



PLANNING COMMITTEE

27th May 2010

Report of Head of Planning and Building Control- Regeneration
Erection of 19 houses, access, parking & associated works at
rear of 160-164 Broad Lane, Bloxwich, Walsall
Application No 07/1492/FL/E11

1.0 PURPOSE OF REPORT

To seek Committee authority for a variation of a Section 106 Agreement associated with permission 07/1492/FL/E11, by releasing the developer from obligations relating to urban open space and education.

2.0 RECOMMENDATIONS

That the request is rejected.

3.0 FINANCIAL IMPLICATIONS

Agreeing the request would intensify pressure on urban open space and education in the locality by forgoing a contribution to improvements.

4.0 POLICY IMPLICATIONS

Policy GP3 of Walsall Unitary Development Plan states that Planning Obligations will be used, as appropriate, to secure the provision of any on or off-site infrastructure, facilities, services or mitigating measures made necessary by a development. Policy LC1 requires new residential developments to make financial or other contributions to enable provision of new urban open spaces. Policy 8.8 states where residential development necessitates the provision of new or improved educational facility developers will be required to make financial contributions towards the cost of providing these. Supplementary Planning Documents for Urban Open Space and Education explains these policy aims further.

5.0 LEGAL IMPLICATIONS

No significant implications.

6.0 EQUAL OPPORTUNITY IMPLICATIONS

Agreeing the request would intensify pressure on urban open space and education in the locality by forgoing a contribution to improvements which may impact unevenly across the community.

7.0 ENVIRONMENTAL IMPACT

The environmental impact of the development has already been considered in determining planning permission 07/1492/FL/E11.

8.0 WARD(S) AFFECTED

Bloxwich West

9.0 **CONSULTEES**

- 9.1 District Valuer – Concludes that the proposed residential development scheme is viable. The gross development value is £3,020,811 exclusive of any incentives that may be required. The District Valuer has adopted a slightly higher capital value for the plots with garages than those without. The residual value based on a 19 unit scheme is £770,000 but excludes allowances for building to Code 3 Sustainable Homes which would reduce the residual value further. An allowance for developer's profit based on 15% of the gross development value has been adopted which equates to £453,122 which is not unreasonable in the current climate.
- 9.2 The District Valuer disagrees with the developer on several areas including the capital value of properties with or without garages, same capital value for dwellings and garages, estimated bank interest is a little high at 7.25% in the current climate and the interest calculated over 7 years and 4 months to reflect the existing value. The developers have made an allowance for 20% profit on this scheme.
- 9.3 Greenspace Services – The existing S106 Agreement refers to a contribution of £39,045.00 towards the provision of Urban Open Space within the wider area of the development. In accordance with the SPD for Urban Open Space, 10-20% of this contribution would be expended on improvements to Borough-wide sites whilst the remainder would be expended on open space improvements at King George V Playing Fields in order to bring the Park up to Green Flag standard. King George V Playing Fields is defined in the Council's approved Greenspace Strategy (2005) as a High Quality/High Value open space. It is within walking distance of the development and Greenspace Services firmly believe that S106 investment to maintain and improve the quality of this open space would directly benefit the occupiers of the Broad Lane development. Accordingly, Greenspace Services would not support the developer's request to vary the S106 agreement.
- 9.4 Walsall Children's Services – Serco – There is no capacity for negotiation on the contributions sought. It is for the Planning Committee to consider the District Valuer's response to the developer's case and whether or not to accept nil contributions.

10.0 **CONTACT OFFICER**

Alison Deakin
Principal Planning Officer 01922 652487

11.0 **BACKGROUND PAPERS**

Planning Application 07/1492/FL/E11.

