

Colin Campbell

From: Dave Rusling <[REDACTED]>
Sent: 19 February 2020 09:05
To: Terry Gamble; Colin Campbell
Subject: FW: Land to the west of Lytton Way, Stevenage - Ref 19/00474/FPM

Hi both,

See the e-mail below from HCC. I presume you are happy with the way they intend to use the money? I believe that there is a clawback mechanism in the draft S106 that I have seen previously.

Regards

Dave

Dave Rusling
Development Manager
Stevenage Borough Council
[REDACTED]

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From: Antony Proietti [mailto:Antony.Proietti@hertfordshire.gov.uk]
Sent: 18 February 2020 19:35
To: Dave Rusling
Subject: [External] RE: Land to the west of Lytton Way, Stevenage - Ref 19/00474/FPM

Hi Dave

HCC have considered the £1.5m of S106 financial contributions which are being offered for the Growth and Infrastructure Unit requirements towards the development at Land west of Lytton Way, Stevenage (19/00474).

HCC are disappointed that we will not be receiving the full level of contributions which we have requested and are concerned that the £1.5m being offered will not provide sufficient mitigation towards those HCC services.

However, HCC note that a viability assessment has been produced and that viability is a material consideration in the determination of the application for the planning authority.

Therefore, in this instance, HCC are willing to accept the £1.5m, to be used for the following requirements:

- £1,467,000 towards education provision
- £16,500 towards library provision
- £16,500 towards waste provision

TOTAL = £1,500,000

However, this is on the following basis:

1. That the primary and secondary education contributions are combined into a single education contribution (totalling £1,467,000) and that the following definition is included in the committee report and S106 legal agreement – ***“towards additional primary and/or secondary education provision serving the development”***. The reason for this requirement is that the £1,467,000 being provided is significantly less than monies required

for either education project. Therefore HCC requires a degree of flexibility as to how the education contribution is divided between the primary and secondary education projects.

2. That the S106 legal agreement contains 'clawback' mechanisms which allow the future viability of the scheme to be reassessed and any increase or uplift in market conditions results in additional monies being provided for the underfunded HCC requirements. HCC would welcome having sight of the draft S106 legal agreement to ensure that the required mechanisms are included within the document.

Can you please confirm whether or not these conditions are accepted to SBC. It would be also be useful to understand whether or not they are acceptable to the applicant and receive confirmation of agreement on these principles in advance of the application being determined at planning committee.

Please let me know if you have any questions on the above.

Kind regards,

Antony Proietti
Growth Area Team Leader (North East Growth Area) | Growth and Infrastructure Unit |
Environment and Infrastructure
Hertfordshire County Council
County Hall, Pegs Lane, Hertford, SG13 8DE, Postal Point: CHN114

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From: Dave Rusling <[redacted]>
Sent: 30 January 2020 09:47
To: Antony Proietti <[redacted]>
Subject: Land to the west of Lytton Way, Stevenage - Ref 19/00474/FPM

Hi Antony,

See the e-mail exchange below and in particular the e-mail from Hill dated 20 December 2019. This is now the formal offer from Hills regarding the Icon application.

You will see from the viability appraisal on the web site and the assessment undertaken by Aspinal Verdi, that the scheme is coming out as unviable, so what they are offering in terms as affordable housing and other contributions is perhaps better than expected.

Can you take a look at what is being offered from a HCC perspective regarding education etc, and let me know if you are willing to accept this?

Thanks

Dave

Dave Rusling
Development Manager
Stevenage Borough Council
[REDACTED]

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From: Terry Gamble [REDACTED]
Sent: 28 January 2020 17:14
To: Dave Rusling
Cc: Colin Campbell
Subject: [External] FW: Application reference 19/00474 - Land to the west of Lytton Way, Stevenage
CONFIDENTIAL

Hi Dave,

Following our discussion just now, please see below our formal offer in respect of the affordable dwellings on the above development issued by Colin on Friday.

Please also note the proposed s106 contributions in the email trail below (20th December) which we are happy for you to share with HCC.

As discussed we are keen for this to go to the 3rd March Planning Committee and note your point that HCC do not need to be party to the s106 agreement.

On that basis, can you please instruct your solicitors to review the s106 agreement issued to them last month, the figures relating to the affordable levels and s106 contribution are in square brackets and can be updated later, we just want to ensure the main points of the document are agreed, as you are aware we have already provided an undertaking for their costs.

Can you please review the emails below and let us know if we are in agreement with the affordable and s106 offer.

I look forward to hearing from you.

