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PLANNING COMMITTEE ADDENDUM REPORTS

Thursday 27 July 2017

2.00 pm

Council House, Plymouth

Members:

Councillor Wogens, Chair

Councillor Mrs Bridgeman, Vice Chair

Councillors Ball, Cook, Sam Davey, Fletcher, Kelly, Mrs Pengelly, Sparling, Stevens, Kate Taylor, Tuohy and Winter.

Please find enclosed additional information in respect of agenda items 6.2, 6.4 and 6.5.

Tracey Lee

Chief Executive

Planning Committee

AGENDA

PART I – PUBLIC MEETING

6.2. Former Quality Hotel, Cliff Road, Plymouth, PL1 3BE (Pages 1 - 6) - 17/00952/FUL

Applicant: Henley Real Estate Developments Ltd
Ward: St Peter & The Waterfront
Recommendation: Grant Conditionally Subject to a S106
Obligation in accordance with agreed
timescales. Delegated authority to the
Assistant Director of Strategic Planning &
Infrastructure to refuse if timescales not met
Case Officer: Mr John Douglass

6.4. “Sherford New Community”, Land South/Southwest (Pages 7 - 10) of A38 Deep Lane and East of Hays Road, Elburton, Plymouth - 17/00998/S73

Applicant: Sherford New Community Consortium
Ward: Plymstock Dunstone
Recommendation: Conditional Approval subject to cross border
S106 with South Hams District Council and
Devon County Council and to delegate
authority to the Assistant Director of
Strategic Planning and Infrastructure to:

1. Agree to minor alterations and corrections
of typological errors within the submitted
documents;
2. Make minor alterations to the planning
conditions;
3. Refuse if S106 isn't signed within agreed
timescales
Case Officer: Mr Ian Sosnowski

6.5. 1 Magdalen Gardens, Plymouth, PL7 INX - (Pages 11 - 12) 17/01252/FUL

Applicant: Mr & Mrs Lindsay
Ward: Plympton Erle
Recommendation: Grant Conditionally
Case Officer: Mrs Liz Wells

ADDENDUM REPORT

Planning Committee



Item Number: 6.2
Site: Former Quality Hotel, Cliff Road
Application: Number: 17/00952/FUL
Applicant: Henley Real Estate Developments Ltd

Additional Letters of Representation Received:

Two further representations have been received from members of the public, meaning the total specified on page 18 should be updated to ~~64~~ **66** contributors. One comment is in objection, and one is support, leaving the totals at ~~58~~ **59** in objection and ~~6~~ **7** in support.

Planning Obligations:

The figure to be secured in the S106 to allow for the City Council to carry out the Hoe Access public realm scheme discussed in section 11 of the report at the bottom of page 46 would be £200,000. However, the applicant has asked whether the requirement of condition 29 to remove the canopy prior to occupation can also be covered as part of the public realm works under the same S106 arrangement. Officers consider this sensible as it is part of the package of works shown in planning application 17/01419/FUL. Officers have sought a revised costing from South West Highways, and including adequate contingency (to ensure that the City Council would not incur any additional costs in the event that it is required to undertake the works on behalf of the applicant), the figure for these works is £240,000.

Officers therefore recommend the application subject to a S106 figure of £240,000.00 to cover the works set out in 17/01419/FUL. Condition 29 is to be deleted, and the remaining conditions renumbered appropriately.

In writing, officers also confirm that both Economic Development and the Highway Authority have formally responded to application 17/01419/FUL to indicate their support, and although public consultation on that application remains open until 01 August, no objections to the scheme have yet been received (correct 26/07).

Updates to Conditions:

Condition 1 (approved plans)

One of the plan numbers listed under condition 1 (approved plans) should be updated as follows (to rectify a drafting error):

Condition 3 (Phasing of Delivery)

Further to the discussion in the penultimate paragraph of section 13 of the report, on page 49, the figure to be inserted into condition 3 is ~~XX~~ **70**.

The applicant's rationale/justification for this figure is set out in full in their attached letter ('Appendix 1'), received at midday on 26 July 2017.

Officers will update verbally at committee whether this justification is considered reasonable.

Minor Drafting Errors:

1. On page 13, in the second paragraph of section 2: Proposal description, the sentence describing the proposed car parking provision should read as follows:

*A total of 130 parking spaces are proposed on-site, with 50 allocated to the hotel (including 3 accessible spaces), and ~~88~~ **80** to the apartments (including 4 accessible spaces).*

2. The last sentence in the last paragraph of section 11 of the report, on page 47, should read as follows:

*Whilst officers encouraged these discussions, it was not considered that there currently exists any policy basis to ~~assist~~ **insist** on a formal agreement.*

APPENDIX 1: LETTER FROM APPLICANT REGARDING CONDITION 3

Your ref: 17/00952/FUL

Mr John Douglass
Planning Officer
Strategic Planning & Infrastructure
Plymouth City Council
Ballard House
West Hoe Road
Plymouth
PL1 3BJ

26th July 2017

Dear John

1620 – Condition 3: Phasing of Delivery

I write on behalf of Henley Real Estate Developments Ltd (HRE) with regards to the ‘Grampian Coniditon’ (Condition 3) of your planning report for our planning application (17/00952/FUL).

