

COMMITTEE REPORT

BY THE EXECUTIVE DIRECTOR FOR ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES
READING BOROUGH COUNCIL
PLANNING APPLICATIONS COMMITTEE: 31st May 2023

Ward: Katesgrove

App No.: 201138/FUL

Address: 12-18 Crown Street, Reading

Proposal: Change of use of building from 44 serviced apartments (Class C1) to 44 flats (C3) comprising of 4 no studios, 27 x one bedroom and 13 x two bedroom units with associated parking

Applicant: Shall Do Crown Street Limited

Major Application: 13 week target decision date: 14th October 2020

Extended Deadline: 30th June 2023

Planning Guarantee 26-week target: 13th January 2021

RECOMMENDATION

Delegate to Assistant Director for Planning, Transport and Public Protection Services (AD PTPPS) to (i) **GRANT** full planning permission subject to completion of a S106 legal agreement or (ii) to **REFUSE** permission should the legal agreement not be completed by 30th June 2023 (unless officers, on behalf of AD PTPPS, agree to a later date for completion of the legal agreement). The legal agreement to secure the following:

Affordable Housing (amended – see in bold)

To secure an off-site affordable housing contribution of £88,000 to be used for affordable housing within the Borough. Payable prior to first occupation as C3 residential units and index-linked from the date of permission.

Late Stage Deferred Payment Review Contribution mechanism to be triggered when 75% of all the flats (i.e. 33 units) have been sold or let to cover the remaining shortfall to include 60%/40% profit share (in favour of the Council) on all profits over 10% profit on GDV up to a policy compliant cap equivalent to 30% provision.

CONDITIONS TO INCLUDE (additional recommended conditions included in bold):

1. TL1 - Full - time limit - three years;
2. Approved Plans;
3. Construction Method Statement (pre-commencement)
4. Parking Permits 1 (notification to LPA);
5. Parking Permits 2 (notification to occupants);
6. Cycle Parking (as specified);
7. Landscaping (to be submitted);
8. Noise Assessment & Mitigation (pre-commencement);
9. Air Quality Assessment & Mitigation (pre-commencement);
10. Unidentified contamination;
11. Hours of construction/demolition;
12. No burning on site;
13. Details of bin stores (to be submitted);
14. External lighting (if proposed, details to be submitted); and
15. Conversion to comply with Energy and Sustainability Statement regarding sustainability (in accordance with).
- 16. A scheme for sound insulation between units to be submitted to and approved by the LPA and installed in accordance with the approved details.**

17. Details of a brown or green roof to be submitted to and approved by the LPA prior to installation and installed in accordance with the approved details.

INFORMATIVES TO INCLUDE:

- Positive and Proactive;
- Pre-commencement conditions agreed by agent;
- S106;
- Terms and Conditions;
- Building Regulations;
- Complaints about construction;
- Contamination;
- Noise between residential properties;
- CIL; and
- No entitlement to parking permits.

1.0 Introduction

- 1.1 This application was deferred from the September 2022 Planning Applications Committee (Committee Report at Appendix 1 below) further to a request for additional information on a number of matters including an improved affordable housing offer. Officers have liaised with the applicant and the following is the position having explored matters further.

2.0 Affordable Housing

- 2.1 The applicant has responded with an affordable housing offer of an off-site contribution of £88,000 (£2,000 per dwelling). RBC Valuers have confirmed that this is a reasonable offer within the context of this non-viable scheme. The supporting text to Policy H3 at para 4.4.24 explains that the Local Planning Authority will be sensitive to exceptional costs of bringing a site to market such as for reasons of expensive reclamation, or infrastructure costs, or high existing use values. In this instance the Existing Use Value (EUV) of the building in use as serviced apartments is relatively high, the proposal is to re-configure the existing building internally with no new floorspace proposed and the high existing values therefore suppress the viability as confirmed by the Council's Valuer. Valuers also note that the viability will have worsened since the submission of the original viability assessment due to increasing build costs, increased costs of borrowing and the fall in house prices; however these aspects should be given little weight in the decision as they relate to market fluctuations which form part of normal developer risk. This obligation has been included in bold in an amended Heads of Terms in the Recommendation box above.

3.0 Mix/ Size of Units

- 3.1 The Committee requested an improved mix/ size of units. The proposal presented to Committee in September proposed 70% 1 bed/studios whereas policy guidance in Policy CR6 seeks a maximum of 40%. The applicant has explored including further larger units in place of some of the studios, but this would have a further negative impact on viability, shown within further submitted viability information. This proposal is similar to that granted on appeal nearby at 23-27 London Road, as referred to by officers within the original committee report (paragraph 6.3.3, Appendix 1 below). This appeal allowed for a change of use from serviced apartments to C3 dwellings with a mix which did not achieve the Policy CR6 guidance mix. The Inspector was clear that the policy allows for flexibility in applying mix and that viability is a material consideration. Officers consider this appeal decision to be a relevant material

consideration in this current application due to the similarities, proximity and the recentness of that decision.

