

Parish: Brompton
Ward: Northallerton North & Brompton

Committee Date : 6th February 2020
Officer dealing : Aisling O'Driscoll
Target Date: 15 October 2019
Date of extension of time: 10th February 2020

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19/01530/REM

Application for approval of reserved matters with access, appearance, landscaping, layout and scale to be considered relating to planning application 15/01083/HYB and associated with the construction of 246 residential dwellings on Persimmon Homes' second phase

**at Phase 2 (Persimmon Homes) Darlington Road Northallerton North Yorkshire
For Persimmon Homes.**

1.0 SITE, CONTEXT AND PROPOSAL

- 1.1 The wider North Northallerton Development Area is located approximately 1km north of Northallerton town centre. It measures approximately 52.8 hectares and is bounded by the A167 Darlington Road to the west and A684 Stokesley Road to the east. To the north lies open countryside with the settlement of Brompton beyond that. The wider site is bisected by the Northallerton to Middlesbrough train line running approximately north/south through the site.
- 1.2 More specifically the site that is the subject of this application, the Persimmon Homes Phase 2 Area, is approximately 17.34 hectares in size. It is made up of a large irregular shaped parcel of former agricultural land which is bounded by the aforementioned Northallerton to Middlesbrough railway on its eastern edge. Secondly, there is a smaller piece of land immediately north of the Persimmon Phase 1 Development Area. The two areas are separated by a large strip of land which is the subject of a separate reserved matters application (19/01854/REM) for Phase 2 of the Taylor Wimpey Homes development. Outline permission was secured for both sites under the same hybrid application 15/01083/HYB, granted consent in 2016.
- 1.3 This application seeks approval for the reserved matters regarding access, appearance, landscaping, layout and scale in relation to the construction of 246 residential dwellings as part of the wider North Northallerton Development Area. Outline permission for this was granted for a mixed use development made up of a total of 900 dwellings and a neighbourhood centre comprised of shops, restaurants and drinking establishments, extra care facilities, medical facilities, primary school, recreation pitches and car parking. Furthermore, under the same hybrid application full planning permission was granted for 291 dwellings and associated earth works and infrastructure, including roundabouts and a road bridge crossing the railway line and associated Link Road from East to West.
- 1.4 This scheme proposes a mix of two, three and four bedroom dwellings including bungalows.
- 1.5 It should be noted that the Hybrid approval included extensive conditions and a detailed S106 agreement which deals with a variety of matters directly relevant to this site, including matters relating to; drainage, levels, landscaping, delivery of the school and open space and matters relating to the delivery of the Link Road and affordable housing, amongst other matters. As such matters other than the layout, unit design and size are not dealt with in this report.

2.0 RELEVANT PLANNING AND ENFORCEMENT HISTORY

- 2.1 15/01083/HYB – mixed use development of 900 dwellings and a neighbourhood centre comprised of shops, restaurants and drinking establishments, extra care facilities, medical facilities, primary school, recreation pitches and car parking – all matters reserved except for access. – Permitted 5th December 2016
- 2.2 18/02299/FUL – full planning application for the construction of a Pre-Delivery Inspection Workshop for the preparation of vehicles (sui generis), storage of vehicles (B8), access car parking, landscaping and associated work. – Permitted 25th March 2019
- 2.3 18/02720/FUL – application for the construction of 72 dwellings – Pending
- 2.4 19/01110/FUL – Construction of new healthcare building providing office and assessment spaces for multi-disciplinary, community based mental health teams. – Granted

3.0 RELEVANT PLANNING POLICIES

- 3.1 The relevant policy of the Development Plan and any supplementary planning policy advice are as follows;

- Allocations DPD – NM5A West of Northallerton – Middlesbrough Railway
- Allocations DPD - NM5D East of Darlington Road
- Core Strategy Policy CP1 - Sustainable development
- Core Strategy Policy CP2 - Access
- Core Strategy Policy CP4 - Settlement hierarchy
- Core Strategy Policy CP8 - Type, size and tenure of housing
- Core Strategy Policy CP9 - Affordable housing
- Core Strategy Policy CP16 - Protecting and enhancing natural and man-made assets
- Core Strategy Policy CP17 - Promoting high quality design
- Core Strategy Policy CP18 - Prudent use of natural resources
- Core Strategy Policy CP19 - Recreational facilities and amenity open space
- Core Strategy Policy CP20 - Design and the reduction of crime
- Core Strategy Policy CP21 - Safe response to natural and other force

- Development Policy DP1 - Protecting amenity
- Development Policy DP3 - Site accessibility
- Development Policy DP4 - Access for all
- Development Policy DP6 - Utilities and infrastructure
- Development Policy DP13 - Achieving and maintaining the right mix of housing
- Development Policy DP15 - Promoting and maintaining affordable housing
- Development Policy DP29 - Archaeology
- Development Policy DP30 - Protecting the character and appearance of the countryside
- Development Policy DP31 - Protecting natural resources: biodiversity/nature conservation
- Development Policy DP32 - General design
- Development Policy DP33 - Landscaping
- Development Policy DP34 - Sustainable energy
- Development Policy DP37 - Open space, sport and recreation
- Development Policy DP39 - Recreational links
- Development Policy DP43 - Flooding and floodplains
- Open Space, Sport and Recreation SPD
- Affordable Housing SPD

- Community Infrastructure SPD
- Size, Type and Tenure of New Homes SPD

4.0 CONSULTATIONS

- 4.1 Environment Agency – no objections
- 4.2 Environmental Health Contaminated Land – recommend a condition be attached regarding the need for an assessment of the risks posed by contamination
- 4.3 Historic England – no comments
- 4.4 HDC Planning Policy – no objection
- 4.5 Highways – No objection subject to acceptable landscaping amendments (awaited) and the provision of a solution to the termination/junction of the cycleway (at the western side of the eastern access road) at/with the link road. A S38 agreement may be required.
- 4.6 Lead Local Flood Authority – no objection
- 4.7 MOD RAF Leeming – no safeguarding objections to the application subject to the agent confirming the attenuation basins will be predominately dry and hold water in the instance of a 1 in 100 year storm event.
- 4.8 Network Rail – recommends conditions relating to level crossing protection, boundary fencing, method statements, soundproofing and landscaping
- 4.9 North Yorkshire Local Access Forum – raised the following issues with the proposals:
- Insufficient areas of public green space throughout the site
 - Insufficient visitor car parking
 - Pavement widths are not generous
 - Absence of cycle routes
 - Cycling/walking track should be included along the north eastern boundary
- 4.10 NYCC Rights of Way – no objection
- 4.11 Natural England – no comments to make
- 4.12 Swale and Ure Internal Drainage Board – object due to development proximity to the watercourse and lack of IDB consent for works. (Officer Note: It is understood that this objection relates to details which are yet to be agreed and are required by condition under the Hybrid application.)
- 4.13 Yorkshire Water – no observations
- 4.14 Third Party Representations – One observation was received from a neighbouring business raising the following issues:
- Concern that the noise impact assessment submitted by the applicant is not robust
 - Concern that the mitigation measures proposed are insufficient to adequately protect occupants from nearby noise generating uses
 - Would prefer to see sealed non-opening windows
 - Does not take into account 24 hours working at Allerton Steel

5.0 OBSERVATIONS

- 5.1 The main planning considerations are considered to be: i) Principle of Development; ii) Affordable housing; iii) Size, Type and Tenure; iv) Design and Amenity; v) Highways safety and vi) Landscaping v) Other Matters