As part of this condition, the exact number of units that could be occupied until the hotel is ‘open and ready for occupancy’ (Planning Report, page 51) was to follow in an addendum report. The aim of my letter is to explain why 70 units is both fair, and why a number lower than 70 units markedly increases the risk to the delivery of the entire project.

Context

Before outlining our reasoning, it is worth stating that under the land deal HRE have entered into with Plymouth City Council, Plymouth City Council have a buy-back option on the site, if a build contract has not been signed and works have not commenced on the hotel within 5 months.

Whilst I cannot disclose the commercial terms of this agreement, it is safe to say that HRE gain no benefit in this scenario, and so we remain under immense pressure to start this project.

HRE agreed to such a structure as we understand the importance of this site to the city and have every incentive ourselves as a developer to deliver this project in time for 2020, meaning such a legal structure was acceptable to us.

Why 70 units is fair

The ‘XX’ within the condition being set at 70 units would mean HRE would be unable to sell 18 units within the apartment block prior to the Hotel being open and ready for occupancy. 70 units is significant in this case for a number important reasons:

1. 18 units represent an amount slightly larger than the entire profit within the scheme. In the extremely unlikely scenario of the Hotel therefore not being delivered, HRE and its investors would receive no financial benefit from the scheme as a whole. In fact, a small loss would be made. Therefore, with 70 as the XX, both Henley Real Estate and our investors are entirely incentivised to complete the hotel in order to receive any financial return from the project.

2. 18 units represent c. the top 3.5 floors of the proposed development. In planning terms, we believe this to be important. Whilst there are clear architectural reasons behind the height, there is also a clear argument that the apartment element act as an enabling development for a Hotel of such quality to be proposed. If there was no desire for a hotel of this quality, and therefore no requirement for a subsidy provided by the residential units, it could be argued that a building of 11-12 stories would be more appropriate. Therefore, HRE are content to agree to tie these final 3.5 stories to the opening of the Hotel so that we only receive the benefit of this additional height after the city has received the benefit of the Hotel.

3. As outlined in our Financial Viability Statement, there is a significant subsidy due to be taken from the revenues received from the apartments and invested into the hotel to ensure the quality of the building proposed. This has been the foundation of our proposal since the bid stage of the procurement process and has remained the same since. Should the final number agreed in Condition 3 be lower than 70, it becomes unclear as to how HRE would gain access to this subsidy. Whilst our investors are content to commit to this subsidy in advance of the apartment sales, they naturally wish to understand how this subsidy is repaid. A condition that puts this subsidy at risk, will likely weaken this commitment.

Why less than 70 increases risks

HRE have been extremely lucky to have investors keen to deliver this project. It is therefore vital that at this late stage, when we are so close to being able to commence, not to alter the risk profile of the project to an extent where this commitment may collapse.

Whilst as a team we have every confidence in this project, the development is a £50m speculative development in a regional city at a time of large political and economic uncertainty. In this scenario, our investors are taking the development risk, construction risk, market risk, and trading risk associated with this development. When this is the case, any reasonable funder/investor will want a clear roadmap to how they recover their costs at the very least.

Whilst therefore HRE can build an argument for tying the profits of the project to the delivery of the key asset (the Hotel), we strongly believe a scenario where the condition number was lower than 70, preventing any funder being able to recover their costs, would be viewed as an inappropriate level of risk. This would markedly change the investment profile of the proposal and would therefore be likely to, at the least, cause a delay to the start of the project (already under pressure from the buy-back option) and, at worst, may lead our investors to reconsider their position entirely.

Given the XX number being set at 70 ensures HRE and our investors cannot gain before the city gains from the completion of this landmark hotel, it is clear we are appropriately incentivised to deliver the Hotel to the programme that we have put forwards. In this context, a number lower than 70 appears to serve a limited purpose whilst also significantly increasing the risk of overall non-delivery. As your selected development partner on this project, we would strongly recommend this is an unnecessary risk as 70 achieves the aims of the LPA in ensuring delivery in a reasonable manner.

Conclusion

HRE have every intention of delivering this project as we have promised for the last 18 months. We have worked tirelessly to stick to the programme to date and remain on track to commence works on this exciting project this calendar year.

Whilst we understand the requirement from the LPA for a condition such as this, I do hope that this letter has outlined why 70 is a fair number for Condition 3, why this emphasises our commitment by keeping any profits inaccessible prior to the opening of the Hotel, and also why a number lower than 70 becomes unfair and increases risk markedly.

I hope this above is clear; however, please do not hesitate to contact me directly should you have any questions regarding this letter.

Yours sincerely

Christopher Henley
Director
Henley Real Estate Developments Ltd.

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ADDENDUM REPORT

Planning Committee



Item Number: 4

Site: "Sherford New Community" Land South/Southwest Of A38

Planning Application Number: I7/00998/S73M

Applicant: Sherford New Community Consortium

Section 5 - Consultation Responses

Further consultation responses have been received following the re-advertisement of the revised material.

