PLANNING COMMITTEE		Agenda Item 43	
		Brighton & Hove City Council	

Subject:		78 West Street & 7-8 Middle Street, and 8-12A South Street & 79-81 West Street Brighton
		Request to vary the Heads of Terms of Section 106 Agreements in connection with planning applications BH2015/04577 and BH2015/04575 for mixed use redevelopment, including new hotels.
Date of Meeting: Report of:		14 September 2016
		Executive Director Economy, Environment and Culture
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Wards Affected:		Regency

1. PURPOSE OF THE REPORT

1.1 To consider a request to vary the Heads of Terms of two proposed Section 106 Agreements in connection with planning applications BH2015/04577 and BH2015/04575 which were 'Minded to Grant' by Members at the Planning Committee meeting of 13/7/16, in order to reduce the level of financial contribution towards the Brighton and Hove Local Employment Scheme (BHLES).

2. **RECOMMENDATION**

- 2.1 That the proposed variations to the Head of Terms be agreed as follows:
 - a) BH2015/04577 (78 West Street & 7-8 Middle Street Brighton): financial contribution of £62,050 towards the Brighton and Hove Employment Scheme be reduced to £13,300;
 - b) BH2015/04575 (8-12A South Street & 79-81 West Street Brighton): financial contribution of £30,040 towards the Brighton and Hove Local Employment Scheme be reduced to £11,400.

3. BACKGROUND INFORMATION

- 3.1 Members were minded to grant full planning permission at Planning Committee on 13th July 2016 for the following two separate planning applications on adjacent sites:
 - a) BH2015/04577 (78 West Street & 7-8 Middle Street Brighton) Demolition of existing nightclub buildings (Sui Generis use). Construction of part 5, 6 and 7 storey building plus basement to provide 'A' uses (A1 retail, A2 financial & professional services, A3 restaurant/café, A4 drinking establishment) on part of

basement and ground floor fronting West Street and hotel use (C1) on all floors with reception fronting Middle Street to provide a total of 133no hotel rooms.

- b) BH2015/04575 (8-12A South Street & 79-81 West Street Brighton) Demolition of garage / storage buildings at 8 12a South Street and two storey rear wing at 81 West Street. Construction of part 3, 4, 5 and 6 storey plus basement buildings to provide 91 hotel rooms (C1 use comprising 69 standard rooms, and 22 micro rooms), new ground floor kitchen and refuse store to 81 West Street and provision of 3no two bedroom flats and 1no one bedroom flat (C3 use) fronting South Street. Demolition and extension of roof level structure at 79 West Street to provide 11no additional backpacker hostel rooms (Sui Generis). Enclosure of external stairs. Reinstatement of public footpath in South Street.
- 3.2 Members were minded to grant the applications subject to completion of a S106 containing the following Heads of Terms as set out in the original Committee reports:
 - a) BH2015/04577 (78 West Street & 7-8 Middle Street Brighton)
 - Submission of a Construction Environmental Management Plan
 - A financial contribution of £62,050 towards the council's Local Employment Scheme
 - Submission of an Employment and Training Strategy, with a commitment to using at least 20% local labour.
 - Incorporation of an artistic element within the site itself or as artistic public realm 'influence' in its immediate vicinity to the value of £49,500
 - A financial contribution of £12,000 towards sustainable transport enhancement in the form of pedestrian improvement in the following locations: a) Vehicle crossover 9-12 Middle Street make flush and fully accessible, b) Vehicle crossover 38-39 Middle Street make flush and fully accessible and realign kerb line, c) Prince Albert Street/Black Lion Street make pedestrian crossing flush, d) South Street/Middle Street dropped kerbs and tactile paving

b) BH2015/04575 (8-12A South Street & 79-81 West Street Brighton)

- Submission of a landscaping scheme to enhance the safety and appearance of South Street. This shall include as a minimum, reinstatement of missing footway on northern part of South Street adjacent to site, resurfacing of all of north and south pavements in red brick (or similar), provision of raised road surface to form elongated table between Middle Street along South Street to boundary of new residential and hotel, assessment of and upgrade/addition to heritage mounted street lighting where necessary, provision of tactile paving in Middle Street on both sides of entrance to South Street. This would require an associated Section 278 agreement. The developer will meet the cost of any associated TRO.
- A financial contribution of £71,360 towards sustainable transport enhancement covering pedestrian, cycle, public transport and public realm improvements in the immediate area of the site including routes between the development and amenities and attractions in the Old Town, the wider city centre and key transport hubs.

- Incorporation of an artistic element within the site itself or as artistic public realm 'influence' in its immediate vicinity to the value of £26,000
- A financial contribution of £30,040 towards the council's Local Employment Scheme
- Submission of an Employment and Training Strategy, with a commitment to using at least 20% local labour.
- Submission of a Construction Environmental Management Plan
- 3.3 Planning Permission for both schemes is yet to be issued as both S106 Agreements are currently in the process of being drafted following the committee resolution.
- 3.4 In the period between both committee reports being written, and the subsequent Planning Committee meeting, the council's Developer Contribution Technical Guidance was formally adopted at Economic Development & Culture Committee on 16th June 2016. This document sets out a policy overview on areas for developer contributions, enabling the granting of planning permission. It follows an interim document which had been previously applied to development proposals since 2011. It sets out the relevant thresholds for type and scale of development and how the level of contribution sought is calculated for various planning requirements, including the BHLES.
- 3.5 The Guidance states financial contributions will be required towards a local employment training off-site programme and its running costs, including the provision of an appropriately qualified tutor. The contributions will support capital and revenue costs on the 'Futures' programme for residents and small businesses.
- 3.5 Such contributions are part of the objectives of policy CP2 of the City Plan Part One (and SA6 Sustainable Neighbourhoods), which states apprenticeships, training and job opportunities for local residents will be sought from developers on major development schemes. City Plan Policy CP7 Infrastructure and Developer Contributions states that adequate infrastructure including appropriate social infrastructure through provision of employment, regeneration and training initiatives on major development sites at demolition and construction phases will be sought in accordance with the BHLES.

4. PROPOSAL

4.1 The developer has written to the Council to request that payment of the financial contributions towards the Brighton and Hove Local Employment Scheme be reduced in accordance with the latest Developer Contribution Technical Guidance, which has a different methodology for calculating contributions.

5. COMMENT

5.1 The Local Planning Authority is satisfied that there has been a relevant change in circumstances since the committee report was finalised. The updated Guidance is

a material planning consideration. In this context the applicant's request is considered reasonable.

- 5.2 The updated Guidance provides a clearer methodology and introduces different thresholds for payment. There are now wider categories for types of development that require contributions which mean that overall more financial contributions will be received, however, in certain circumstances a different methodology has meant there may be a reduction. Calculations for the BHLES are now based on 'net gains' in terms of scale of development, to be consistent with other requirements set out in the Guidance. This means that where there is an existing building on site (as is the case here) the scale of that existing development is discounted from the figure requested, as opposed to being based on the whole of the new build regardless of what was on site as previously. This has meant required contributions towards the BHLES are likely to be lower on such sites. In this particular case the nightclub site contains a substantial existing building which has reduced the required contribution accordingly.
- 5.3 The Council's Economic Development Team have been consulted and confirm they are agreeable to the reduced figures, which accord with the updated Guidance.

Background Documents: Planning Applications BH2015/04577 and BH2015/04575