

REPORT BY THE HEAD OF PLANNING AND PUBLIC PROTECTION

RECONSIDERATION OF PLANNING APPLICATION

**DEVELOPMENT OF 0.09HA OF LAND BY THE ERECTION OF A DWELLING (OUTLINE APPLICATION
- ALL MATTERS RESERVED)**

FORMER COACH PARK GRAIGFECHAN RUTHIN

APPLICATION NO. 45/2013/1545/PO

1. PURPOSE OF REPORT

- 1.1 To seek the resolution of Planning Committee on a planning application considered at Committee on 16th April, 2014.
- 2.1 The report will provide Members with the relevant background information and the reason why Officers are presenting the application to Committee for reconsideration.

2. BACKGROUND

- 2.1 The planning application for the erection of a dwelling on land outside the development boundary of Graigfechan village was recommended for refusal by Officers, having regard to the specific circumstances of the case, relevant Local Development Plan policies and Guidance, and to representations received.
- 2.2 A copy of the Officer report to the April Committee is attached as Appendix 1 to this item. The report recommended refusal on two grounds, these being that the need for the dwelling had not been demonstrated, and the unacceptable loss of the parking area for the garage business opposite.
- 2.3 There was lengthy debate at Planning Committee on the item. The applicant spoke in favour of the grant of permission. Members expressed general support for the aspirations of the applicant as a local businessman with family links to the village. Officers drew Members attention to the basis of current Development Plan policies and Supplementary Guidance on development proposals outside settlement boundaries, and in particular the 'eligibility tests' for affordable housing, questioning whether the information provided demonstrated the tests were met to justify the grant of permission.
- 2.4 A proposition was made and seconded to GRANT planning permission, and the majority vote of Committee was in favour of granting permission. The resolution as minuted was subject to :

“...Officers seeking additional information from the applicant on Affordable need / eligibility, the willingness to complete a Section 106 Obligation to tie the occupation of the dwelling to those in affordable need; and alternatively to agree to a condition or legal agreement to tie occupation of the dwelling to persons involved with the running of the garage business opposite. The application to be referred back to Committee for reconsideration if the additional information indicates no affordable need case and there is no willingness to accept the suggested ties to those in affordable need and / or linked to the garage business.”

3. DEVELOPMENTS SINCE THE APRIL PLANNING COMMITTEE

- 3.1 Following the deliberations at Committee, the applicants were formally advised of the basis of the resolution and were requested to furnish information to assist the progression of the application.
- 3.2 The applicant duly sought an appraisal of the affordable housing need case from Grwp Cynefin, who in turn confirmed that the applicants were eligible for affordable housing and met the relevant 'local connections' test. The applicant also provided additional information in relation to the proposed parking arrangements, to demonstrate provision could be made for the parking of vehicles associated with the repair garage across the road and for the occupants of the proposed dwelling.
- 3.3 To move matters forwards, Officers then sought to negotiate with the applicants regarding the controls to be attached to any permission on the occupancy of the proposed dwelling and over its future sale price, to ensure it would be retained as an affordable dwelling for local needs in perpetuity, all in line with adopted local and national planning policies.
- 3.4 The applicants have indicated willingness to accept an occupancy condition on any permission, restricting the occupation of the dwelling to those that meet the Supplementary Guidance definition of 'local needs affordable housing'. However, it has not been possible to reach an agreement as to how the future price of the affordable dwelling is to be calculated, which is considered an important component part of any consent, as the principle behind the affordable housing restriction is that the price for subsequent occupiers has to meet with the definition of 'affordability'.
- 3.5 Officers have followed the stance taken in the drafting of other Section 106 Obligations in respect of setting the maximum future price of the dwelling in accordance with the Supplementary Planning Guidance Note on Affordable Housing. This method is based on multiplying the median household income for the area by a factor of 3.3, and then controlling the maximum price through applying a percentage of that total figure depending on the dwelling type. For a 1 bed dwelling the maximum price as a % of the affordable value would be 80%, and for a 4 bed dwelling this would be 110%. The median income in Graigfechan is £28,584, and by applying this to a 4 bedroom dwelling would currently translate to the sale value of the dwelling being capped at £103,759.92. Appendix 2 is an extract from the SPG and sets out the mechanism for the calculation of the maximum price.
- 3.6 The applicants view is that the above mentioned approach is unrealistic as the dwelling would cost them approximately £130,000 to build, meaning the dwelling would be valued at £25,000 below the build cost on first occupation. They have suggested the discount to be applied should be 70% - 80% of the open market value (representing a 20% - 30% reduction). Estimated figures provided by the applicant indicate that a 4 bedroom bungalow in Graigfechan could be worth about £300,000 on the open market, hence a reduction of 20% - 30% would result in a sale price between £210,000 and £240,000.
- 3.7 In respecting the position of the applicants, based on their own figures of a sale price of between £210,000 and £240,000, this would clearly not be 'affordable for local needs' given the value calculated on the median household income for the community of £28,584. As the whole basis of the decision to grant permission for a dwelling in a location outside a development boundary is an exception to normal planning policies, and **may** be justified by providing a benefit for the community in the long term by retaining an affordable dwelling for local needs in perpetuity, this benefit would not be delivered if the applicant's suggested discount were to be accepted. The Legal Officer has advised that all Section 106 Obligations setting out the criteria for establishing future sales prices of affordable dwellings are based on the SPG in place at the time of completing such agreements.
- 3.8 The 'alternative' option referred to by Planning Committee of linking the dwelling to the applicant's motor repair business, which it has been stated is run from the old bus garage building opposite,

