat	2 bed flat	2 bed house	3 bed 4p house	3 bed 5p house	4 bed 6p house	4 bed 7p house	TOTAL
Ave submitted values	£ 210,000	£ 265,000	£ 327,682	£ 377,058	£ 393,571	£ 451,607	£ 507,142	
Ave £/ft <sup>2</sup>	£ 360	£ 342	£ 395	£ 391	£ 373	£ 351	£ 368	
Private GDV	£ 3,360,000	£ 31,800,000	£ 13,434,962	£ 12,819,972	£ 5,509,994	£ 12,644,996	£ 7,099,988	£ 86,669,912
AR values		£ 165,333						
SO values					£ 255,000			
Affordable GDV		£ 2,480,000			£ 1,275,000			£ 3,755,000
TOTAL GDV	£ 3,360,000	£ 34,280,000	£ 13,434,962	£ 12,819,972	£ 6,784,994	£ 12,644,996	£ 7,099,988	£ 90,424,912

- 3.2.14 A summary of pricing is provided in the update letter, as follows:

**Table 3: Private Value Pricing Summary**

Beds	Type	No Units	Value Range	Average Area	Average Value	Average Value Per Sq ft
1B2P	Apartment	16	£210,000	584	£210,000	£360
2B3P	Apartment	120	£265,000	774	£265,000	342
2B4P	House	41	£285,000 - £360,000	828	£327,682	£395
3B4P	House	34	£365,000 - £400,000	964	£377,058	£391
3B5P	House	14	£390,000 - £400,000	1,054	£393,571	£373
4B6P	House	28	£425,000 - £475,000	1,286	£451,607	£351
4B7P	House	14	£500,000 - £550,000	1,378	£507,142	£368
Total		267				

- 3.2.15 A full pricing schedule (by house type) is also provided as Appendix 1 to the update letter, and a market report including comparables by McLaren Clark Consultancy (MCC) was provided as part of the original March 2022 assessment. MCC's report is dated August 2021.
- 3.2.16 A total of 131 houses and 136 flats are proposed. These are all now proposed as standard properties rather than retirement housing which was suggested as the potential tenure in the previous viability review. The submitted mix and pricing by unit type is summarised below:

<b>Private units - submitted values by unit type (Source: Bellway pricing schedule from Update Letter)</b>					
	Number of units	Ave floor area (ft <sup>2</sup> )	Ave submitted value	Ave value £/ft <sup>2</sup>	
Detached houses	26	1268	473846	£	374
Semi detached houses	54	1052	388796	£	370
Terraced houses	50	925	358200	£	387
1 bed flats	16	584	210000	£	360
2 bed flats	121	774	265165	£	343

- 3.2.17 We have reviewed MCC's report, which considers properties on the resale market and various new build developments locally, including the closest (in terms of distance), Westmoreland House which is an office conversion, and Columbia House in West Durrington which is arguably the best comparable for apartment prices, and at the time of the report had achieved average values of £366/ft<sup>2</sup>. This however was a conversion of a former office block with some new elements, therefore lower values might be expected for at Columbia House than for new build flats. We note also that the agents for Columbia House state that demand is high in the area and so far all units have sold off plan.
- 3.2.18 MCC also consider values for new build houses and note that the values for townhouses (3-storey) locally, are typically lower on a £/ft<sup>2</sup> basis, stating that 48 of the 131 proposed houses are 3-storey. This was based on the previously submitted mix and we note that the latest pricing schedule indicates only 10 no. 3-storey houses, and 14 no. 2.5-storey houses.
- 3.2.19 We have reviewed the comparables in MCC's report and also cross-checked via our own research into values of resale and new build properties, using Land Registry data and property websites; noting that some time has passed since MCC's report and house prices have continued to increase significantly.

3.2.20 The tables below summarise our research.

#### New build sales – Land Registry sold data

Sold prices recorded on Land Registry (updated for HPI)

NEW BUILD SALES - WORTHING - PAST THREE YEARS	Average price	Average size (ft <sup>2</sup> )	Average value indicated (£/ft <sup>2</sup> )	Comment
New build Houses	£ 439,093	1072	£ 410	
New build Detached houses	£ 507,084	1195	£ 424	
New build Semi detached houses	£ 378,090	932	£ 406	
New build Terraced houses	£ 395,403	1043	£ 379	
New build Flats	£ 471,408	871	£ 541	
<700 ft <sup>2</sup>	£ 235,113	510	£ 461	Similar size to proposed 1-bed flats
>700 ft <sup>2</sup>	£ 619,092	1097	£ 564	Includes some very large flats - significantly larger floor area than the proposed properties
700 - 900 ft <sup>2</sup>	£ 359,391	807	£ 445	Largest flats removed - therefore similar size to proposed 2-bed flats