4.0 Outdoor Amenity Space

- 4.1 Concern was raised by Committee about the lack of private amenity space and the proximity of existing public open space provision. Policy H10 requires residential development to provide functional private or communal open space and does apply to conversions. The supporting paragraph to 4.4.83, however, does not require the same amount of outdoor space within Central Reading, where sites are usually more constrained, and the provision of private amenity space will need to be considered in the context of the nature of the area, and the type of amenity spaces provided for similar developments.
- 4.2 There is no space within the site to create any meaningful private/ communal amenity space and any contribution towards open space would further negatively impact the scheme's viability. Forbury Gardens and Coley Meadows are within an estimated 10-minute walk (ca 0.5 miles/ 800m) which is within the guidance distance set out within the nationally recognised, "Guidance for Outdoor Sport and Play Beyond the Six Acre Standard England" (by Fields in Trust, Formerly the National Playing Fields Association). Paragraph 4.4.83 recognises that *"Flats in central Reading are less likely to attract families and the ability to walk to public open space nearby reduces the need for private open space."*

5.0 Parking

- 5.1 Councillors raised concern over the parking deficiency compared to the Council's adopted parking standards. RBC Transport officers had no objection to the proposed provision and have reconfirmed this position to officers, given the restrictions in the area and proximity to the town centre and the availability of alternative modes.

6.0 Biodiverse Brown/Green Roof

- 6.1 Reference was made by Councillors to the lack of proposed green or brown roof. The applicant has now confirmed their agreement to the inclusion of a condition requiring details of a brown or green roof be submitted for approval prior to installation, and that this would likely be on an element of roof not previously extended. An additional condition is included above.

7.0 Noise

- 7.1 An issue was raised regarding the potential for noise between units. Although sound insulation between dwellings is a matter to be addressed under Building Regulations, the applicant has confirmed agreement to the inclusion of a condition requiring the provision of such. This is included in the Recommendation above.

8.0 Community Infrastructure Levy

- 8.1 Councillors requested confirmation of the total CIL liability figure. In this instance the CIL would be zero as the building is in continuous use and the proposal does not include an increase in the floor area.

9.0 Conclusion

- 9.1 Officers continue to recommend approval for the scheme subject to two additional conditions and amended S106 heads of terms as shown in bold in the Recommendation above.

Case Officer: Alison Amoah

APPENDIX 1: 7TH SEPTEMBER COMMITTEE REPORT

COMMITTEE REPORT

BY THE EXECUTIVE DIRECTOR FOR ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES READING BOROUGH COUNCIL PLANNING APPLICATIONS COMMITTEE: 7 September 2022	ITEM NO.
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Ward: Katesgrove

App No.: 201138/FUL

Address: 12-18 Crown Street, Reading

Proposal: Change of use of building from 44 serviced apartments (Class C1) to 44 flats (C3) comprising of 4no studios, 27 x one bedroom and 13 x two bedroom units with associated parking

Applicant: Shall Do Crown Street Limited

Major Application: 13 week target decision date: 14th October 2020

Extended of time date: 28th September 2022

RECOMMENDATION

Delegate to Assistant Director for Planning, Transport and Public Protection Services (AD PTPPS) to (i) **GRANT** full planning permission subject to completion of a S106 legal agreement or (ii) to **REFUSE** permission should the legal agreement not be completed by 28th September 2022 (unless officers, on behalf of AD PTPPS, agree to a later date for completion of the legal agreement). The legal agreement to secure the following:

Affordable Housing

Late Stage Deferred Payment Review Contribution mechanism to be triggered when 75% of all the flats (i.e. 33 units) have been sold or let to cover the remaining shortfall to include 60%/40% profit share (in favour of the Council) on all profits over 10% profit on GDV up to a policy compliant cap equivalent to 30% provision.

CONDITIONS TO INCLUDE:

18. TL1 - Full - time limit - three years;
19. Approved Plans;
20. Construction Method Statement (pre-commencement)
21. Parking Permits 1 (notification to LPA);
22. Parking Permits 2 (notification to occupants);
23. Cycle Parking (as specified);
24. Landscaping (to be submitted);
25. Noise Assessment & Mitigation (pre-commencement);
26. Air Quality Assessment & Mitigation (pre-commencement);
27. Unidentified contamination;
28. Hours of construction/demolition;
29. No burning on site;
30. Details of bin stores (to be submitted);
31. External lighting (if proposed, details to be submitted); and
32. Conversion to comply with Energy and Sustainability Statement regarding sustainability (in accordance with).

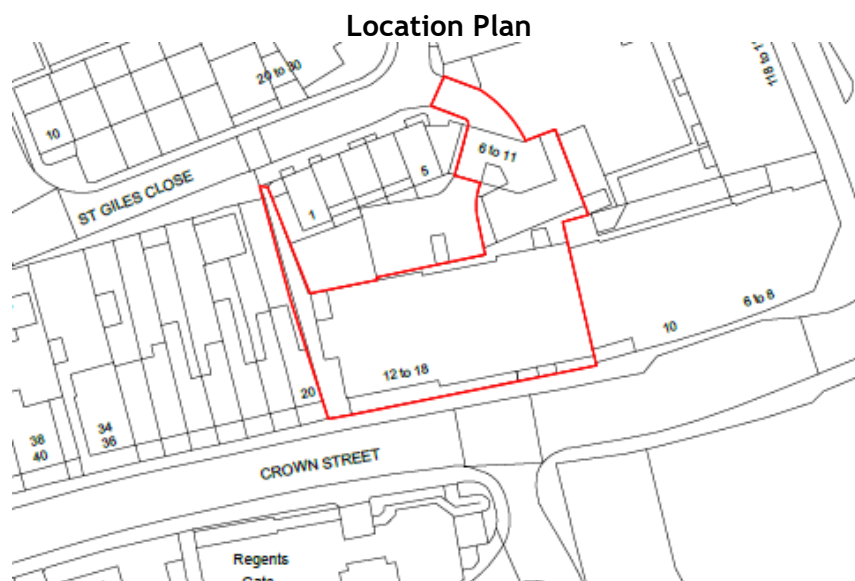
INFORMATIVES TO INCLUDE:

- Positive and Proactive;
- Pre-commencement conditions agreed by agent;

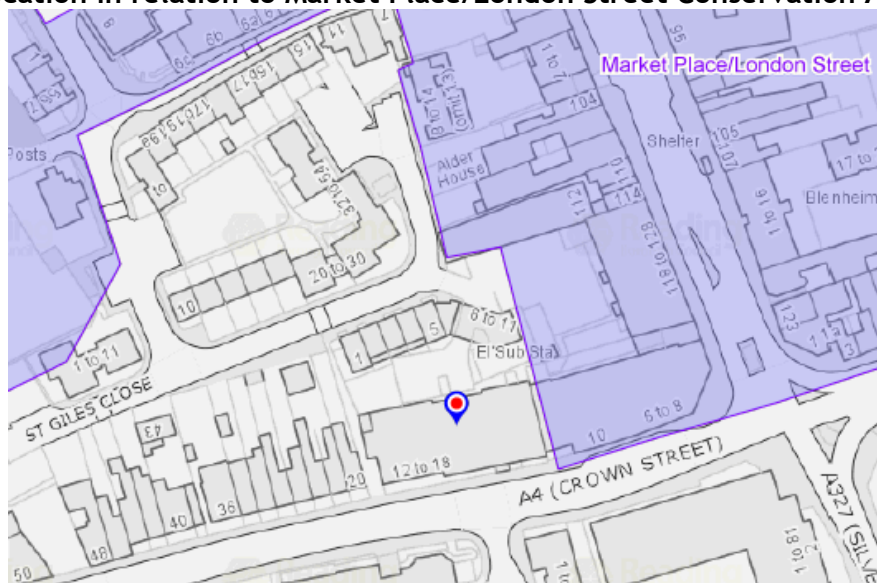
- S106;
- Terms and Conditions;
- Building Regulations;
- Complaints about construction;
- Contamination;
- Noise between residential properties;
- CIL; and
- No entitlement to parking permits.

1. INTRODUCTION

- 1.1 The application site was originally an office block but was granted planning permission for its current use as a part 4, part 5 storey building for 44 one and two bedroom serviced apartments. The building has been extended upwards to create additional accommodation (see planning history below). There are 8 car parking spaces (including 2 disabled parking bays) to the rear accessed from St Giles Close. The building currently provides 10 covered and secure parking spaces within a store at ground floor level. As part of the original permission for the serviced apartments a coffee lounge is at ground floor level.
- 1.2 The site is located on the busy Crown Street with residential properties to the north on St Giles Close (Nelson Mews) and to the south and west on Crown Street. Student accommodation is attached in a separate building to the east.
- 1.3 The site borders the Market Place/London Street Conservation Area as shown on the plan below and the surrounding area is a mixture of residential, commercial and retail. The site is also within an Air Quality Management Area.
- 1.4 The application is brought to Planning Applications Committee as it is a major scheme.



Location in relation to Market Place/London Street Conservation Area



2. PROPOSAL AND SUPPORTING INFORMATION

- 2.1 The proposal is for the change of use of the 44 apart-hotel/serviced apartments (C1 use) to 44 residential flats (C3 use). Internally only minor modifications are proposed, in particular the 4th floor level to ensure the flats achieve minimum space standards. Reconfiguration of the common areas at ground floor are also proposed to facilitate an enlarged cycle store in order to accommodate 44 bicycles.
- 2.2 No external changes are proposed and car parking will remain as existing. Refuse collection will continue to be undertaken by a private company as the undercroft restricts the height to the rear of the building which means standard bin lorries would not be able to enter the site.
- 2.3 The following plans and supporting documents were submitted on 15th October 2020:

Drawing No: E19-029/-SIT001 - Site Plan
Drawing No: E19-029/-SIT002 - Location Plan
Drawing No: E19-029/-EXP000 - Ground Floor Existing Drawings
Drawing No: E19-029/-EXP001 - First Floor Existing Drawings
Drawing No: E19-029/-EXP002 - Second Floor Existing Drawings
Drawing No: E19-029/-EXP003 - Third Floor Existing Drawings
Drawing No: E19-029/-EXP004 - Fourth Floor Existing Drawings
Drawing No: E19-029/-EXA001 - Area Schedule Existing
Drawing No: E19-029/-PRA001 - Area Schedule Change of Use Scheme
Drawing No: E19-029/-PRP000 - Ground Floor Change of Use Scheme
Drawing No: E19-029/-PRP001 - First Floor Change of Use Scheme
Drawing No: E19-029/-PRP002 - Second Floor Change of Use Scheme
Drawing No: E19-029/-PRP003 - Third Floor Change of Use Scheme
Drawing No: E19-029/-PRP004 - Fourth Floor Change of Use Scheme
Planning Statement incorporating a Design & Access Statement
Transport Note
Energy and Sustainability Statement
Environmental Noise Survey and Acoustic Design Statement Report

The following amended plans were submitted on 13th May 2020:

Drawing No: E19-029/SIT001 Rev A - Site Plan

Drawing No: E19-029/-PRP004 Rev A - Fourth Floor

The following amended plans were submitted on 30th June 2022:

Drawing No: E19-029/-PRP000 Rev A - Ground Floor

Drawing No: E19-029/-PRP001 Rev A - First Floor

Drawing No: E19-029/-PRP002 Rev A - Second Floor

Drawing No: E19-029/-PRP003 Rev A - Third Floor

Drawing No: E19-029/-PRP004 Rev B - Fourth Floor

3. RELEVANT PLANNING HISTORY

04/00097/FUL (Civica Ref: 040727) - 3,4 and 5 storey building providing 11 no. residential units (comprising a mix of flats and townhouses and 2 no.1 bed, 6 no.2 bed and 3 no.3 bed) with associated parking, amenity space and retention of office parking for 9 vehicles. Permitted 28/04/2004.

05/00776/FUL (Civica Ref: 051137) - Change of use from Offices (B1) to 34 serviced apartments as part of a n Apart-Hotel (Use class C1) comprising 22 x 1 bedroom units and 12 x 2 bedroom units with associated parking. Permitted 24/10/2005.

05/00777/FUL (Civica Ref: 051138) - Change of use from Offices (B1) to 28 residential units comprising 19 x 1 bedroom flats, 4 x 2 bedroom flats, 5 x 3 bedroom flats, associated parking and landscaping. Permitted 24/10/2005.

06/01116/FUL (Civica Ref: 060409) - Roof extension to provide an additional 10 serviced apartments. Permitted 20/12/2006.

211742/FUL - Change of use of cafe used by existing C1 serviced apartment residents to Class E(b) sale of food and drink for consumption on the premises (no cooking proposed) by members of the public. Refused 23/08/2022.

(This application refers to the existing coffee lounge on the ground floor associated with the existing serviced apartments and this area is not included within the application being brought to committee).

211743/ADV - Projecting sign. Refused 23/08/2022.

Other Relevant Planning History at 23-27 London Road

201221/FUL - Change of use of The Faculty from 16 serviced apartments (Use Class C1) to 15 residential flats (Use Class C3). Refused 02/03/2021 and allowed at appeal on 09/12/2021.

23-27 London Road is to the east of 12-18 Crown Street and was for a similar scheme. Officers refused this scheme for a number of reasons namely 1) lack of affordable housing (no viability submitted during the course of the application); housing mix (proposal dominated by one bedroom units); internal layout (a number of units were below the nationally described space standards); and failure to demonstrate an adequate parking layout. The Planning Inspectors decision is appended to this report for reference.

This appeal decision is relevant to the application brought to planning applications committee as some of the matters raised are similar to those at 23-27 London Road and which will be highlighted through the assessment of the application below.

4. CONSULTATIONS

(i) Statutory

4.1 None.

(ii) Non-statutory

Transport

No objection subject to conditions and informatives, discussed further below.

Environmental Protection

A noise assessment has been submitted but the detail of the window specification has not been provided, and in addition the ventilation strategy is not compliant with our requirements. The site is also within an Air Quality Management Area that has been identified as being a pollution hotspot (likely to breach the EU limit value for NO₂) and introduces new exposure / receptors. An assessment and/or mitigation measures should be provided as part of the application. These matters can be dealt with by way of conditions relating to the submission of a Noise Assessment, an Air Quality Assessment along with other conditions and informatives as detailed in the recommendation above.

Natural Environment Trees

The site sits within the AQMA, within a low canopy cover ward (ref Tree Strategy) and directly adjacent to the Market Place / London Street Conservation Area, with a small part of the site being within the conservation area. As such, the need for 'greening' as part of development proposals is very important to meet both policy aims and those of our adopted Tree Strategy.

However given the nature of the application - a change of use - I suspect that opportunities for securing greening will be limited.

The small soft landscape strip along the Crown Street frontage has always looked poor - mostly weeds - hence provided little benefit / softening to the frontage. There is scope to improve this through planting. However I noted when passing the site recently that seating pods had been placed on this strip which would prevent soft landscaping being implemented. It does not seem that this strip is a desirable 'amenity' space for residents given the stationary traffic often directly adjacent to it, and indeed they may be no requirement to provide amenity space on this site. If it is required to be deemed as such, seating would, I assume, take priority over planting. However, planting would have a wider benefit and help the development meet the green policy aims, in particular in providing pollution filtration through planting, given the site's location in the AQMA.

It is worth noting that planning approval 05/00776 (051137) required, via condition 6, a scheme of hard and soft landscaping to be submitted and specifically mentions the frontage. The DAS submitted for that application

specifically mentions provision of a landscape strip along the frontage to 'add visual interest', with the proposed layout showing planting.

The request to reinstate this is therefore wholly reasonable and should be secured by L1.

(iii) **Public/ local consultation and comments received**

4.7 Nelson Mews 1-11 (all) and Crown Street 6-8 and 20 were notified of the application by letter. A site notice was also displayed at the application site.

4.8 No neighbour letters of representation have been received.

5. LEGAL AND PLANNING POLICY CONTEXT

5.1 Section 38 (6) of the Planning and Compulsory Purchase Act 2004 requires that proposals be determined in accordance with the development plan unless material considerations indicate otherwise.

