

Item 4a

REPORT OF THE CHIEF OFFICER PLANNING AND REGULATORY – DATE 7 SEPTEMBER 2020

APPLICATION NO: P/2016 /0505	LOCATION: FORMER AIR PRODUCTS SITE LLANGOLLEN ROAD ACREFAIR WREXHAM LL14 3HW	DATE RECEIVED: 25/05/2016
COMMUNITY: Cefn	DESCRIPTION: OUTLINE APPLICATION FOR RESIDENTIAL DEVELOPMENT (232 DWELLINGS) AND NEW ACCESS	CASE OFFICER: KH
WARD: Cefn	APPLICANT(S) NAME: MR R COOKE PROSPECT ESTATES LTD	AGENT NAME: NICOL THOMAS LTD MR KEITH HILTON

This matter was deferred on 22 June 2020 so that further discussions could be held with Education and the site owners regarding the Planning Obligation contributions.

I will deal with the matters affordable housing and school contributions separately:

Affordable Housing: The following matters are key to dealing the consideration of this matter:

- The requirement for 25% affordable housing set out in LPGN28 is not underpinned by **any** viability evidence. Furthermore it dates from 2013.
- The Council's **own** viability evidence provided by the DVS dating from 2019 clearly demonstrates that sites in the Cefn Mawr and Rhos sub-market area of the County Borough cannot deliver **any** affordable housing requirements;
- Viability differs across the sub-market areas within the County Borough reflecting significant differences in house prices. House prices in the North Wrexham and Gresford sub-market area (where the DVS recommended a 25% affordable housing requirement) are typically 25-30% higher than in the Cefn Mawr and Rhos sub-market area. I have seen no evidence to suggest that such a significant uplift in values relative in the local area is likely to occur in the near future;
- The forthcoming LDP will impose a **0% affordable housing requirement** for **all** housing developments that come forward in the Cefn Mawr and Rhos sub-market area, including the Air Products site.

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Retaining the affordable housing requirements, even if the percentage of affordable housing was reduced to 10%, will render the site entirely unviable, thus leaving this large previously developed site undeveloped for the foreseeable future.

Housing were consulted in respect of the applicant's request and confirmed they have no issue regarding the removal of the affordable housing requirements (see main report below). A summary of information also provided by the Housing Development Project Manager that provides some context to their response is set out below:

- WCBC have 645 social housing units at Plas Madoc and cumulatively and additional 644 in Acrefair, Cefn Mawr and Rhosymedre;
- The Council are about to embark on building a further 13 social housing units in the Plas Madoc Estate.
- There are a number of other housing developments in close proximity to the former Air Products site. These are a mix of private developer led new build developments, RSL developments and WCBC new build social housing potentially delivering 157 RSL and Council properties over the next few years;
- Within Acrefair, Plas Madoc, Rhosymedre, Cefn Mawr and Ruabon the Local Housing Market Assessment states there is cumulatively a need for an additional 17.20 properties per year in total.
- Planned developments for these communities over the next 5 years will provide all the Affordable Housing units the LHMA states are needed and it could be argued this negates the need for any additional Affordable Housing developments within the Acrefair, Plas Madoc, Rhosymedre, Cefn Mawr and Ruabon area for the next 5 years.

Education: Education's position remains as set out in the main report – i.e. there remains a need for contributions towards primary provision.

