

## **Planning Committee - 18 November 2009**

### **Report of the Growth and Development Manager**

#### **Miscellaneous Item**

#### **Proposed development at Station Farm, Bishops Lydeard : Affordable housing provision.**

Proposals for the above were considered by the Planning Committee on 21<sup>st</sup> May 2008.

The following were the relevant planning applications, which were the subject of a joint report:-

- 06/2007/027 Erection of mixed use development comprising 3 units of holiday accommodation, tourist facilities (A3 planning use class), 21 open market houses, 16 affordable housing units (comprising 8 houses and 8 flats) and associated highway infrastructure at Station Farm, Station Road, Bishops Lydeard.
- 06/2007/028 Erection of inn with restaurant (A4 planning use class) and associated highway infrastructure, as part of proposed mixed use development comprising tourist facility and housing at Station Farm, Station Road, Bishops Lydeard.
- 06/2007/042 Erection of 2 no. detached dwellings on plots 38 and 39 (linked to proposed mixed use development comprising tourist facilities, inn with restaurant, housing, offices, WSR Museum and Carriage Shed and associated highway infrastructure the subject of planning applications 06/2007/027, 028, 043 and 044), land at Station Farm, Station Road, Bishops Lydeard.
- 06/2007/043 Erection of single storey building to form museum (comprising exhibition space, lecture/film theatre and library/archive facility) and carriage shed (to house 2 no restored 7 coach trains and historic rail vehicles) (linked to proposed mixed use development comprising tourist facilities, inn with restaurant, housing, offices and associated highway infrastructure the subject of planning applications 06/2007/027, 028, 042 and 044), land at Station Farm, west of railway station, Station Road, Bishops Lydeard.
- 06/2007/044 Erection of two storey office building (linked to proposed mixed use development comprising tourist facilities, inn with restaurant, housing, WSR museum and carriage shed and associated highway infrastructure the subject of planning

applications 06/2007/027, 028, 042 and 043), land at Station Farm, Station Road, Bishops Lydeard.

The Committee resolution on the applications was that subject to various items, including the applicants entering into a Section 106 Agreement to provide for:

- a) A total of 16 units of affordable housing comprising rented, shared ownership units and low cost open market units.
- b) Highway works comprising:
  - i) Improvements to the junction of Greenway Road/Station Road to include yellow lining of the bridge approaches and provision of traffic lights or priority lanes to the bridge approaches.
  - ii) Provision of a new roundabout at the junction of Station Road and the A358.
  - iii) These works to be completed prior to the occupation of no more than 50% of the open market dwellings.
- c) 50% of the Tourist facility to be complete and ready for occupation prior to the occupation of no more than 50% of the open market dwellings and 100% completed and ready for occupation prior to completion of the open market dwellings.
- d) Transfer of land the subject of planning application 06/2007/043 to the West Somerset Railway prior to the development commencing.
- e) Agreement of a landscape and wildlife management plan;

the Development Manager in consultation with the Chairman be authorised to determine the application and if permission is granted be subject to conditions.

Discussions have been ongoing with regard to the content of the Section 106 Agreement. The one outstanding item is in respect of the affordable housing contribution. The applicants have approached the officers requesting that the provision of affordable housing be reduced from the previously agreed 16 units (comprising rented, shared ownership units and low cost open market units) to 8 units to be provided through a Registered Social Landlord (RSL) for social rented or other such tenure as shall be agreed with TDBC. The units would be provided ready for occupation no later than the occupation of the 20<sup>th</sup> open market unit. The number of open market houses related to planning application 06/07/0027 would be increased to 29.

The proposals in effect seek to bring about the expansion of facilities at the southern terminus of the West Somerset Railway, the provision of new tourist facilities, some employment and other leisure development and housing, both open market and affordable. The latter was incorporated in order to “enable” the other elements of the development to take place. Progress on concluding

the Section 106 Agreement has stalled due to the underlying financial viability, having regard to the cost of the facilities to be provided, the cost of substantial off-site road works (and other servicing) and a significant fall in value of residential development land since financial appraisals were originally run in October 2007. It is the opinion of the applicant that the latter values have fallen by a factor of at least 40% between the Autumn of 2007 and the present. Furthermore, the ability to secure finance for development has diminished and the cost of obtaining such finance (if available) and the terms upon which it is obtainable have significantly altered. The costs of undertaking the development have also increased, not least because of the introduction of sustainable homes Code 3 for the affordable housing units.

The revised proposal with regard to affordable housing provision clearly makes the scheme more commercially viable in the current economic climate, and should enable the proposed development to come forward. The proportion of affordable units will still be in excess of 20%, which is a reasonable contribution given the cost of offsite highway works and less financially lucrative tourism and employment elements. Even with the proposed adjustment to the Section 106 Agreement requirements, it still has to be assumed that there must be some increase in underlying residential land values in order to make the scheme deliverable. This change will make this more probable over the next three years (ie the lifetime of a planning permission). The applicants have indicated a firm desire to commence work on the development. I also understand that there are RSLs who are keen to progress with the development of the eight affordable dwellings for rent and the West Somerset Railway has reiterated its commitment to the project.

## **RECOMMENDATION**

That the affordable housing provision for the development be reduced from the previously agreed 16 units to 8 units and the proposed Section 106 Agreement be amended accordingly.