SHEFFIELD CITY COUNCIL

Report Of The Head Of Planning
To the West and North Planning and Highways Committee
Date Of Meeting: 26/03/2013

LIST OF PLANNING APPLICATIONS FOR DECISION OR INFORMATION

NOTE Under the heading “Representations” a Brief Summary of Representations received up to a week before the Committee date is given (later representations will be reported verbally). The main points only are given for ease of reference. The full letters are on the application file, which is available to members and the public and will be at the meeting.

Case Number	13/00315/COND (Formerly PP-02436137)
Application Type	Approval of Detail Reserved by Condition
Proposal	Application to approve details of alternative means of noise attenuation to allow removal of hours restriction on use of building in relation to condition 4. (No access of heavy goods vehicles to and from the site between 2300 and 0700 hours unless alternative means of noise attenuation is agreed) and condition 5. roller shutter doors to be closed between 2300 and 0700 hours unless alternative means of noise attenuation is agreed) relating to planning permission 11/00350/FUL as amended 26.2.13, 1.3.13 and 8.3.13
Location	Land To The Rear Of 726 To 796 Manchester Road Stocksbridge Sheffield S36 1EA
Date Received	01/02/2013
Team	West and North
Applicant/Agent	Planning Prospects Ltd
Recommendation	Condition Application Decided

Subject to:

1 **Conditions Discharged:**

No conditions relate to this section of the Decision Notice

2 **Details Approved But Condition(s) Remain In Force:**

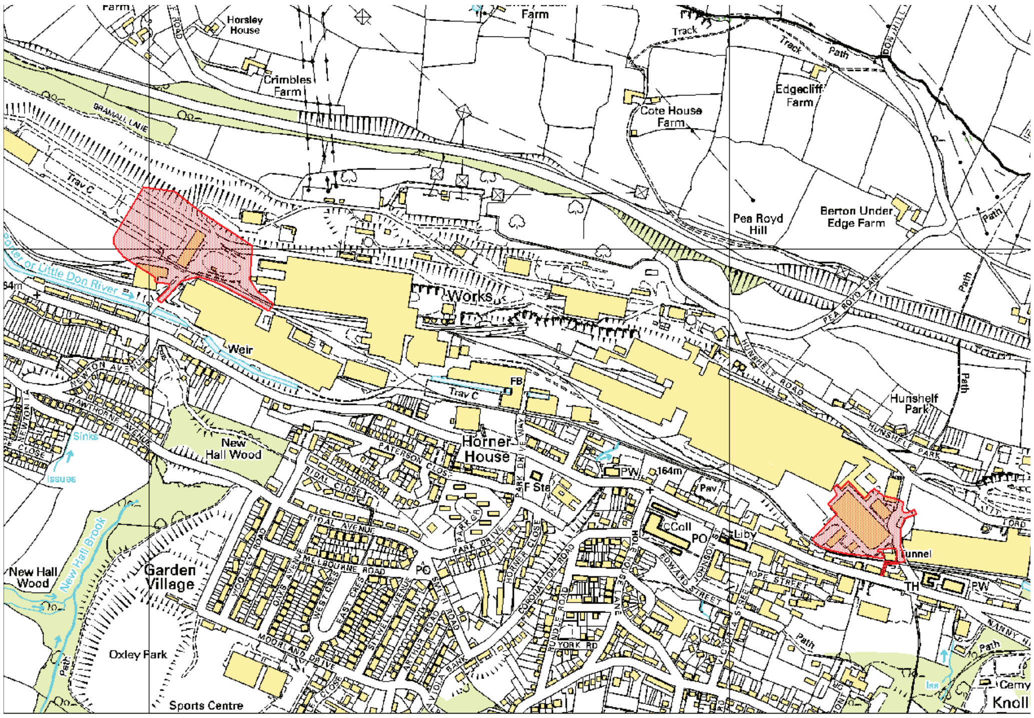
Condition Nos 4 and 5

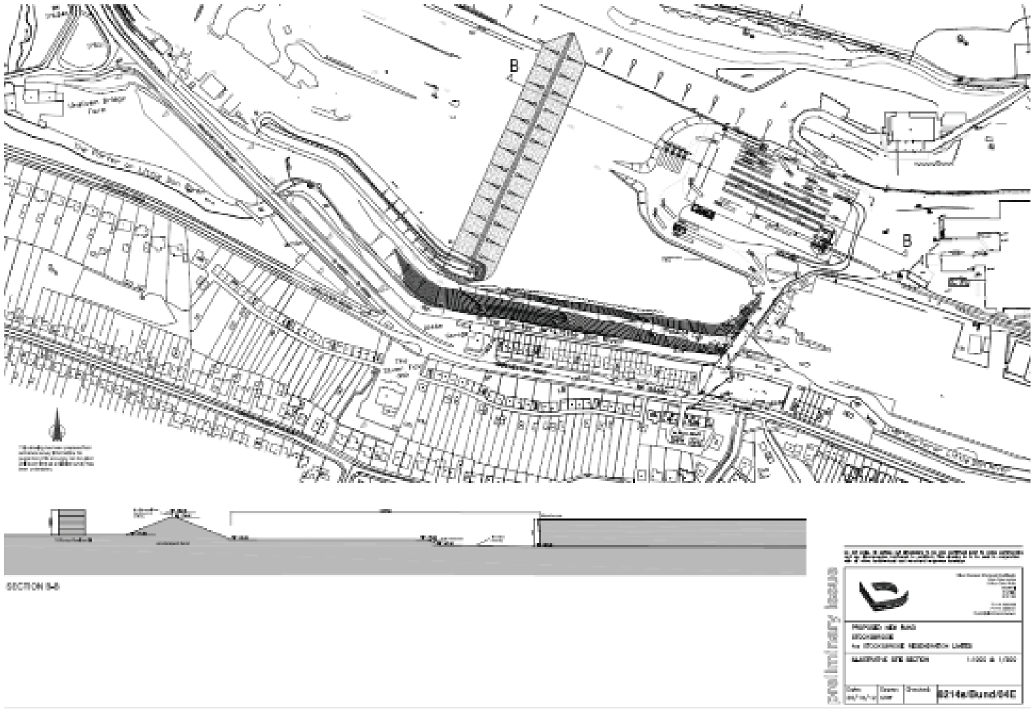
3 **Details Not Approved**

No conditions relate to this section of the Decision Notice

The applicant is advised that the details of alternative means of night-time attenuation submitted on 31.1.13 as amended on 26.2.13, 1.3.13 and 8.3.13 in respect of conditions nos. 4 and 5 are acceptable. The approved details require that no heavy goods vehicle access to or from the warehouse facility via Gate 1 (adjacent to no.726 Manchester Road) shall take place between 2300 and 0700 hours on any day and that the roller shutter doors of the warehouse facility shall be kept closed at all times between 2300 and 0700 hours on any day unless the alternative means of night-time attenuation contained in your submissions of 31.1.13 as amended on 26.2.13, 1.3.13 and 8.3.13 have been provided and thereafter retained and maintained. These conditions therefore continue to apply.

