

Planning Committee: 20 June 2023

Item Number: 5

Application No: [W/21/1165](#)

Town/Parish Council: Leamington Spa
Case Officer: Dan Charles

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Registration Date: N/A

Expiry Date: N/A

**Land at the corner of Ramsey Road and St Mary's Road, Leamington Spa,
CV31 1PP**

Demolition of existing industrial units, erection of 15no. dwellings (Use Class C3)
together with associated vehicular access, parking, and landscaping
FOR Deeley Homes

This application is being returned to Planning Committee due to a change in circumstances relating to the Section 106 Agreement following the submission of a Viability Assessment.

RECOMMENDATION

Planning Committee is recommended to approve the changes to the Section 106 Agreement as set out in the report.

DETAILS OF THE DEVELOPMENT

The proposal is for the demolition of the existing commercial premises and replacement with a residential development of 15no. units comprising:

- 4 x 1-bedroom maisonettes.
- 6 x 2-bedroom two storey houses.
- 5 x 3-bedroom two storey houses.

Of the 15 units proposed, 40% (6 units) are to be provided as affordable housing.

The proposal also includes the provision of access, parking, and hard and soft landscaping together with appropriate drainage across the site.

THE SITE AND ITS LOCATION

The development is well advanced with the housing still under construction.

The application site comprises an area of approximately 0.28 hectares of land to the north of St Mary's Road and is flanked by Ramsey Road to the East.

The site previously contained a range of commercial buildings and hardstanding areas with limited planting. The highway verge to St Mary's Road is laid to grass with 2 mature highway trees located within the verge. On the Ramsey Road side, there are some smaller street trees set within existing hardstanding areas.

The site flanked by housing to the north, east and west with a mix of houses and flats in close proximity to the site. The boundaries are formed by a combination of walls and security fencing.

To the south of the site, the area is more industrial/ commercial in character with a range of businesses operating from a mixed range of buildings.

The site is currently accessed directly off Ramsey Road from existing dropped kerbs serving the buildings. Pedestrian access is also available directly to the buildings from St Mary's Road.

PLANNING HISTORY

W/21/1165 - Demolition of existing industrial units, erection of 15no. dwellings (Use Class C3) together with associated vehicular access, parking, and landscaping – Granted 26/05/2022.

RELEVANT POLICIES

- National Planning Policy Framework
- The Current Local Plan
- DS5 - Presumption in Favour of Sustainable Development
- PC0 - Prosperous Communities
- TCP1 - Protecting and Enhancing the Town Centres
- H0 - Housing
- H1 - Directing New Housing
- H2 - Affordable Housing
- H4 - Securing a Mix of Housing
- SC0 - Sustainable Communities
- BE1 - Layout and Design
- BE3 - Amenity
- TR1 - Access and Choice (Warwick District Local Plan - 2011-2029)
- TR2 - Traffic generation (Warwick Local Plan - 2011-2029)
- TR3 - Parking (Warwick District Local Plan - 2011-2029)
- HE1 - Protection of Statutory Heritage Assets
- HS1 - Healthy, Safe and Inclusive Communities
- HS4 - Improvements to Open Space, Sport and Recreation Facilities
- HS7 - Crime Prevention
- CC1 - Planning for Climate Change Adaptation
- CC3 - Buildings Standards Requirements
- FW1 - Development in Areas at Risk of Flooding
- FW2 - Sustainable Urban Drainage
- FW3 - Water Conservation
- NE2 - Protecting Designated Biodiversity and Geodiversity Assets
- NE3 - Biodiversity
- NE4 - Landscape
- NE5 - Protection of Natural Resources
- DM1 - Infrastructure Contributions
- Guidance Documents
- Parking Standards (Supplementary Planning Document)
- Open Space (Supplementary Planning Document - April 2019)

- Air Quality & Planning Supplementary Planning Document (January 2019)
- Residential Design Guide (Supplementary Planning Document- May 2018)

ASSESSMENT

The application was presented to Planning Committee on 12 October 2021 where a resolution to grant was made, subject to conditions and the signing of a Section 106 Agreement to secure the following:

- Sustainable Travel Packs - £150.
- Road Safety Contribution - £750.
- Outdoor Sport - £1,059
- Indoor Sport - £11,787
- Grass Pitches - £16,530
- Open Space Improvement - £73,656
- County Council Monitoring Fee - £250
- District Council Monitoring Fee - £1585.60

In addition, the following requirements were also set out within the S.106 Agreement;

- 40% Affordable Housing (6 units)
- Local Labour Agreement.

Following this resolution to grant, the Section 106 agreement was prepared and agreed leading to the planning permission being issued on 26 May 2022.

Following the discharge of conditions, works commenced on site.

Following initial site mobilisation and enabling works, previously unidentified contamination was found to be present at the site, in addition to that identified during the application stage. The applicants have advised that the cost of remediating this unexpected contamination exceeded £100,000 and that this unexpected cost has significantly impacted the viability of the current scheme.

In addition to the increased costs as set out above, the applicants have also advised that there has been a recent reduction in the affordable housing values, which would render the approved scheme unviable. It is therefore proposed that in order to retain viability of the scheme, all of the financial contribution requirements are removed from the s.106 agreement and that Plots 8 and 9 are converted into market sale properties thereby reducing the overall provision of affordable housing from 6 units to 4 units which reduces the provision from 40% to 27%.

In support of the above, the applicants have submitted a Viability Assessment carried out by a well-respected specialist company to demonstrate that the scheme is not viable if subjected to the previously agreed affordable housing requirements and associated financial contributions as set out within the original Section 106 Agreement.

In such cases where a Viability Assessment is submitted, the details are assessed independently by a specialist Viability Assessor instructed by the Council.

The independent assessor has considered the appraisal and carried out a thorough and detailed assessment of all information submitted and has also met with the applicant's consultant to further scrutinise the information submitted.

In making the assessment, the assessor has challenged and tested all figures submitted by the applicant as well as carrying out his own independent assessment of the figures and market environment and has concluded that the Viability Assessment submitted is accurate and robust and has agreed with the conclusion as set out within the report.

The Section 106 also included a requirement for a Local Labour Agreement, and this has been satisfactorily discharged. The wording of this clause would therefore be updated for the development to continue in accordance with that agreement.

Conclusion

The application site has permission for 15 houses of which 6 were proposed to be affordable. Whilst a modest number of units, the site is considered to make a small but ultimately positive contribution to the Council's housing numbers.

Following the implementation of the scheme, the applicants encountered adverse ground conditions on site that have resulted in significant adverse costs being incurred above and beyond those budgeted for in the original application.

The applicants have therefore submitted a detailed Viability Assessment which demonstrates that the scheme would still be viable and deliverable, subject to a reduced number of affordable units and no financial contributions.

The viability of the scheme has been independently assessed by a specialist consultant and the scheme has been considered to not be viable if subject to the existing s.106 contributions and provision of 6 affordable houses. The omission of the financial contributions and the reduction of affordable units from 6 to 4 units is therefore agreed.

Members are therefore requested to approve the revisions to the Section 106 Agreement to be secured through a Deed of Variation to the original agreement.

Members are also requested to delegate authority to officers to agree the final wording of the Deed of Variation, subject to their being no material changes to those set out within this report.