Principle of Development

- 5.2 The application site forms part of a large strategic site allocated for mixed development within the Allocations DPD – Policy NM5, as adopted by Full Council on 21 December 2010. The DPD states that proposal NM5 forms a strategic area for development providing significant housing and employment development and also providing recreation, leisure and community facilities and strategic infrastructure.
- 5.3 Allocation NM5 is divided into 7 sub areas, known as NM5A to NM5G. The site, subject of this application, falls under the NM5A sub area which was allocated for housing development and a small area under the NM5D sub area which was allocated for mixed housing and employment development. In 2015 the Hybrid planning permission granted outline consent for 900 dwellings across the wider site. An additional piece of land to the north of the allocation was also included in the Hybrid application and granted outline consent. The additional land was included in recognition of the substantial financial burden which the provision and timing of the provision, of strategic infrastructure, including centrally located land for the school and development of the Link Road and bridge, would impose.
- 5.4 The site represents the largest allocation in the Council's Local Development Framework and is highlighted as a priority in the North Yorkshire Housing Strategy and Local Investment Plan. The principle of the development of this wider site for housing, mixed uses and a Link Road has therefore been long established having been the subject of an independent examination in public by a Secretary of State appointed Planning Inspector. The examination agreed that the North Northallerton Development Area was the preferred option for further development of the town and found the Local Development Framework documents sound.
- 5.5 It is necessary to highlight that due to the passing of intervening legislation since the adoption of the LDF, such as the Community Infrastructure Levy Regulations, a number of the development contribution requirements contained within Policy NM5 will have altered or no longer be relevant.
- 5.6 In addition, it is necessary to highlight that in December 2013 the Council agreed to remove the phasing within Development Policy DP11 for the LDF's allocated housing sites through to 2026 (and thus also to the phasing suggested in Allocations Policy NM5) so as to help bring sites forward more quickly to boost housing supply. In this regard, the phasing identified within those policies is no longer applicable.
- 5.7 Finally, it is important to identify that following the adoption of the Allocations DPD a Masterplan Framework and Design Guidance document was prepared for the NM5 Allocation area by Taylor Young consultants, which provided conceptual design detail and expanded on the aspirations for the development of the entire site. The Masterplan was adopted by the Council in May 2011 and is a material consideration in the determination of this application.
- 5.8 In conclusion the principles of this development are well rehearsed and the framework for development set out in the approval of the Hybrid application, including the accompanying conditions and S106 agreement.

Affordable Housing

- 5.9 The matter of the affordable housing quotient for the development is a matter dealt with through the S106 agreement. However, it is considered necessary to provide an up-date on viability and affordable housing at this stage.

- 5.10 Local Plan Policy CP9 states that housing development of 15 or more dwellings (or sites of 0.5 ha or more) in service centres must make provision for affordable housing. It clarifies that the LDF seeks to achieve 40% affordable housing in Northallerton, although it also acknowledges that the actual provision on individual sites will be determined through negotiations, taking into account viability and the economics of provision. This is consistent with Paragraph 62 of the NPPF which states that where local planning authorities have identified that affordable housing is needed, planning policies should specify the type of affordable housing required, and expect it to be met on-site. However, Paragraph 57 allows for the submission and consideration of a further viability assessment by an applicant seeking permission which can take into account any changes in circumstances since the plan was brought into force.
- 5.11 Policy DP13 provides further advice on the provision of housing and states that housing proposals must provide for a mix of dwellings, in terms of size, type and tenure, which meets the needs of all sections of the local community, promotes sustainable communities and social cohesion; while Policy DP15 provides specifics on the key definitions and principles on which the provision of affordable housing will be achieved. These policies are further supplemented by the Council's Affordable Housing Supplementary Planning Document (adopted April 2015).
- 5.12 The Hybrid application allowed for a detailed assessment of viability at the time of its determination. This resulted in a 13.4% affordable housing contribution across the totality of the site. Given the sensitivity of sales values and the difficulties of delivering a large strategic site of this nature, a caveat was built into the affordable housing element of the Section 106 agreement to allow for a review of the affordable housing quotient through the course of the development. This caveat allowed for the affordable housing quotient to go down as well as up in order to ensure that the development remained viable and the crucial infrastructure elements of the project including the school and the Link Road would be delivered.
- 5.13 The developer has approached the Council with regard to phase 1 of the development, which as stated above was to deliver 13.4% affordable housing, with an initial request to roll the affordable housing quotient for phase 1 into phase 2 owing to viability issues with the phase 1 development. The Council requested a viability appraisal in order to justify this. This initial request occurred over a year ago and Officers agreed to the principle of this roll over of affordable housing from phase 1 to phase 2 subject to the submission of viability information to illustrate the number of units that would then roll from phase 1 to phase 2.
- 5.14 Since that time a number of other matters have impacted on viability including a reduction in the overall number of dwellings owing to a reduction in the developable area assumed at the time of the original viability assessment and a significant increase in building costs. The developer has now submitted a full and up-to-date viability assessment from the phase 1 development, effectively informing the initial phase 2 development. There remains a requirement for a full assessment of viability as set out in the S106 agreement. This allows for an interim appraisal no earlier than the practical completion of the 500th dwelling along with a final appraisal effectively following completion of the last unit.
- 5.15 The viability appraisal has been vetted on behalf of the Council by Keppie Massie who has undertaken a detailed assessment of the viability of the development. The conclusion from this is that whilst there remains a degree of uncertainty about the later stages of development, which would then be assessed through the further appraisal under the requirements of the S106 agreement, there is consensus that the Phase 1 development is not able to provide any affordable housing. A summary of the Keppie Massie findings is set out in Appendix 1 attached to this report.

Size, Type and Tenure

- 5.16 The Hambleton Strategic Housing Market Assessment was published in October 2016 and updates the evidence of housing need in the district. The Assessment, conducted by GL Hearn, found that the majority of dwellings required, need to be two and three bedroom homes with the need for larger four bedrooms falling due to the existing level of provision. Alongside this, the Strategic Housing Land Availability Assessment was updated in September 2019. This assessment indicates that the North Northallerton development will contribute significantly to the completions rate over the coming years.
- 5.17 This in turn feeds into the Council's Housing Land Supply figure which currently exceeds 9 years. Having a healthy Housing Land Supply is of great importance to the future development of the district. Paragraph 11 (including footnote 7) of the NPPF asserts that the policies of the local plan which are most important for determining the application should not be considered up-to-date if the local planning authority cannot demonstrate a five year supply of deliverable housing sites. In such cases applications for housing must be granted except where any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies of the NPPF or where the application of policies in the NPPF that protect areas or assets of particular importance provides a clear reason for refusing the development proposed. In short, local policies would be set-aside and control over the location of development significantly reduced. Indeed the Officers report relating to the Hybrid Permission indicated that at the time of consideration the Council could not demonstrate a 5 year supply of deliverable housing. This had resulted in a number of developments across the district being allowed at appeal.
- 5.18 Since then measures have been taken, such as the removal of phasing, to ensure that this position is not re-visited. As such the Council has been able to insist on better quality applications for the right type of housing in the right locations. The current proposal demonstrates this as there is a marked improvement in the quality of dwellings proposed. For example the dwellings now all meet or exceed the Nationally Described Space Standards securing a high level of amenity for future occupiers.
- 5.19 The proposal comprises a mix of two, three and four bedroom properties, including detached, semi-detached and terraced houses and bungalows. A target mix is included in the Council's Supplementary Planning Document on size, type and tenure of new homes. However recent research carried out by GL Hearn, provides more up to date insight into the future requirements of the district. The need for 2 and 3 bedroom dwellings accounts for some 80-90% between them (40-45% each based on market dwellings alone). The proposed mix as shown in the table below is closer to the recent evidence than the target in the Size, Type and Tenure SPD. A large number of four bedroom properties are also proposed, however, it is accepted that these units help to achieve the financial viability of a development. The development will also provide a number of bungalows which the Strategic Housing Market Assessment has also identified as in demand across the district.