Site Location





LOCATION

This conditions application relates to a site at the western end of the existing TATA steelworks off Manchester Road at Stocksbridge.

The site (also known as Site 1) comprises approximately 2.7 hectares of land previously used as part of the steelworks materials scrap yard. The site has access from Manchester Road via the works Gate 1 access.

This part of Manchester Road has residential properties on both sides of the road.

PROPOSAL

Full planning permission has previously been granted for the erection of a warehouse on this site to serve the steelworks.

Condition no. 4 of the planning permission for the warehouse restricted the night-time use of Gate 1 for heavy goods vehicles accessing the warehouse off Manchester Road unless alternative means of night-time attenuation have been submitted and agreed.

Condition no. 5 restricted the night-time opening of the roller shutter doors on the west and south facades of the warehouse unless alternative means of night-time attenuation have been submitted and agreed.

This current conditions application provides details of alternative means of noise attenuation and seeks to allow night-time use of Gate 1 for heavy goods vehicles accessing the warehouse and to allow night-time opening of the roller shutter doors.

The applicants have submitted a noise assessment report prepared by NoiseAssess Ltd dated November 2012 (ref: 10002-03-v5), a statement from TATA, and additional information in support of this application.

TATA have stated that their business cannot operate other than on a 24/7 basis, that restrictions on hours of operation would compromise current operations and potentially limit planned expansion, that restrictions on vehicles entering/leaving the site would lead to waiting/stacking on the road and hence impact on local residents, that the design of the warehouse and roller shutter doors will minimise noise. TATA have stated their commitment to minimising any impact from their operations on neighbours, the importance of their relationships with local residents and ongoing willingness to discuss any concerns.

The applicants have also stated that there is currently unrestricted access via Gate 1 to the existing business which would remain the case even with the warehouse constructed.

RELEVANT PLANNING HISTORY

In 2011 full planning permission was granted for the erection of a warehouse (Site 1) and an industrial test centre and offices and formation of a pedestrian link to Manchester Road (Site 2) with associated works including provision of car parking accommodation, means of access, drainage and landscaping (as amended) (application no. 11/00350/FUL refers).

An application to vary the conditions relating to planning permission 11/00350/FUL to allow the development to be constructed in phases was granted in 2012 (application no. 12/02926/FUL refers).

An application for a non-material amendment to the warehouse proposal including removing the doors in the southern elevation of the proposed warehouse and replacing them with an unbroken façade was granted in January 2013 (application no. 13/00082/NMA refers).

Details of an attenuation bund required by condition no. 3 of the warehouse planning permission 12/02926/FUL were approved in January 2013 (application no. 13/00042/COND refers).

The proposed warehouse would provide approximately 7,000 sqm of floorspace to accommodate the steel storage facility that is currently located on the east side of Hunshelf Road.

Part of the proposed warehouse site overlaps the site of an earlier proposal for residential development at the western end of the steelworks. This earlier proposal was granted outline planning permission in 2006 for the redevelopment of the steelworks materials scrapyard at the western end of the steelworks for residential use (application no. 05/03636/FUL refers). An application to renew this outline planning permission is currently under consideration (application no. 11/01157/OUTR refers).

In 2012 full planning permission was granted for engineering works to create a landscaped noise attenuation bund and associated works to the west of the proposed warehouse. The purpose of the bund was to provide a noise attenuation barrier between the existing and proposed steelworks buildings and activities to the east of the bund and the proposed residential development site to the west of the bund. (application no. 12/02930/FUL refers).

The proposed warehouse will replace an existing steel storage facility currently located on the east side of Hunshelf Road. The site of the existing steel storage facility on the east side of Hunshelf Road is part of a larger development site for a comprehensive scheme involving the redevelopment of land alongside the existing town centre in Stocksbridge to provide a mixed use development comprising primarily retail, office, leisure and housing with associated infrastructure and car parking.

The original planning permission for the mixed use scheme was granted in 2009 (application no. 08/02703/FUL). Subsequent revisions and additions to the scheme have been approved in 2011 and 2012 (applications nos. 09/02819/FUL, 11/00350/FUL, 11/00384/FUL, 11/02480/FUL and 12/02926/FUL refer).

SUMMARY OF REPRESENTATIONS

6 representations objecting to the proposal have been received relating to the following matters:

- know by living next to a steel works can expect a certain level of noise during the day but continuous noise from hgvs and metal doors are unacceptable, entitled to peaceful nights sleep, have put up with road noise as it is so unfair for residents to have to put up with this extra noise 24/7;
- it is bad enough that residents many with children will be subject to high volumes of heavy goods traffic, it is inconsiderate to allow to continue all through the night, alternative noise attenuation may be agreed but this will only apply to the site not the traffic, whatever measures are agreed will probably have an application to remove them;
- even though live near to the steel works entrance there is an expected level of noise during the day which is necessary however there should not be any access during the night as people have young families or generally want a good nights sleep, they do not want to hear trucks revving away and roller shutter doors going all night;
- the noise and bangs late at night are already disturbing for children, accept there will be noise but to allow this all night is unacceptable, have installed double glazing but still noise levels at night are high and in summer when it

would be nice to leave a window open to allow fresh air in its impossible for children to sleep;

- how can noise attenuation be successfully achieved on HGV vehicles driving through the site during the night and how the necessary reversing sirens/bleepers can be reduced in volume when subject to legal requirements and outside applicant's control, roller shutter doors are noisy items when new but are subject to damage and become much worse, close supervision would be unlikely to help worsening chance of compliance, would hate the repeat experience of sleepless nights;
- consultation letter should be clearer, object to heavy lorries using the road outside house, diesel pollution and noise in a residential area with families and small children is not acceptable, the steel works has a designated access road directly from Stocksbridge bypass and this is the road they should be using.

1 representation of comment has been received relating to the following:

- what volume of heavy traffic is expected along road if proposal becomes a reality.

Stocksbridge Town Council have stated that they are in support of the application for the amendments to the planning application including the requirement for 24/7 access to the site.

PLANNING ASSESSMENT

Policy Issues

The assessment and determination of the full planning application for the erection of the warehouse (application no. 11/00350/FUL) considered the policies of the Sheffield Unitary Development Plan, the Sheffield Development Framework, the Corus Works Development Brief and the Government's planning policy relevant at the time.

The assessment of this conditions application focuses on those policies relevant to the issues regarding conditions 4 and 5 of planning permission 11/00350/FUL.

The Government's planning policy guidance is contained in the National Planning Policy Framework (NPPF). The NPPF states that there is a presumption in favour of sustainable development where it accords with the development plan (paragraph 14), that the core planning principles include finding ways to enhance and improve the places in which people live their lives and seeking a good standard of amenity for existing and future occupants of land and buildings (paragraph 17), that the planning system should contribute to and enhance the natural and local environment by, amongst other matters, preventing both new and existing development from contributing to or being put at unacceptable risk from or being adversely affected by unacceptable levels of noise pollution (paragraphs 109, 120 and 122) and aims to avoid noise from giving rise to significant adverse impacts on health and quality of life as a result of new development (paragraph 123).

