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'Major' Challenges: How We Added £10m in Value Through Planning



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Last month, we took readers through a recent client success story involving a site with a single storey small community hall in which we secured consent for nine new apartments and a health centre.

Continuing this story, we now move on to the next stage of the project, which recently resulted in a consent for a new 3-storey development comprising 20 new apartments in North London, making use of changes to the Use Classes rules (as well as other planning strategies) along the way. In total, permission for the scheme has added approximately £10m in development value to the site.

'Salami Slicing': Planning in stages

We submitted an application for planning permission for the 9-unit scheme in late July 2020, following a successful pre-application, and then finally obtained planning permission in October 2020.

Submitting for planning for the 9-unit scheme, before going back for 20 units, instead of going straight away for 20 units, had the following advantages:

- Smaller number of units draws less attention locally and drew less opposition. The 9-unit scheme passed with fewer than five objections and under delegated powers.
- No affordable housing is required in Barnet for less than 10 new units.
- It creates a higher value than the existing use as a community centre, which then means on larger schemes the alternative use value established by this permission reduces the affordable housing contribution on a larger scheme.
- Obtaining permission quicker and easier for a smaller scheme helps to raise money against the site, which can then help to manage the costs and delays to the



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scheme in trying to obtain planning for a larger scheme.

- An application for only nine units would not have required an on-street parking assessment, which for reasons explained below could not have been obtained during the pandemic.

- It establishes a 'baseline' in terms of scale, mass, height and siting. The 20-unit scheme was based on the same building envelope and the same window openings. This massively narrows the possible grounds for objection and enhances planning prospects.

However, the pandemic and successive lockdowns impacted housing choice and the local housing market. Furthermore, the new London Plan 2021 was soon adopted, placing greater emphasis on the need to optimise housing development on brownfield sites, such as this.

These factors combined to trigger a significant re-think of the scheme and pave

the way for a new application that would more than double the proposed number of dwellings in the scheme, without altering the size of the approved building.

As a result, we have finally obtained permission for 20 units on the site, on the basis of a similar siting and building envelope to that approved a year earlier for the 9-unit scheme. This will make the best use of a previously developed site and provide new housing in the London Borough of Barnet in north London, while reducing car-parking and delivering an attractive, exciting and more environmentally-sustainable scheme.

The importance of public engagement

With all major development proposals, developers should expect the need to informally canvass residents and businesses in the local area on their views. Local ward councillors also appreciate the courtesy of an early approach. It is also becoming more

common with more complex minor development schemes below 10 units.

This was very difficult to conduct during the pandemic and during lockdowns. Public meetings could not be held and not everyone responds to a letter, has email or knows how to use Zoom. Therefore, despite dozens of letters and leaflets being dropped through letter boxes, only three residents showed up for the online Zoom meeting. The irony is that you still get some complaints that they were not consulted!

It seems that there are now more people informed or who have the time to object to schemes, with more people working from home and on local Whatsapp groups and the like. We received a total of 76 objections to our scheme. Another project at the same Planning Committee received over 220 objections!

Some of this is window-dressing a bit for the Planning Committee further down the line, but it can help to emphasise weaknesses in the case and where revisions or further reports may be needed.

Our initial proposals were for a 4-storey building with 26 flats. This was one storey higher than the 9-unit scheme but was pushing the feedback received from an earlier pre-app with officers. However, such was the reaction against the scheme and the strength of opposition early on from officers to the additional storey, that it was considered best to drop back to 3-storeys and 20 units.

As we will also see at the end of this article, that early public engagement creates the possibility of striking a deal on making direct contributions to local services that might not necessarily see s106 or CIL money but that may be impacted by the development. In our case, our engagement with the neighbouring primary school, which had been the source of many objectors, led to a deal that resulted in them agreeing to withdraw their objection on the day before the Planning Committee. Given that our scheme passed on a majority of 4-3 in favour, with the chairman exercising his casting vote in favour, the deal with the school could well have been a deciding factor.