Type	Target Percentage SPD	No. of Units	Proposal
One Bedroom	10%	0	0
Two Bedroom	35%	54	21.9%
Three Bedroom	25%	124	50.4%
Four Bedroom	10-15%	68	27.6%
Bungalow	10%	10	4%

Table showing proposed mix of dwelling types

- 5.20 In response to growing concern over the size of new homes and after the publishing of the Nationally Described Space Standards, the Council included these standards in the Size Type and Tenure SPD as a guide for the provision of new homes. The SPD therefore supports the use of the Nationally Described Space Standards as a

benchmark against which the amenity value of a proposed unit can be assessed. The Emerging Local Plan also enshrines the Nationally Described Space Standards in Policy HG2 – Delivering the Right Type of Homes. The table below shows a breakdown of the house types proposed and their sizes, in relation to the Nationally Described Spaces Standards.

House Type	Size type	Nationally Described Space Standard	Gross Internal Area	No of Units
Wentwood	2B3PSS	61 m2	61.2 m2	10
Haldon	2B3P	70 m2	70.2 m2	27
Danbury	2B3P	70 m2	73.62 m2	17
Rendlesham	3B4P	84 m2	84.3 m2	34
Sherwood	3B4P	84 m2	88.32 m2	11
Delamare	3B4P	84 m2	90.29 m2	37
Charnwood	3B5P	93 m2	93.5 m2	10
Saunton	3B4P3S	90 m2	92.83 m2	22
Braunton	3B4P3S	90 m2	92.81 m2	10
Burnham	4B5P	97 m2	101.7 m2	27
Greenwood	4B6P3S	112 m2	114.22 m2	10
Marston	4B5P	103 m2	112.11 m2	15
Whiteleaf	4B5P	103 m2	114.6 m2	16

Table showing comparison of proposed internal floor areas against the Nationally Described Space Standard

Design and Amenity

- 5.21 Paragraph 124 of the NPPF indicates that the creation of high quality buildings and places is fundamental to what the planning and development process should achieve. Good design is a key aspect of sustainable development, creates better places in which to live and work and helps make development acceptable to communities.
- 5.22 Paragraph 127 of the NPPF states that planning policies and decisions should ensure that developments:
- a) will function well and add to the overall quality of the area, not just for the short term but over the lifetime of the development;
 - b) are visually attractive as a result of good architecture, layout and appropriate and effective landscaping;
 - c) are sympathetic to local character and history, including the surrounding built environment and landscape setting, while not preventing or discouraging appropriate innovation or change (such as increased densities);
 - d) establish or maintain a strong sense of place, using the arrangement of streets, spaces, building types and materials to create attractive, welcoming and distinctive places to live, work and visit;
 - e) optimise the potential of the site to accommodate and sustain an appropriate amount and mix of development (including green and other public space) and support local facilities and transport networks; and

- f) create places that are safe, inclusive and accessible and which promote health and well-being, with a high standard of amenity for existing and future users; and where crime and disorder, and the fear of crime, do not undermine the quality of life or community cohesion and resilience.
- 5.23 Planning Policies CP16 – Protecting and Enhancing Natural and Man Made Assets, CP17 – Promoting High Quality Design, DP30 – Protecting the Character and Appearance of the Countryside, DP32 – General Design and DP33 – Landscaping are relevant. In summary all of these policies require in some way that proposals enhance and respect their surroundings, promote a public realm which is rich in identity, attractive and safe, and create opportunities for connected layouts.
- 5.24 The proposal is for 246 dwellings achieving a density of 32.2 dwellings per hectare. Policy NM5A and NM5D indicate a target density of approximately 35 dwellings per hectare. The layout of the scheme has been designed generally in accordance with the Illustrative Masterplan 0000-0019 Rev A which was produced by Spawforths and was the subject of condition 4 of the Hybrid permission.
- 5.25 The site is to be accessed from Darlington Road via the roundabout completed as part of Phase I or alternatively from Stokesley Road following completion of the proposed bridge over the railway line, which will join the existing, completed sections of the new link road. From there access can be gained at two points from the new Link road to the west and east of the safeguarded school land. The site also features a number of public footpaths which run from the northern end of the site, down the length of the western side, following the beck, through the public open space and into the adjacent business park at Thurston Road.
- 5.26 The proposed development is made up of a number of dwelling types/designs including bungalows, two storey and three storey dwellings. All units are to be constructed in brick with either double roll grey roof tiles or flat red roof tiles. All units include details such as porches and staggered frontages which create depth and interest in the street-scene. In addition the layout also features staggered building lines avoiding regimental uniform frontages.
- 5.27 The dwellings are to be constructed in street fronting blocks with, in the majority, rear amenity spaces backing onto each other. In general the separation distance between rear elevations is between 19 and 21 meters and 19 and 24 meters between front elevations. These separation distances vary depending on dwelling type and which room types face each other at ground floor and as such are considered to be acceptable.
- 5.28 The Designing out Crime Officer remarked that in general the design of this phase of the development is appropriate and causes no significant concerns in relation to Designing Out Crime. The proposed vehicular access onto the site and movement within it are suitable as it keeps permeability at an appropriate level. Internal routes are well overlooked and will provide road users and pedestrians with a sense of safety and security. Whilst some improvements were suggested in general the Officer raised no concerns regarding the development.
- 5.29 Both the Highways Officer and the Designing out Crime Officer commented that there was no provision for secure cycle storage. The Highways Officer noted, however, that this should only be provided for plots that do not feature a garage. Policy DP3 indicates that all proposals for new development must include provision for sustainable forms of transport to access the site which includes safe provision for cycle parking. In response the applicant has included cycle storage buildings to the rear of properties which do not feature a garage. The design of the storage buildings is detailed on drawing NTH-KING-D-001 which shows a simple timber shelter.

- 5.30 The development includes details of various boundary treatments to be included within the site. These are detailed on drawing NTH-KING-003. The majority of rear gardens are bounded by 1.8 metre hit and miss timber fencing with splayed rail to the top of the boards and splayed capping to the posts. Rear gardens which are located adjacent to the public road are bounded by brick dwarf walls and pillars with hit and miss fencing over. This allows for a more interesting street scene. One metre high railings are proposed in more visually prominent areas adjacent to pockets of landscaping. The public open space is bordered 0.45 metre high post fencing.
- 5.31 A Geo-environmental Appraisal was submitted in support of the Hybrid application. This assessment found no significant contamination encountered on the site and therefore no remediation was required. It is considered, however, that a condition is appropriate to ensure that if any contamination is found during the construction phase that it is dealt with and mitigated against in an appropriate manner.
- 5.32 The application site lies adjacent to commercial and industrial premises on Thurston Road, and the impact of noise and the potential for noise complaints was a principal issue on the Hybrid application attracting concern from both the public and existing nearby businesses. Furthermore, given the construction of a strategic link road around the town and the proximity of many of the new dwellings and the school to that link road, there is potential for the noise from the road to also become a noise nuisance for occupiers of adjacent sensitive buildings.
- 5.33 Policy CP1 – Sustainable Development, of the Local Plan seeks protection of health, economic and social well-being, amenity and safety of the population, while Policy DP1 states that all development proposals must adequately protect amenity, particularly with regard to privacy, security, noise and disturbance. Furthermore, Policy DP44 states that noise sensitive development will not be permitted in areas where potential for harmful noise levels is known to exist. In addition to this Policy CP21 states that Development and service provision must seek to ensure that communities and the environment are not adversely affected by the actions of natural or other forces. Proposals must take particular account of the need to mitigate development from the consequences of pollution, noise or hazardous activities.
- 5.34 Paragraph 170 of the NPPF states that planning policies and decisions should contribute to and enhance the natural and local environment by preventing new and existing development from contributing to, being put at unacceptable risk from, or being adversely affected by, unacceptable levels of soil, air, water or noise pollution or land instability.
- 5.35 Paragraph 180 of the NPPF states that planning policies and decisions should also ensure that new development is appropriate for its location taking into account the likely effects (including cumulative effects) of pollution on health, living conditions and the natural environment, as well as the potential sensitivity of the site or the wider area to impacts that could arise from the development. In doing so they should mitigate and reduce to a minimum potential adverse impacts resulting from noise from new development – and avoid noise giving rise to significant adverse impacts on health and the quality of life.
- 5.36 Paragraph 182 of the NPPF states that planning policies and decisions should ensure that new development can be integrated effectively with existing businesses and community facilities (such as places of worship, pubs, music venues and sports clubs). Existing businesses and facilities should not have unreasonable restrictions placed on them as a result of development permitted after they were established. Where the operation of an existing business or community facility could have a significant adverse effect on new development (including changes of use) in its

vicinity, the applicant (or 'agent of change') should be required to provide suitable mitigation before the development has been completed.