Section 72 (1) of the Planning (Listed Buildings and Conservation Areas) Act 1990 requires the local planning authority in the exercise of its functions to pay special attention to the desirability of preserving or enhancing the character or appearance of a conservation area.

Material considerations include relevant policies in the National Planning Policy Framework (NPPF) which states at Paragraph 11 "Plans and decisions should apply a presumption in favour of sustainable development". The relevant sections of the NPPF are:

National Policy - National Planning Policy Framework (NPPF) 2021

Section 2 - Achieving Sustainable Development

Section 4 - Decision Making

Section 5 - Delivering a sufficient supply of homes

Section 11 - Making Effective Use of Land

National Planning Practice Guidance

Reading Borough Local Plan (November 2019)

CC1 (Presumption in Favour of Sustainable Development)

CC2 (Sustainable Design and Construction)

CC3 (Adaptation to Climate Change)

CC5 (Waste Minimisation and Storage)

CC6 (Accessibility and the Intensity of Development)

CC7 (Design and the Public Realm)

CC8 (Safeguarding Amenity)

CC9 (Securing Infrastructure)

EN1 (Protection and Enhancement of the Historic Environment)

EN3 (Enhancement of Conservation Areas)

EN9 (Provision of Open Space)

EN15 (Air Quality)

EN16 (Pollution and Water Resources)

H1 (Provision of Housing)

H2 (Density and Mix)

H3 (Affordable Housing)

H5 (Standards for New Housing)

H8 (Residential Conversions)
H10 (Private and Communal Outdoor Space)
TR3 (Access, Traffic and Highway-Related Matters)
TR5 (Car and Cycle Parking and Electric Vehicle Charging)
CR1 (Definition of Central Reading)
CR2 (Design in Central Reading)
CR6 (Living in Central Reading)

Supplementary Planning Document
Affordable Housing (July 2013)
Revised Parking Standards and Design (Oct 2011)
Planning Obligations under S106 (April 2015)
Sustainable Design and Construction (Dec 2019)
Tree Strategy (March 2021)

6. APPRAISAL

The main issues to be considered are:

- i) The principle of development;
- ii) Affordable Housing;
- iii) Housing Density & Mix;
- iv) Impact on living environment for future residents and amenity of neighbouring properties;
- v) Traffic generation and parking;
- vi) Landscaping; and
- vii) Other Matters

i) Principle of development

- 6.1 The NPPF states (para. 10) that *“at the heart of the Framework is a presumption in favour of sustainable development”*. The overarching objectives are economic, social and environmental. Paragraph 12 of the NPPF states *“the presumption in favour of sustainable development does not change the statutory status of the development plan as the starting point for decision making. Where a planning application conflicts with an up-to-date development planning permission should not usually be granted.”*
- 6.1.1 Policy CC1 (Presumption in Favour of Sustainable Development) of the Reading Borough Local Plan states *“applications for planning permission must be determined in accordance with the development plan unless material considerations indicate otherwise....Proposed development that conflicts with the development plan will be refused, unless material considerations indicate otherwise.”*
- 6.1.2 The proposal is for the change of use of serviced apartments to 44 residential flats. There are no specific policies in the Reading Borough Local Plan which protect apart-hotel/serviced apartments and therefore there is no in-principle policy conflict with the loss of these units. Provision of housing is welcomed, providing the development is suitable in terms of other material considerations discussed below.
- 6.1.3 Policy H1 (Provision of Housing) of the Reading Borough Local Plan states *“Provision will be made for at least an additional 15,847 homes in Reading Borough for the period of 2103-2036.”* This is in line with the NPPF section 5 - Delivering a sufficient supply of homes. The provision of housing would

contribute to meeting the need for additional housing within the Borough in accordance with Policy H1.

ii) Affordable Housing

6.2 Policy H3 (Affordable Housing) states that residential development will make an appropriate contribution towards affordable housing to meet the needs of Reading:

- On sites of 10 or more dwellings, 30% of the total dwellings will be in the form of affordable housing.

6.2.1 The policy continues that for sites of 10 or more dwellings, provision should be made on site in the first instance with a financial contribution being negotiated to make up the full requirement as appropriate.

6.2.2 In all cases where proposals fall short of the policy target as a result of viability considerations, an open-book approach will be taken and the onus will be on the developer/landowner to clearly demonstrate the circumstances justifying a lower affordable housing contribution.

6.2.3 Policy H3 also states that priority needs are currently for housing with two or more bedrooms that can house families and the following types of residential development will be exempt from the requirement to provide affordable housing:

- Replacement of a single dwelling with another single dwelling; and
- Conversion of a dwelling to self-contained flats where there is no new floorspace.

6.2.4 Paragraph 5.3.27 of Policy CR6 (Living in Central Reading) states that “Reading has seen a marked increase in proposals for serviced apartments, particularly in the centre. These uses fall halfway between hotels and housing, providing basic facilities for self-sufficient living but also the amenities of a hotel.....However, these uses should not be seen as a way of introducing flats by the back door and therefore avoiding the need to contribute towards the provision of affordable housing”.

6.2.5 There is nothing in Policy H3 that exempts the change of use of C1 serviced apart-hotels to C3 residential from contributing towards affordable housing and the proposal would be required to make an appropriate contribution towards affordable housing unless it can be demonstrated that this would make the scheme unviable.