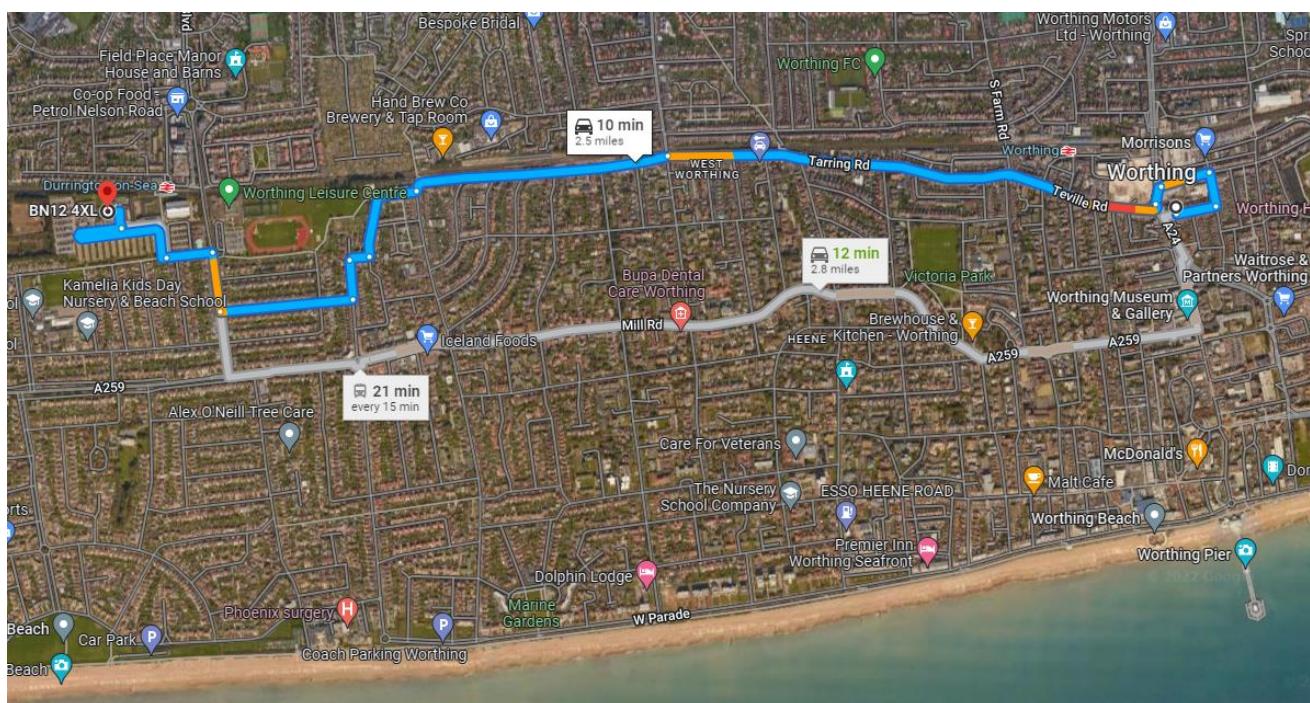
3.2.21 New build sales values in Worthing generally are significantly higher than the submitted values. However, we note that there are significant variations in values depending on location, and the dataset includes some properties with sea views etc.

3.2.22 Looking at specific examples, the closest comparable is 1-5 Lennox Road, shown below, a development of 1 and 2-bed flats with an average size of 624 ft<sup>2</sup> with sales completing in 2020 at an average of £364/ft<sup>2</sup>. Making an adjustment for increase in values since the original sale using the Office for National Statistics House Price Index (ONS HPI) would suggest values in the region of £430/ft<sup>2</sup>. The scheme is located in Worthing town centre therefore likely to achieve higher values than the subject site. Nonetheless this indicates that the submitted values of £360/ft<sup>2</sup> for 1-bed flats and £343/ft<sup>2</sup> for 2-beds are potentially underestimated at today's values.

#### Flats at Lennox Road sold in 2020



**Lennox Road location in relation to the site**



3.2.23 Regarding houses, the majority of sales have been at a large Bovis Homes site in West Durrington, 1.5 miles from the site. The VA acknowledges that the subject site is in an area of higher demand and therefore likely to achieve higher values than the Bovis site (which is part of a wider 700 home development).



- 3.2.24 A total of 92 sales of houses are recorded in 2019/2020, with an average sales value of £364,041 and an average size of 1,086 ft<sup>2</sup>, therefore £335/ft<sup>2</sup> average. Applying house price inflation to each sale leads to an average of £409/ft<sup>2</sup>. This points to the submitted values, at £377/ft<sup>2</sup> average for houses, being potentially underestimated at today's values.

### Secondhand properties – Land Registry sold data (resales)

<b>SALES OF SECONDHAND PROPERTIES - WORTHING - PAST TWO YEARS</b>	<b>Average price</b>	<b>Average size (ft<sup>2</sup>)</b>	<b>Average value indicated for resale properties (£/ft<sup>2</sup>)</b>	<b>Comment</b>
Resales - Houses	£ 476,150	1112	£ 428	
Resales - Detached houses	£ 616,462	1418	£ 435	
Resales - Semi detached houses	£ 441,118	1019	£ 433	
Resales - Terraced houses	£ 356,522	868	£ 411	
Resales - Flats	£ 256,667	680	£ 377	
<700 ft <sup>2</sup>	£ 180,903	506	£ 358	Similar size to proposed 1-bed flats. New build prices for flats are typically between 10% and 20% above resale values therefore values likely to be between £394 and £430/ft <sup>2</sup>
>700 ft <sup>2</sup>	£ 322,960	833	£ 388	Includes some flats with larger floor area than the proposed properties. New build prices for flats are typically between 10% and 20% above resale values therefore values likely to be between £427 and £465/ft <sup>2</sup> .
700 - 900 ft <sup>2</sup>	£ 283,890	764	£ 372	Largest flats removed - therefore similar size to proposed 2-bed flats. New build prices for flats are typically between 10% and 20% above resale values therefore values likely to be between £409 and £447/ft <sup>2</sup> .

3.2.25 Average values on the resale market are higher than the submitted values, which indicates that the submitted values are potentially low given the premium typically attached to new build.