- 5.37 Whilst the Hybrid application was considered under slightly different policy conditions (NPPF 2012 and Planning Practice Guidance) the principles in relation to the assessment of noise are similar. The Hybrid report quotes the guidance of the time which indicated that the potential effect of a new residential development being located close to an existing business that gives rise to noise should be carefully considered. To help avoid such instances, appropriate mitigation should be considered, including optimising the sound insulation provided by the new development's building envelope.
- 5.38 Current guidance states Development proposed in the vicinity of existing businesses, community facilities or other activities may need to put suitable mitigation measures in place to avoid those activities having a significant adverse effect on residents or users of the proposed scheme.
- 5.39 In these circumstances the applicant (or 'agent of change') will need to clearly identify the effects of existing businesses that may cause a nuisance (including noise, but also dust, odours, vibration and other sources of pollution) and the likelihood that they could have a significant adverse effect on new residents/users. In doing so, the agent of change will need to take into account not only the current activities that may cause a nuisance, but also those activities that businesses or other facilities are permitted to carry out, even if they are not occurring at the time of the application being made.
- 5.40 The agent of change will also need to define clearly the mitigation being proposed to address any potential significant adverse effects that are identified. Adopting this approach may not prevent all complaints from the new residents/users about noise or other effects, but can help to achieve a satisfactory living or working environment, and help to mitigate the risk of a statutory nuisance being found if the new development is used as designed (for example, keeping windows closed and using alternative ventilation systems when the noise or other effects are occurring).
- 5.41 The report relating to the Hybrid permission indicates that similar concerns and issues were raised on that application as this. The following is an extract from the Hybrid report:

As noise is a complex technical issue the information prepared by the applicants' acoustic consultants (PDA) and criticised by Allerton Steel's acoustic consultants (Dragonfly) has been reviewed by Council's Environmental Health Team, who are experienced specialists in this area. There has been some dispute between the two consultants regarding the correct standard of noise assessment for the proposed development with PDA having only assessed BS8233: 2014 – 'Guidance on Sound Insulation and Noise Reduction for Buildings' and Dragonfly insisting that BS4142: 2014 – 'Methods for Rating and Assessing Industrial and Commercial Sound' should also be considered to determine the level of noise generated by Allerton Steel above background noise levels. However, PDA consider that, as Allerton Steel already exists and their noise is already part of the context for the site, its noise already forms part of the background noise levels.

Clause 8.5 of BS4142: 2014 provides legitimacy to PDA's argument, for it states that "where a new noise sensitive receptor is introduced and there is extant industrial and/or commercial sound, it ought to be recognised that the industrial and/or commercial sound forms a component of the existing environment. In such circumstances other guidance in addition to or alternative to this standard can also inform the appropriateness of both introducing a new noise sensitive receptor and the extent of required noise mitigation." This approach was confirmed as acceptable by Environmental Health prior to the submission of the application.

The EHO has advised that the noise levels reported by PDA (which includes noise from Allerton Steel and the proposed Road) at the dwellings adjacent to the link road are between 56 dB(A) to 64 dB(A), while Dragonfly's report identifies the overall noise impact of between 60 dB(A) and 64 dB(A). The EHO has also advised that noise exposure predictions submitted by both consultants for the Phase 1 residential scheme identifies traffic noise as the dominant noise source during day and night time measurements, regardless of any noise from Allerton Steel.

Thus, while the noise predictions far exceed those recommended by BS8233: 2014, they confirm that Allerton Steel would not be the underlying cause, which in some regards demonstrates that the two developments can safely co-exist. Notwithstanding that, there is a requirement for the developer to reduce the internal noise levels of those properties affected. The Noise Contour Maps included within the PDA report are a suitable indicator of where the impact would be felt.

PDA, Dragonfly and the EHO all conclude that dwellings on the north side of the link road could be suitably designed and/or orientated to comply with BS8233: 2014. Measures can include all, or some of the following:

- a) Revised position / orientation of the buildings in relation to the noise source(s);*
- b) Provision of acoustic barriers;*
- c) Increasing the sound insulation of the building; and /or*
- d) Planning of the interior layout of the building.*

The EHO considers that the internal noise levels could be achieved with the use of c) and d) alone but the noise levels in the gardens, as identified in PDA's own report, will be above those recommended and, without acoustic barriers, may be unachievable. However, it is noted that the rear gardens to houses will benefit from shielding from the dwellings themselves and fencing, which will bring the noise down to 55 dB LAeq 16 hours and below in the majority of cases.

- 5.42 The current proposal is to mitigate noise through acoustic glazing and the provision of mechanical ventilation. Whilst the principle of the mitigation measures have been agreed between the applicant and the Councils Environmental Health Officer the detailed specification for mechanical ventilation had not been agreed at the time of writing. It is expected, however, that these details would be agreed prior to the decision.
- 5.43 Comments have been received from Allerton Steel and their agent which indicate that they were again surprised that that BS4142: 2014 – 'Methods for Rating and Assessing Industrial and Commercial Sound had not been referenced in the current PDA noise assessment. In addition to this they would argue that the windows of the relevant properties should be "non-opening" to ensure that the mitigation measures secured by the noise insulating glazing are maximised. It is considered, however, that due to the intermittent noise generated by Allerton Steel it would be unreasonable to insist on non-opening windows. In addition the guidance outlined at 5.35 above indicates that statutory nuisance can be avoided when the development is used as designed by keeping the windows closed. It is considered therefore that the proposed mitigation is acceptable without non-opening windows.
- 5.44 Allerton Steel also argue that the original application had been reliant on the assumption that intervening development would be sited on land to the north of Allerton Steel providing further noise mitigation between Allerton Steel and the proposed dwellings. This has not occurred because a separate application for full planning permission (not subject to the conditions of the Hybrid permission) was submitted and approved for an NHS building. It is not reasonable to insist that a development provide mitigation for an existing issue that is not exacerbated or impacted by the proposed development. Any mitigation must relate solely to the protection of the proposed development. In addition to this the PDA noise assessment and results are based on a worst case scenario of no development occurring between Allerton Steel and the proposed dwellings. It is therefore immaterial whether the NHS building provides a noise barrier or not.

- 5.45 In addition to the above the outline permission contains a condition (number 36) which requires that, regardless of phase, internal noise levels outlined in the condition not be exceeded. If the internal noise levels are exceeded the additional noise attenuation measures must be implemented. It is considered that the proposed mitigation, subject to final ventilation details, is acceptable and will achieve the required internal noise levels. Additional safeguarding is also provided by condition 36 as outlined above.