The Sheffield Unitary Development Plan (UDP) includes Policies IB9(b), GE22 and GE24 and IB9(f).

UDP Policy IB9 (b) of the UDP seeks to ensure that new development in industry and business areas does not cause residents to suffer from unacceptable living conditions.

UDP Policy GE22 seeks to ensure that development should be sited so as to prevent or minimise the effect of any pollution on neighbouring land uses or the quality of the environment and people's appreciation of it.

UDP Policy GE24 seeks to ensure that development will be permitted only where it would not; (i) create noise levels which would cause a nuisance or (ii) locate sensitive uses and sources of noise pollution close together.

UDP Policy IB9(f) of the UDP seeks to ensure that new development is adequately served by transport facilities, provides safe access and appropriate off-street car parking.

The Draft SDF Policies and Proposals document includes Policies C3 and E3.

Draft SDF Policy C3 seeks to ensure that development should not cause occupants of any residential accommodation to suffer from nuisance that would be harmful to living conditions.

Draft SDF Policy E3 relates to design for roads and movement and includes ensuring traffic movements do not result in unacceptable contributions to air or noise pollution.

The guidance contained in the Government's National Planning Policy Framework (NPPF) published in March 2012 states that full weight may be given at present to relevant policies adopted since 2004 (paragraph 214), due weight should be given to relevant policies in existing plans according to their degree of consistency with the NPPF (paragraph 215), and that weight may be given to relevant policies in emerging plans according to the stage of preparation, the extent of unresolved objections, and the degree of consistency to the NPPF (paragraph 216).

Limited weight can be given to the Draft SDF Policies and Sites document and Proposals Map at present so far as they relate to this application.

The Approved Warehouse Scheme

The proposed warehouse building would be sited at the top of the works driveway leading northwards into the site from Gate 1 off Manchester Road and would be next to the western end of the existing steelworks buildings.

The existing residential properties fronting Manchester Road are approximately 100 metres to the south of the proposed warehouse building.

The Gate 1 access lies alongside and opposite residential properties. The south side of the valley opposite the proposed warehouse is predominantly residential.

There are also some residential properties on the hillside beyond the northern boundary of the steelworks and the A616 Stocksbridge Bypass. These residential properties are approximately 220 metres from the proposed warehouse.

The operational activities associated with the proposed warehouse involve the delivery, storage, and dispatch of steel bars and include lorry reception, weighbridge and covered storage and loading areas. Mobile side loader units will move finished steel between storage locations and delivery lorries. The steel bars will arrive by heavy goods vehicles and by rail. The existing private rail line is to be modified at its western end to run inside the proposed warehouse. The applicant proposes to provide/revise an internal road through the steelworks linking the warehouse to the remainder of the steelworks and Hunshelf Road.

The noise report submitted with the 2011 planning application indicated that noise from the warehouse activities and associated lorry movements can be controlled to acceptable levels by providing an earth bund. It was considered that there would be sufficient separation between the proposed warehouse and its ancillary buildings to ensure that its siting and massing would not harm the living conditions of nearby residents. Conditions to secure details of the earth bund and to control the operational activities relating to night-time use of Gate 1 and the operation of the roller shutter doors were imposed to mitigate noise from the warehouse development as proposed in 2011.

The non-material amendment to the warehouse building approved in January 2013 removed the doors in the southern elevation of the proposed warehouse and replaced them with an unbroken façade and repositioned the southernmost goods door on the west gable elevation a further 5 metres to the north.

The Existing Conditions Nos. 4 and 5

Condition no. 4 states:
No heavy goods vehicle access to or from the warehouse facility via Gate 1 (adjacent to no.726 Manchester Road) shall take place between 2300 and 0700 hours on any day unless alternative means of night-time attenuation have previously been submitted to and agreed in writing by the Local Planning Authority.

Condition no. 5 states:
The roller shutter doors in the west and south facing facades of the warehouse facility hereby approved shall be kept closed at all times between 2300 and 0700 hours on any day unless alternative means of night-time attenuation have previously been submitted to and agreed in writing by the Local Planning Authority.

The Alternative Means of Mitigation Proposed in Application 13/00315/COND

The applicant’s submission includes details of the amendments made to the proposed warehouse since the 2011 permission, and a noise report.

The amendments made to the warehouse building since the 2011 planning permission include:

- removal of the doors in the southern elevation of the proposed warehouse and replaced them with an unbroken façade;
- repositioning the southernmost goods door on the west gable elevation a further 5 metres to the north;
- use of fast acting doors;
- formation of a modest embankment around the western edge of the proposed warehouse yard and an acoustic fence along the southern top of the embankment to replace the large bund previously proposed;
- revisions to the vehicle movements.

The additional information received from the applicant in support of their proposal states that:

- vehicles will enter and drive through the site in forward gear with no reversing alarms;
- loading and unloading activity will take place within the warehouse;
- the walls of the warehouse will screen noise from houses to the south;
- a higher quality and better sound insulating cladding material (Tata Platinum System Trisobuild) will be used on the warehouse;
- the roller shutter doors will be modern, insulating and fast opening, the roller shutter doors will be maintained in line with the manufacturers specification to ensure this performance in speed and noise is maintained.

The submitted noise report has been based on the building being designed to handle 7000 tonnes of steel per week.

Deliveries involve material being transferred from the works to the new warehouse using HGV's travelling through the centre of the works, typically 15 tonne loads, averaging 8 lorry movements (ie 4 to, 4 from) per hour between 0600 and 2200 hours, and 4 lorry movements per hour between 2200 and 0600 hours.

Dispatch of material from the site will be by HGV entering and leaving the site from Manchester Road using Gate 1, typically 20-25 tonne loads, 6 lorry movements per hour between 0600 and 2200 hours, and 2 lorry movements per hour between 2200 and 0600 hours.

Sideloaders will be used within the warehouse to lift the loads off the delivery trailer and onto the storage rack, and to lift loads from the racks onto the dispatch lorry trailers.

The roller shutter doors will be open for 4-minutes in any 1 hour period in the day and no more than 20 seconds in any 5-minute period in the night.

The noise assessment has compared the external HGV movements associated with the warehouse with the existing ambient noise levels at nearby noise sensitive properties.

The submissions by the applicant state that noise levels due to HGV movements adjacent to Gate 1 on Manchester Road would be less than 1dB when averaged over a 1 hour period. The maximum noise levels (LAmax) due to HGV movements may be up to 5dB(A) above the range of night-time noise levels measured. Each HGV movement would however be for a short duration.

If the 2 HGV movements in each hour occur within the same 5 minute period (i.e. one lorry entering the site and one leaving), the noise assessment states that alongside no. 726 Manchester Road adjacent to Gate 1during the night-time period 2300 to 0700 hours the 5 minute ambient noise level may increase by approximately 7dB(A).

