

Special Item**Application No:** DER/05/14/00601**Type:** Full**1. Application Details****Proposal:**

Residential Development (35 apartments) together with formation of access, car parking and associated works on land off Lodge Lane, Willow Row and St Helens Street, Derby

Further Details:

Members will recall this application which was reported to the August meeting to discuss the scope and content of the Section 106 package for this development. A copy of that report is attached for information. As you will recall Members elected to defer the application and asked officers to re-visit the financial contributions in this case. Whilst the application will be determined under delegated powers, given that it has raised no adverse comments from consultees or interested parties and aligns with the Constitution, this report seeks to provide a little more information about the proposed development and its role as part of the first stage of the City Council's 'City Centre Living Initiative' and the role of colleagues in bringing that recently endorsed initiative forward. A member of the Councils' Regeneration Team will also be available at the meeting to promote and provide members with more information about the initiative.

Application Context

The application proposes the erection of two apartment blocks on land at the junction of Lodge Lane, Willow Row and St Helen's Street. The land is currently vacant and cleared and takes an irregular L shaped form around existing and neighbouring sites. This locality is a mix of uses including offices and student accommodation. Land levels decline from the north, north-east to the south-west with the application site sitting above the public highway.

The site will be accessed off Lodge Lane frontage where the land levels meet. 35 car parking spaces are proposed including 4 disabled car parking spaces. Two outdoor seating areas are proposed one adjacent to block A fronting Willow Row and one adjacent to the car parking fronting Lodge Lane. The proposed 35 apartments will be split over two Blocks with each apartment comprising of 2 bedrooms, bathroom, en-suite, kitchen/dining/living room, utility and store room. The site will be bounded by a newly constructed brick wall.

Block A

Block A is located to the front of the application site and is a U shape footprint with a pedestrian link providing access from the car parking area to the front elevation of the building. 24 apartments are split over 4 storeys. This block is effectively split into two; each half has a stairwell linking to the upper floors with a lobby area providing access to the individual apartments. Secondary windows have been positioned in order to address the street scene and turn the corner rather than overlook adjacent land uses.

The appearance of the building is a mix of contemporary design with traditional materials. The building would have a flat roof construction with an overhang. The block is split into sections which provide relief in the appearance through the introduction of projections, recesses, complimenting materials and textures. Whilst the window designs are different they complement each other and provide interest.

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Block B has a rectangular footprint and is located to the rear of the application site adjacent to the former Mill Building. 11 apartments are accommodated within this block along with a cycle store which is accessed under the underpass which serves some of the car parking. The windows are located to the front, rear and side elevation overlooking Lodge Lane.

The side elevation of this block runs alongside Lodge Lane with the front elevation overlooking the car parking and the rear overlooking the adjacent site. The window configurations take account of the setting with limited windows and secondary windows addressing the adjacent sites. Those elevations which will have an impact on the setting of the street scene have been designed to add interest, turn the corner and provide natural surveillance.

Block B has a similar design to Block A with a flat roof construction with an overhang. The block is split into sections which provide relief in the appearance through the introduction of projections, recesses, complimenting materials and textures. Whilst the window designs are different they complement each other and provide interest.

Bin Store

The bin store will be located adjacent to the main car parking area and communal amenity space adjacent to Lodge Lane. The store is rectangular in form with blank side elevations and doors to the front and rear elevation. One door is a pedestrian single door and the other a double door for refuse collection.

2. Relevant Planning History:

No relevant planning history

3. Publicity:

6 Neighbour Notification Letters have been sent

Site Notice displayed on 3 June 2014

Statutory Press Advert published 27 May 2014

This publicity is in accordance with statutory requirements and the requirements of the Council's adopted Statement of Community Involvement.

4. Representations:

None received.

5. Consultations

Consultations can be viewed at:

<http://eplanning.derby.gov.uk/acolnet/planningpages02/acolnetcgi.gov?ACTION=UNWRAP&RIPNAME=Root.PgeDocs&TheSystemkey=96390>

6. Officer Opinion:

The site of the proposal is within the Markeaton Brook Mixed Use Area as defined by policy R7 which allows for a range of uses including residential and related uses. The southernmost area of the site at the junction of Willow Row and St Helen's Street is in

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an Archaeological Alert Area. The site is partially in Flood Zone 2 and land drainage comments are set out above. Whilst concerns have been raised regarding the adequacy of the FRA they feel it would be unreasonable in this instance to delay the determination of this proposal which would introduce residential development into the City Centre.