### New Build properties advertised for sale locally

3.2.26 The only new build flats advertised within ¼ mile of the site are at Columbia House, with values as follows:

## Review of all new build flats within 1/4 mile of site - advertised for sale

<b>COLUMBIA HOUSE - ADVERTISED FLATS - 1 beds</b>	<b>ADVERTISED PRICE</b>	<b>Size (ft<sup>2</sup>)</b>	<b>(£/ft<sup>2</sup>)</b>	<b>Comment</b>
1 bed flat	£ 135,000	not stated	-	Prices shown are advertised prices therefore actual sales values are likely to be lower. The development is close to the site - indicates value of c. £400/ft <sup>2</sup> for 1-beds. The submitted values for 1 bed apartments are £210,000 (£349 to £382/ft <sup>2</sup> ) which is potentially low in relation to these comparables, in particular as Columbia House is mainly office conversion.
1 bed flat	£ 135,000	not stated	-	
1 bed flat	£ 222,500	542	£ 411	
1 bed flat	£ 222,500	542	£ 411	
1 bed flat	£ 222,500	542	£ 411	
1 bed flat	£ 222,500	542	£ 411	
1 bed flat	£ 250,000	not stated	-	
<b>COLUMBIA HOUSE - ADVERTISED FLATS - 2 beds</b>	<b>ADVERTISED PRICE</b>	<b>Size (ft<sup>2</sup>)</b>	<b>(£/ft<sup>2</sup>)</b>	<b>Comment</b>
2 bed flat	£ 282,500	774	£ 365	Prices shown are advertised prices therefore actual sales values are likely to be lower. As above, close to the site - indicates value of c. £370/ft <sup>2</sup> for 2-beds. The submitted values for 2bed apartments are £265,000 to £285,000 which appears low in relation to these comparables. Columbia House is an office to resi conversion.
2 bed flat	£ 282,500	774	£ 365	
2 bed flat	£ 285,000	774	£ 368	
2 bed flat	£ 285,000	774	£ 368	
2 bed flat	£ 287,500	774	£ 371	
2 bed flat	£ 300,000	not stated	-	
2 bed flat	£ 310,000	not stated	-	
2 bed flat	£ 325,000	not stated	-	
2 bed flat	£ 325,000	not stated	-	
2 bed flat	£ 325,000	not stated	-	
2 bed flat	£ 325,000	not stated	-	
2 bed flat	£ 335,000	not stated	-	
2 bed flat	£ 335,000	not stated	-	
2 bed flat	£ 335,000	not stated	-	
2 bed flat	£ 335,000	not stated	-	

3.2.27 There are no new build houses advertised within 1 mile of the site, therefore we have widened the search to 3 miles, with the following results:

**Review of all new build houses within 3 miles of site - advertised for sale**

Houses advertised for sale within 3 miles of the site	ADVERTISED PRICE	Size (ft <sup>2</sup> )	(£/ft <sup>2</sup> )	Comment
Semi-detached 2 bed	£ 308,000	not stated	-	1.4 miles from site. Persimmon Homes development. Closest new build comparable for houses. Indicates prices of £300k to £425k for 3 bed semi detached which aligns with the range in Bellway's pricing schedule.
Semi-detached 3 bed	£ 390,000	not stated	-	
Semi-detached 3 bed	£ 410,000	not stated	-	
Semi-detached 3 bed	£ 415,000	not stated	-	
Semi-detached 3 bed	£ 425,000	not stated	-	
Detached 3 bed	£ 440,000	not stated	-	
Detached 3 bed	£ 476,995	not stated	-	
Semi-detached 3 bed	£ 437,495	not stated	-	
Semi-detached 3 bed	£ 437,495	not stated	-	
Detached 3 bed	£ 489,995	not stated	-	
Detached 3 bed	775000	1603	£ 483	Luxury development of 18 homes. Not directly comparable size, spec or location.
Detached 3 bed	795000	1769	£ 449	Pebble Lane, Ferring, size/spec/location not directly comparable
Detached 4 bed	925000	not stated	-	
Detached 4 bed	925000	not stated	-	
Detached 4 bed	975000	not stated	-	

**Review of comparable properties advertised for sale locally**

- 3.2.28 Based on the above research, the submitted values appear low. Noting the sensitivity of pricing locally to the specific location, we have therefore also carried out a 'sense-check' considering individual properties currently advertised for sale in the immediate vicinity of the site.

**Detached properties advertised close to the site**

3.2.29 The detached homes proposed within the application are priced at between £370,000 and £550,000.

3.2.30 There is currently one detached home for sale within  $\frac{1}{4}$  mile of the site, a 1,292 ft<sup>2</sup>, 3-bed home in need of some updating, with garage, advertised for £450,000 (£348/m<sup>2</sup>). This compares with similar sized 4-bed detached properties with of 1,214 ft<sup>2</sup>, with garage, with submitted values of £475,000 (£391/ft<sup>2</sup>).

**The Strand, BN12 6DN (0.17 miles from site)**



1 of 20 Front Photo



2 of 20 Kitchen

3.2.31 Widening the search to 1 mile from the site we note the following example, a 1,364 ft<sup>2</sup> detached property in Goring (a superior location to the subject site) advertised for £565,000 (£414/ft<sup>2</sup>). The property was built in 2016 and appears to be in excellent condition throughout. Taking into account location, size and specification, we consider that the subject properties should achieve a similar value per square foot, indicating that the submitted average for detached houses at £374/ft<sup>2</sup> is low.

**Skylark Rise (Bloor Homes, large development built in 2016)**

1 of 21



2 of 21

**Semi-detached houses**

- 3.2.32 The following 3-bed, 1,217 ft<sup>2</sup> semi-detached house is located very close to the site, in Chesterfield Road and is advertised for £415,000 (£341/ft<sup>2</sup>). It is in very good condition internally and features off-road parking but no garage. This compares with semi-detached properties with detached garage of slightly larger size (1,369 ft<sup>2</sup>) and valued at £440,000 to £460,000 (£336 to £353/ft<sup>2</sup>). Taking into account the premium attached to new build, the submitted values therefore appear potentially low.

