

# Development Management Sub Committee

Report returning to Committee - Wednesday 23 May 2018

## Application for Planning Permission 17/02477/FUL At Land 80 Metres West And East Of, Saltire Street, Edinburgh Proposed residential development and associated infrastructure (as amended).

|               |             |
|---------------|-------------|
| Item number   | 5.1         |
| Report number |             |
| Wards         | B04 - Forth |

### Recommendations

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

### Background information

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This application was previously considered by Committee on the 7 March 2018.

The Committee was minded to grant planning permission subject to a legal agreement and a number of conditions and informatives. The legal agreement has not yet been signed and the decision notice has not been issued. The purpose of this report is to seek approval to amend the level of infrastructure contribution required.

The informative requiring a legal agreement currently states:

*Consent shall not be issued until a suitable legal agreement, including matters requiring a financial contribution payable to the City of Edinburgh Council, has been concluded. The legal agreement should be concluded within 6 months of the date of this notice. If not concluded within that 6 month period, a report will be put to committee with a likely recommendation that the application be refused.*

*The applicant will be required to contribute:*

a. The sum of £241,087 infrastructure contribution (Quarter 4 2017 value subject to indexation), and £1,330 land contribution (no indexation) towards education infrastructure within the Craigroyston/Broughton Education Contribution Zone.

b. The sum of £84,105 towards healthcare infrastructure within the Granton Healthcare Contribution Zone.

c. The sum of £ 70,292 towards transport infrastructure in the Granton Transport Contribution Zone.

The above sums are to be indexed linked using the all-in tender price index from the last date of signing the Agreement until the date of payment. The use period for the contribution should be 10 years from the last payment.

d. 25% of the units plus an additional 11 units are to be of an agreed affordable tenure.

The applicant has submitted a formal request to amend the level of contribution required from £396,814 to £201,750. The applicant has advised that it would be unable to proceed with the development if the full contribution is required.

## **Main report**

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Planning application 17/02477/FUL relates to the third phase of a four phased master plan at Waterfront Avenue. It seeks permission for the development of 89 residential units across three blocks with associated landscaping and car parking.

LDP Policy Del 1 - Developer Contributions and Infrastructure Delivery and the draft Supplementary Guidance on Developer Contributions and Infrastructure Delivery require the applicant to contribute towards infrastructure provision to mitigate any negative additional impacts of the development. The committee report presented on the 7 March 2018 provided a comprehensive overview of the contributions required and the outcome of open book viability assessment that was undertaken.

As set out in the previous committee report, the full contribution required for this application is £396,814 to be secured through a legal agreement. However, the applicant indicated that the maximum contribution that the development could support was £70,292. In undertaking a viability assessment, the Council's Property Service questioned some of the assumptions made by the applicant in terms of costs and sales values. The Committee decision on 7 March 2018 was to grant permission subject to the required developer contribution being paid in full.

In the period since 7 March 2018, the applicant has reflected on the Committee decision and is seeking to find a solution to enable the proposed development of 56 private and 31 affordable flats to progress. The applicant has advised that at the level of contribution currently required, it would not be able to proceed with the development. A supplementary report has been submitted which outlines the options that the applicant has considered in order to meet the contributions in full. These are:

- i) Reducing the quality of the development, such as removing the district heating and smart meters. This would have implications for the sustainability of the project and add alternative costs in order to comply with Building Regulations;

- ii) Increasing the projected sales value. This which would increase the applicant's financial risk in a regeneration area which has yet to witness such levels;
- iii) Discounting the land payment. This would impact on assessing the viability of future phases of development; and
- iv) Further reducing the return. The proposal is already marginal in terms of viability.

One further option which the applicant is willing to pursue is to assume higher values for the 56 private units and defer part of the land accrual to future phases. This represents an increased risk to the applicant and will require contributions to be made towards the end of the construction phase. However, this will allow a contribution of £201,750 towards infrastructure to be provided which represents an increase of £131,458 from the previous figure of £70,292.

There will still be a funding shortfall of £195,064 associated with this proposal. However this is considerably less than when the application was considered on 7 March 2018. Given the regeneration benefits of this proposal and the opportunity to address a shortfall in affordable housing from phase 2, it is recommended that the application is granted with a developer contribution of £201,750. The contribution will be divided proportionately in line with the identified education, transport and healthcare infrastructure requirements.

## **Conclusion**

Therefore in conclusion, it is recommended that informative 1 as agreed by Committee on 7 March 2018 and set out in the minded to grant decision letter be amended as follows:

*Consent shall not be issued until a suitable legal agreement, including matters requiring a financial contribution payable to the City of Edinburgh Council, has been concluded. The legal agreement should be concluded within 6 months of the date of this notice. If not concluded within that 6 month period, a report will be put to committee with a likely recommendation that the application be refused.*

*The applicant will be required to contribute:*

*a. The sum of £122,381.50 infrastructure contribution (Quarter 4 2017 value subject to indexation), and £686 land contribution (no indexation) towards education infrastructure within the Craigmoynton/Broughton Education Contribution Zone.*

*b. The sum of £42,367.50 towards healthcare infrastructure within the Granton Healthcare Contribution Zone.*

*c. The sum of £ 36,315 towards transport infrastructure in the Granton Transport Contribution Zone.*

*The above sums are to be indexed linked using the all-in tender price index from the last date of signing the Agreement until the date of payment. The use period for the contribution should be 10 years from the last payment.*

*d. 25% of the units plus an additional 11 units are to be of an agreed affordable tenure.*

All other conditions and informatives are as agreed on 7 March 2018.

## Links

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### **Policies and guidance for this application**

LDPP, LDEL01, LDEL03, LDES01, LDES02, LDES04, LDES05, LDES06, LDES07, LDES08, LEN09, LEN20, LEN21, LEN22, LHOU01, LHOU02, LHOU03, LHOU04, LHOU06, LTRA02, LTRA03, LTRA04, LTRA08, LRS06, SDP, NSG, NSGD02, NSDCAH, OTH,

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

<https://citydev-portal.edinburgh.gov.uk/idoxpa-web/applicationDetails.do?activeTab=documents&keyVal=QQTFW4EWM8M00>

Or Council Papers online

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