Policy CC7 seeks to increase residential development in the central area provided that a satisfactory living environment can be created, the vitality and viability of the City Centre Shopping Area is not undermined and, existing business activity is not unduly inhibited. The vitality and viability of the City Centre Shopping Area would not be affected by the proposal and existing business activity is unlikely to be inhibited. Furthermore it is felt that the introduction of residential units into the City Centre will generate a footfall and increase pedestrian movement in this locality potentially aiding the regeneration of the western end of the City Centre including Friar Gate and Sadler Gate.

The proposal is in accordance with the intentions of saved policies R7 and CC7 and so the main concern is its ability to create a satisfactory form of development and a high quality living environment. The application has not attracted any objections from local residents and subject to conditions there are no objections from statutory consultees.

A development of the type and size proposed would normally give rise to a requirement for a Section 106 agreement comprising on-site affordable housing, public open space and a financial contribution towards highway and public realm works.

The applicant has submitted an assessment indicating that none of these contributions are viable. If they are asked to fulfil all of these obligations the development would not go ahead. This assessment has been independently tested by the District Valuation Office. Their report agrees that no on-site affordable housing is viable however £4,573 of financial contributions would be. The developers have agreed to provide this level of funding.

In addition, the developers have agreed to perform a further independently tested viability appraisal. They will perform the assessment on 90% completion of the development or 11 months from commencement whichever is earliest. If the assessment shows the development has made over 20% profit (which is the industry standard level of viability recommended by the District Valuer for this type of scheme), any further profit will be split 50/50 between the developer and the Council. The maximum sum due to the Council will be the total sum of the contributions not payable up front. This means that if viability has improved, the Council will be able to recover some or all of the contributions not paid up front. This would include an off-site contribution towards affordable housing.

Following the August meeting officers have met with the developers and as viability concerns remain, both sides agree that the original package of contributions offered is the maximum amount that can be paid and which still allows the development to proceed. Any further contributions placed on this development would stop it going ahead. Therefore no further revisions to the Section 106 offer are proposed.

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The Government has indicated its commitment to housing delivery by stating in paragraph 173 of the National Planning Policy Framework that authorities should take into account the need to provide competitive returns to a willing landowner and developer when assessing the viability of infrastructure requirements. It also recently introduced the Growth and Infrastructure Act which gives developers the right to apply to the Council to re-negotiate affordable housing.

The development would also contribute to meeting the Council's objectively assessed housing needs and the five year supply of deliverable sites. In addition it would be a catalyst for the delivery of the City Centre Living Initiative.

Cabinet has recently approved the City Centre Living Initiative in order to develop a housing choice in the City Centre. The City Council intends to support the private rented sector market and strengthen the current housing market in Derby City Centre by focusing on vacant land and under occupied commercial properties which can be converted into residential uses. The initiative offers a combination of loan and grant funding which will support projects where there are specific viability issues including additional cost due to conservation, design, sustainability and other issues related to city centre brownfield site viability. Colleagues in Regeneration have been working with the applicant under this initiative in order to bring forward this brownfield residential scheme.

The application is one of the first, if not the first, to be considered under the City Centre Living Initiative.

The scheme as a whole has many benefits to the City beyond what can be secured through the S106 Agreement. It will introduce residential development in the City Centre for the first time in a number of years, will reuse a brownfield site, is of a high quality design and appearance and is considered to be in line with the Corporate Initiatives, National Planning Policy Framework and the City of Derby Local Plan. This scheme helps to fill an identified gap in the city centre housing market by providing an offer for people seeking the benefits of living close to city centre amenities. This scheme contributes towards meeting the identified housing need, increasing footfall, increased spend in the city centre economy, additional council tax income for the Council as well as potential for New Homes Bonus for the number of homes delivered within 2015-16. Reducing the contributions will achieve these long-term benefits, whilst the legal agreement will secure a share of any uplift in profits that are actually achieved on the site to ensure the development pays exactly what it can afford.

7. Recommended decision and summary of reasons:

To waive the requirement for on-site affordable housing and to accept the reduction in Section 106 financial contributions proposed as objectively assessed by the District Valuer.