Devon and Cornwall Police – Police Designing Out Crime Officer

Comments relate to car parking, and highlights how improperly considered layouts can lead to chaotic street scenes. These additional comments also highlight that spaces situated too far away from dwellings, as well as insecure parking courts, can also exacerbate chaotic parking outcomes as people choose to use highway or pavement spaces.

Brixton Parish Council

Brixton Parish Council were consulted by South Hams under reference I593/I7/VAR, and have provided an amended consultation response. The Parish supports the variation in principle but raise a number of issues relating to the subsequent application, due later in the year. They raise the more following detailed comments in respect of the revised Town Code;

- Parking – welcomes the options presented within the Town Code, and accepts that car parking needs to be adequately provided within new developments. However, they have concern with 'option 2' stating that end-on-end parking is not acceptable;
- Renewable Energy and construction standards – welcomes any changes to the energy strategy through improved building technology. The Parish would also wish to see 100% of construction waste being recycled;
- Neighbourhood Design Codes – should include a requirement that civic buildings are included in such documents;
- Better clarification is sought in terms of the location and quantity of Civic Spaces, the Land use strategy, Green Strategy Plan, Urban Parks, Semi Natural Green Space, Community Park;
- Further more specific comments are made relating to apartment blocks which should be located near to open spaces, and should be allowed to have balconies as well as dwellings to have gardens. Civic buildings need to be multi-purpose and used flexibly. Shop front design should also stand the test of time.

Section 6 – Representations

Two further letters of representation have been received since the publication of the Agenda papers. The first of these has come from Red Tree, who were the original promoters of the site,

and who object to this application. Red Tree state that exceptional design was a critical component of the proposals to develop Sherford and to overcome local opposition, and therefore was a key focus of many years of work and investment. They question why this is all being sacrificed so early in the development.

In terms of the proposed Code, it is suggested that by removing all of the prescription, there is no reference point, or clear set of rules in which to guide proposals and enforce against when the next level of design work takes place. They highlight a number of areas where prescription is removed, notably street scenes, trees, set-backs, roof pitch, building materials, window openings, ceiling heights, distribution of mandatory retail, build types etc, but do not highlight everything they believe to have been stripped out. They suggest that it would be better to address specific issues individually within the context of the current Code framework, rather than by making such fundamental changes.

They also suggest that removing the Sherford Review Panel (SRP) will mean that the dedicated body that can advise both developers and the LPA on design will be lost. It also questions whether the Councils have the resources and skills on this complex matter, to be able to deliver high quality design outcomes particularly if much of the prescription is lost.

The second letter relates to proposals to provide a cycle/pedestrian route through the King George V playing fields.

Responses

1. The comments raised by Red Tree raise similar points to that of the Prince's Foundation, and these are already therefore addressed within the Officer's Report. In particular, paragraph 17 of the Officers report identifies topics within the proposed Code that have been reinserted to address the concerns of Officers.
2. A section on parking arrangements has been included within the proposed Town Code, and this is reported at paragraph 27 of the officer's Report. In terms of the comments made by the both the Police, and Parish Council, it should be recognised that the Code identifies the types of parking arrangements that could be provided at Sherford. Precise arrangements can however, only be considered at the detailed design stage. Members should also note that planning conditions attached to the original outline planning consent requiring a maximum of 2 spaces per dwelling will not change.
3. In response to the Parish Council's comments surrounding renewable energy, members are reminded that this element of the application has been withdrawn, and therefore no longer relevant.
4. Officers are satisfied that the proposed chapter headings that set out what is required by a Neighbourhood Design Code is appropriate. This includes a requirement to identify Civic Buildings.
5. Requirements for Civic Spaces, Land use, Green Strategy, urban parks, Semi natural Green Space and the Community Park are set out within the original Masterplan, outline planning conditions and the principal S106 agreement. These will still form key components of the outline planning permission, for which the revised Town Code will need to be read alongside. Officers are therefore satisfied that the Code would help to shape the form that those features would come forward to, rather than dictate quantity.
6. Further comments relate to aspects of detailed design which will be controlled through the preparation of Neighbourhood Design Codes.

7. The comments raised in respect of King George V playing fields are not relevant to this application, as the variation relates solely to the amendment of the Town Code and conditions 20 and 21. Other aspects of the outline permission are not being reassessed.

Revision 4

Members' attention is also drawn to the submission of a revision 4 version of the Town Code. There are no substantial additions or amendments, but makes 74 alterations to tighten the precision of wording, for example amending "should" to "must".

Recommendation

In conclusion, no amendments are proposed to the Officer's recommendation as a result of the items highlighted within this Addendum report.

Conditions

The proposed draft conditions will need to be amended to recognise that the Town Code is at revision 4.

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The following relates to exempt or confidential matters (Para(s) 1 of Part 1, Schedule 12A of the Local Govt Act 1972). Any breach of confidentiality could prejudice the Council/person/body concerned & might amount to a breach of the councillors /employees codes of conduct.

Document is Restricted

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