6.2.6 The applicant has submitted a Viability Assessment which has been reviewed by the Council’s Valuers. The Council’s Valuers have concluded that the scheme cannot afford to deliver any affordable housing. The Council’s policy is that an appropriate contribution to affordable housing will be made. It is therefore considered that a mechanism be included within a S106 Agreement that ensures that a proportion of increased profits are secured for affordable housing. This is referred to as a planning deferred contributions mechanism.

6.2.7 There are a number of options for the form of such a mechanism but the standard approach is the ‘profit share’. This is based on an Open Book assessment at a key stage of delivery (usually when 75% of the units have

been sold or let) whereby all scheme costs including land value and agreed profit are deducted from the GDV and any surplus shared between the Developer and the Council on an equal basis.

- 6.2.8 The Council's Valuers have applied the formula set out in Appendix 4 of the SPD and this will be used at the point that 75% of the units are sold or let.

iii) Housing Density & Mix

- 6.3 The application site is located within the boundary of the Reading Central Area and Policy CR6 (Living in Central Reading) of the Reading Borough Local Plan is applicable. Policy CR6 states that *"all proposals for residential development within the central area will be required to contribute towards a mix of different sized units within the development. This will be measured by the number of bedrooms provided within individual units. Ideally, a mixture of one, two and three bedroom units should be provided. As a guide, in developments of 15 dwellings or more, a maximum of 40% should be 1 bed/studios, and a minimum of 5% of units should be at least 3 bed, unless it can be clearly demonstrated that this would render a development unviable."*

- 6.3.1 The scheme proposes:

4 x studio apartments
18 x 1 bedroom / 1 person apartments
9 x 1 bedroom / 2 person apartments
4 x 2 bedroom / 3 person apartments
9 x 2 bedroom / 4 person apartments

- 6.3.2 31 x 1 bedroom/studio flats are therefore proposed which equates to 70.45% which significantly exceeds the maximum of 40% in policy CR6. The Planning Statement submitted by the applicant states that more substantial changes to the existing layout than those already proposed (to ensure space standards can be met) would make the scheme unviable. A Viability Assessment has been undertaken (see Affordable Housing section ii) above) and the conclusion is the scheme is not viable.

- 6.3.3 In a recent appeal decision (dated 9th December 2021) at 23-27 London Road (application ref: 201221 - for the change of use from 16 serviced apartments to 15 residential flats) the Inspector stated:

In this case, the scheme is not a new build or a conversion where there is readily a scope for the provision or reconfiguration of the floorspace to provide a new layout with a different mix of bedroomed units. The scheme combines a studio and a one bedroom flat on the ground floor to provide a 2 bedroom unit and in the other cases the units are already laid out and operational with each unit having a kitchen/lounge area, bathroom(s) and bedroom(s). The scheme with the proposed number of units has already been shown to be unviable to deliver affordable housing and seeking to alter the layout with the movement of some walls, doorways and provision of combined units would add cost, reduce the number of units on the site and, it seems to me based on the information available, render the scheme unviable.....

Furthermore, the policy states that ideally (my emphasis added) there should be a mix of one, two and three bed units. In this case, while it may

be ideal, it would not be reasonable given the existing layout which, with the exception on the ground floor, is not intended to or could easily be changed.....

In summary, Policy CR6 of the Local Plan allows for some flexibility in the mix of the units in schemes and for the viability of a scheme to be taken into account. In the circumstances of this case, I conclude that the scheme would provide a satisfactory mix of unit sizes. Accordingly, the development would comply with Policy CR6 and H2 of the Local Plan which seek amongst other things, to provide an appropriate density of residential development having regard to the need to maximise the efficiency of land.

- 6.3.4 23-27 London Road is just to the east of 12-18 Crown Street and taking the above comments from the Inspector into consideration, although the proposed scheme is dominated by one bedroom flats, the findings of the Inspector and the fact the scheme is not viable are material considerations. As such, in this instance, and on balance, the proposed mix is considered satisfactory and complies with Policies CR6 and H2 of the Reading Borough Local Plan.

iv) Impact on living environment for future residents and amenity of neighbouring properties

- 6.4 Policy CC8 (Safeguarding Amenity) of the Reading Borough Local Plan states that:

Development will not cause a significant detrimental impact on the living environment of existing residential properties or unacceptable living conditions for new residential properties, in terms of:

- Privacy and overlooking;
- Access to daylight and sunlight;
- Visual dominance and overbearing effects of a development;
- Harm to outlook;
- Noise and disturbance;
- Artificial lighting;
- Vibration;
- Dust and fumes;
- Smell;
- Crime and safety; and
- Wind where the proposals involve new development of more than 8 storeys.

Impact on neighbouring amenity

- 6.4.1 There is likely to be some noise and disturbance from the internal works proposed however this would be short term whilst the development was being undertaken and there are no external changes proposed. There are residential properties directly to the rear at Nelson Mews which are between approximately 10-16m from the rear of 12-18 Crown Street which is below the 20m back-to-back distance stated in Policy CC8. However, a residential use is not dissimilar to the use as an apart-hotel and therefore the impact of a residential use should not be any greater in terms of overlooking or loss of privacy and this situation has been established since the granting of planning

permission for the use as an apart-hotel in 2005. As such the proposal is not considered harmful to the living environment of neighbouring properties.