Highways Safety

- 5.46 North Yorkshire County Council Highways Officers were consulted on the application. Initial comments were received indicating the following:
- The internal road layout should be designed to restrain speeds to 20mph and therefore it is suggested some additional traffic calming measures are provided on the relatively straight sections of carriageways
 - The shared surfaces have not been laid out in accordance with the current NYCC residential design guide and should be amended to form minor access roads or a shared surface layout with a 6.5m carriageway width. Sections of shared surface carriageways should include visitor parking bays, contiguous with the highway
 - The parking provision does not meet the minimum requirements set down in the current NYCC parking standards
 - Insufficient distance has been provided from the access to plots 263-267 and plots 278-282 the junction with the link road, making manoeuvres into the accesses difficult and limiting the visibility at the proposed access.
 - A shared footpath/cycleway has been provided on the western side of the eastern access road, it is not clear how this facility would terminate and allow cyclists to safely enter and leave the carriageway.
 - There are no footpath links provided to the Public Open Space on the eastern boundary of the site.
 - The proposed landscaping is not in accordance with current NYCC requirements for adoptable roads. Trees must be set back a minimum distance of 1.5m from any footway and 2.5m from any road. The design of the street lighting will also need to be taken into account when positioning any new trees.
- 5.47 In response to these comments an amended layout was received incorporated additional traffic calming measures, revisions to shared surfaces, increased driveways lengths, a footpath link through the public open space on the eastern boundary and increased distance at the access points to plots 278-283.
- 5.48 Further comments were received from the Highways Officer in relation to the amended layout as follows:
- Some integrated garages are too small to be considered a parking space and therefore parking provision is insufficient.
 - A road width of 6.5m has been provided at the eastern access off the link road, for a minor access road the carriageway width should be 5.5m
 - It is not clear how the shared footpath/cycleway on the western side of the eastern access would terminate at the junction of the link road and allow cyclists to safely join and leave the cycleway.
 - Trees must be set back a minimum distance of 1.5m from any footway and 2.5m from any road.
- 5.49 Again revisions were made to the layout to increase the external driveways to address the parking issue. Revisions were also made to the garages to ensure they meet the size requirements. In response to the comment regarding the road width the applicant has indicated that the width provided is to accommodate machinery access

for the agricultural land beyond (a legal requirement) and to future proof the development. In response to the note relating to the termination of the cycleway at the link road, the applicant has indicated that the link road has already been approved and therefore there is limited scope within this reserved matters application to amend it. They are, however, happy to enter into a S38 agreement to resolve this matter. Amendments to the landscape scheme to address the positioning of trees are awaited at the time of writing.

- 5.50 The Highways Officer has now agreed that subject to the awaited landscape amendments and the agreement of a solution to the cycleway termination point there are no highways objections. A condition is proposed to ensure the cycleway solution is agreed and implemented.

Landscaping

- 5.51 LDF Policy DP33 states that landscaping of new development must be an integrated part of the overall design, which complements and enhances development, and:
- i) creates a visually pleasant, sustainable and biodiversity-rich environment;
 - ii) provides for sustainable solutions including the use of Sustainable Drainage Systems (SUDS). Designs should respond to the potential implications of climate change. The use of sustainable construction materials will be encouraged;
 - iii) protects and enhances key landscape features;
 - iv) creates new features and areas of open space that reflect local landscape character;
 - v. contributes to character, appearance and sense of place;
 - vi) promotes a public realm which is rich in identity, attractive and safe.
- 5.52 In consideration of the Hybrid application it was found that the proposed development would create a change in the land-use and landscape character of the development site. The nature of this change would, however, be similar in scale and complimentary in character to that existing elsewhere within the local area and the mitigation measures incorporated into the design would help to assimilate the development into the wider landscape and townscape context. Condition 8 of the Hybrid permission indicates that any reserved matters applications should be accompanied by individual planting plans for each phase or sub-phase along with a landscape masterplan for the entire site encompassing all areas identified on the "Open Space and Landscape Framework" Nod. P0-MP-SPA-P3769-5IL-1000-0001 Rev A submitted with the Hybrid application. The condition also lists a number of other criteria which should be addressed at reserved matters stage including mitigation measures as detailed in the Landscape Visual Impact Assessment (submitted with the Hybrid application), ecological enhancement measures, landscaping for watercourses, detailed scheme for the northern boundary, detailed scheme for the "Meander at Hawthorn" area (Public Open space to the east of the development but west of the railway), planting plan for the phase and an implementation and management plan.
- 5.53 Part (a) of condition 8 relates to the mitigation measures recommended in the Landscape and Visual impact Assessment that was submitted with the Hybrid application. Of relevance to this Phase are mitigation measures relating to View Zone 2 (Northallerton Road), View Zone 3 (South Brompton and Sports Club), View Zone 5 (Darlington Road) and View Zone 6 (The Footpath Network). The recommended mitigation measures are detailed in the table below.

View Zone	Mitigation measures recommended by LVIA
2 Northallerton Road	<ul style="list-style-type: none"> • Hedgerows/trees on the eastern edges • Internal planting within the body of the proposed development • Planting of the link road embankments

3 South Brompton and Sports Club	<ul style="list-style-type: none"> • Hedgerows/trees on the eastern and north eastern edges • Internal planting within the body of the proposed development
5 Darlington Road	<ul style="list-style-type: none"> • to enhance the proposed development particularly within the park and local centre, making it clear that this is the entrance to a vibrant burgeoning town
6 The Footpath Network	<ul style="list-style-type: none"> • native hedgerows and randomly located trees

- 5.54 Condition 8 suggests that these mitigation measures should form part of the reserved matters landscape proposals. The submitted landscaping scheme shows native hedge mix “02” to be planted along the boundary running from the north to the east and terminating at the public open space area. From there native hedge mix “01” is to be planted along the remainder of this boundary. Native hedge mix “02” is made up of 40% *Cornus Sanguinea* (Common Dogwood), 20% *Rosa Canina* (Dog-Rose) and 40% *Viburnum Opulus* (Guelder-Rose). Native hedge mix 01 is made up of 20% *Corylus Avellana* (Common Hazel), 50% *Crataegus Monogyna* (Common Hawthorn), 20% *Viburnum Opulus* (Guelder-Rose) and 10% *Cornus Sanguinea* (Common Dogwood). Detailed landscaping plans show internal planting within the site. This includes small pockets of open space with randomly located trees, tree planting within plots and wildflower planting.
- 5.55 The ecological enhancements required by condition 30 refer to those outlined in Chapter 8: (Biodiversity) of the Environmental Survey undertaken as part of the Hybrid application. These include:
- Semi natural meadow areas
 - Dense native woodland planting along the embankments of new access, which will run from east to west in the centre of the development
 - Large native trees including oak (*Quercus robur*), hornbeam (*Carpinus betulus*), lime (*Tilia sp.*) and beech (*Fagus sylvatica*).
 - Retained hedgerows will be planted / gapped up to include a range of species such as holly (*Ilex aquifolium*), hawthorn (*Crataegus monogyna*), blackthorn (*Prunus spinosa*), oak (*Quercus sp.*), field maple (*Acer campestre*) and hazel (*Corylus avellana*).
 - SUDs ponds will be created, which could be profiled to maximise wildlife gains and either left to acquire floral species naturally, or planted up with suitable native species.
- 5.56 The landscaping plans show extensive areas of wildflower meadow within the Public Open Space area including the SuDS ponds to the south east of the site. In addition the banks of the beck are to be planted with a “pond edge” mix of wildflowers and grasses.
- 5.57 It should be noted that at the Hybrid stage it was acknowledged that dense tree planting along the highway would be likely to attract an objection on highways safety grounds. The scheme submitted shows, along the edges of the link road adjacent to the open space, planting of Native Buffer Mix A which includes Guelder-Rose, Common Dogwood, Buckthorn, Elder, Wild Privet, Common Hazel, Common Holly and English Yew. Plots 263-267 and 278-282 front the link road. The buffer area between these plots and the highway includes planting of Native Hedge Mix 01 (detailed above), cultivated turf, areas of bulb planting (to include crocus, snowdrop, narcissus, bluebell etc) and a number of hornbeam trees.
- 5.58 The submitted landscaping scheme shows a large amount of retained hedgerow. The Landscape Management and Maintenance Plan indicates that when necessary

native hedges will be “gapped up” through the replacement of failed plants with new specimens of the same species. The plan also specifies the timing and method for planting.