The noise assessment states that for existing residential properties on the hillside to the south during the night-time period 2300 to 0700 hours noise levels due to external HGV movements will be 4.2dB(A) below existing night-time ambient noise levels resulting in an increase of 1dB(A) in ambient noise levels.

The noise assessment states that the rating level of night-time noise from the new warehouse will be between 4 and 13 dB below the existing night-time background noise levels at noise sensitive properties. If impact noise occurs in the warehouse during the brief periods when the doors are open the night-time noise break out will be 53 dBLAmax(f) which is at the lower end of the existing range of night-time maximum noise levels.

The noise report concludes that the restrictions suggested by condition 4 and 5 can be lifted.

Highway and Transportation Issues

There are no highway objections to the proposal.

Impact of the Amenities of Residents and the Locality

The Director of Environment and Regulatory Services has advised that the methodology and noise measurements contained in Noise Assess Ltd's noise report submitted by the applicant is acceptable and appropriate for this development. It is considered that the conclusions derived in the noise report are properly evidenced and well founded.

The noise assessment has considered the noise sensitive locations next to Gate 1, on the hillside to the south of the site, and on the site of the proposed housing development to the west of the proposed warehouse.

It is considered that the alterations outlined above to the warehouse building will have benefits in attenuating the impact of noise from the use of the proposed warehouse compared to the scheme approved in 2011.

The proposed change to the warehouse building to remove the roller shutter door on its south elevation and the use of fast opening roller shutter doors on its west elevation will significantly restrict noise break out from the warehouse. The incorporation of a higher grade cladding material will further improve the attenuation qualities of the proposed warehouse.

The applicant has demonstrated that the site layout as submitted will enable the movement and circulation of heavy goods vehicles approaching and leaving the warehouse to be in forward gear. The reversing movements of side loaders occurring during unloading and loading of the trailers will take place within the proposed warehouse.

Whilst there will be movements during the night-time hours of heavy goods vehicles along Manchester Road, through Gate 1 and within the works site, it is considered that the in light of the submitted measures the noise impact of these movements upon adjacent and nearby residents will not be significant and would not cause unacceptable harm to the living conditions of residents.

It is considered that whilst the proposal would generate movement of vehicles to and from the site and activities on the site during the night-time hours the proposed alternative means of attenuation, as amended, would ensure that there would be no significantly harm to the living conditions of adjacent and nearby residents in the locality.

The Director of Environment and Regulatory Services has no objections to the proposal.

The proposal complies with Policies IB9(b), GE22 and GE24 and IB9(f) of the UDP.

It is considered that appropriate alternative means of attenuation have been proposed to allow night-time use of Gate 1 for heavy goods vehicles accessing the warehouse and to allow night-time opening of the roller shutter doors.

SUMMARY

It is considered that whilst the proposal would generate movement of vehicles to and from the site and activities on the site during the night-time hours the proposed alternative means of attenuation, as amended, would ensure that there would be no significantly harm to the living conditions of adjacent and nearby residents in the locality.

It is considered that appropriate alternative means of attenuation have been proposed to allow night-time use of Gate 1 for heavy goods vehicles accessing the warehouse and to allow night-time opening of the roller shutter doors.

The approved details require the alternative means of night-time attenuation to have been provided and thereafter retained and maintained to enable heavy goods vehicle access to or from the warehouse facility via Gate 1 to take place between 2300 and 0700 hours on any day and to enable the roller shutter doors of the warehouse facility to be opened between 2300 and 0700 hours on any day.

RECOMMENDATION

It is recommended that the details of alternative means of attenuation as amended are approved.

Case Number	13/00131/COND (Formerly PP-02408215)
Application Type	Approval of Detail Reserved by Condition
Proposal	Application to approve details in relation to condition 29. Affordable Housing relating to planning permission 11/00915/OUT (As amended by letter received from Ben Bailey Homes dated 12 March 2013)
Location	Loxley College Myers Grove Centre Wood Lane Stannington Sheffield S6 5HF
Date Received	16/01/2013
Team	West and North
Applicant/Agent	JVH Planning Ltd
Recommendation	Condition Application Decided

Subject to:

1 **Conditions Discharged:**

No conditions relate to this section of the Decision Notice

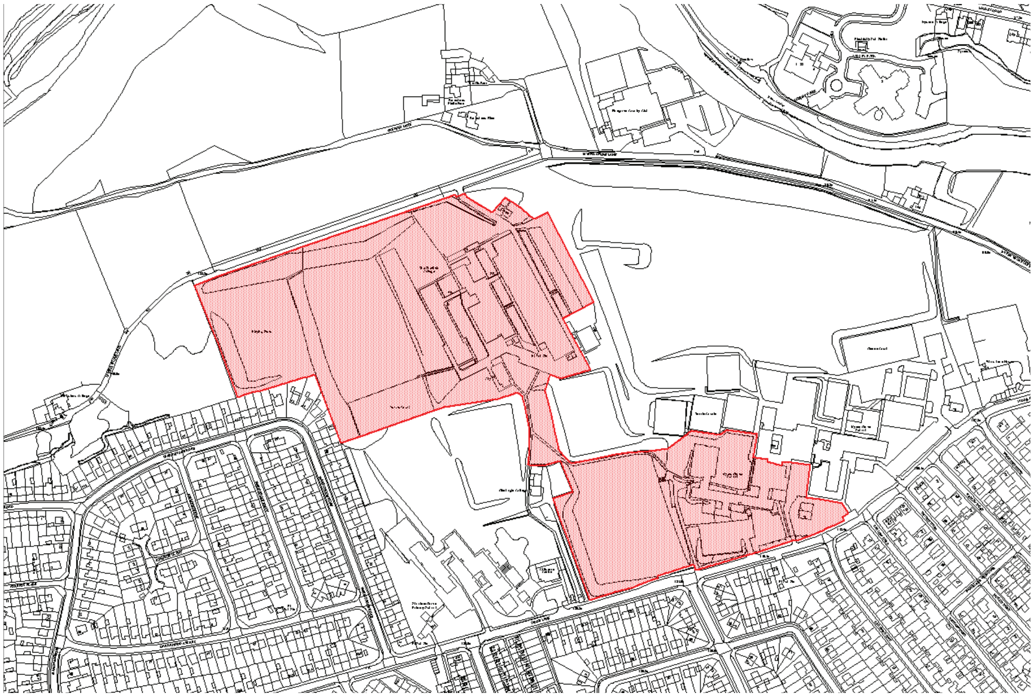
2 **Details Approved But Condition(s) Remain In Force:**

Condition No. 29

3 **Details Not Approved**

No conditions relate to this section of the Decision Notice

Site Location



SITE LOCATION AND CONTEXT

The application relates to Loxley College on Wood Lane, Stannington. Loxley College lies within the Green Belt. The total site comprising some8.94 hectares of land consisting of two areas of buildings; one group on Wood Lane adjoining and to some extent appearing to be part of Myers Grove School, the other lower down the slope of the Loxley Valley, with access from Myers Grove Lane, and a much larger built footprint than the Wood Lane part. The buildings are a mixture of single, 2 and 3-storey buildings. Both groups of buildings have a dilapidated and a partly vandalised appearance. Within the former campus are large areas of open space, former playing fields, hard surfaced courts and car parking areas.