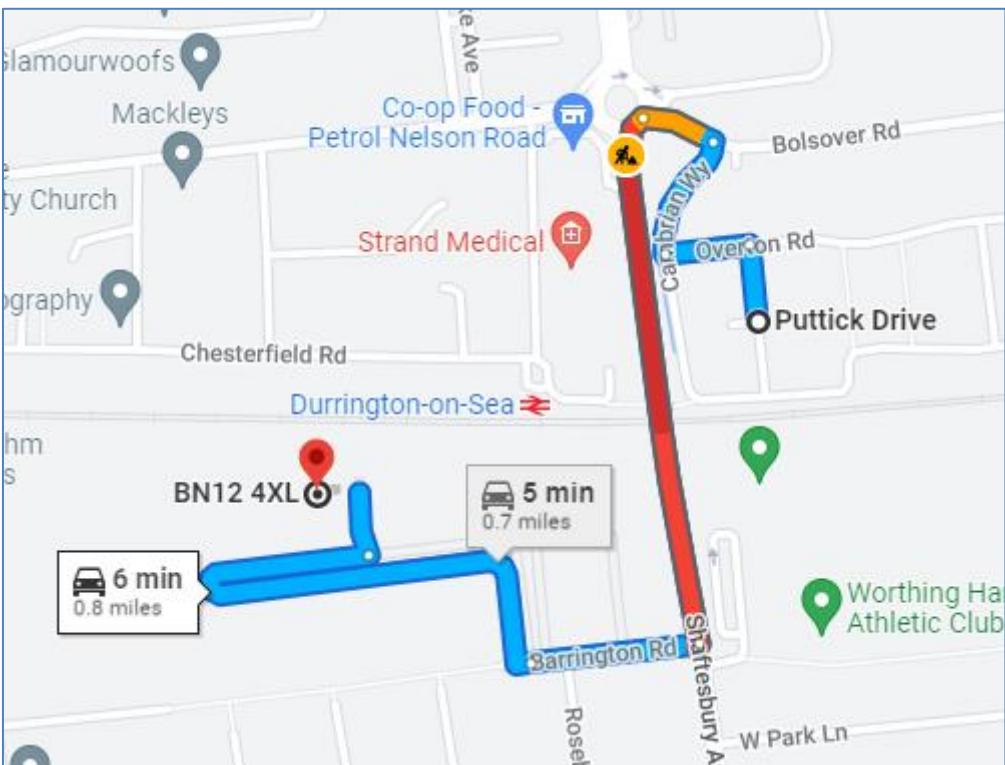
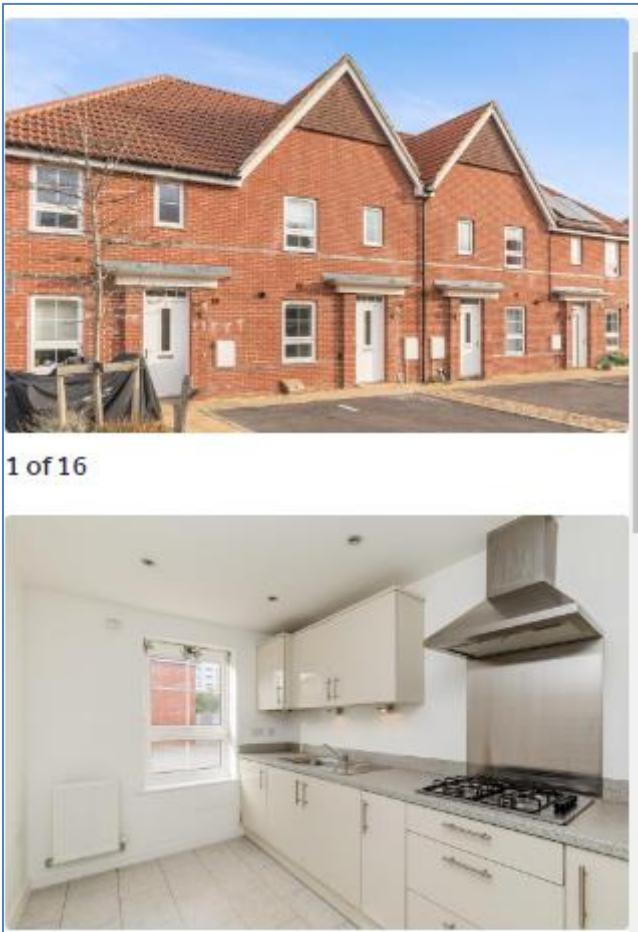


- 3.2.33 The following property in nearby Raleigh Crescent is a 1,153 ft<sup>2</sup> 3-bed semi, advertised for £450,000 (£390/ft<sup>2</sup>). Again, this compares with semi-detached properties with detached garage of larger size (1,369 ft<sup>2</sup>) and valued at £440,000 to £460,000 (£336 to £353/ft<sup>2</sup>). Again, taking into account the premium attached to new build, the submitted values appear cautious.



### Terraced houses

- 3.2.34 There is one terraced property advertised for sale within ¼ mile of the site, a modern-built 3-bed of 810 ft<sup>2</sup> on the Cissbury Park development (Puttick Drive), close to the site. It is a mid-terraced and is advertised for £375,000 (£462/ft<sup>2</sup>). The submitted 3-bed terraces are valued at £365,000 and £390,000 (average £358,200 or £387/ft<sup>2</sup>). The proposed 3-bed mid-terrace of 921 ft<sup>2</sup> is valued at £360,000 (£391/ft<sup>2</sup>). This appears cautious taking into account the premium attached to new build.



- 3.2.35 We note also that the submitted plot build costs (discussed in 3.5, below) are above average which is therefore indicative of a high specification which should support strong values for the properties.

#### **Comparison with previous viability review submission**

- 3.2.36 The previously submitted values (based on a pricing report by Savills of November 2019) for private houses for standard market sale were agreed by DSP to be suitable at the time, and are set out below and averaged £300,000 for 2 beds (ave size 851 ft<sup>2</sup>), £365,000 for 3 beds (ave size 904 ft<sup>2</sup>) and £440,000 for 4 beds (ave size 1,108 ft<sup>2</sup>):

#### **2019 submitted values**

Houses - capital values	Ave £ psf	NIA (sq ft)	Total value
2 bed house	£ 353	57868	£ 20,400,000
3 bed house	£ 404	47008	£ 18,980,000
4 bed house	£ 397	14404	£ 5,720,000
<b>TOTAL/AVE</b>	<b>£ 378</b>	<b>119280</b>	<b>£ 45,100,000</b>

- 3.2.37 The current submitted values for private houses are as follows:

Submitted values for houses (by number of beds)					
2 bed houses		3 bed houses		4 bed houses	TOTAL/AVE (Houses)
£ 13,434,962		£ 18,329,966		£ 19,744,984	£ 51,509,912
31529		45968		55384	132881
£ 426		£ 399		£ 357	£ 388
£ 327,682		£ 381,874		£ 470,119	£ 393,205
% change in £/ft <sup>2</sup> from 2019 submitted values	21%	22%		-10%	

- 3.2.38 Reviewing the above discussion, we consider that whilst the submitted values are broadly within the expected range there is some evidence to suggest the values may be overly cautious. We note also that values locally can vary significantly according to the specific area/road, and that new build values do not necessarily relate directly to resale values.
- 3.2.39 As a further means of ‘triangulating’ the values we have therefore contacted local estate agents and sought their opinion on new build sales values for the site. Two agents kindly agreed to advise and suggested the following values for new build properties:

**Bacon & Co:**

2-bed flats - £265k  
 3-bed semi - £425k  
 4-bed detached - £500k

**James & James:**

1-bed flats - £190k  
 2-bed flats - £240k  
 3-bed semi - £450k  
 3-bed terrace - £375-400k  
 4-bed detached - £475-500k

- 3.2.40 Taking into account size, specification, the premium attached to new build and the specific location, we consider the submitted values to be overly cautious, and we have tested the following values in our appraisal, resulting in an average of £408/ft<sup>2</sup> for houses and £351/ft<sup>2</sup> for flats (and an overall average of £383/ft<sup>2</sup>). This results in a GDV of £91,580,000 for the private residential units, an increase of £4,910,000 which is 5.7% above the submitted GDV (for private housing) of £86,670,000.

**Affordable Homes GDV**

- 3.2.41 The affordable homes included in the submitted appraisal are assumed to be 2-bed flats for Affordable Rent and 3 bed houses for shared ownership. The values are based on a bespoke model applied by BNP; the details of the model have not been provided, however some of the inputs are discussed in the VA. Affordable Rented units have been assumed at Local Housing Allowance rents of £184.11 per week<sup>8</sup>, with deductions for maintenance and management. Shared Ownership has been assumed on the basis of a 35% tranche sold initially, and rents of 2.75% on the unsold equity, which are typically agreed assumptions.
- 3.2.42 The allowances for maintenance/management/voids have not been stated. We have run our own discounted cashflow appraisal for the Affordable Rented units, assuming rents at LHA and a 5% discount rate and applying typical allowances for planned maintenance, repairs, management and voids. Our appraisal indicates a value of £2,220,000 for the proposed AR units which is £100,000 below the submitted value. Therefore, we consider the submitted AR value assumption to be fairly positive and have not adjusted this in our appraisal.

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<sup>8</sup> We have verified the LHA rates, and this is the latest rate for 2-bed properties in the Brighton BRMA from April 2022.

3.2.43 The 3-bed houses for shared ownership have been valued at £255,000 which equates to 68% of the submitted market value. This proportion is within the typical range however as discussed above we consider the market values to be underestimated therefore we have assumed a value of £257,500 per shared ownership unit, placing the SO units at a similar proportion of our assumed market value.

### Ground Rents

3.2.44 Ground rents have not been included for the apartments. In our review of the previous scheme we included ground rental income, noting at the time that whilst legislation was proposed to remove the ability to charge ground rents, this was not certain to happen and that the Government had indicated that retirement developments would not be subject to the same restrictions on ground rental income as properties for general market sale. In this case, the properties are now being proposed as general market sale, and The Leasehold reform (Ground rent) Bill was recently granted Royal Assent (8 February 2022) and it has been stated by the Government that 'the Act will be brought into force within six months of this date'. It will restrict ground rents on the grant of new leases to a peppercorn (which some of our LPA clients have also been considering reflecting within s.106 agreements). On this basis, we consider that it is acceptable at this point not to include a capital contribution from ground rents within the appraisal. The Council could consider whether it is appropriate to place any restriction on ground rents within the s.106 agreement.