- 5.59 The plans include a detailed landscaping scheme for watercourses. The shape of the application site in this phase of development is mainly dictated by a beck running from north to south east along the western boundary of the site. The landscaping scheme shows that the existing vegetation in the proximity of this beck is to be retained and the area made good with amenity seed mix. The banks of the Brompton Beck which passes through the area known as the “Meander at Hawthorn” are to be planted with a pond edge mix as mentioned above.
- 5.60 It is considered that the landscaping scheme for the phase meets the requirements of condition 8 of the Hybrid permission. In addition it is considered that the proposed scheme will adequately assimilate the development into the wider area and soften the built form within the site.

Other Matters

- 5.61 A number of issues have previously been considered under the Hybrid application and conditions relating to any outstanding matters were included in the permission and cover each phase of the development. Details which were covered in this manner include:
- Material samples (condition 7)
 - Implementation and retention of phase/sub phase landscaping/planting plans (conditions 8, 9, 11)
 - Hours of work during construction (condition 12)
 - Construction management (condition 13)
 - Finished floor levels (condition 14)
 - Archaeology (conditions 15, 16, 17, 18)
 - Management and maintenance of surface water (condition 19, 102, 21,22)
 - Flood Risk (condition 23, 24)
 - Waste Water (27)
 - Protection of public rights of way (condition 29)
 - Ecology (conditions 30,31,32,33,34,35)
 - Noise levels (36, 38, 39)
 - Highways (conditions 44, 56, 57, 58, 60)

Planning Balance

- 5.62 The proposed development will contribute to the delivery of an appropriate mix of market housing in the District and in particular the Northallerton Sub Area. The development will also contribute to the delivery of a significant infrastructure project for the District in the Link Road and bridge, connecting the east and west of the town. The development will also assist in the delivery of a new school associated with the North Northallerton project and the provision of land for the development of the Sports Village.
- 5.63 In the context of the hybrid approval and the allocation policy, it is considered that the proposed development otherwise meets the requirements of relevant Council Policy and is considered to be acceptable in this instance.
- 5.64 The design and layout of the proposed development is considered to be acceptable and the development is considered broadly to accord with the requirements of the outline planning permission. As such the proposed development is recommended for approval.

6.0 RECOMMENDATION:

That subject to any outstanding consultations the application be **GRANTED**, subject to the following conditions:

1. The development hereby permitted shall be begun within three years of the date of this permission.

2. The permission hereby granted shall not be undertaken other than in complete accordance with the drawing(s) numbered and received by Hambleton District Council on:

Location Plan NTH-KING-000 22.07.2019
Site Layout Plan NTH-KING-001 Rev Z 23.01.2020
Materials Plans NTH-KING-002 Rev B 23.01.2020
Boundary Treatments Plan NTH-KING-003 Rev B 23.01.2020
Burnham Housetype BM-WD-06 20.12.2019
Braunton Housetype BN-WD-06 20.12.2020
Charnwood Corner Housetype CWC-WD-06 20.12.2021
Charnwood Housetype CW-WD-06 20.12.2022
Delamare Housetype DM-WD-06 20.12.2023
Danbury Housetype DY-WD-06 20.12.2024
Greenwood Housetype GW-WD-06 20.12.2025
Haldon Housetype HL-WD-06 20.12.2026
Marston Housetype MS-WD-06 20.12.2027
Rendlesham Housetype RN-WD-06 20.12.2028
Saunton Housetype SN-WD-06 20.12.2029
Sherwood Housetype SW-WD-06 20.12.2030
Whiteleaf Corner Bay Housetype WLCB-WD-06 20.12.2031
Whiteleaf Housetype WL-WD-06 20.12.2032
Wentwood Housetype WW-WD-06 20.12.2033
Single & Double Garage GAR-01 23.01.2020
Double Garage Opposite GAR-02 23.01.2020
Bike Store NTH-KING-D-001 17.01.2020

unless otherwise approved in writing by the Local Planning Authority.

3. If any contamination be suspected or encountered during development all works shall cease and the Local Planning Authority shall be notified in writing. No further works (other than approved contaminated land remediation measures) shall be undertaken or the development occupied until a Remediation Strategy Report has been submitted to and approved in writing by the Local Planning Authority and the approved remediation measures have been implemented in accordance with the timescales in the approved Strategy. No further works shall be undertaken or the development occupied until a Validation Report has been submitted to and approved in writing by the Local Planning Authority. The Remediation Strategy and Validation Report shall be prepared in accordance with Contaminated Land Research Publication 11 (Defra/Environment Agency, 2004. CLR11 Model Procedures for the Management of Land Contamination), Planning Policy Statement 23 Planning and Pollution Control and the Council's guidance note "Contaminated Land - A Guide to Developers."

4. Prior to the occupation of the dwellings, hereby approved, a detailed scheme in relation to the proposed level crossing protection including trespass proof fencing, soundproofing, landscaping and method/maintenance statement shall be submitted to and approved in writing by the Local Planning

Authority. The agreed details shall be implemented according to the agreed details, prior to the occupation of the dwellings and maintained thereafter for the lifetime of the development.

5. Prior to the occupation of the dwellings, hereby approved, a detailed scheme relating to the LEAP area shall be submitted to and approved in writing by the Local Planning Authority. The scheme shall include details of the equipment to be provided along with details of any hard or soft landscaping and details of future maintenance of the area. Once approved the scheme shall be implemented prior to the occupation of the dwellings and maintained thereafter in accordance with the agreed maintenance details.

6. Prior to the installation of any lighting in the areas of public open space a scheme shall be submitted to and approved in writing by the Local Planning Authority. The scheme shall include, but is not limited to, a plan of the location of the lighting and details of the illumination levels. Any lighting thereafter installed shall comply with the approved details unless otherwise agreed in writing by the Local Planning Authority.

7. Prior to commencement of any work above ground level a scheme shall be submitted to and approved by the Local Planning Authority for the proposed cycleway connection to the Link Road. The link shall then be established, in accordance with the approved details before the occupation of the 150th dwelling on this phase of the development.

The reasons are:-

1. To ensure compliance with Sections 91 and 92 of the Town and Country Planning Act 1990 and where appropriate as amended by Section 51 of the Planning and Compulsory Purchase Act 2004.

2. In order that the development is undertaken in a form that is appropriate to the character and appearance of its surroundings and in accordance with the Development Plan Policy(ies) DP30, DP32.

3. In order to take proper account of the risks to the health and safety of the local population, builders and the environment and address these risks and in accordance with Hambleton District Wide Local Plan Policy PH10.

4. To reduce the potential for future occupants of the development to trespass on the railway.

5. To ensure the provision of adequate facilities to serve the development.

6. In the interest of local ecology.

7. In the interest of highway safety.

Appendix 1.

SUMMARY OF KEPPIE MASSIE RESPONSE ON VIABILITY

I refer to the most recent appraisal sent across by the consortium under of an email dated 8 January. The appraisal is based on a scheme of 730 dwellings with no affordable, and assumes an area of land will be sold to Broadacres for the sum of £3.5m. In reviewing the appraisal I have not sought to verify this purchase price for the site and have assumed that the Council is content with the price being paid.

Outcome of Appraisal (Dated 8 January 2020)

The new appraisal generates a net residual land value of £21,403,576 which based on the gross site area (125.85 acres) equates to £170,071 per acre.

The minimum land value per acre is £210,000 which would apply to the gross site area give a minimum land value requirement of £26,428,500. This means that the scheme makes a loss of £5,024,924.