Kind regards

Terry

Terry Gamble
Senior Development Manager
[REDACTED]

From: Colin Campbell
Sent: 24 January 2020 14:38
To: 'Zayd Al-Jawad' [REDACTED]; Dave Rusling <[REDACTED]>
Subject: RE: Application reference 19/00474 - Land to the west of Lytton Way, Stevenage CONFIDENTIAL

Dear Zayd

Thank you for your email.

Given the high level of need in Stevenage for Affordable Rented accommodation, our proposal is for 98 affordable homes all as Affordable Rent. We consider that best meets the need for Affordable Homes within the District. That would equate to 90% of the required level (allowing for vacant building credit). That would be provided as follows:

- 35 x 1 bed
- 45 x 2 bed (4p)
- 10 x 3 bed (5p)
- 8 x 1 bed modular homes to be delivered on the Council's development at Hertford Road. Should that not prove achievable, a financial contribution of £65,000 per modular home to enable delivery elsewhere on council land.

Alternatively, we could deliver a compliant version (allowing for VBC) of 109 affordable homes on site, comprising:

- 76 affordable rented homes (35 x 1 bed, 39 x 2 bed, 2 x 3 bed) (70%)
- 33 shared ownership homes (10x1 bed, 15x2 bed, 8x3 bed) (30%)

The latter option results in 76 rented homes being provided rather than 98.

We remain keen to work with the council to resolve any outstanding matters as soon as possible.

We are happy for you to share the our proposed S106 obligations and rationale with other parties.

Regards

Colin

Colin Campbell
Head of Strategic Land & Planning

From: Zayd Al-Jawad <[REDACTED]>
Sent: 24 January 2020 10:55
To: Colin Campbell <[REDACTED]>; Dave Rusling <[REDACTED]>
Subject: RE: Application reference 19/00474 - Land to the west of Lytton Way, Stevenage CONFIDENTIAL

Dear Colin,

Thanks for your email and your progress towards a policy compliant AH scheme.

We will need to double check your calculations on the 18.9% but working on that assumption.

If we got to a policy compliant scheme on the 70:30 split, but then had the offer of 90% rented on 17% I think that is something we can support.

It can be then reported there as a policy complaint offer, but we have been able to secure more rented units, if committee have a concern it can revert to the 17% - 70:30 split.

If you are happy to proceed on the dual offer basis, please detail exacting the number of units/ tenures in the two different offers and let us know that we can share the previously confidential offer more widely to see how the rest of the S106 package would look like.

Kind regards

Zayd

Zayd Al-Jawad

Assistant Director – Planning & Regulation

**Stevenage Borough Council | Daneshill House,
Danestrete, Stevenage. Herts SG1 1HN | Telepho** [REDACTED]

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Due to my family/work balance, you may get emails from me outside normal working hours. I respect your working pattern and do not expect you to respond outside of it.

From: Colin Campbell [REDACTED]
Sent: 16 January 2020 09:33
To: Zayd Al-Jawad; Dave Rusling
Subject: [External] RE: Application reference 19/00474 - Land to the west of Lytton Way, Stevenage CONFIDENTIAL

Zayd

We have been looking further at what we can do on affordable housing. I called to have a discussion but understand you aren't in the office today. More than happy to talk this through if that would help.

Based on the vacant building credit, as set out below, our calculation is that 18.9% would be the requirement, or 109 dwellings at a 70:30 split between Rent and Intermediate (76 Rent: 33 intermediate).

We have looked at an option which provides 90 affordable homes on site, but all as Affordable Rent, given that is what we understand the council's priority to be. We would also propose as before to fund the provision offsite of 8 modular homes for homeless people on land owned by the Council. That would provide for 98 homes all for Affordable Rent. That would equate to 17% affordable, but would deliver 22 more Rented units than would be required under policy – effectively 89.9% of the affordable requirement would be being provided as Rent. If we were to get closer to the overall policy requirement we would need to revert to the 70:30 split between Rent and Intermediate.

We would be grateful for your views as to whether that increased amount of Affordable Rent is something which officers could support.

Regards

Colin

Colin Campbell
Head of Strategic Land & Planning

From: Zayd Al-Jawad [REDACTED]
Sent: 20 December 2019 15:50
To: Colin Campbell [REDACTED]; Dave Rusling [REDACTED]
Cc: Andy Hill [REDACTED]; Terry Gamble [REDACTED]
Subject: RE: Application reference 19/00474 - Land to the west of Lytton Way, Stevenage CONFIDENTIAL

Dear Colin,

Thanks for this and to you both for your time on Tuesday.