Affordable housing, delay & viability

There could be a very hefty affordable housing contribution to be made in considering the value of a scheme for 20 new apartments against the value of an existing community building of only 180sqm. Therefore, a sound affordable housing mitigation strategy is needed.



In the end, we were able to limit the affordable housing contribution to just over £40,000, which officers and Committee Members very reluctantly agreed with, subject to late stage review clauses in the s106 agreement (standard these days).

Firstly, achieving planning for a scheme just under the local policy threshold of 10 units (i.e. the 9-unit scheme) elevated the alternative use value of the land on paper, which inflates the costs-side of the viability appraisal, leaving the council with a smaller margin of profit from which to take any contribution.

Secondly, we were assiduous in estimating development costs. This will especially be the case currently where many schemes will have seen a 20-30% increase in their build costs over the last 12 months. The CIL estimate of £320,000 (including indexation) and all known s106 costs were also included. It is often advisable on such larger schemes to try to

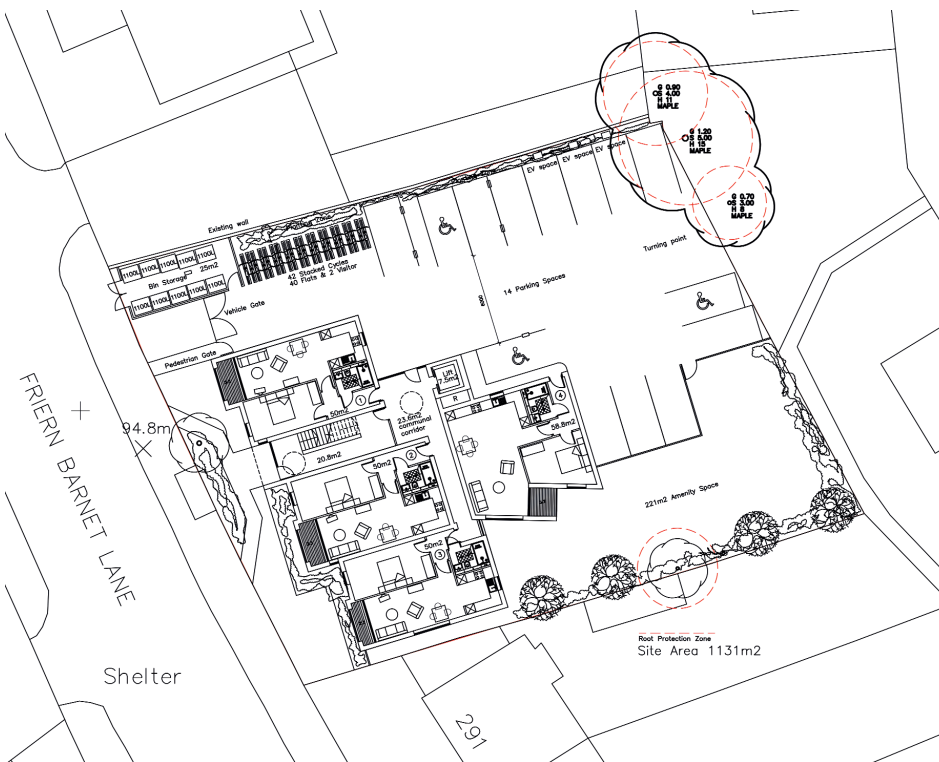
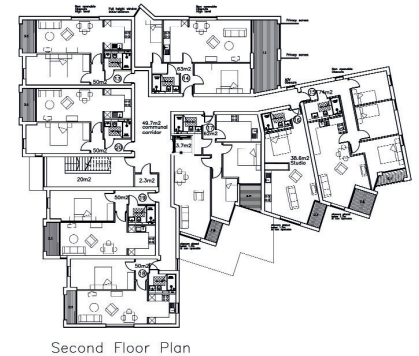
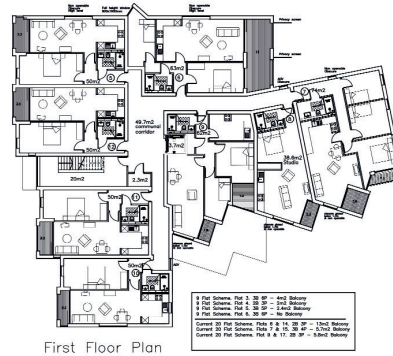
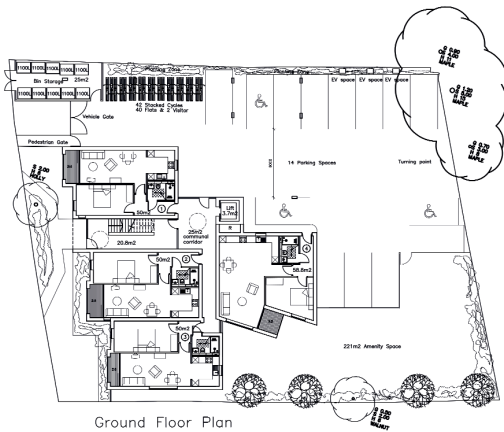
use a precise and up-to-date estimate of costs, instead of BCIS all-in tender prices, as BCIS figures will quickly fall out-of-date, as they are often based on an average of the previous months' costs figures projected forward; we are currently seeing an abnormal rate of build costs' inflation and BCIS is unlikely to fully reflect this.

