

Report to the Cabinet

Report reference: C-023-2016/17
Date of meeting: 1 September 2016



Portfolio: Asset Management & Economic Development
Subject: Car Parking & Affordable Housing Plan – Vere Road, Loughton
Responsible Officer: Alan Hall (01992 564004).
Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) That Option 3 within this report be pursued, to provide a cohesive Car Parking and Affordable Housing Plan for Vere Road, Loughton;
- (2) That the previous Cabinet decision that Moat Housing be provided with a 999-year lease to develop Site 1 for affordable housing be rescinded and that around 50 car parking spaces for the use of residents of the private development by Higgins Homes on the site of the former Winston Churchill PH be constructed on Site 1, with the construction costs met by Higgins Homes in accordance with the Development Agreement between the two parties;
- (3) That Site 2 be re-constructed by Higgins Homes to provide around 8 car parking spaces for the Higgins Homes development and around 55 public car parking spaces, with the construction costs met by Higgins Homes;
- (4) That Site 3 be marked-out, equipped and included within the Council's pay and display regime to provide around 7 public pay and display car parking spaces;
- (5) The 20 Council-owned garages on Site 4 be demolished and that Site 4 be re-constructed and equipped to provide around 34 public car parking spaces;
- (6) Planning permission be sought for the development of 10 affordable rented flats, with associated car parking, on Site 5 in accordance with the Development Appraisal already approved by the Council Housebuilding Cabinet Committee; and
- (7) That the Director of Neighbourhoods:
 - (a) Obtains a budget estimate for the cost of reconstructing and equipping Sites 3 and 4 for the provision of this work; and
 - (b) Seeks the inclusion of appropriate budget provision for the work within the Capital Programme for 2017/18, when the Cabinet next reviews the Capital Programme.

(NB: all Sites refer to Appendix 1 of report)

Executive Summary:

The Cabinet Committee has previously considered and adopted the Broadway Regeneration Action Plan, which set out a “road map” for the planned approach to the development of the various sites in The Broadway area of Loughton.

The report refers to 5 different areas of Council-owned land in Vere Road, Loughton, to the north of The Broadway, which currently provides either Council garages or public car parking spaces, and the requirement for the Council to provide sufficient land for 58 car parking spaces to be constructed by the developer of the site of the former Sir Winston Churchill PH, Higgins Homes, on one or two of the sites, at the developer’s expense.

The report provides 3 options for a cohesive plan for future car parking arrangements and affordable housing developments along Vere Road, and the recommended approach is one that offers a balanced approach to such provision in the area, providing around 96 public car parking spaces (compared to the current 63 spaces) and 10 new affordable rented properties.

Higgins Homes has offered to meet the cost of re-constructing some of the public car parking spaces, and it is proposed that the costs of re-constructing the remaining public car parking spaces be assessed, with a view to appropriate budget provision being made to undertake the works within the Capital Programme for 2017/18.

Reasons for Proposed Decision:

Under the Development Agreement between the Council and Higgins Homes, the Council has an obligation to provide sufficient land for the provision of 58 car parking spaces on its land for the occupants of the new development being constructed on the site of the former Sir Winston Churchill PH.

Accordingly, and in view of proposals previously agreed by members to provide affordable housing on two of the sites at Vere Road, there is a need to formulate a cohesive plan for future car parking arrangements and affordable housing developments along Vere Road.

Other Options for Action:

As outlined in the report:

Option 1 - Maximising the provision of affordable housing on Site 1 and Site 5, with reduced public car parking provision in Vere Road.

Option 2 - Maximising the provision of public car parking with no affordable housing provision.

Report:

1. In August 2008, the Cabinet agreed a Design and Development Brief for Debden Town Centre and The Broadway, Loughton following extensive consultation by planning consultants appointed by the Council. The area of land covered by the Design Brief contains land owned both by the District Council and other parties.

2. In September 2012, this Cabinet Committee considered and adopted the Broadway Regeneration Action Plan, which set out a “road map” for the planned approach to the development of the various sites in The Broadway area, most of which are outside of the control of the Council. The Committee received a progress report on the Action Plan in February 2014.