### Care Home

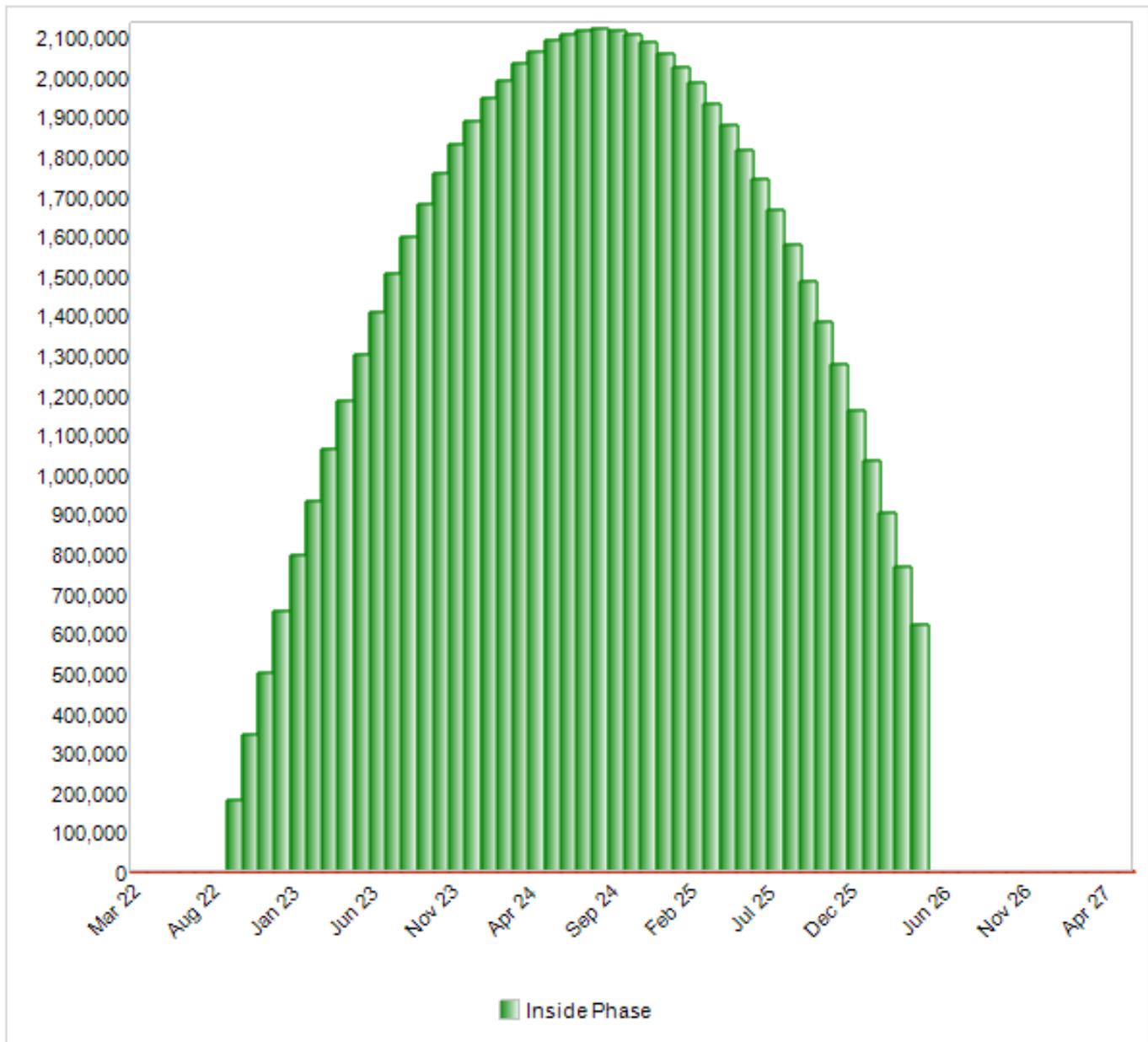
3.2.45 The application includes a 68-bed care home, and it is assumed the land will be sold to a specialist care home developer for £2,750,000 as a serviced site. The proposed value considered on a per room basis sits within range typically seen for sites of this size and use with planning consent in the South East. We note that the amount paid for Care Home Land varies widely across the South East and is sensitive to the location within the South East and to the specific location within any borough. Our database of advertised and submitted care home land costs indicates a range from £17,500 per bed in the lowest value areas up to £52,000 per bed (being the maximum we have seen outside London). The proposed value is at £40,441 per bed. This is stated to be based on offers made to the applicant by care home developer/operators, although details have not been provided for reasons of commercial confidentiality. We note that care home rents in Worthing are at the upper end of those seen in the South East. Therefore, whilst general

indications are that the site value allowance is within the expected range, we note that the submitted value is potentially low and if values towards the upper end of those seen are applied this would add c. £500,000 to the development value. The Council may wish to request more specific information from the applicant to support the submitted land value (which could be shown to the Council only to reduce concerns regarding confidentiality).

### **3.3 Development Timings**

- 3.3.1 The development timings set out in the VA indicate a total development period of 62 months. A lead-in of 6 months is assumed, followed by 44 months' construction. The gross construction cost (including demolition and abnormals) discussed above is applied in the appraisal via an s-curve.

### Extract from Argus appraisal timings – Construction Costs



- 3.3.2 Sales of both houses and flats are assumed to begin after 12 months of construction and sales revenue from all units is spread evenly within the appraisal across the remaining construction period and a further 12 months from the final completion.
- 3.3.3 The revenue from the affordable housing units is shown as four lump sums received during the construction period. This assumption reflects a typical contract with a Registered Provider.

- 3.3.4 We consider the assumptions on build programme and sales timings to be not unreasonable (although noting that they are high-level overall assumptions).

### 3.4 Cost Assumptions

- 3.4.1 Build costs are based on a cost plan from RLF (attached as an appendix to the VA update letter and dated April 2022) and are summarised as follows:

Item	Itemised Cost
Dwellings	£45,278,000
Plotworks & Abnormals	£2,106,000
Ecology & Arboriculture	£53,000
Demolition & Site Clearance	£1,620,000
Sitewide Earthworks	£1,502,000
Roads, Cycleways & Footways	£2,160,000
Drainage	£2,196,000
Soft Landscaping	£293,000
Utilities	£1,136,000
Preliminaries (13%)	£7,194,000
Design Development Risk (2.5%)	£1,563,000

- 3.4.2 We have split out the costs in the RLF cost estimate (as far as possible) to enable comparison of base build costs with BCIS rates. Our analysis is below (NB totals do not match precisely due to rounding and the way calculations are applied within the cost plan).

<b>Base build cost - compiled from RLF cost plan</b>			
Type	GIA (ft <sup>2</sup> )	£ psf	RLF cost plan amount
Houses	141934	£ 121	£ 17,216,594
Flats	137241	£ 202	£ 27,787,579
<b>SUB-TOTAL</b>		£	<b>45,004,173</b>
<u>Plotworks (exc abnormalities)</u>			
Gardens, landscaping		£	544,000
Sheds		£	40,800
<b>SUB-TOTAL</b>		£	<b>584,800</b>
<b>Base build and plotworks</b>		£	<b>45,588,973</b>
Prelims	13%	£	<b>5,926,567</b>
<b>Plot build cost for BCIS comparison</b>		£	<b>51,515,540</b>
Development/design contingency on plot build costs		5%	£ 2,575,776.99
<b>PLOT BUILD TOTAL</b>		£	<b>54,091,317</b>
<b>Abnormal/External costs/Facilitating works (from RLF cost plan and VA)</b>			
Plot abnormalities (garages, piling etc)		£	1,521,200
Ecology and Arboriculture		£	53,000
Demolition and Site Clearance		£	1,620,000
Sitewide Earthworks		£	1,502,000
Roads, Cycleways and Footways		£	2,160,000
Drainage		£	2,196,000
Soft Landscaping		£	293,000
Utilities		£	1,136,000
<b>Total</b>		£	<b>10,481,200</b>
Prelims on Abnormals	13%	£	1,362,556
Development/design contingency on abnormalities/facilitating works	5%	£	592,187.80
<b>ABNORMALS TOTAL</b>		£	<b>12,435,944</b>
<b>BUILD COST TOTAL (inc contingency)</b>		£	<b>66,527,261</b>

- 3.4.3 A comparison with BCIS rates for the plot build costs is shown below and indicates that the base build/plot works costs significantly exceed the BCIS median rate and exceed the Upper Quartile rate.