Amenity of proposed flats

- 6.4.2 Policy H10 (Private and Communal Outdoor Space) of the Reading Borough Local Plan requires flats to be provided with outdoor space such as communal outdoor space, balconies and/or roof gardens. Paragraph 4.4.83 of this policy however states that “flats in central Reading will not require the same amount of outdoor space as houses in other parts of Reading, and the sites are usually constrained in any case.” The proposed scheme does not introduce any communal outdoor space however there is none existing and due to its central location it is not considered that the provision of outdoor space is necessary in this instance. There are a number of local parks and Forbury Gardens which are easily accessible.
- 6.4.3 Although Policy H5 (Standards for New Housing) is not applicable for new dwellings in the town centre, developments in the town centre would still be expected to achieve the nationally-described space standards (NDSS) (or at least close to these) as part of achieving good design and standards of amenity. A schedule of room sizes has been provided and the proposed flats meet or exceed the nationally-described space standards.
- 6.4.4 The internal layouts and stacking are acceptable with good circulation space. All habitable rooms have windows with some rooms being dual aspect and a studio unit on the fourth floor having triple aspect, there is adequate space for a combined lounge, dining and kitchen area and each unit has a separate and reasonably sized bathroom/shower room.
- 6.4.5 A noise assessment has been submitted but the detail of the window specification has not been provided and in addition the ventilation strategy is not compliant with the Council’s requirements. Policy CC8 requires that there should be no unacceptable impact on living conditions for new residential properties in terms of noise and disturbance. The proposal would introduce permanent residential accommodation and some of the flats have their windows facing the busy Crown Street. Therefore, a condition requiring the submission of a noise assessment is recommended to ensure the windows provide sufficient sound proofing and that if required to be open the internal noise levels would be satisfactory.
- 6.4.6 The site lies close to Crown Street and is within an Air Quality Management Area. Policy EN15 of the Local Plan seeks to ensure the effects of any poor air quality are mitigated. An Air Quality Assessment and any mitigation required to address any identified poor air quality is necessary to accord with Policy EN15 and in the interests of the living conditions of future permanent residents of the development. This can be secured by way of a condition requiring the submission of an Air Quality Assessment.
- 6.4.7 Officers are satisfied that the proposal provides acceptable living accommodation for permanent occupation within a Central Reading location and the proposal is in accordance with Policies CC8, H5 and H8.

v) Traffic generation and parking

- 6.5 In terms of parking standards, the site is located within the Zone 2, the primary core area but on the periphery of Zone 1, the central core area, which lies at the heart of Reading Borough, consisting primarily of retail and commercial office developments with good transport hubs. The site is well connected and is within walking distance to the town centre and the Oracle shopping centre. There is good access to public transport accessibility to public car parks.
- 6.5.1 In accordance with the Parking Standards and Design SPD, 1 parking space for each of the units and visitor spaces at a ratio of 1 space per 10 units would normally be required (i.e. 48 spaces in total) however, there are 8 existing car parking spaces which includes 2 disabled spaces and these are proposed to be retained for residents of the development.
- 6.5.2 No additional parking is proposed however, Crown Street and Southampton Street and the surrounding road network all have parking restrictions preventing on-street parking. Given the site's location to the town centre and the ability to monitor unauthorised on street parking via the parking restrictions and CPZ that operates in the area, a lower provision is considered acceptable in this instance and appropriate conditions and informatives are recommended to prevent any future occupants of the new flats from obtaining residents or visitor permits for the surrounding residential streets where parking is under considerable pressure.
- 6.5.3 In accordance with the Councils current cycle parking standards 1 storage space for each unit should be provided. The submitted Ground Floor Plan Drawing No: E19-029/-PRP000 Rev A identifies 2 storage areas, one to the east and one to the west of the building, one utilizing a 2 tier Josta style stand for 12 cycles and 16 Sheffield type stands providing storage for a further 32 cycles. The submitted plan shows doors opening outwards which is acceptable as the doors do not open on to the public highway however the cycle store to the west is next to the bin storage and it would be important that the bin store does not block the entrance to the cycle store. A condition requiring details of the bin store is recommended and this will include ensuring that the bin storage does not block the entrance to the cycle store.
- 6.5.4 The submitted Transport Note and Planning Statement state that the existing use is serviced by a private refuse collection company utilizing smaller vehicles that are able to access the site, it is proposed that a similar arrangement will serve the residential development which is considered acceptable.
- 6.5.5 Given the location and size of the development a construction method statement will be required.
- 6.5.6 As such, in transport terms the proposal is considered in accordance with Policies TR3 and TR5 of the Reading Borough Local Plan (2019) subject to the recommended conditions above.

vi) Landscaping

- 6.6 The site is within an Air Quality Management Area, within a 'low tree canopy cover ward' and directly adjacent to the Market Place / London Street Conservation Area. There is limited availability on site for any meaningful

planting however there is a small soft landscape strip along the Crown Street frontage which is currently mostly weeds and this could be improved through planting. Given the stationary traffic often directly adjacent to this strip of land it is not considered desirable amenity space for future residents and planting would have a wider benefit and help the development meet the green policy aims, in particular in providing pollution filtration through planting, given the site's location in the AQMA.

- 6.6.1 A previous planning approval 05/00776 (051137) required, via condition 6, a scheme of hard and soft landscaping to be submitted and specifically mentions the frontage. It is therefore not unreasonable to provide planting along the site frontage and this can be secured by way of condition.

vii) Other Matters

Sustainability

- 6.7 Policy CC2 (Sustainable Design and Construction) requires all major non-residential developments or conversions to residential to meet the most up-to-date BREEAM 'Excellent' standards and this would normally be dealt with by way of conditions.