Sales Revenues

The original March 2019 appraisal assumes a GDV per sq.ft for the market housing of £226 per sq.ft.

The January 2020 appraisal is based on a reduced GDV for the market housing of £221.44 per sq.ft.

The S106 Agreement contains a definition of actual sales as all payments received or receivable by the owners on disposals of each and every dwelling. Net sales are then defined with reference to the following formula:

A-(B+C+D)

Where

- A = Actual Sales
- B = Sales Incentives
- C = Part Exchange Incentives
- D = CIL Contribution

The agreement contains a definition of sales incentives as a fixed sum of 5% of the actual sales. This suggests a requirement to apply 5% to all sales irrespective of the actual level of incentive that is agreed for the particular dwelling.

Based on the further information provided by the consortium I have been able to verify the sales information provided save for that in relation to TW plot 1 were neither Land Registry nor TW have provided details of the sales price of the dwelling. Excluding this from the analysis the table below contains details of the actual sales prices and sales incentives.

Based on actual sales data					
	Total Land Registry/Sold Prices	Total Incentives	Total Net Prices	Net Price per Sq.ft	Incentives % sale price
Taylor Wimpey	£19,640,471	£469,778	£19,170,693	£231.75	2.39%
Persimmon	£14,789,200	£343,880	£14,445,320	£222.25	2.33%
Total	£34,429,671	£813,658	£33,616,013	£227.57	2.36%

This shows that the level incentives agreed to date is in fact only 2.36% overall, not 5% as provided for the agreement. Based on the actual information regarding incentives then the net sales rate that should be in the appraisal for the market housing is £227.57 per sq.ft, rather than £221.44 per sq.ft.

I have then re-calculated the net price per sq.ft with 5% incentives included (as per the S106 agreement) and the table below contains details.

Assuming 5% deduction for incentives					
	Total Land Registry/Sold Prices	Total Incentives	Total Net Prices	Net Price per Sq.ft	Incentives % sale price
Taylor Wimpey	£19,640,471	£982,024	£18,658,447	£225.55	5.00%
Persimmon	£14,789,200	£739,460	£14,049,740	£216.16	5.00%
Total	£34,429,671	£1,721,484	£32,708,187	£221.42	5.00%

Based on a 5% incentive rate the net sales price would be £221.42 per sq.ft which corresponds with the figure contained in the current appraisal at £221.44 per sq.ft.

The definition of actual sales in the agreement refers to all payments received. It is matter for your solicitors to clarify but taken literally this could mean that the price paid for optional extras could be included in the definition.

I have only been provided with details of optional extras by TW however they increase the total GDV for the TW dwellings to £20,481,738. With 5% then deducted for incentives (as per the S106) the net sales price would be £19,457,652 or £235.21 psf. This effectively adds £10 per sq.ft to the TW net sales price and if this was replicated for Persimmon and carried through to the overall total then the net sales price would be circa £231 per sq.ft.

We have considered the impact of this later in this note.

Build Costs

You will recall that the S106 Agreement provides for the base build cost of £85 per sq.ft to be increased with reference to the BCIS tender price index (TPI).

The current financial appraisal includes a build cost rate of £99.71 per sq.ft reflecting the increase in TPI over the period since the date completion of the S106 Agreement in December 2016 to Q1 2019. You will see from the attached TPI figures that the Q4 2016 figure was 283 based on a sample of 25. When we previously looked at this in October 2019 the TPI figure for Q1 2019 was 332, hence the difference between 283 and 332 equates to a 17.31% uplift. The build cost figure in the original appraisal was £85 per sq.ft and applying a 17.31% uplift gave the figure of £99.71 per sq.ft.

The TPI index is fluid until all schemes that form the sample are complete and data submitted. I have attached latest January 2020 data which illustrates this. You will see that the Q1 2019 figure has now reduced to 328 which equates to an uplift in build costs of 15.9% rather than 17.31% previously. As a result there is now a reduced build cost figure of £98.52 per sq.ft. The Q4 2019 and the Q1 2020 figures are obviously less reliable as much data is still to be submitted, however the TPI index and respective build cost figures based on the level of increase are forecast as follows:

Q4 2019 – 330 £99.11 per sq.ft (16.6% increase)
 Q1 2020 – 331 £99.42 per sq.ft (16.96% increase)

In all cases the build costs are less than the figure of £99.71 per sq.ft being used in the January 2020 version of the appraisal. This change in indices highlights the problem of using the TPI index. It may take a number of years for the particular index figure to be confirmed and hence in relation to this exercise it may be some time before the final figure is known. This could be higher or lower than that currently identified in the index, with a consequent impact on build costs. Obviously given the size and square footage of this scheme then even a small change in build cost can have a significant impact on total build costs and the level of affordable housing that can be supported.

For consistency with the earlier appraisals I have adopted a build cost based on the Q1 2019 TPI figure at 328, giving a build cost of £98.52 per sq.ft however I have also considered the position with a build cost of £99.42 per sq.ft based on the Q1 2020 TPI figure.

Technical Abnormals

The original financial appraisal for the development included an amount of £29,422,335 for the technical abnormals. This was based on the RLB cost report (attached) which actually included an amount of £29,148,735 for abnormals. I am not sure the reason for the difference between the two figures as I don't have the breakdown of figures that were used in the original appraisal. I understand however that these technical abnormals were checked and verified by the QS for the DVS save for a proportion of the costs relating to abnormal foundations on the western side of the scheme which were verified by Mouchel.

The January 2020 appraisal contains a revised sum for technical abnormals of £29,773,137. This is as per the RLB cost report with an additional amount of £624,402 which is the extra over cost of providing a concrete attenuation tank. A quote has been provided for the cost of the attenuation tank in the sum of £718,902. Item 3.05.q of the RLB cost report details a retention basin at £94,500. I understand that this basin now needs to be increased to an attenuation tank costing £718,902. The difference between these two figures is £624,402 which is the extra over cost.

Our QS has made the point that he can't provide advice about the need for and the volume of the new attenuation tank, but he is satisfied that based on the requirements, size of tank assumed etc that the costs appear to be reasonable. Hence on the basis of the additional cost of this new tank only, the revised technical abnormals cost of £29,773,137 is reasonable.

We have not been instructed to undertake a review of any of the other abnormal costs contained in the RLB report to confirm whether they remain reasonable, and have simply been asked to carry these forward into the current appraisal. Notwithstanding this I have noted that the RLB cost report related to the original scheme of 900 units. The most recent appraisals are for 839 dwellings or 730 dwellings in the January 2020 appraisal (assuming some land is sold to Broadacres). Many of the costs in the RLB report relate to offsite road works and onsite strategic works and the requirements in relation to these items may not change notwithstanding the changes to the scheme in terms of the number of dwellings.

There is however a section in the RLB costs relating to "on plot works" and these total £8,584,582. Details are contained starting on page 40. These costs include items such as abnormal foundations (ie piling), underbuild, suspended floor slabs etc. The costs for abnormal foundations are £3.37m for the east side of the site and £2.93m for the west side of the site. There are also planning abnormals for matters such as chimneys, render etc at £2,000 per dwelling – a total of £1.8m. It occurs to me that although the consortium have included the e/o cost for the new tank, they haven't reviewed the on plot works abnormal costs to provide a revised total based on the reduced number of dwellings (down from 900 on which the cost assessment was based to 730 dwelling in the latest appraisal).

I understand that part of the site is being sold to Broadacres, although I don't know the basis of deal and obligations of consortium in terms of laying out the site, but presumably these on plot works will now be undertaken by Broadacres in the context of their site rather than the consortium. As a result the costs should surely reduce.

I am aware that you are keen to conclude matters, and you may decide to pick this particular point up in undertaking the first re-appraisal scheduled under the S106 agreement that should be based on the "actual abnormal costs". Alternatively you may wish to address this matter with the consortium as part of the current negotiations.