Plot works - BCIS 5 yr MEDIAN (rebased to Worthing location factor)			
	Estate housing generally	Flats (3-5 Storey)	Total
BCIS 5 yr median £/ft <sup>2</sup>	137	154	
GIA (ft <sup>2</sup> )	141934	137241	
Total inc OHP/Prelims	£ 19,489,048	£ 21,101,417	£ 40,590,464

Plot works - BCIS 5 yr UPPER QUARTILE costs (rebased to Worthing location factor)			
	Estate housing generally	Flats (3-5 Storey)	Total
BCIS 5 yr median £/ft <sup>2</sup>	157	184	
GIA (ft <sup>2</sup> )	141934	137241	
Total inc OHP/Prelims	£ 22,218,569	£ 25,257,949	£ 47,476,518

Submitted plot works cost	£	51,515,540
% above BCIS median		27%
% above BCIS Upper Quartile		9%

- 3.4.4 We note that the submitted cost for external/abnormal works is £12.4 million including contingency, which is significantly higher than for the application stage scheme/viability assessment in which those costs were estimated at £7.3 million. Within the £12.4 million figure, demolition costs are estimated at £1.6 million (reduced from the application stage estimate of £2.6 million).
- 3.4.5 This is based on a Stage 1 risk assessment which concludes “*The limited investigation works in this part of the site have not identified any significant petroleum hydrocarbon or VOC contamination. However, there remains the potential for localised contamination to be present away from the borehole locations in this part of the site, beneath the identified infrastructure. It is recommended that following the removal of all infrastructure in this part of the site (including any relic foundations), further ground investigation works are undertaken to assess the risk posed.*”
- 3.4.6 The indicated flattened blocks are noted in the cost plan to have a net internal area of 114,372 ft<sup>2</sup>. The NIA has been increased by 20% to allow for communal/non-saleable areas, resulting in a gross internal area of 137,247 ft<sup>2</sup>, and therefore a net:gross ratio of

83.3% We note that the net:gross ratio is higher than in the application stage assessment, which is consistent with the flats being proposed as standard market housing rather than retirement housing. 83.3% is slightly lower than typical for a standard flatted development, however we have not adjusted this in our appraisal.

- 3.4.7 As noted above, the costs are above average rates, therefore DSP commissioned MWA Surveyors to review the site-specific cost plan on behalf of AWC.
- 3.4.8 MWA's report is attached as Appendix 1. MWA were broadly in agreement with the submitted costs, although had a difference of opinion on some of the items. MWA's estimate involves higher costs for some items and lower costs for others, with the principal difference being on costs relating to drainage which MWA considered to be overestimated. Overall MWA's estimate is £317,990 lower than the applicant's surveyor (RLF) and we have applied MWA's costs (dated June 2022) in our appraisal – however we note that the difference between the two estimates is within the range to be expected when seeking opinions from different surveyors on a scheme of this size.
- 3.4.9 Therefore, our appraisal includes a total of £66,346,010 reflecting all building works and contingency (excluding fees).

#### **Professional Fees and contingency**

- 3.4.10 Professional fees have been included at 10% of construction costs, which we consider to be a not unreasonable assumption. As per our previous review we note that the 10% has been applied to external costs as well as the base build costs, which places this assumption at the upper end of levels typically seen, and could be seen as excessive given the repetitive nature of house/apartment types and the fees being applied as a percentage rate on already high build costs; and because within the submitted appraisal the 10% fees has been applied to the overall build cost *including contingency* therefore fees are being applied to the 5% contingency allowance. At this stage, we have not adjusted the 10% fees assumption, but will bear it in mind as part of our overall view of scheme viability. To add context to this comment, if the fee allowance were to be reduced by 1% this would reduce the scheme costs by £660,000.
- 3.4.11 A contingency allowance has been made within the submitted cost plan of 5% based on 2.5% design development risks and 2.5% construction risks. This is a fairly standard

assumption (and is included within MWA's estimate, applied in our appraisal as discussed above).

### CIL / Planning Obligations

- 3.4.12 £238,120 has been allowed for CIL in the submitted appraisal, stated to be as advised by the applicant.
- 3.4.13 S106 costs of £269,072 have been included in the submitted appraisal. Again, AWC may wish to verify or advise otherwise on this assumption.
- 3.4.14 At this stage, therefore, DSP has left these assumptions as submitted. It should be noted that any change in the chargeable sum would have an impact on the overall viability of the scheme as viewed through the appraisal - a reduction in the CIL cost assumption would improve the viability outcome and an increase would pull it downwards (looking at the effect of this assumption only). In all such reviews, we assume that all requirements that are necessary to make a scheme acceptable in planning terms will have to be included. We recommend that AWC checks the above CIL/S106 figures.

### Development Finance

- 3.4.15 Finance costs have been included in the VA appraisal using a 6.5% interest rate assumption.
- 3.4.16 The interest rate is the cost of funds to the scheme developer; it is applied to the net cumulative negative cash balance each month on the scheme as a whole. According to the HCA in its notes to its Development Appraisal Tool (DAT): '*The rate applied will depend on the developer, the perceived scheme risk, and the state of the financial markets. There is also a credit interest rate, which is applied should the cumulative month end balance be positive. As a developer normally has other variable borrowings (such as an overdraft), or other investment opportunities, then the value of credit balances in reducing overall finance charges is generally the same as the debit interest charge. A zero rate of credit interest is not generally plausible and will generate significantly erroneous results in a long-term scheme.*'
- 3.4.17 We typically see rates of 6.0% to 6.5% in the current market, representing finance costs inclusive of all fees. The submitted cost of 6.5% including all ancillary fees therefore does

not exceed the range currently seen. We have not adjusted this assumption in our appraisal.