3. Since that time, a number of the key development proposals within the Action Plan have now either been completed, or are starting to come to fruition, including:

- Development of the site of the former Sir Winston Churchill PH by Higgins Homes plc to provide 64 private residential flats, with commercial/retail outlets on the ground floor, is on site and due for completion in July 2017;
- Sainsburys has refurbished its food store in Torrington Drive, and provided increased car parking at the front of the store;
- Development of the former EFDC depot, two difficult-to-let garage areas and the grassed area along Burton Road to provide 51 new affordable rented properties, under the Council's Housebuilding Programme, has commenced on site; and
- The Council Housebuilding Cabinet Committee has considered and approved a Development Appraisal for the development of the difficult-to-let Council garages at the end of Vere Road (nearest Willingale Road - to the rear of 79 – 93 The Broadway) and agreed that planning permission should be sought for the development.

4. The purpose of this report is to consider a plan for the future provision of car parking and affordable housing along Vere Road, to the north of The Broadway.

Vere Road - Current Position

5. For the purposes of this report, Appendix 1 provides a plan of Vere Road, showing 5 separate areas of land as follows:

- Site 1 Comprises 36 difficult-to-let Council-owned garages, with high void rates (currently 12 vacancies - 33%).
- Site 2 Comprises 31 public pay-and-display car parking spaces, and originally included 22 "large" Council garages (still shown on the plan) which were demolished last year to provide a temporary site compound for Higgins to construct their private development on the site of the former Sir Winston Churchill PH.
- Site 3 Comprises an uncontrolled, hard-surfaced area in the Council's control, not currently subject to pay-and-display charges, where people currently park their cars for free.
- Site 4 Comprises 23 public pay-and-display car parking spaces and 20 Council-owned garages, none of which are currently vacant.
- Site 5 Comprises 32 difficult-to-let Council-owned garages, with 6 current vacancies (19%), and around 9 public pay-and-display car parking spaces adjacent to Site 4.

Former Sir Winston Churchill PH Site

6. The Cabinet previously approved the Heads of Terms for a Development Agreement with the developer of this site, which is now Higgins Homes plc. The (original) developer's financial appraisal for the development, which was verified by consultants appointed by the

Council's Estates and Valuations Team, assessed that it would not be viable to provide any affordable housing as part of the development, so the 64 flats are all being provided as market housing.

7. The Development Agreement requires the Council to provide sufficient land, and to construct, 58 car parking spaces at the developer's expense, on either Site 2 or on Sites 1 and 2.

Site 1

8. When the Cabinet agreed the Development Agreement for the Sir Winston Churchill development in September 2013, it was proposed in principle that Site 1 be developed for affordable housing, as well as providing some of the required 58 parking spaces for Higgins Homes.

9. As a result, Moat Housing worked up a scheme to provide 15 one and two bedroom affordable rented flats, with 15 parking spaces for the affordable housing development, and a further 14 car parking spaces for the Higgins Homes development. Under the proposal, the Council would receive a payment from Moat of £425,000 for a 999-year lease of the land. The proposal was approved by the Cabinet on 3rd November 2014.

10. However, following the Government's decision to require all social landlords to reduce their rents by 1% per annum for 4 years from April 2016, Moat re-appraised their development appraisal for the scheme. As a result, it is no longer viable for Moat to make any payment to the Council for the land to undertake the development.

11. Over the years, a number of private residents in Barrington Road and Barrington Green, Loughton have provided vehicular accesses across the Council's garage site to private garages and hardstanding that they have constructed in their rear gardens. Some of these have been provided with the Council's permission in the past, but many have not. Detailed legal advice has been obtained on the Council's position, which suggests that those that were in situ when the properties were sold under the Right to Buy, or have been in situ for a long time and have been used continuously (which many have not), may have the right to remain - unless the site is developed for another purpose (e.g. affordable housing) and the land is appropriated for planning purposes. In such circumstances, some compensation may be payable to the private residents concerned.

12. It has been assessed that, if Site 1 is not developed for affordable housing as currently planned, and the difficult-to-let garages were demolished, it could accommodate around 50 car parking spaces, whilst retaining all of the private vehicular accesses if necessary.

Site 2

13. As explained above, Site 2 currently provides 31 public car parking spaces. However, once the area within Site 2 that previously accommodated garages (and is currently used as a site compound by Higgins) becomes available for car parking, Site 2 could be better configured and re-constructed to provide around 63 car parking spaces.