Summary

Based on the comments above I can confirm that:

GDVs - Based on a 5% incentive rate (as noted in the S106 agreement) and the sold price for each dwelling, then the net sales price would be £221.42 per sq.ft which corresponds with the figure contained in the current appraisal at £221.44 per sq.ft. The actual net sales price based on the incentives that have in fact been offered is £227.57 per sq.ft. I have also noted that the definition of actual sales in the S106 agreement refers to all payments received. It

is matter for your solicitors to clarify but taken literally this could mean that the price paid for optional extras should be included in the total. I only have this information regarding optional extras from TW however if there was a similar position with Persimmon then overall this could very approximately add £10 per sq.ft to the overall net sales price giving a figure of around £231 per sq.ft.

Build Cost - The build cost figure in the original appraisal was £85 per sq.ft and applying a 17.31% uplift based on TPI gave the figure of £99.71 per sq.ft.

The TPI index is fluid until all schemes that form the sample are complete and data submitted. The latest January 2020 data illustrates this and the Q1 2019 figure has now reduced to 328 which equates to an uplift in build costs of 15.9% and hence a reduced build cost figure of £98.52 per sq.ft. If the Q1 2020 TPI figure is used the revised build cost figure is £99.42 per sq.ft.

Technical Abnormals – We have been asked to review the extra over cost for the proposed concrete attenuation tank in the amount of £624,402. Our QS is satisfied that this cost is reasonable. If this additional cost is added into the RLB total cost for technical abnormals then this gives a revised total of £29,773,137, which is the figure contained in the January 2020 appraisal.

We have not been asked to further review the technical abnormal costs as these have previously been verified on your behalf by others. We have however noted that within these costs there are "on plot works" and these total £8,584,582. The works relate to matters such as abnormal foundations and planning requirements such as chimneys, render etc. The costs are based on 900 dwellings. Assuming the development is now reduced to 839 dwellings or 730 dwellings, if the land is sold to Broadacres, we would expect there to be some reduction in these costs to reflect fewer dwellings. You may wish to raise this matter with the applicant and seek confirmation of the revised costs.

Appraisal Results

With reference to the above comments, there are obviously a number of approaches that can be taken to the appraisal for the development. Putting to one side the point regarding a possible reduction in technical abnormals, I have looked at the impact of the different approaches to net sales price and building costs. I have used the base appraisal previously agreed by the parties and modelled both the scheme with the land sale to Broadacres and also the 839 dwelling scheme. For the Broadacres appraisal I have retained the land sale price of £3.5m included in the current appraisal. As noted earlier I have not sought to verify whether this figure is reasonable and have simply retained it in the various appraisals. I have adjusted the appraisals based on the following options:

Option 1

Net sales prices based on sold prices less 5% for incentives (as per the S106 agreement) at **£221.44 per sq.ft.** This is as per the current appraisal and is probably the more correct interpretation if following the requirements of the S106 Agreement.

Option 2

Net sales prices based on the actual net sales prices achieved for the development to date at **£227.57 per sq.ft.** As this appraisal is technically taking place outside of the S106 Agreement re-appraisal dates you might wish to argue sales prices based on the actual figures achieved to date.

Option 3

This is a hypothetical exercise to demonstrate, if you could sustain an argument that optional extras should be included in the calculation of net sales prices, what the appraisal impact would be. As noted I only have this information regarding optional extras from TW however applying this to Persimmon could very approximately add £10 per sq.ft to the overall net sales price giving a figure of around **£231 per sq.ft.**

For consistency with the current appraisal I have adopted build costs based on an uplift to Q1 2019 at **£98.52 per sq.ft.** I have also prepared further appraisals to show the impact of Q1 2020 build costs at **£99.42 per sq.ft.**

For each option I have prepared an appraisal based on 839 dwellings and then also assuming 730 dwellings and the land sale to Broadacres.

Viability is tested by achieving a minimum land value of £210,000 per acre across the gross site area which gives a figure of £26,428,500. For each appraisal I have adjusted the amount of affordable housing required to achieve the minimum land value, and in those cases were even with no affordable housing the scheme doesn't achieve the minimum land value, I have identified the shortfall in the residual land value against the minimum land value requirement. The results are detailed below and a sheet containing the results is attached. Please let me know if you would like me to send over the appraisals themselves.

Option 1 Results

<u>Without Broadacres</u>				
Build Cost	Min Land Value	% Affordable Housing	Residual Land Value	Shortfall
£98.52	£26,428,500	0%	£24,623,111	-£1,805,389
£99.42	£26,428,500	0%	£23,855,148	-£2,573,352

<u>With Broadacres</u>				
Build Cost	Min Land Value	% Affordable Housing	Residual Land Value	Shortfall
£98.52	£26,428,500	0%	£22,301,709	-£4,126,791
£99.42	£26,428,500	0%	£21,622,449	-£4,806,051

Based on option 1 then each of the options produces a shortfall even with no affordable housing. This suggests that the development would not be sufficiently financially viable based on the appraisal assumptions and requirements of the S106 agreement to support any affordable housing. This conclusion is however caveated by the comments made earlier in relation to the technical abnormalities and in particular the "on plot works". With reductions to the cost of the "on plot works" the shortfall may reduce, although this may not be to a sufficient level to support any significant affordable provision.

At the moment the results which include the sale to Broadacres are less viable however arguably these results over compensate for the cost of "on plot works" and a reduction in these costs to reflect fewer dwellings would improve the viability position.

Option 2 Results

<u>Without Broadacres</u>				
Build Cost	Min Land Value	% Affordable Housing	Residual Land Value	Surplus/Shortfall
£98.52	£26,428,500	2.40%	£26,503,011	£74,511
£99.42	£26,428,500	1.40%	£26,491,473	£62,973

<u>With Broadacres</u>				
Build Cost	Min Land Value	% Affordable Housing	Residual Land Value	Shortfall
£98.52	£26,428,500	0%	£25,569,986	-£858,514
£99.42	£26,428,500	0%	£24,890,725	-£1,537,775

Option 2 is based on the actual level of sales incentive to date and hence net sale price – not the 5% allowance for incentives contained in the S106 agreement.

As this appraisal exercise is taking place outside of those allowed for in the S106 agreement you may therefore wish to argue in this case the calculation should be based on the actual net sales prices not a hypothetical position with a 5% allowance for incentives. The results here show that in the absence of the sale to Broadacres the development could support a low level of affordable provision which could improve further with a reduction in the "on plot works" abnormal costs due to the reduced number of dwellings.

Again the appraisals based on the sale to Broadacres are less viable which as noted above is arguably due to over compensating for the cost of "on plot works" abnormal for 900 rather than 730 dwellings. A reduction in this cost might allow a small amount of affordable housing to be delivered.

Option 3 Results

<u>Without Broadacres</u>				
Build Cost	Min Land Value	% Affordable Housing	Residual Land Value	Surplus/Shortfall
£98.52	£26,428,500	5.00%	£26,500,620	£72,120
£99.42	£26,428,500	4.10%	£26,432,048	£3,548

<u>With Broadacres</u>				
Build Cost	Min Land Value	% Affordable Housing	Residual Land Value	Surplus/Shortfall
£98.52	£26,428,500	1.40%	£26,436,448	£7,948
£99.42	£26,428,500	0.40%	£26,444,530	£16,030

Option 3 is a hypothetical exercise which assumes a similar level of optional extras on the Persimmon dwellings as Taylor Wimpey. The results show that in all cases a small amount of affordable housing could be supported and a reduction in the "on plot works" abnormal costs could increase further the level of affordable provision. This option does of course depend on the revenues received for optional extras being included in the gross price, and this is matter that we are not qualified to advise on.