### Agent's, Marketing & Legal

- 3.4.18 The appraisal has assumed 1.0% GDV for marketing costs for the residential units. Sales agent's fees are assumed at 1.5%. Legal fees have been included at 0.35%. Overall, we consider these assumptions to be not unreasonable.

## 3.5 Developer's Risk Reward – Profit

- 3.5.1 In this case, the level of profit has been included as a fixed input at 17.5% of gross development value (GDV) on market housing, and 6% on affordable housing.

- 3.1.1 The Planning Practice Guidance (PPG) on Viability states: '*Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan*'. It goes on to state: '*For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types*'<sup>9</sup>.

- 3.5.2 We consider that the assumption of 17.5% on market housing is an appropriately pitched level and have not adjusted this assumption in our appraisal. Similarly, 6% profit on affordable housing is an assumption typically used across the industry, taken to represent mainly the procurement and construction/works related risks and activities of affordable housing development, rather than wider market associated risks.

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<sup>9</sup> <https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment> - Paragraph: 018 Reference ID: 10-018-20190509

## 4. Recommendations / Summary

- 4.1.1 The overall approach to assessing the viability of the proposed development appears to be appropriate in our opinion.
- 4.1.2 Although the majority of the assumptions appear fair, there are some areas we have queried or where a difference of opinion exists. These are as follows:
- Build costs – the build costs have been reviewed by MWA surveyors who were broadly in agreement with the submitted costs. MWA's report is attached as Appendix 1, and they estimate the total build cost including contingency to be £317,990 lower than the applicant's surveyor (RLF). We have applied MWA's costs (dated June 2022) in our appraisal – however we note that the difference between the two estimates is within the range to be expected when seeking opinions from different surveyors on a scheme of this size. To clarify, our appraisal includes a total of £66,346,010 reflecting all building works and contingency (excluding fees).
  - Professional fees – we have not adjusted the 10% fees assumption at this stage but note that it appears high given the repetitive nature of some of the unit types and it having been applied to the total build cost including all external/abnormal works and contingency. We note that if the fee allowance were to be reduced by 1% and applied on the same basis this would reduce the scheme costs by £660,000.
  - Sales values – this is the principal area of disagreement. We consider the values for the proposed dwellings to be overly cautious. Based on the discussion and comparable evidence set out in 3.3, above, we have tested a GDV of £91,580,000 for the private residential units, which is 5.67% above the submitted private housing GDV of £86,670,000. We have also increased the shared ownership values by £2,500 per property, reflecting the increased market value assumption.

- Care home land value – the submitted value is within the range typically seen however is not supported by specific evidence. The Council may wish to request more specific information from the applicant to support the submitted land value (which could be shown to the Council only to reduce concerns regarding confidentiality).

- 4.1.3 It should be noted that the proposed values and costs cannot be directly compared with the previous scheme iteration, because the intention at that time was to provide the flats as retirement housing, and commercial space was included. The current scheme is stated to be intended as general market housing and no commercial space has been included in the submitted appraisal.
- 4.1.4 Applying the adjustments above the scheme as proposed, with 7% affordable housing, indicates a residual value of £2,971,558. When compared with the agreed BLV of £2,600,000 this indicates a surplus of £371,558.

We note that the above surplus is fairly small and is in the context of differences of opinion on build costs which in terms of the overall costs for a scheme this size are also relatively minor. We note also that evidence relating to the assumed land value for the care home has not been provided and the Council may wish to explore this further with the applicant. It should also be noted that the fee allowances are high and are a related percentage of already high build costs, therefore again indicating scope for further efficiencies/savings within the overall development costs. As a general point, when considering a scheme of this size, small adjustments to individual assumptions will make a large difference to the overall viability outcome once applied to hundreds of properties. Overall, whilst viability is shown to be marginal we consider that there is potential for a greater contribution to affordable housing/S106.

- 4.1.5 It should be noted that Paragraph 64 of the revised NPPF and recent Appeal precedent indicates that major developments (i.e., of 10+ dwellings) are expected to provide at least 10% of the proposed homes as 'affordable home ownership' units. The current proposals do not meet this requirement.
- 4.1.6 We need to be clear our review is based on current day costs and values assumptions as described within our review based on the current scheme(s) as submitted. A different scheme may of course be more or less viable – we are only able to review the information provided.

- 4.1.7 Of course, no viability report or assessment can accurately reflect costs and values until a scheme is built and sold – this is the nature of the viability process and the reason for local authorities needing to also consider later stage review mechanisms when significant developments fall short of policy provision. In this sense, the applicant and their agents are in a similar position to us in estimating positions at this stage – it is not an exact science by any means, and we find that opinions can vary.
- 4.1.8 As regards the wider context including the Covid-19 pandemic and post-Brexit influenced economic situation, in accordance with the relevant viability guidance our review is based on current day costs and values – a current view is appropriate for this purpose. Whilst in the short term we may with more time see evidence of negative influences on viability, it is also possible that we may see some balance for example in terms of continued market resilience, development cost levels, Government interventions or other factors. Recently reported market trends and currently available forecasts point to significantly stronger housing market conditions than many were expecting or fearing a year or more ago.
- 4.1.9 As set out in the PPG, a balanced assessment of viability should consider the returns against risk for the developer and also the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission. DSP will continue to monitor the established appropriate information sources, as the Council will also be able to do so.
- 4.1.10 DSP will be happy to advise further if/as required by AWC.

Review report ends

July 2022

#### **Appendix 1 – Cost report from MWA Surveyors**

#### **Appendix 2 – DSP version of applicant appraisal**