Site 3

14. Site 3 could be properly marked-up, equipped and incorporated within the pay and display public car parking regime to provide around 7 pay and display spaces.

Site 4

15. It is believed that many of the 20 Council garages in Site 4 are not used to garage cars. In view of the need to maximise public car parking in the area, if the garages were demolished and the site was re-constructed for car parking, it has been assessed that around 34 car parking spaces could be provided on the site.

Site 5

16. In December 2014, the Council Housebuilding Cabinet Committee considered a Development Appraisal to construct 10 flats (6 x 2-bed and 4 x 1-bed) on Site 5 and, as a result, agreed that planning permission should be sought to develop the site accordingly under the Council Housebuilding Programme. However, the planning application has been held in abeyance pending this review.

A Planned Approach for Vere Road

17. Now that development proposals for land around The Broadway and Vere Road are at an advanced stage, it is considered appropriate to formulate a cohesive plan for future car parking arrangements and affordable housing developments along Vere Road, since there are a range of options available.

18. There is a concern that if Site 1 is developed for affordable housing (as previously agreed by the Cabinet), with only around 14 car parking spaces made available for the Higgins Homes development, a significant amount of public car parking spaces (around 44 spaces) will have to be lost on Site 2, due to the requirement of the Council's Development Agreement with Higgins Homes for the Council to provide 58 car parking spaces on Sites 1 and 2.

19. Moreover, the Council is no longer able to benefit from the expected £425,000 capital receipt from Moat Housing, due to the requirement that social landlords must reduce their rents by 1% per annum from April 2016.

20. The loss of public car parking spaces on Site 2 would be exacerbated by the proposed development of Site 5 for the Council Housebuilding Programme, which would remove a further 9 public car parking spaces.

21. Officers from the Council's Housing Service, Estates and Valuations Team and Neighbourhoods Technical Team have therefore considered a number of potential options for the use of the five sites in Vere Road, and have formulated 3 options for consideration by the Cabinet Committee, dependent on whether the Council wants to either maximise the affordable housing in the area or maximise the amount of public car parking in the area, as follows:

Option 1 - Maximising the provision of affordable housing on Site 1 and Site 5, with reduced public car parking provision in Vere Road

22. Under this option:

- Site 1 would be developed, subject to planning permission, to provide around 15 affordable rented flats (with 15 associated parking spaces) and a further 14 car parking spaces for the Higgins Homes development. Since Moat Housing is no longer able to provide the Council with a capital receipt, it is now considered to be more appropriate for the Council to develop the site itself as part of the Council Housebuilding Programme.

- Site 2 would be re-constructed to provide around:
 - o 44 car parking spaces for the Higgins Homes development; and
 - o 19 public car parking spaces.
- Site 3 would be marked-out, equipped and included within the pay and display regime to provide around 7 public car parking spaces.
- The 20 Council-owned garages on Site 4 would be demolished and the site re-constructed to provide around 34 public car parking spaces.
- Site 5 would be developed, subject to planning permission, to provide 10 affordable flats with 10 associated parking spaces, in accordance with the Development Appraisal approved by the Council Housebuilding Cabinet Committee.

Option 2 – Maximising the provision of public car parking with no affordable housing provision

23. Under this option:

- Site 1 would not be developed for affordable housing, but would provide around 50 of the required 58 car parking spaces for the Higgins Homes development.
- Site 2 would be reconstructed to provide around:
 - o 8 car parking spaces for the Higgins Homes development; and
 - o 55 public car parking spaces.
- Site 3 would be marked-up, equipped and included within the pay and display regime to provide around 7 public car parking spaces.
- The 20 Council-owned garages on Site 4 would be demolished and the site re-constructed to provide 34 public car parking spaces.
- Site 5 would not be developed for affordable housing, but the garages would be demolished to provide around 46 new public car parking spaces.

Option 3 – A balanced approach to affordable housing and public car parking provision

24. Under this option:

- Site 1 would not be developed for affordable housing, but would provide around 50 of the required 58 car parking spaces for the Higgins Homes development.
- Site 2 would be laid-out to provide around:
 - o 8 car parking spaces for the Higgins Homes development; and
 - o 55 public car parking spaces.
- Site 3 would be marked up, equipped and included within the pay and display regime to provide around 7 public car parking spaces.
- The 20 Council-owned garages on Site 4 would be demolished and the site re-constructed to provide around 34 public car parking spaces.