has also been explored. In line with national planning policy and guidance on Rural Enterprise dwellings, Officers have sought details of the business from the applicant, so that Committee can be informed on the 'need' case for a dwelling to assist with the operation of that business. This would normally be in the form of a viability assessment indicating the financial standing of a business and supporting information on the need for a dwelling in close proximity. No information has been submitted in response to this approach. Notwithstanding this, even if it were established that there was a viable business involved, and a case was made for a dwelling in close proximity, the guidance in national policy is for Local Planning Authorities to impose a secondary safeguard to retain any dwelling as affordable if the situation arose that the business failed.

- 3.9 In relation to the extent of parking which may be available to the dwelling and any business run from the garage building opposite, Officers accept that the additional information provided demonstrates it would be feasible to provide a level of parking sufficient to address the previous objection on this ground.

4. CONCLUSIONS

- 4.1 The resolution of the April Planning Committee was to grant permission subject to clarification of the affordable need / eligibility case and the willingness of the applicants to accept the relevant ties on any permission to those in affordable need and / or ties to the garage business.
- 4.2 Grwp Cyefin have concluded the applicants are eligible for affordable housing and meet the 'local connections' tests for eligibility. The applicants are willing to accept a planning condition restricting occupancy of the dwelling to local needs affordable housing. However, it has not been possible to agree terms for the mechanism for discounting the price of the dwelling for the next occupiers, to meet the Council's Supplementary Guidance definition of 'affordability', which Officers believe is fundamental to the grant of permission in the circumstances.
- 4.3 Having due regard to the above, Officers consider this is a case where the reasonable aspirations of Members to grant planning permission on the basis of providing a local needs affordable dwelling would not be delivered given the applicants refusal to enter into an agreement that would limit the future sale price of the dwelling to what would be affordable as defined in the Council's Affordable Housing Supplementary Planning Guidance.

5. RECOMMENDATION

- 5.1 Taking the above into account, and in acknowledging the previous resolution of the Committee, it is recommended that Planning Committee adopt the original recommendation of the Planning Officer and REFUSE planning permission for the development, without the suggested reason for refusal which related to highway impact.

The revised reason for refusal being recommended is:

1. The proposal involves the erection of a dwelling on a site which is located outside the development boundary of Graigfechan village as defined in the Denbighshire Local Development Plan. Local and National policy and guidance advises that in such locations residential development must be strictly controlled and may only be permitted where it is demonstrated that there is an essential need for the development for either local affordable housing needs purposes or to support a rural enterprise, and where such need is established, there is a suitable mechanism in place for retaining the dwelling in perpetuity for those purposes. It is the opinion of the Local Planning Authority that there is no case presented to demonstrate the need for a rural enterprise dwelling, and that whilst the applicants may meet the Council's affordable housing need and local connections tests, in the absence of agreement on the mechanism to

ensure the future sale price of the dwelling meets the Council's definition of affordability, the development is not in accordance with Denbighshire Local Development Plan Policies BSC 4 Affordable Housing, BSC 8 Rural Exceptions Sites, Planning Policy Wales 7, and Technical Advice Note 6 Planning for Sustainable Rural Communities.

Attached are :

APPENDIX 1 – Officer report to April 2014 Planning Committee

APPENDIX 2 – Supplementary Planning Guidance methodology for calculating the sale price of an affordable dwelling

GRAHAM H. BOASE
HEAD OF PLANNING & PUBLIC PROTECTION