To the south is Wood Lane, with housing development on the opposite side, and open fields on the slopes of the Loxley Valley to the north. Open land lies to the north and the newly built Forge Valley Community School (formerly Myers Grove School) to the east.

BACKGROUND AND PROPOSAL

Outline planning permission (11/00915/OUT) was conditionally approved in December 2011 for the demolition of the site's former college buildings and development of new housing. Following the grant of outline planning permission, a detailed scheme (Reserved Matters) to erect 69 dwellinghouses was submitted by Ben Bailey Homes and The Sheffield College, which was approved by the West and North Planning and Highways Committee in February 2013 (12/03015/REM).

Condition 29 of the outline permission sought the delivery of affordable housing equivalent to no less than 40% of the floor space of the development or an alternative percentage figure determined through a Development Appraisal Viability Process.

The full condition reads as follows:-

Unless otherwise agreed in writing by the Local Planning Authority any Reserved Matters Application relating to this Outline Approval shall include a scheme, which shall be agreed in writing by the Local Planning Authority, for the delivery of affordable housing equivalent to no less that 40% of the floor space of the development or an alternative percentage figure determined through a Development Appraisal Viability Process. The resulting affordable housing shall be provided for sale to a Registered Social Landlord at the transfer price for that area at the time the detailed application is determined. This scheme shall include:

a) The type and location of the affordable housing units

b) The timing for the construction of the affordable housing units

If on receipt of such a scheme the Local Planning Authority considers that it is not suitable to provide some/all of the affordable housing units on-site, an alternative agreement shall be reached for the provision of a financial contribution calculated in accordance with the current policy at that time, which shall be used for the delivery of affordable housing within the city.

This condition was attached to the outline planning permission in order to secure the delivery of affordable housing in line with Core Strategy Policy CS40 and the Affordable Housing Interim Planning Guidance (2009) (IPG) which proposes a target of 30-40% affordable housing on sites of more than 15 units.

The need for affordable housing in the city is set out in the IPG at Paragraph 4.1. Here, it states that 'where there is an identified need for affordable housing, government planning guidance allows LPAs to negotiate affordable housing as a proportion of new housing developments'. The Strategic Housing Market Assessment published in 2007 identified a need for 729 additional affordable units in Sheffield per year.

Appendix C of the IPG details that where the applicant is unable to meet the 30-40%, affordable housing target, it will be expected that the price paid for the land should be 14% of the estimated Gross Development Value of the scheme. Where the full target cannot be met for reasons of financial viability, the applicant is required to submit a full viability appraisal to the District Valuer's Office (DVO) for evaluation. This evaluation includes the DVO looking at whether proposed costs and values are within reasonable parameters for the type of development, and ultimately what level of affordable housing would be financially viable on the site, if any.

The applicant argued that the full target could not be met for reasons of viability and commissioned BNP Paribas Real Estate to undertake a financial development appraisal of the scheme. The viability appraisal details that the economics of the proposed scheme are compromised by the introduction of affordable housing units and the scheme cannot viably provide any affordable housing.

This appraisal was submitted to the DVO for evaluation who concluded at that time (October 2012) that there are sufficient 'super profits' within the scheme to provide 14 affordable units (20.3% on total number of units). This figure allows for a 15% profit on Gross Development Value (GDV) and a minimum land value equivalent to 14% of the estimated Gross Development Value (GDV). (For reference, the 14% of estimated GDV is set out in the IPG as the percentage that a developer will be expected to pay for the land).

The DVO was asked by officers to undertake a further appraisal of the scheme on the basis that the land value can be up to but not more than 14% of GDV and does not need to be set at 14%. The revised appraisal was carried out in February 2013 and confirms that a total of 11 affordable homes can be provided, which equates to 15.9% on the total unit numbers. .

On the basis of the BNP Paribas appraisal and their view that the scheme cannot support any affordable units, the applicant applied to remove Condition No. 29 under a Section 73 application. (Planning Application No. 12/03327/FUL refers).

In considering the merits of this Section 73 application, officers applied the guidance contained in Affordable Housing Interim Planning Guidance (2009). At Appendix 3 it details that when the applicant fails to agree that there is a surplus amount to deliver affordable housing contrary to the advice of an independent body for viability appraisal (in this instance the District Valuation Office DVO), the application should be refused. Accordingly, from all the information provided, it was considered that the scheme includes sufficient profit to secure the delivery of affordable housing. The application was therefore refused under the Council's delegated powers procedures on the 17 January 2013 for the reason set out below.

'In undertaking an independent viability/development appraisal of the development to erect 69 houses on this site, the District Valuer (DV) has calculated that there are sufficient 'super profits' within the scheme to secure the delivery of affordable housing, whilst allowing for a 15% profit on Gross Development (GDV). The Local Planning Authority therefore considers that the proposal to remove Condition No. 29 that was attached to Outline Planning Approval No. 11/00915/OUT is contrary to Sheffield Core Strategy Policy CS40 and the Affordable Housing Interim Planning Guidance.'

Following the decision of the Council to refuse the application to remove Condition No. 29, the applicant has submitted details in response to this condition, which is the subject of this application. As referred earlier, this condition requires the delivery of affordable housing equivalent to no less than 40% of the floor space of the development or an alternative percentage figure determined through a Development Appraisal. In response to this condition, the applicant has made an offer of 6 three-bedroom affordable housing units (Plots 13 and 14 and Plots 54-57 inclusive) in an attempt to reach a compromise between the different views of the District Valuer and BNP Paribas. This number of units equates to 9% of the total units (or 7.5% of the total floorspace).

Members are therefore being asked to consider under this application (details reserved by condition) whether to accept the applicant's offer of 6 affordable housing for the purposes of Condition No. 29.

In support of the application, the applicant has provided a Delivery Statement in how the 6 affordable units will be delivered. This delivery plan identifies Plots 13, 14, 54, 55, 56 and 57 as the affordable units. All the units will be 3-bedroom family homes offering 997 square feet with two parking spaces and private gardens. The six units will be offered for sale to a Registered Social Landlord (RSL) for Affordable Rent and would be offered for sale to an RSL at a transfer value of £900/m2. The Delivery Statement details that, using reasonable and commercially viable endeavours, four of the units will be constructed and ready for handover in Summer 2014 (Plots 54-57) and the remaining two constructed and ready for handover in Spring 2015 (Plots 13 and 14). The applicant has also confirmed that using all reasonable endeavours that they will enter into a contract for the sale of the six units within a 6 month period following commencement of development with the preferred RSL.

