

PAR PLANNING

EARL STREET HEYWOOD OL10 1HT

Proposed development of 23 apartments

COMMENTARY ON OPEN SPACE CONTRIBUTIONS



18. After discussing the following questions, identify a corresponding case for the response in the table. Do not provide a rationale for the choice. 19. The following are the four categories of the ethical issues that can be identified in a case study. Identify the category that best describes the ethical issue in the following case study. 20. After discussing the following questions, identify a corresponding case for the response in the table. Do not provide a rationale for the choice.	21. After discussing the following questions, identify a corresponding case for the response in the table. Do not provide a rationale for the choice. 22. After discussing the following questions, identify a corresponding case for the response in the table. Do not provide a rationale for the choice. 23. After discussing the following questions, identify a corresponding case for the response in the table. Do not provide a rationale for the choice. 24. After discussing the following questions, identify a corresponding case for the response in the table. Do not provide a rationale for the choice. 25. After discussing the following questions, identify a corresponding case for the response in the table. Do not provide a rationale for the choice.
---	--

T+A Tang & Associates Ltd
Chartered Accountants

Tel: +852 2107 0881 Fax: +852 2107 0882
Email: info@tangandassociates.com.hk Website: www.tangandassociates.com.hk

Office: 2107 0881 (Main)
2107 0882 (Fax)
2107 0883 (Mobile)

Mr. Agnes Chan

Phone: _____

Ear Street, Haywood

Phone/Fax: _____

Proposed Divisions

Code	Date
1 100 @ A1	January 2010

Division No. _____

8/3/521

Q

HEADS OF TERMS FOR S106 AGREEMENT

INTRODUCTION

PAR Planning has been commissioned by Tang Associates on behalf of the proposed developer of a site at Earl Street, Heywood to comment on the S106 contributions for open space for the project.

The scheme proposes the development of 23 apartments on land currently vacant and used as a car park at Earl Street which lies close to the centre of Heywood. The 23 apartments are made up of 15 one bed units and 8 two bed units, together with lift, bike store and refuse store.

This additional note looks as requested by Rochdale Council at the methodology for S106 contributions for open space which could be made for the project.

POLICY BACKGROUND

The policy for contributions is set by the Supplementary Planning Guidance Note on New Housing and Provision of Open Space produced in draft in December 2019.

This states:

New housing developments of more than 10 dwellings will normally be expected to:

- Either provide an area of informal open space on site (usually those developments of more than 100 bedrooms) or make a financial contribution (by means of a Section 106 Agreement) to the provision or improvement of off-site informal open space ;
- Either make a financial contribution (by means of a Section 106 Agreement) towards the improvement of nearby children's play facilities or provide them on site, depending on the circumstances ;
- Make a financial contribution (by means of a Section 106 Agreement) towards the provision / improvement of sports facilities .

In more detail the SPD states

'On-site informal open space

Residential developments of 100 or more bedrooms will normally be expected to provide an area of informal open space on site, the required area being calculated on the basis of the Council's standard of 1 hectare per 1000 population, assuming one person per bedroom for the purposes of the calculation. Thus, for example, a development of 800 bedrooms would require 0.8 of a hectare.

If the developer intends to hand over the responsibility for long-term maintenance to the local authority, this is something which should be clearly agreed prior to the approval of the development, and transfer should only take place when the Council is satisfied that all relevant planning conditions have been discharged and the works completed to their satisfaction. The payment of a commuted maintenance sum will be appropriate in these circumstances; normally this should cover the maintenance cost for a period of 20 years, and should be calculated in terms of cost per square metre.

There may be circumstances, for example on tight urban sites where high density development is appropriate in design terms, when the Council and the developer agree that an area smaller than

that which would be required in accordance with the Council's standard is acceptable, with the shortfall compensated for by the payment of a financial contribution to off-site improvement / provision. '

The final paragraph is highlighted as this is relevant to the position here in that there is no potential for public open space on the site as this meets the definition of a tight urban site.

