

<b>Committee date</b>	Wednesday, 14 April 2021
<b>Application reference</b> <b>Site address</b>	20/00541/VARM - 112-114, The Parade
<b>Proposal</b>	Variation of Condition 2 (approved drawings - internal layouts and roof) and modification of the Section 106 Unilateral Undertaking (to change the affordable housing provision) of planning permission 14/00954/FULM for the retention of ground floor Class A4 uses (drinking establishments) and the extension and conversion of the upper floors to provide 15 residential flats.
<b>Applicant</b>	Aimrok Developments Ltd
<b>Agent</b>	HGH Consulting
<b>Type of Application</b>	Full planning application – s.73 variation
<b>Reason for committee Item</b>	Major development
<b>Target decision date</b>	16 <sup>th</sup> April 2021 (extended by agreement)
<b>Statutory publicity</b>	Public advertisement and site notice
<b>Case officer</b>	Paul Baxter, paul.baxter@watford.gov.uk
<b>Ward</b>	Central

## 1. Recommendation

Approve subject to conditions as set out in section 5 of this report.

## 2. Site and surroundings

- 2.1 The site is located on the south-western side of The Parade adjoining Faircross House and facing the pond. The redevelopment of the site under planning permission 14/00954/FULM for the retention of two ground floor commercial units and the provision of 15 new residential flats above has been completed.
- 2.2 The site falls within the Civic Core Conservation Area and the Secondary Retail Frontage of the town centre.

## 3. Summary of the proposal

### 3.1 Proposal

On 02 September 2020 the Committee resolved to grant planning permission for the application subject to conditions and a variation to the s.106 agreement. The report to Committee on 02 September 2020 is attached as Appendix 1. The variation to the s.106 agreement has not been completed and no planning permission has been issued.

3.2 Since the resolution of the Committee on 2 September 2020, the applicant has undertaken a viability appraisal of the development and has concluded that the previously agreed commuted sum payment of £1,078,816 to be included in the agreement is not viable. The submitted viability appraisal concludes that no commuted sum is viable for the development. The applicant has therefore requested a further variation to the heads of terms of the s.106 agreement.

3.3 The amended floorplans pursuant to Condition 2 remain unchanged.

#### 3.4 **Conclusion**

The applicant's viability appraisal has been reviewed by consultants Aspinall Verdi on behalf of the Council. They have reviewed the assumptions and inputs to the appraisal and have concluded that a commuted sum payment of £406,980 is viable. This revised sum is considered to be reasonable and viable and is included in the recommendation for approval.

### 4. **Main considerations**

4.1 The revised s.106 heads of terms previously approved by the Committee provided for a commuted sum of £1,078,816, as calculated using the Council's Commuted Sums for the Provision of Affordable Housing SPD, to be paid to the Council in the event that the 5 affordable rented units had not been acquired by a Registered Provider within a period of 6 months from the date of permission.

4.2 Whilst the preference remains to provide the affordable housing units on site in the first instance, since the resolution by the Committee, the applicant has undertaken a viability appraisal of the development to evaluate the level of contribution that could be provided if the affordable housing cannot be provided on site. The viability appraisal submitted by the applicant concluded that no commuted sum payment was viable. This has been reviewed on behalf of the Council by Aspinall Verdi who have concluded that a commuted sum payment of £406,980 is viable. This is based on adjustments to some of the inputs used by the applicant, in particular a reduction of £375,000 in the Benchmark Land Value used; a reduction in the profit level for the ground floor commercial units by 5% (to 15%); and a reduction in the profit level for the upper floor residential units by 2.5% (to 17.5%). These inputs are considered to be in line with industry standard assumptions for the type of development proposed. Other minor changes have also been made.

4.3 In light of this review, it is considered that a commuted sum of £406,980 is a reasonable and viable commuted payment in this case and is acceptable.

## 5. Recommendation

That, pursuant to a planning obligation under s.106 of the Town and Country Planning Act 1990 having been completed to secure the Heads of Terms, planning permission be granted subject to the conditions listed below:

### Section 106 Heads of Terms

- i) To secure 5 units on the first floor of the development to be Affordable Housing units for affordable rent comprising 4 x 1 bedroom and 1 x 2 bedroom units;
- ii) No more than 9 units of Open Market Housing units to be occupied before the Owner has entered into a legally binding agreement with a Registered Provider in respect of the Affordable Housing units or paid the commuted sum referred to below;
- iii) In the event the Affordable Housing units are not acquired by a Registered Provider within a period of 6 months, a commuted sum of £406,980 to be paid to the Council;
- iv) On payment of the commuted sum to the Council, the Affordable Housing units to be sold as Open Market units.

### Conditions

1. No dwelling shall be occupied until the internal works to the flats on the first, second and third floors have been carried out in full in accordance with the approved drawings.

Reason: To ensure the proposed flats meet the required minimum internal floorspace standards and provide an acceptable level of amenity for future occupiers.

2. The development hereby permitted shall be carried out in accordance with the following approved drawings:-

594-CDA-A-00-DR-A-05-0100 Revision 04

594-CDA-A-01-DR-A-05-0101 Revision 07

594-CDA-A-02-DR-A-05-0102 Revision 07

594-CDA-A-03-DR-A-05-0103 Revision 07

594-CDA-A-04-DR-A-05-0104 Revision 01

Reason: For the avoidance of doubt and in the interests of proper planning.

3. No dwelling or commercial unit shall be occupied until the cycle and bin stores have been provided in accordance with the approved drawings.

Reason: To ensure adequate provision is made for the future occupiers of the building.