Should Members fail to find the offer of 6 units acceptable, the applicant would have at least three options; firstly, to appeal the Council's refusal of the Section 73 application to remove the affordable housing condition; secondly, through further negotiation agree to provide further affordable units, or thirdly, agree to provide the full allocation of 11 affordable units in line with the advice of the DVO.

REPRESENTATIONS

Members are advised that thirteen letters were received in the response to application to remove Condition No. 29. A summary of the comments received is listed below:-

Objection to removal of condition (9)

- Affordable housing is needed in this area; even in times of austerity, housing is selling for over £200,000.
- Concerns raised that the development will be an estate of sub-standard housing;
- The development was granted knowing that it included an element of affordable housing;
- The application does not include any costings to demonstrate the lack of financial viability or an inadequate return on investment not to secure the provision of affordable housing;

In support of the condition being removed (4)

- The removal of the condition will increase the value of the remaining houses (no affordable houses) within the development site and within the vicinity of the site;
- May lead to social problems in the future

Further representations have been received from Campaign for the Protection of Rural England (CPRE), Stannington Tara (Tenants & Residents Association), Bradfield Parish Council and Loxley Valley Protection Society (LVPS). These are summarised below:-

Campaign for the Protection of Rural England

CPRE strongly objects to this application and comment that the developer should provide between 30% - 40% affordable housing as stipulated within the Affordable Housing –Interim Planning Guidance (2009) and would not comply with Core Strategy CS40.

Whilst the applicant's own financial viability assessment suggests that 30% is not viable, it does not rule out a smaller amount being viable; For the applicant to go from 30% to 0% is unacceptable, and demonstrates a lack of commitment on the part of the applicant to contribute to the social sustainability of the area;

The development can be harnessed to help correct the pressing shortage of affordable housing in Sheffield;

The request to remove the affordable housing requirement calls into question the applicant's intentions for other important issues, including the sustainability performance of the development, and the landscape management scheme;

The development of Loxley College site offers the rare opportunity to create sustainable homes including a number of affordable homes in a locality where few such chances arise. The applicant's main proposal could produce a very positive outcome for the area, but as soon as any one of those key contributions to the neighbourhood including affordability is compromised, then the net effect for the community will be negative.

Stannington TARA (Tenants & Residents Association)

Stannington Tara object to the building of new houses without any affordable housing provision. There are already more private properties than are required and not enough affordable homes to let in the area.

Bradfield Parish Council

Recommend refusal of the application as affordable housing is more important than ever in the current social climate.

Loxley Valley Protection Society (LVPS).

LVPS state that the committee in voting in favour of the development rested upon the inclusion of the provision of affordable housing. In the current economic climate, there needs to be some housing priced at a level which first time buyers can afford. For this reason, a development and the viability of its costings should be tailored to the prevailing conditions of the outline.

PLANNING ASSESSMENT

As detailed earlier within the report, the delivery of affordable housing is secured through Core Strategy Policy CS40 and the Affordable Housing Interim Planning Guidance (2009). The target developer's contribution towards affordable housing provision will be equivalent to 30-40% of the units on the site being transferred at the Transfer Price for the area in which the development lies, in this case £900/m2. The target level of 30-40% applies to developments of 15 or more units.

As set out above, in response to the BNP Paribas financial appraisal, the District Valuer (DV) undertook a second viability/development appraisal of the proposals and to comment on what proportion of affordable housing, if any, the scheme can support. In his overall conclusions, the DV details that the Residual Development Appraisal of the scheme makes a profit of 18.26% on GDV and concludes that there are sufficient profits available generated to allow monies to be made for affordable homes. The DV goes on to state that 'assuming an average discount per unit (figure disclosed), from the average transfer value calculated at £900 per square metre in accordance with the Council's policy, the figure available equates to 11 homes or 15.9% of the total number of the scheme's dwellings.

In coming to the proposed number of affordable units (11), the District Valuer has stated that he has chosen to allocate the smaller, lower market homes as Affordable Housing rather than take an average cross section of houses as before. Also, as the reduction from Market Value (MV) to transfer value is less for the cheaper houses, the applicant's 'surplus' profits can afford to deliver a higher number of AH units.

In support of the application to reduce the number of affordable units, the applicant's appointed development consultants (BNP Paribas) has contended that there are four major areas of difference in respect of inputs to viability. As follows:

(i) Revenue generated by the proposed development;
(ii) The inclusion by the DV of a ground rent for the proposed dwellings [i.e. not freehold;
(iii) Planning and Building Security Costs (Holding costs)
(iv) The profit element of the scheme; and

These are each discussed in turn below.

(i) Revenue generated by the proposed development

The major difference in respect of the two viability appraisals between the DVO and BNP Paribas relate to revenue (ie the estimated value that the houses would be sold for).

There are a number of techniques that are used when assessing the estimated value of a property. The most popular technique, and used by both the DVO and BNP Paribas is the Comparable Sales Method. This method is one of the more common techniques used in estimating the value of property for sale and is based on the prices of 'similar' properties that have been sold in the local area. The principle of this method is that the value of a property is based upon what it is likely to sell for. This method therefore incorporates relevant market conditions and activity within a particular location. A wealth of comparable property data is collated and characteristics, such as details of recent transactions and features of the property, are analysed. These details include the location of the property, age of the property such as recent new builds and the property size etc.

Using the rate of £ per sq ft of the floor area of private new houses as the unit of comparison, BNP Paribas are of the view that the scheme would achieve an average of £179.17 per sq ft (or £208,514 per house). In contrast, the DV considers that this should be £200.63 per sq ft (or £233,495 per house). Over the revenue generated from the 69 units, BNP Paribas have calculated that the difference between the estimated valuations equates to some £1.72m.

BNP confirm that there are no directly comparable sold new build schemes in the immediate locality, the closest on the market at present is Loxley Meadows in what they consider to be a better location on Loxley Road near to the Admiral Rodney pub, where asking prices average £201 per sq ft. BNP Paribas are therefore of the opinion that sale values on the Loxley College site will be between 5% to 10%

lower (ie £180 psf to £190 psf) than what has been achieved at Loxley Meadows. Sales of the recent new build units on the Middlewood Hospital site have averaged £184 per sq ft and provide a good basis of comparison. Two new houses on Walkley Crescent Road averaged £120 per sq ft. BNP Paribas has commented that the DV has referenced the sales of significantly better houses in Stannington Village a mile uphill to the west in the S6 5 postcode as averaging £205 per sq ft and argue that these should not set the tone for a scheme on Wood Lane in S6 6. The applicant has submitted examples of houses prices closer to the site with a 4-bedroom detached house at Loxley Meadows achieving in the order of £194 per sq ft, a 3-bedroom semi detached house on Middlewood Chase, S6 achieving in the order of £171 per sq ft and a 3-bedroom semi-detached house on Wood Lane, S6 in the order of £145 per sq ft.

BNP Paribas therefore consider that in the context of present market conditions and based on the available evidence the proposed scheme will produce revenues in the order of £180 per sq ft and not the £200 per sq ft as suggested by the DV.

