

Development Management Sub Committee

report returning to Committee - Wednesday 26 August 2015

Application for Planning Permission in Principle 14/02814/PPP

**At Site 60 Metres South Of 199, Fountainbridge, Edinburgh
Proposed mixed use development comprising retail (Class 1), financial services (class 2), food and drink (class 3), office/light industrial (class 4), hotel (class 7), housing (class 9), community use (class 10), leisure (class 11), public house (non-classified use) and associated parking, open space, infrastructure and public realm works.**

Item number	7.2
Report number	
Wards	A09 - Fountainbridge/Craiglockhart

Recommendations

It is recommended that this application be Granted subject to the details below.

Background information

At its meeting on 17 December 2014, Committee was minded to grant planning permission for masterplan proposals for Fountainbridge South, subject to the conclusion of a suitable legal agreement to secure financial contributions to tram and other essential transport infrastructure. This report is returned to seek the Development Management Sub-Committee's approval to enter into a Section 75 Agreement with EDI.

Main report

Background

At its meeting on 17 December 2014, the Sub-Committee indicated that it was 'minded to grant' planning permission to a mixed use development of the site subject to the conclusion of a suitable legal agreement to secure financial contributions towards the provision of essential infrastructure assessed as being necessary to support the proposed development.

The report considered by the Sub-Committee set out relevant planning history of the site and that for the wider area, a description of the development proposed and an assessment of the proposals being promoted; a link to that report is provided at the end of this report.

Since the Sub-Committee's consideration of this matter, the applicant has indicated that it remains concerned about the impact of dealing with unknown contaminants on the site and the implication of such on the cost and value of the project and ultimately its viability going forward. To support its position the applicant has submitted a financial appraisal that seeks to demonstrate that the development is not able to support the level of financial contribution being sought and proposes that a lower level of contribution is offered, in the first instance, towards the tram project in relation to the early phases of development.

The principal purpose of this report is to describe the financial contributions being sought, how these will be secured and to seek the Sub-Committee's agreement to enter into a legal agreement with the applicant.

Transport

The Head of Transport has advised that the following financial contribution to the tram project and works will be required to support the proposals of the masterplan:

a contribution to the tram project amounting to £1,158,368 based on:

- 340 residential units (£247,429);
- 11,621 square metres of office space (£402,087);
- 80 room hotel (£121,133);
- 4,476 square metres of retail space (£205,896);
- 11,858 square metres of cultural/leisure space (£181,823);
- to meet the full costs of promoting required Traffic Regulation Orders at an estimated cost of £2,500 each;
- a contributions to public transport infrastructure, bus stop improvements on Fountainbridge and Dundee Street, i.e. the upgrading and reposition of existing bus stops, amounting to £17,000 (subject to AMC applications);
- a contribution to City Car Club amounting to £7,000 and the provision of 6 car parking spaces;
- a contribution to the cost of works to the public road at Fountainbridge and Dundee Street, the design and cost of which is to be calculated between all developers; and
- the appointment of a travel plan co-ordinator.

Affordable Housing

The applicant will provide 85 affordable housing units on-site. This represents 25% of the total number of units proposed and accords with the Council's guidance on this matter.

Education

A financial contribution towards the provision of education infrastructure is required to support new residential development on the application site.

Children and Families has advised that due to the scale of development in the wider Fountainbridge area the preferred approach to address the cumulative impacts of new development is to establish a contribution zone within the LDP Action Programme so that the cost of meeting defined actions could be apportioned across a number of sites. This approach was referred to in the report to the DM Sub-Committee on 17 December 2014, but as yet this contribution zone has not been added to the Action programme.

At the time that this matter was reported to the DM Sub-Committee on 17 December 2014, the Second Proposed Local Development Plan and accompanying Action Programme had not been agreed and submitted to Scottish Ministers for Examination. Subsequent to the DM Sub-Committee on 17 December 2014, the approach adopted to arrive at an appropriate level of financial contribution by Case Officer was based on previously approved guidance and the cost of providing new infrastructure based on the construction price index at that time. On the basis of developing 340 flatted properties, generating a total of 50 pupils, a sum of £356,116 has been agreed with the applicant.

Children and Families was not consulted on or in agreement with the approach taken to establish the agreed contribution. Elected Members should therefore be aware there is a risk of a funding gap emerging at the point of delivering the actual education infrastructure required to accommodate the pupils generated by this development and that there is currently no capital funding allocated within the Council's capital programme to contribute to infrastructure projects which are required due to the pupil generation from large scale developments of this nature.