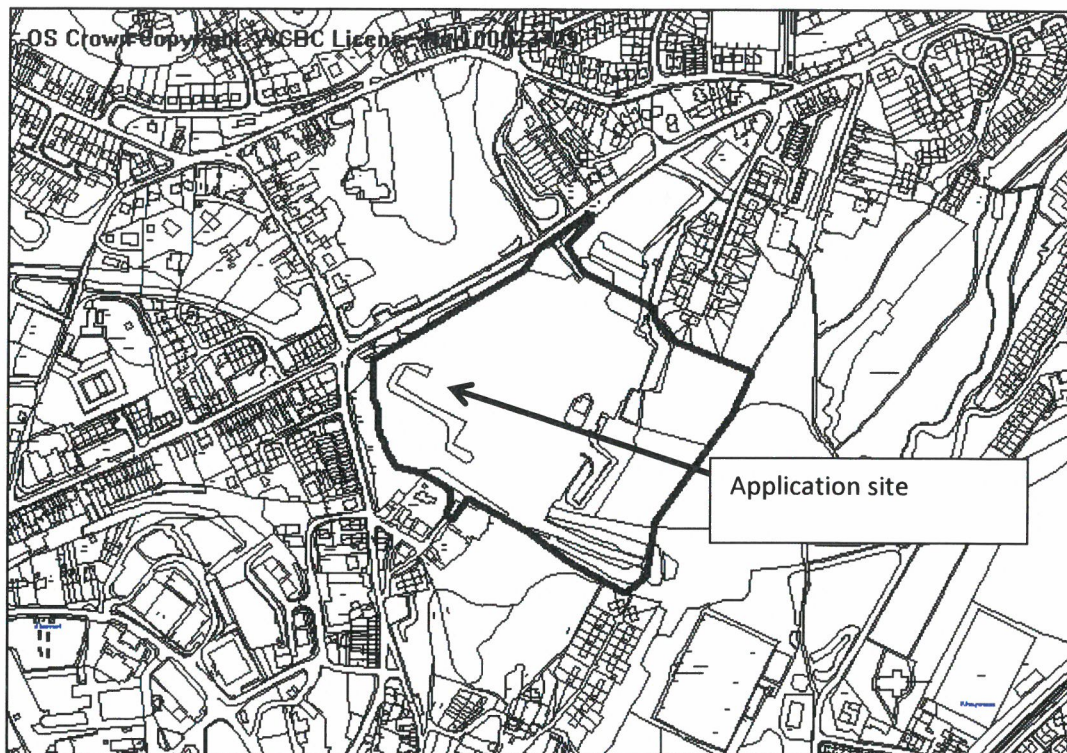
Whilst the viability of the scheme is likely to be marginal without any reduction in the financial contributions for primary education, it is the removal of the affordable housing that is probably more critical to ensuring the extant permission is implemented. As such the applicant has withdrawn their request for changes to be made to the Obligation in respect of the former.

Conclusion: In order to improve the likelihood that the redevelopment of this significant previously developed site takes place it is essential that the extant Planning Obligation is amended to remove requirements for affordable housing. This is entirely consistent with the Council's own viability evidence for this part of the County Borough.

My original report is set out below along with a revised recommendation.

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THE SITE



PROPOSAL

The owners of the site have formally requested that the Council considers the removal of the requirements imposed by the extant Planning Obligation that require affordable housing and financial contributions to primary schools.

HISTORY

- | | |
|-------------|---|
| P/2012/0045 | Outline application for mixed use development comprising residential, commercial and leisure uses.
Granted 17.04.2013. |
| P/2005/0982 | Extension to existing factory building.
Granted 25.10.2005. |
| P/2016/0505 | Outline application for residential development (232 dwellings) and new access. Granted 6.3.2018 |

DEVELOPMENT PLAN

Policies GDP2 and H7 are directly relevant to the matters discussed below.

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CONSULTATIONS

Community Council:	Cefn Community Council do recognise that if the development was to be built it would be a benefit to the community, concerns were raised relating to the potential increase of children which would require admission to the local school could not be fulfilled without recognising the need for another school to be built to accommodate the potential extra numbers. Council object to remove all stipulations currently in place and strongly object to the removal of the existing section 106 agreement. Council are willing to compromise on the social housing requirement and reduce the proposed 25% agreement down to 10%.
Cllr Derek Wright:	If these houses are built without any commitment to 106 funding where will the children from these houses go to school? I'm lead to believe the other Primary Schools in our vicinity have very few places available either, such as Ruabon, Pentre, Penycae, Gareth etc; Retain the s106 contribution to education and to help the developers, reduce the number of social housing from 25%-10%.
Cllr Benbow-Jones:	Notified about the developer's request on 5.2.2020
Housing:	No issue with section 106 being amended with regards to this site.
Education:	Confirmed that contributions towards primary school still required.

SPECIAL CONSIDERATIONS / ISSUES

Background: Outline planning permission was first granted for the redevelopment of this site in 2013 (P/2012/0045). That permission expired in April 2018. A second outline planning permission was granted in March 2018 and remains extant at this time, with the period for reserved matters submissions expiring in March 2021. Whilst the site owners have been undertaking remediation works, to date no reserved matters applications have been submitted.

The extant planning permission is subject to a planning obligation that requires:

1. 25% affordable housing;
2. Financial contributions towards primary education;
3. A management company to be established in respect of on-site public open space.

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The site owners have requested that the first two requirements be removed on the grounds that they are deterring prospective developers from acquiring the site.

Viability: The applicants have not submitted a viability assessment, however I believe there is sufficient evidence already available to allow this request to be considered.

Affordable Housing

The existing Obligation has regard to the current UDP policy H7 and accompanying Local Planning Guidance Note 28 which apply a uniform housing requirement across the County Borough for 25% of dwellings to be affordable on developments of 25 or more dwellings.