We appreciate the increase to 14.7%, but we are disappointed that it is below the 20% I had understood you to indicate at the meeting.

We will go through the email properly and revert to you.

Kind regards

Zayd

Zayd Al-Jawad

Assistant Director – Planning & Regulation

**Stevenage Borough Council | Daneshill House,
Danestrete, Stevenage. Herts SG1 1HN | Telephone** [REDACTED]

 Please consider the environment before printing this email

From: Colin Campbell [REDACTED]
Sent: 20 December 2019 13:30
To: Dave Rusling
Cc: Zayd Al-Jawad; Andy Hill; Terry Gamble
Subject: [External] Application reference 19/00474 - Land to the west of Lytton Way, Stevenage CONFIDENTIAL

Dave

Further to our meeting we have been considering the issues and the report on viability. We welcome AV's overall conclusion and recognition that the development has viability challenges. Whilst we have a number of issues with elements of the AV report, we do not propose at this time to submit a detailed critique of the report, rather we set out below a proposed way forward with regards the planning obligations being sought.

The application is described as 576 residential dwellings, and the supporting material explains that an element of the market element be in the form of BtR. As we discussed at the meeting, we do not have a signed up Build to Rent provider. Zayd also set out that if we were to wish an element of the application to be treated as BtR, the S106 would restrict the development to that for a period of 25 years. It is our current intention that all the market homes be treated as open market for sale and not treated as BtR. That accords with the description of development as it currently stands.

Affordable housing

The Council's adopted local plan seeks 25% of the qualifying dwellings to be affordable homes. As the building is not currently occupied, Vacant Building Credit is applicable. The building was previously occupied by Betfair, but became vacant following Betfair merging with Paddy Power and a restructuring of the business.

The development proposes 47,268 sq.m. of floorspace. The current building is 11,316 sq.m. The qualifying amount of affordable housing required is therefore 76% of 25%. Given the application is for 576 dwellings, 109 are would be sought under policy as affordable dwellings.

As submitted, the application proposed 52 dwellings in Block 7 as affordable rent. Following our discussion we propose in addition the following contributions:

- Provision offsite of 8 modular homes for homeless people on land owned by the Council. In the event that a site cannot be found within, say 2 years, we would propose a payment of £65,000 per dwelling to enable the council to provide the modular homes;
- Provision of 25 shared ownership homes within another block within the development, achieving a split of 71% rent, 29% shared ownership.

Overall, that would take the affordable housing provision from the 9% proposed as submitted to 15%.

Financial obligations

The current financial obligations requested total £9.46m. Notwithstanding the viability issues, we consider that the overall scale is not reasonable, nor proportionate and that a number of requests are not directly related to the development proposed, particularly when compared to other S106 obligations agreed/requested over the last year. We comment below on those issues and requests below, and then set out a suggested revised approach to contributions.

NHS

We do not consider that the mental health, community healthcare nor acute care requests pass the tests in CIL regulation 123. Such contributions have not been sought and have not been required of other developments and consequently it is not reasonable for this development to provide for such. We consider that the health requests fail the tests of reasonableness and proportionality. Having reviewed all committee reports for the last year (up to the end of November 2019) for applications for which S106 obligations were required, we cannot find a single application which included a requirement for financial contributions towards healthcare. In one instance the NHS replied not seeking contributions and in others no reply at all seems to have been received. It is unreasonable to request it from this development when it has not been sought from other schemes and it is not proportionate to simply request it from this scheme because of the size of the scheme.

There is no justification as to the basis of the multipliers used in relation to mental health costs, community health costs and acute costs.

We acknowledge that there are instances of contributions being made towards GP services, albeit such contributions do not seem to be sought on a consistent basis. However, we are content that a contribution could be justified towards GPs. However, we consider the basis of the NHS calculation to be inappropriate.

Firstly, the request assumes a general 2.4 persons per dwelling and that will create 1,382 "new patient registrations". The 2014-based household projections identify that in Stevenage average household size in 2019 is 2.33 persons, not 2.4. In addition, that average household size across the district is calculated based on existing housing stock which includes 50% of the stock as 4 and 5 bed roomed accommodation (according to the SHMA 2013) and only 18.1% of the stock as flats. The Census 2011 identifies that 10,880 persons live in 6,873 flats within Stevenage, an average household size of 1.58 in flats across Stevenage. That does not, however, take account of the size of flats.