Open Space

A priority for the Sub-Committee in the past when considering proposals for the site had been to secure financial contributions towards the upgrade of Dalry Community Park, amounting to £30,000. The work to upgrade the park is now complete and it is considered appropriate to seek a contribution to other actions identified in the South West Open Space Action Plan, namely the creation of a Roseburn to Union Canal cycle link. To this end, a contribution of £20,000 is considered appropriate and the applicant has agreed to this level of contribution.

Scottish Canals

Scottish Canals has indicated that improvements to the canalside should be secured through a legal agreement associated with the grant of planning permission. This approach is not supported by the Council as the applicant has included within its application boundary and the canal towpath. Improvements to the canal side can therefore be secured through the application of appropriate planning conditions and the subsequent scrutiny of AMC applications. The applicant and Scottish Canals have been encouraged to enter into a direct agreement regarding these works. When this matter was last reported to the Sub-Committee it was indicated that there was general agreement between the parties to pursue such an agreement however there remain issues to be resolved and no agreement has been reached. However, the failure for the parties to enter into an agreement does not prevent a planning permission in principle being granted should the Sub-Committee be minded to do so.

Financial Appraisal

The applicant is willing to enter into a legal agreement with the Council provided that the level of financial contribution being sought is reasonable and proportionate and allows the development proposed to remain viable. While the applicant has indicated that it is agreeable in principle to the level of contribution set out in this report, it remains concerned that that relating to the tram project may prove excessive and render the development unviable. In support of its concern, a financial appraisal that considers the impact of the maximum level of contribution on the investment to be undertaken has been submitted. The appraisal has been assessed independently by the District Valuer on behalf of the Council who has concluded that:

"the proposed development is viable with the proposed developer contributions (including the tram contribution) and that the suggested amendment to the tram contribution does not make a substantial difference to the overall position."

Nonetheless the applicant remains concerned and has indicated that there are a number of challenges to the successful development of the site which cannot be fully determined until site works commence. As such, it believes that it is not possible to determine the exact costs and whether the financial contributions sought are viable at the present time. It nonetheless has agreed in principle to the level of contribution sought to the tram project subject to a phased payment proportionate to the level of development being undertaken on site at a defined time in its development programme. The trigger points for the payment of contributions will be defined in the legal agreement accompanying the PPP and will be reviewed through each AMC application as they come forward for consideration.

In summary the overall package of financial contributions being sought is set out below:

Financial contributions

1. Tram project (£) 1,158,368.
2. Traffic Regulation Order £2,500.
3. Public Transport Infrastructure £17,000.
4. A proportionate share of costs towards highway works at Fountainbridge/Dundee Street to be agreed.
5. City Car Club £7,000.
6. Education Infrastructure £356,116.
7. Roseburn to Union Canal Cycle Link £20,000.
8. Affordable Housing @ 25% of total number of units 85 units.

Financial Impact

The approval of this report will allow the Council to enter into a Section 75 Agreement with the EDI to secure a financial contribution towards the provision of essential infrastructure required to support development proposed in application 14/02814/PPP and the wider Fountainbridge Development area.

Risk, Policy, Compliance and Governance Impact

The planning application has been assessed and progressed in full accordance with statutory requirements and as such the level of risk is considered to be low.

Equalities Impact

There are no adverse impacts in terms of equalities or human rights arising from this report.

Sustainability Impact

The sustainability impact of the application was considered at the time of its assessment and consideration by the Development Management Sub-Committee. No further assessment has been undertaken in the preparation of this report. Council policy supports the use of sustainable transport methods of which the Tram is significant.

Consultation and Engagement

Consultation and engagement was undertaken in respect of the planning application at the time of assessment and consideration by the Development Management Sub-Committee. No further consultation or engagement has been undertaken in the preparation of this report.

Links

Policies and guidance for this application

LPC, CITCA1, CITD1, CITD2, CITD4, CITD5, CITD6, CITD7, CITD9, CITOS3, CITEM1, CITEM5, CITH1, CITH2, CITH4, CITH7, CITCO1, CITCO2, CISTR6, CITE3, CITE8, CITE9, CITE17, CITE18, CITE15, CITT1, CITT2, CITT3, CITT4, CITT5,

A copy of the original Committee report can be found in the list of documents at

<https://citydev-portal.edinburgh.gov.uk/idxpa-web/applicationDetails.do?activeTab=documents&keyVal=N8HNODEW0GY00>

Or Council Papers online

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