The development appraisal carried out by BNP Paribas looked at new build housing developments in Penistone, Handsworth, Wincobank and Darnall. In the DV's opinion and accepted by officers, none of these locations are sufficiently similar to the Loxley College site and were given limited weight in his report. The DV in his report comments that DVO holds details of all sales of residential properties in the region including information such as accommodation and floor areas. The DV analysed sales of dwellings built since 2000 in the relevant post code areas and specifically looked for comparables in the Malin Bridge and Stannington areas, which were considered most relevant to the Loxley College site. Some of the data analysed by the DV related to second hand properties, which tend to sell for a lower price than equivalent brand new units. In coming to his view on expected sale prices, the DV considers that for a detached property, the values at Loxley College would range from £2,100 per square metre (£195 per square foot) to £2,250 per square metre (£209 per square foot) and in respect of semi-detached and town houses, a value of £2,100 per square metre (£195 per square foot).

It is clear in officers' opinion that none of the localities of the sites suggested by BNP Paribas in their appraisal, such as Penistone, Handsworth and Wincobank are sufficiently similar to the Loxley College site to be used as comparables. However, it is considered that the new build units on the former Middlewood Hospital site would provide a good basis of comparison for house sales. The similarities include their Green Belt location (Former Middlewood site is on the edge of the Green Belt), a number of the houses are of recent construction (less than 5 years old), built by a comparable volume housebuilder, similar in type and size (3-4 bedroom two-storey family houses), and additionally would fall within the same school catchment and close to the Supertram link.

On the basis of this, the DV was asked to research house sales on the former Middlewood Hospital Site and that these should be used as a basis of comparison with the Loxley College site. Research into the sales since January 2010 of two-storey houses on the former Middlewood Hospital site found that detached house sales of 49 properties averaged £1,967 per square metre (£183 per sq ft) and 10 semi-detached averaged £2,016 (£187 per sq ft).

Should the above house sales on the former Middlewood Hospital site be used as a basis of comparison for the houses at Loxley, the proposed scheme would produce revenues in the order of £183/£187 per sq ft and thereby would be closer to the expected revenues that BNP Paribas consider that the houses would achieve. However, the house sales on this site do not factor in the premium often achieved for new build housing and as such it is anticipated that the scheme at Loxley will produce revenues greater than the average values being achieved on the former Middlewood Hospital site. Nevertheless, even when factoring in a 5% premium for new build, the revenue, albeit closer to that of the DV, remains below the value of £200 per sq ft that has been considered the scheme at Loxley would achieve.

In officers' opinion, it is difficult to state with any certainty what the revenues the houses on the Loxley College site would achieve in practice. While BNP Paribas are of the view that the scheme would achieve an average of £179.17 per sq ft, this is sharp contrast with the DV, who considers that this should be £200.63 per sq ft. In officers' opinion, sales of the recent new build houses on the former Middlewood site provide a good basis of comparison, with the sales data from the last 3 years producing revenues in the order of £183/£187 per sq ft. It should also be noted that when considering three appraisals that were prepared by qualified surveyors in the course of an appeal by Tesco Stores at land off Oxclose Close in Halfway in 2012 (Appeal Ref: APP/J4423/A/11/2153926), the Planning Inspector commented that there is 'inevitably a degree of professional judgement involved in exercises of this sort' and formed the view that none of the appraisals were so obviously flawed as to be an unreasonable basis for decision-making. Having regard to this, officers remain satisfied that the appraisal carried out by BNP Paribas is not so obviously flawed that would lead to an unreasonable basis for decision-making. The view of two qualified surveyors in what the expected revenue that the scheme is likely to generate is therefore a matter of professional judgement. It would therefore be unreasonable in officers' opinion not to give weight to the appraisal carried out by BNP Paribas when no certainty can be given to which appraisal (either BNP Paribas or the DV) would be more accurate in practice.

(ii) The inclusion by the DV of a ground rent for the proposed dwellings [i.e. not freehold

The applicant has commented that the DV has included income from the sale of ground rents of £115,000 in the development appraisal when there is no precedent for new build houses in this area to be sold in such a way. The applicant (Ben Bailey Homes) has confirmed this is not their intention. Regardless of this fact, they argue that sale on a long lease would reduce the immediate sale value and it should not be used as an artificial way of increasing revenues.

In response to the inclusion of ground rents, the DV has confirmed that it is very much common practice in Sheffield for house sales to be on long leases and is a long held practice employed by SCC on Council owned land. However, officers have received written confirmation from Ben Bailey Homes that the houses on the development will be sold on a freehold basis and thus there will be no additional revenue created over and above the sales to plot purchasers. There is no reason in to dispute this and as such, in officers' opinion, it is reasonable to exclude the sale of ground rents of £115,000 from the development appraisal. It is recommended that reference to this Ben Bailey's letter be noted on any decision notice issued.

(iii) Planning and Building Security Costs (Holding costs)

BNP Paribas's appraisal includes an allowance of £561,881 for holding costs that the Sheffield College has incurred in achieving planning permission and safeguarding the site since the College closed in 2005. The costs include £284,000 for security, £106,000 for professional fees, planning and related survey works and £172,000 for building and ground maintenance works. The DV has discounted these costs in his appraisal.

The applicant argues that there is clear precedent for including such costs both in Appeal Decisions (Morris Homes v Cheshire East Council - London Borough of Camden - APP/R0660/A/10/2125172) and in recent RICS Guidance - Financial Viability in Planning – August 2012. The applicant argues that relevant costs subsequent to purchase, including professional fees and other costs incurred in bringing the site forward and holding the site including remediation measures should be reflected in the development appraisal. The applicant argues that the DV has misinterpreted RICS guidance and state it is illogical that such substantial costs do not impact on the return the landowner who incurred them is seeking.

In response to holding costs, the DV took advice from one of the authors of the RICS Guidance who has confirmed that BNP Paribas have appeared to misunderstand the RICS guidance. He comments that 'historic holding costs and circumstances of the actual purchase are ignored'. The view of the steering group on the matter of holding costs is that the 'assumption is that you are looking at the approach the market would take not the individual in buying the site today.' In discounting the costs, the DVO makes reference to Paragraph 3.6.2.1 of RICS Guidance Note (Financial Viability in Planning – August 2012), which details that 'The site will be valued at the date of assessment. Holding costs attributable to the purchase of the site should, therefore, not normally be allowed, as the site value will be updated.'

Given the differing views on whether holding costs should or should not be included within the development appraisal, officers sought further information from BNP Paribas. In their response, BNP Paribas has commented that RICS Guidance Note does allow for holding costs to be included in development appraisals and cites Paragraph 3.6.2.3, which states 'Where there has been historic expenditure on a development site prior to receiving planning permission, these can be included in a development appraisal.' On this last point, BNP Paribas has commented that a key consideration is the site's Green Belt location and the requirement that the former college buildings were maintained and secured until such a time that planning permission was approved. The supporting information details that the development of the site relied principally on the presence of buildings given the Green Belt location, without which, there would be a serious risk that planning permission would not have been forthcoming. To do so would have been premature and likely to have potentially jeopardised the development opportunity of the site.

