

FIRST SUPPLEMENTARY REPORT
TO THE PLANNING COMMITTEE
3rd January 2019

Agenda item 4

Permission ref: 16/01106/FUL

Former Bristol Street Motors, London Road, Newcastle

Since the preparation of the agenda report the Final Viability Appraisal report of the District Valuer has been received. As anticipated in the agenda report, having taken into account the indexation of the contributions the District Valuer notes that this reduces the Residual Land Value of a Policy compliant scheme down to £1,933,000 from the £1,971,000 figure referred to in the main agenda report. His conclusion remains that the scheme is unviable on a policy-compliant basis, and that the scheme can afford a maximum of £280,000 by way of Section 106 contributions (paid before commencement of construction) without being rendered unviable. Your Officer's recommendation continues to be that the Council agree to amend the Section 106 agreement so that it requires contributions totalling £300,000 (index linked as from October 2017) (Recommendation 1).

The developer has asked that the payment triggers be revisited.

The guidance contained within the Council's Developer Contributions SPD concerning this issue emphasises the importance of contributions being received in sufficient time to enable the additional provision or works that they are to be funding to be provided prior to the associated need arising.

In that the 4 phased payment triggers for the contribution towards public open space and public realm improvements are already linked to occupation of the units rather than to their commencement your Officer does not consider there to be further scope to alter the payment triggers for this contribution in a manner that would assist the viability of the development, and respect the principles that underlie lawful planning obligations.

Your Officer's understanding is that the County Council have previously insisted that the Bus Stop Shelter Upgrades contribution, the Cycle Network Improvement Contribution; the Real time passenger information Contribution; the Residential Parking Zone Contribution and the Travel Plan Sum are all paid prior to the commencement of development (as defined in the Section 106 agreement).

In that the County Council are party to the current Section 106 agreement its variation will require their approval as well as that of the Borough Council.

It is recommended that the Borough Council should be supportive of a variation of the payment trigger insofar as the Residential Parking Zone Contribution is concerned. This contribution is intended to fund the carrying out of two parking surveys by the County Council (one before the development commences and the other at least 12 months after the occupation of the development, and then depending upon the results of that survey the implementation of a Residents Parking Zone if the surveys demonstrate a significant increase in on-street parking). As presently drafted the Section 106 agreement requires the full payment to be made prior to the commencement of the development and this is not justified, and it would be reasonable to amend this to phase at least part of the payment to a later date.

Secondly it is recommended that the Borough Council should be supportive of a less significant change to the trigger for payment of the Travel Plan sum. It is suggested that this could be upon practical completion of the first block.

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To give effect to the above **the following additional recommendation (5a) is given** to add to those already provided:-

That the Borough Council supports the variation of the existing payment triggers with respect to the Residential Parking Zone contribution and the Travel Plan Sum – in the manner indicated within this supplementary report - so that such payments do not have to be made so far in advance of when they are actually required, and to assist the viability of the development.