Financial contributions for off-site provision / improvement of informal open space

Developments of more than 10 units but under 100 bedrooms would normally be expected to make a financial contribution towards the provision / improvement of an area of informal recreational open space in the locality which would be of direct benefit to, and easily and safely accessible by foot in 20 minutes or under by, the future residents of the development.

Any financial contribution required would be calculated in accordance with the Council's standard of 1 hectare of informal open space per 1000 population (i.e. 10 square metres per person), and for the purposes of this we assume one person per bedroom of the development. Thus the contribution required would be:

Developments of more than 10 dwellings and less than 400 bedrooms

- (i) If the development is within 500 metres of a local area for play, i.e. a play area designed for both very young children and children who can go out to play independently, and the play area is safely and conveniently accessible to the residents of the new development and does not require investment to meet the needs of the area including the new development, then no contribution will be required. If however it does require investment to meet those needs, then a financial contribution will be calculated as follows (based on the Fields In Trust standard of 0.25 hectares per 1000 population and assuming one person per bedroom of the new development):

If there is no existing provision within the specified distance of the development, on-site provision will be required in order to meet the needs of the new development.

Sports facilities

Developments of more than 10 dwellings will normally be expected to make a financial contribution towards the provision / improvement of sports facilities, ideally within reasonable walking distance of the development but potentially anywhere in the same Township, particularly the 'sports hubs', or possibly elsewhere in the borough, but in all cases the facilities should be easily accessible by public transport. For new facilities any section 106 Agreement should secure any appropriate ancillary facilities, such as changing rooms, which may be necessary.

FINANCIAL CONTRIBUTIONS

Any financial contribution required would be calculated in accordance with the Council's standard of 1.1 hectare of sports provision per 1000 population (i.e. 11 square metres per person), and we assume one person per bedroom of the development. Thus the contribution required would be:

The expected contributions from new residential development are set out in a note dated January 2020.

These suggest

Size of Dwelling	Local open Space	Outdoor Sports	Total inc admin
1 Bed	£475.43	£523.97	£1048.31
2 Bed	£950.85	£1045.94	£2096.63

If we apply these calculations to the scheme the following calculation is derived.

1 Bed X 15 units	£15724.65
2 Bed X 8 units	£16773.04
TOTAL	£32,497.69

The viability appraisal previously submitted, however, does make the point that the scheme is on the margins of viability. The scheme brings regeneration benefits to Heywood Town centre and diversifies the residential offer so needs to be supported.

There is no ability to make S106 contributions but the developer is prepared to offer a unilateral contribution of £5000 towards open space provision by reducing his profit margin.

It is recommended that this be accepted.

CONCLUSIONS

There is no doubt that this is a proposal which should be supported by the Local Authority. The scheme tackles a derelict site and brings new housing to the central area of Heywood assisting in supporting the town centre and regeneration aims. In particular it will:

- Provide high quality residential apartments.
- Contribute positively to the local economy and retail.
- Attract development and refurbishments in the surrounding area.

It should also be noted that the low values in the area make Heywood the most affordable part of Rochdale Borough and it can be argued that at an average selling price of around £120,000 the properties fall into the most affordable categories and so the whole scheme should be regarded as affordable.

The evidence of the market however shows that the development will have limited viability and there is limited scope for S106 contributions.

The key point in support of this is the evidence of low property values as seen from current property prices. An added point is the narrow nature of the Heywood property market with very few new homes and a very small apartment market. There is a great need to diversify the local housing market and hence the regeneration and housing benefits of the scheme outweigh any arguments for affordable housing. A full market appraisal is possible but at this stage it is argued that the effort involved for such a small scheme which would be very likely to demonstrate no opportunity for an affordable housing contribution appears disproportionate to the outcome.

There is no ability to make S106 contributions but the developer is prepared to offer a unilateral contribution of £5000 towards open space provision by reducing his profit margin.

It is recommended that this be accepted.