It can be seen from RICS Guidance Note and appeal decisions that in some instances, it is reasonable to include holding costs as part of the development appraisal. There is nevertheless disagreement between the DVO and BNP Paribas on whether the costs borne by Sheffield College since 2005 should be fully accounted for in the development appraisal. Officers can also understand the position of Sheffield College not wishing to demolish the buildings without first receiving the grant of planning permission but question whether it is reasonable or appropriate to include holding costs that date back to 2005.

(iv) The profit element of the scheme

The DV considers that a 15% profit as a percentage of Gross Development Value (GDV) is the market norm at present, whereas BNP Paribas consider that a figure of 16.67% (equivalent to 20% profit on cost) is the minimum acceptable level. BNP Paribas has calculated that the difference equates to £429,000 on the DV's revenue.

In seeking a 20% percentage of GDV, the applicant has evidenced a recent appeal decision (January 2013) where the inspector concluded that a figure of 20% of GDV is a reasonable developer's profit. In the appeal, net profit margin targets were provided from six national housebuilders, which ranged from a minimum of 17% to 28%, with the usual target being in the range of 20-25% (University of Reading v Wokingham Borough Council - Appeal reference No. APP/X0360/A/12/2179141).

The applicant has also commented that the differential between the BNP Paribas report and the DV valuation is actually much smaller than suggested. The 20% margin referred to in the BNP report relates to profit as a percentage of cost, whereas the 15.17% margin referred to by the DV relates to profit as a percentage of GDV. Expressing profit as a percentage of GDV (ie comparing like with like with the DV) represents a discrepancy of 1.5% and not 5%.

In his development appraisal of the site, the DV details that for moderate to large sized residential developments it is not uncommon for developers to state a profit figure as a certain percentage based on scheme costs or scheme value. He details that there is no hard and fast rule and some developers will be content if the profit is expressed as a significant cash sum. In the circumstances, the DV considers that a profit of 15% on Gross Development Value is not an unreasonable figure for this project. In further correspondence, the DV has provided a list of published accounts of six national housebuilders in relation to their operating margins (ie net profit before tax divided by turnover). The results show the following:-

Barratt Homes (half year ending 2011)	6.4%
Bellway Homes (half year 2012)	10.1%
Bovis Homes (half year 2012)	10.3%
Persimmon Homes (half year 2011/12)	12.2%

Redrow Homes (half year 2011/12)	7.5%
Taylor Wimpey	9.7%

The average operating margin of the 6 housebuilders is 9.7%. When adding back office overheads (4% to 5%), the profit level equates to approximately 15% of GDV.

On the basis of the above percentages, it would suggest that the profit margins of many national housebuilders are not achieving the profit that BNP Paribas is suggesting that the applicant should be achieving on this site. While officers acknowledge that the Inspector in the appeal decision considered that a figure of 20% of GDV is reasonable, from the average operating margins of six national housebuilders that the profits being achieved fall significantly short of this figure. It is not considered therefore that the DV was unreasonable in coming to a figure of 15% on GDV for this project.

Members are however advised that the recent appeal decision in the University of Reading v Wokingham Borough Council is a material consideration in the determination of this application, and should be given some weight in whether to accept the offer of six affordable units. There is no guarantee that an Inspector would conclude that 15% of GDV is a reasonable profit particular in light of this appeal decision and that as suggested by BNP Paribas that a higher profit margin is reflective of both the current challenging market conditions and the higher returns now being sought by both housebuilders and funding banks.

SUMMARY AND RECOMMENDATION

This application relates to details submitted in respect of Condition No. 29 attached to outline planning approval No. 11/00915/OUT. Condition No. 29 requires the delivery of affordable housing equivalent to no less than 40% of the floor space of the development or an alternative percentage figure determined through a Development Appraisal.

BNP Paribas viability appraisal undertaken on behalf of the applicant concludes that the scheme is incapable of delivering any affordable homes. This view is in sharp contrast to the District Valuer’s own development appraisal of the site, who has concluded that there is a sufficient profit within the scheme to secure the delivery of 11 affordable homes (15.9% of total units). While BNP Paribas stands by the view that the financial viability of the scheme does not allow for the delivery of any affordable houses, the applicant has offered to provide 6 three-bedroom affordable housing units (Plots 13 and 14 and Plots 54-57 inclusive) in an attempt to reach a compromise between the different views of the District Valuer and BNP Paribas and to avoid an unnecessary and lengthy appeal.

In support of the application, the applicant has contended that there are four key areas of difference in respect of inputs to viability between the development appraisals of the DVO and BNP Paribas. In brief, the applicant considers that:-

- The sale prices will be lower than assumed by the DV;

- Holding costs incurred by the College in the past should be taken into account;
- The incorrect inclusion by the DV of ground rent income (£115,000) when the houses are to be sold freehold with no ground rent created; and
- A 20% profit margin should be allowed for (rather than the 15% assumed by the DV);

Clearly, there is a wide difference of opinion between the DVO and BNP Paribas on the economic viability of the scheme. However, both are giving a professional 'expert' opinion and it is difficult to be sure with any certainty which appraisal will be more accurate in practice. It is accepted that the offer of six affordable homes is well short of what the DVO considers is deliverable. However, it is increasingly apparent that viability appraisals are 'as much an art as a science' where there is inevitably a degree of professional judgement involved in exercises of this sort, a matter highlighted by the Planning Inspector in the recent Tesco Inquiry at Oxclose.

Each of the four key areas of difference raised by the applicant has financial implications upon the number of affordable homes that can be delivered on this site. On the matter of revenue, the applicant has calculated that the difference between the estimated valuations between the two appraisals on house sales equates to some £1.72m, the inclusion of ground rent of some £125,000, while the holding costs and expected profit margins equates to further cost implications to the applicant of £562,000 and £429,000 respectively.

Members are also advised to bear in mind that the refusal to accept the offer of 6 affordable homes, will at the very least, cause further delay in achieving the redevelopment of the derelict College buildings and at worst could result in the applicant walking away from the site.

The Core Strategy identifies a need for a net increase of almost 30,000 units in the city between 2004 and 2026 with the latest figures indicating that the Council's 5-year housing supply is currently 52% of the 5-year requirement. It is considered therefore that the development of this site and the delivery of 69 dwellinghouses would help contribute to the housing supply and in officers' opinion should be given some weight.

For the reasons set out in the report, it is recommended that Members accept the offer of the applicant to provide 6 affordable homes as a compromise to the views of both BNP Paribas and the District Valuer.

The delivery of the 6 affordable units would be secured through the submitted Delivery Statement. This Statement details that all 6 units will be offered for sale to a Registered Social Landlord (RSL) for Affordable Rent; and that using all reasonable endeavours, the applicant to enter into a contract within a period not exceeding 6 months following the commencement of works on site.

Recommendation: Details acceptable, not discharged