The basis of the calculation that all new dwellings create new patient registrations is not accepted and is not an appropriate basis for contributions. Among the biggest drivers of household formation are people living longer and relationship breakdown. That drives a need for more homes to house the existing population as average household sizes are falling – the 2014-based household projections are for an average household size in Stevenage of 2.25 by 2039. As a result a significant number of new homes house people already living within the area, who will already be registered with a GP. The affordable housing element is for people in the area who cannot currently afford to access the housing market. Again, they will already be resident in the area and hence registered with a GP. The suggestion that all the people within the new homes will result in new patient registrations is not accepted and there is no evidence to support that position. The 2014 household projections are for an increase of 7,511 households between 2019 and 2039. However, 5,912 of those homes are meeting the decline in projected household size, meaning that in effect only 20% of the household growth is for new households. We consider therefore, that the maximum financial contribution that could be requested would be 20% of the £407,695 or £81,538.

Sport England

We cannot find evidence of Sport England seeking such contributions from other development. For example, in relation to Application 19/00647/FPM at BHS, for 277 apartments and within 350 metres

of this application site, SE has not requested any funding. The contributions requested are not proportionate nor reasonable.

With regards the request for indoor bowls, we note that the council's local plan sport study identified that the need for indoor bowls equates to 6 rinks, and that such a facility already exists at the Stevenage Leisure Centre. There is therefore no evidence of need for contribution to indoor bowls.

SBC parks team

We are content that SBC regularly and consistently seeks contributions towards outdoor sport and children's play space and that the sums are proportionate. We are content with these contributions.

Transport

The site lies in central Stevenage, in a highly sustainable and accessible location. The transport statement sets out the diverse range of services and employment opportunities within close proximity to the site. There are also bus and rail service in very close proximity. Car parking within the development will be at 46% of the maximum standard. 574 cycle spaces are provided. The development is already well located for sustainable travel and measures are proposed through the application to support sustainable travel options. It is difficult to see what measures could be implemented to improve sustainable travel choices. We propose to designate 2 of the car parking spaces onsite as car club spaces, to be used by Ubeeqo. We also propose to subsidise 2 hybrid vehicles for 2 years on site through Ubeeqo at a cost of £22,754.

Other HCC obligations

We note that in relation to application 19/00647/FPM at the former BHS store, HCC has responded in relation to nursery and childcare provision saying there are no projects available in the area to fund, yet HCC has requested contributions from development at Lytton Way, towards Claire's Little Bears facility in Basils Road. That facility is within 0.8 miles of both BHS and 0.6 miles of our application site. There does not appear to be a consistent approach to this issue and therefore it is not reasonable. Our current design shows space on the ground floor of Block 4 as an ancillary gym. That space could be utilised instead as a private nursery/childcare facility. We would be grateful for your thoughts on such a facility and attach an initial sketch of how that might be accommodated.

The scale of the County Council requests in relation to education are significant. You will be aware that HCC consulted on a revised planning obligations toolkit and we are aware that a number of parties have questioned the assumptions, forecasts and material upon which that is based. We also note that the requests being made of various different applications in the area seem to vary. We question whether the request as it stands is justified or proportionate. We recognise that there is the potential to make contributions towards education, but as both our and your viability consultants conclude, the development has viability challenges and cannot support the full range of obligations requested. The Primary and Secondary Education requests in combination are greater than the combined effect of CIL and S106 as recently examined. If that scale of S106 and CIL had been before the inspector we are confident that he would have found that would put at risk development and not found it appropriate.

The contributions identified above as agreeable (Car club subsidy, children's playspace, outdoor sport and GPs) total £151,301. We propose further contributions of £1.5m towards HCC projects. We are happy to be guided by HCC as to how that money should be apportioned. That would increase the S106 financial obligations from the £1.1m proposed in the application as submitted, to £1.65m, a 50% increase on a scheme which all parties accept is unviable and comes at a considerable cost to Hill.

We hope that the Council can see that we have made substantial changes to the S106 package to a scheme which is already under severe financial challenge. We are prepared to make these changes in order to ensure we can move the scheme forward and continue to deliver development within Stevenage and to continue our long term working relationship with one of our key strategic partners. We would be grateful for your urgent views on the above.

We appreciate that we are entering the Christmas holiday period, but Andy and I remain available to discuss matters.

Regards

Colin

Colin Campbell
Head of Strategic Land & Planning



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The Power House Gunpowder Mill Powdermill Lane
Waltham Abbey Essex EN9 1BN

T 020 8527 1400 **F** 020 8501 8770 hill.co.uk

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Number 4202304

Registered office: The Power House Gunpowder Mill Powdermill Lane Waltham
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