Thirdly, the contributions and costed-assistance agreed directly with the neighbouring primary school will further add later on to the development costs, helping to further mitigate any later claim by the council for additional affordable housing contribution when the late-stage review clauses in the s106 agreement are activated.

Never underestimate the time taken to settle affordable housing offers with the council as it will often instruct external consultancies and it is best to place their external adviser, where possible, ►



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development ‘on the ground’. This will make a good, helpful impression, especially with the Planning Committee Chairman – particularly if you might need to rely on their casting vote in the Committee meeting – as we did!

You cannot normally say anything and have to keep your distance at such meetings. However, there was some quite animated discussion in our case between members and the case officer about dwelling mix. This gave us an early warning that we needed to prepare our Committee speech to address this point especially, which we may not have given so much time to in our speech had we not overheard this conversation on site. Again, it was a point that the chairman was particularly concerned with and, by addressing this point in the meeting and giving him the comfort he needed, it contributed to winning his support and his casting vote in favour of the scheme.

directly in contact with your own to save time in passing messages through officers who might be away on leave (which seems to happen quite a lot).

Furthermore, one can save another two months at least by removing all pre-commencement triggers from planning conditions in advance before the decision is made. This is done by obtaining a draft of all of the proposed pre-commencement conditions (these have to be agreed in advance with the applicant anyway), and then supplying the further information to officers before a decision is made on the main application. This saves at least two months of being stuck in a later application process to discharge these conditions before you can make a lawful start on site. Also, pushing this agreement through before an impending Committee or determination

date helps to focus everyone’s minds. We reckon we saved 3-4 months’ in project time in this case by doing this.

The members’ site visit

A very underrated and not often mentioned stage is when members of the Planning Committee decide that they want to go on site. This usually takes place the day or the weekend before the Committee meeting. The case officer will know for when this is scheduled.

Firstly, it helps to make sure that any provocative or misleading remarks by objectors who descend impromptu on the meeting are nullified. Secondly, it is always good to show your face and perhaps bring copies of a plan or some sort of visual aid, which helps members to navigate the site and ‘read’ the siting and scale of the

Getting over the line: ‘community benefits’

We had to contend with a fair amount of local interest in the scheme – some 76 objections. However, the neighbouring primary school, being an Academy School, would not have seen a penny of the £320,000 CIL contribution estimated to go to the council. Therefore, we agreed a package of ‘green improvements’ and security measures that would directly benefit them. In return they agreed to withdraw their objection to the scheme, which gave us a much smoother ride at the Planning Committee.

Therefore, overall, the final scheme will deliver local improvements totalling nearly £500k, much-needed additional housing, a better and more environmentally-sustainable use of the site, and a scheme delivering a development value in the region of £10m.