- Site 5 would be developed, subject to planning permission, to provide 10 affordable flats with 10 associated parking spaces, in accordance with the Development Appraisal approved by the Council Housebuilding Cabinet Committee.

Consideration of the Options

25. The effects of the above options, compared to the current position, is summarised in the table below:

Option	Council Garages	Public Car Parking	Higgins Parking	Affordable Homes
Currently	88	63	-	-
1	-	60	58	25
2	-	142	58	-
3	-	96	58	10

26. Officers have considered the above options and are of the view that Option 3 would strike the most appropriate balance between providing additional public car parking than is currently provided along Vere Road, (which would be welcome bearing in mind the additional visitors to the area that are expected as a result of the additional commercial retail units that will be provided on the ground floor of the Higgins Homes development), and the provision of much-needed affordable housing (especially since no affordable housing is being provided as part of the Higgins Homes development). Option 3 is therefore recommended accordingly.

27. Appendix 2 provides an indicative plan showing how the car parking and affordable housing could be provided across the 5 sites under Option 3.

28. This report was considered at the last meeting of the Asset Management & Economic Development Cabinet Committee, held on 22 August 2016. The Cabinet Committee agreed the recommendations and requested that the report be considered by the Cabinet at its meeting on 1 September 2016.

Resource Implications:

Under the Development Agreement between the Council and Higgins Homes, the latter is only responsible for meeting the costs of providing the required 58 car parking spaces for its own development, including any garage demolition costs. However, the Estates and Valuations Team have negotiated an agreement with Higgins Homes whereby, in principle, Higgins Homes would undertake the entire car parking works at Site 2 at its own cost, including the provision of all the public car parking spaces. This is in recognition of the fact that it is preferable to Higgins Homes to have the majority of their development's car parking on Site 1, and for their purchasers not having to move their car parking space between Sites 1 and 2 at the Council's discretion, as allowed under the Development Agreement.

Therefore, under the proposed Option 3, the Council would only be required to undertake the costs of constructing and equipping the proposed public car parking on Sites 3 and 4. Since no detailed costings have yet been assessed for this work, it is suggested that the Director of Neighbourhoods obtains a budget estimate for the cost of this work and seeks the inclusion of appropriate budget provision within the Capital Programme for 2017/18, when the Cabinet next reviews the Capital Programme.

The increased number of public car parking spaces should result in increased car parking income for the General Fund. However, it is not possible to accurately assess the increased

income.

The proposed affordable housing would be funded through the HRA's Council Housebuilding Programme, which would require capital funding to construct the new homes but would benefit from the rental income over the life of the dwellings, as set out in the detailed Development Appraisal considered and approved by the Council Housebuilding Capital Programme.

Legal and Governance Implications:

Sites 1 and 5 are held within the Housing Revenue Account. Sites 2, 3 and 4 are held within the General Fund.

Safer, Cleaner and Greener Implications:

Site 1, which comprises a number of vacant garages, sometimes experiences anti-social behaviour, which it is considered will be overcome through the provision of open parking.

Consultation Undertaken:

The Chairman of Asset Management & Economic Development Cabinet Committee had invited the 2 ward members for Vere Road to attend the Cabinet Committee meeting and to contribute to the discussion.

Background Papers:

None.

Risk Management:

The main risks are:

- (a) if the Council does not provide sufficient land for the provision of the required 58 car parking spaces for the Higgins Homes development, in time for when the private properties on the site of the former Sir Winston Churchill PH are first occupied, in accordance with the Development Agreement, it would be in breach of the Agreement and could be held liable for any financial loss incurred by the developer; and
- (b) Higgins Homes could withdraw its discretionary offer to meet the cost of re-constructing the public car parking spaces at Site 2, leaving the Council to fund the cost of the works itself. It is suggested that this be mitigated through an appropriate legal agreement between the two parties, setting out the agreed approach.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

No groups of people with protected characteristics, as defined by the Equality Act 2010, are assessed to be affected by the report's recommendations.