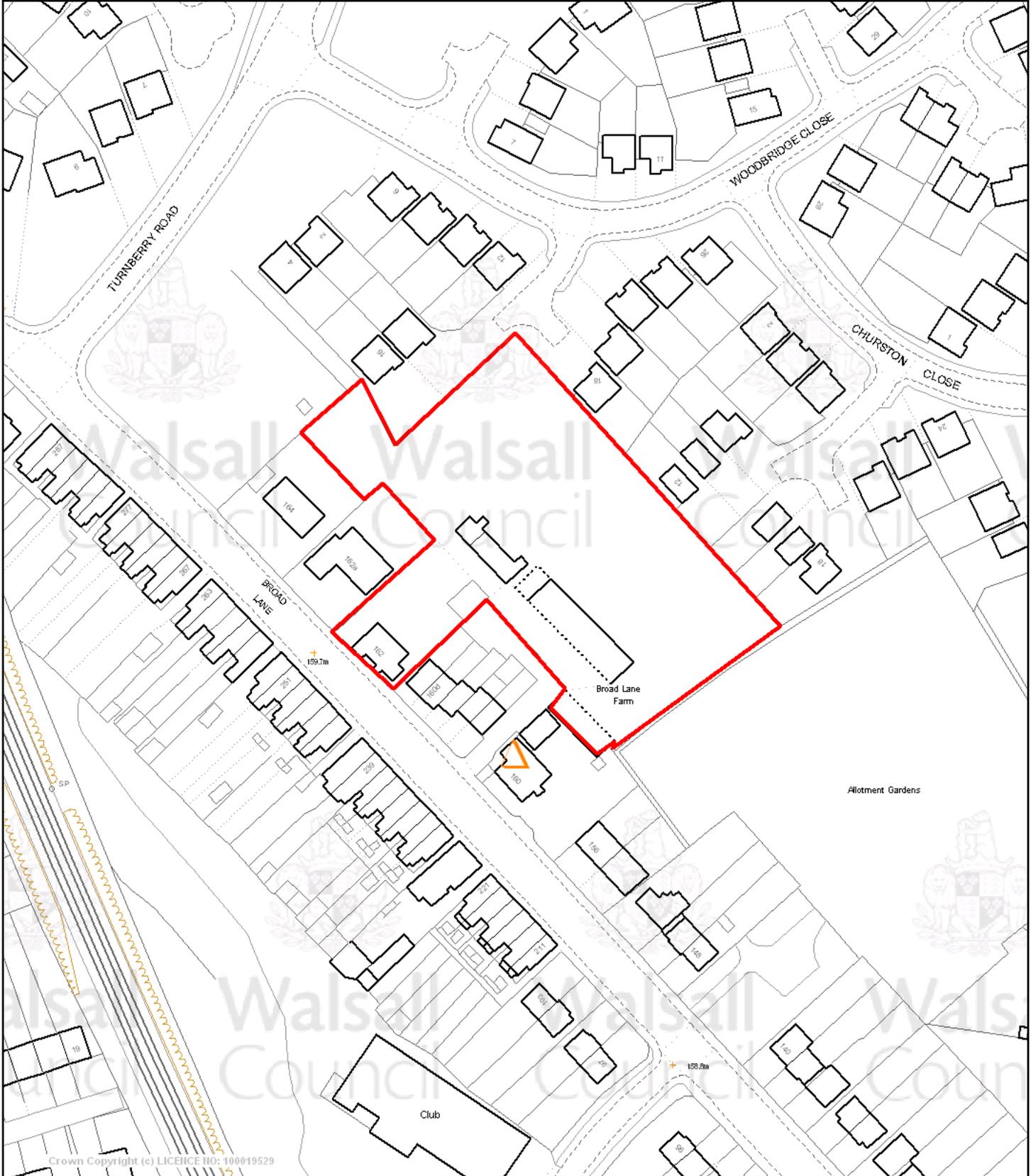
David Elsworthy
Head of Planning and Building Control.

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12.0 BACKGROUND AND REPORT DETAIL

- 12.1 Planning permission 07/1492/FL/E11 for residential development of 19 houses on land at the rear of 160-164 Broad Lane, Bloxwich was granted subject to a S106 Agreement on 27th November 2007. The Agreement required commuted sum contributions of £39,045.00 towards provision of urban open space and £42,005.12 towards provision for education.
- 12.2 The current proposal is a request by the developer, Broad Lane Developments, to vary the agreement to relax the requirement for contributions given the current financial climate and the viability of the site. They have provided a supporting statement and financial appraisal as economic justification.
- 12.3 The District Valuer has reviewed this information but concludes that the scheme is viable and would have a residual value of £770,000 based on current market prices including a 15% developer's profit. On that basis there is no justification for the request being made by the developer and it should be rejected. However, the developer points out that the District Valuer fails to take into account that the applicant purchased the land at a justified value on an open market private treaty basis and the value has subsequently been affected by events outside his control. The credit crunch has resulted in depressed values, lack of mortgage loans for individual buyers and a scarcity of development finance for speculative activity. Indeed the Government have introduced a kickstart programme to encourage developers to re-start stalled projects and bring forward consented schemes mothballed due to adverse market conditions.
- 12.4 The developer states that taking into account the contributions for urban open space and education the value of the development site has fallen by over £400,000. They request that Committee forego its contributions which they claim would make a significant improvement to the viability of the scheme, such that development could commence within 3 months. The developer submits that they would still be incurring the majority of the reduction in value of the land since it was purchased in 2007 and feels that the Council would be making a gesture to facilitate development of new homes if the contributions were not pursued.
- 12.5 Officers recommend that on the basis of the advice given by the District Valuer which confirms that the scheme is viable, Committee should not agree to release the developer from the obligations contained in the S106 Agreement.

07/1492/FL/E11 - rear 160-164 Broad Lane, Bloxwich



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