The forthcoming Local Development Plan policy H2 will take a different approach by applying a different requirement to sub-market areas of the County Borough, reflecting variations in viability. The former Air Products site is situated within the Cefn Mawr and Rhos sub-market area. LDP Policy H2 imposes a 0% requirement for affordable housing in this area. The Deposit Plan version of the policy was informed by the WCBC Viability Study, dated January 2018, produced by Andrew Golland Associates (AGA). The Council subsequently commissioned the District Valuer Services (DVS) to complete a viability study to enable it to respond to representations made to the Deposit Plan consultation. Whilst this advises that changes should be made to the affordable housing requirements in other sub-market areas, it is consistent with the earlier viability work in respect of the Cefn Mawr and Rhos sub-market area, i.e. it recommends that policy H2 should apply a 0% requirement to this area.

I recognise that the LDP has not been adopted and that certainty regarding the content of the plan will only be achieved when the Inspectors deliver their binding report following the conclusion of the Examination in Public. Notwithstanding this, paragraph 9.4.9 of the Development Management Manual acknowledges that the evidence underpinning an emerging LDP could be used as a material consideration when making planning decisions. It should also be noted that the current version of LPGN28 was adopted in 2013 prior to the completion of the viability work used to inform the LDP policies. Both it and the existing Planning Obligation are therefore significantly out of step with the most up to date viability evidence.

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The DVS report was completed on the basis of sites being greenfield and did not assess the viability of previously developed land. The former Air Products site is a large previously developed site that has required significant remediation to prepare it for development. To date the site owners have undertaken works that have cost £871,893, which include:

- Breaking up and removing hard standings and foundations;
- Re-grading parts of the site;
- Location of mineshafts;
- Contamination investigations.

The need to carry out remediation works means that the site is subject to development costs far higher than an equivalent sized greenfield site. On the basis that the DVS found that greenfield sites in the Cefn Mawr and Rhos sub-market area would not be viable with if requirements for affordable housing are imposed, it is clear that this will also be the case for previously developed sites like the former Air Products that are subject to the additional development costs discussed above.

Contributions to Schools

The development is likely to generate in the region of 50 pupils of primary school age based on the mix of houses shown the indicative plan that accompanied the outline application. Education have confirmed that there is limited capacity at the nearest primary schools to the site and as such would continue to request a financial contribution.

The DVS have indicated that within the Cefn Mawr and Rhos sub-market area sites may not be viable if other financial contributions are sought even with a 0% affordable housing requirement. As already noted above this takes no account of additional development costs associated with the remediation of previously developed sites.

Planning Balance: Planning Policy Wales (PPW) paragraph 3.51 supported the redevelopment of previously developed land in preference to greenfield sites wherever possible. Paragraph 3.52 also advises planning authorities to work with developers to ensure suitably located previously developed sites are brought forward for development. To incentivise the re-use of such sites, planning PPW paragraph 3.52 also advises planning authorities to consider and identify the interventions necessary to assist in their deliver.

The site is in a prominent position adjacent to the A539, one of the main routes to the Pontcysyllte Aqueduct and Canal World Heritage Site (WHS), indeed the site adjoins the WHS buffer zone. It is currently a large derelict piece of land that detracts from the appearance of the area as well as the approach to the WHS. The extant planning permission presents a significant opportunity to bring the site back into beneficial use whilst also substantially improving the approach to and setting of the WHS.

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Members are reminded that the deposit LDP identifies a requirement for 7750 homes to be built in the County Borough over 2013-2028 period. The need is projected to be met by:

- Developments already completed;
- Developments with planning permission (i.e committed supply);
- Windfall sites; and
- Land allocated for housing in the LDP.

The Council has included the former Air Products site in its committed supply; however this is dependent upon there being a reasonable prospect of the site coming forward for development.

During the LDP hearing sessions on housing provision the Council has already had to acknowledge that there will be a shortfall of 94 dwellings as a result of a reduction in the contribution windfall sites will make over the Plan period. Were the Air Products site to be deleted from the committed supply then this will significantly increase that shortfall. Given that 14 of the LDP allocations already proposed are greenfield sites it is highly unlikely the resulting shortfall could be met without the release of further Greenfield land for development over the LDP period.

Whilst I acknowledge that there is an on-going need to provide affordable housing across the County Borough and that there are capacity issues in local primary schools, based on the available evidence, including the fact that the site has had planning permission for 7 years but development has yet to commence, it is highly unlikely that the extant permission will ever be implemented if the requirements of the extant Planning Obligation are retained. On balance, I consider the need to secure the redevelopment of a large previously developed site and the probability that further greenfield land will need to be released if it does not outweigh the harm of not securing affordable housing and school contributions in this instance.

CONCLUSION

The existing Planning Obligation should be varied to remove the requirements for affordable housing and financial contributions to primary education.

RECOMMENDATION

That the Council enters into a supplementary Planning Obligation under Section 106 of the Town and Country Planning Act 1990 that amends the extant Planning Obligation by:

- a) Removing the requirement to provide affordable housing.

RECOMMENDATION: That permission be GRANTED