- 6.7.1 The submitted Planning Statement highlights that the proposal is for a change of use only with minimal changes to the layout which is inherently sustainable in that it minimises the potential for construction waste. An Energy and Sustainability Statement has been submitted which demonstrates the measures incorporated into the scheme. The energy statement has been developed by following the national energy hierarchy and the inclusion of energy efficiency measures has been discussed to minimise on-site energy use compared to a building regulation compliant design, including high efficiency gas heating, efficient lighting and efficient water fittings.

- 6.7.2 It should also be noted that the Inspector on the appeal at 23-27 London Road stated:

Policy CC2 of the Local Plan sets out the approach to the sustainable design and construction of new development and includes that conversions to residential are required to meet the most up-to-date BREEAM "excellent" standards, where possible. In this case, however, the development is fairly recently built, and appears to be constructed to a high standard and would not be a conversion but a change of use because of the very limited physical changes to the fabric. In these circumstances, I am not persuaded that the evidence demonstrates that the policy should apply to this scheme and therefore that it is necessary or appropriate to apply the requirements of the BREEAM approach in this case.

- 6.7.3 With the Inspectors comments in mind and the findings within the Energy and Sustainability Statement Officers are satisfied that in this specific instance and with regard to the site context and nature of the scheme, that the proposal will allow the building to perform in an improved way to meet current sustainability policy expectations and the improvements will be secured by condition. As such, the proposal is considered to comply with Policies CC2 and CC3.

Community Infrastructure Levy

- 6.7.4 The proposed development would be CIL liable.

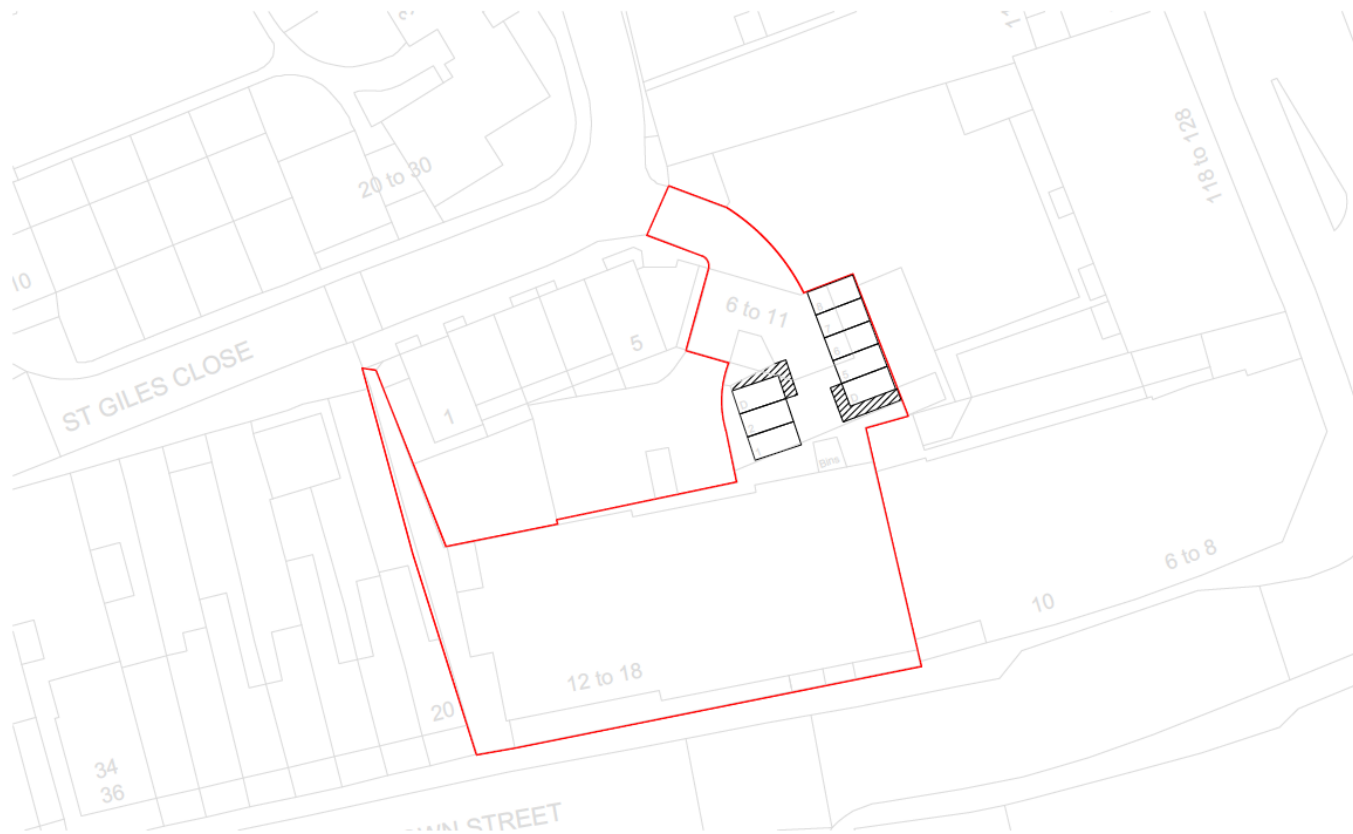
SUDs

- 6.7.5 With no external alterations, there is no change in surface water run-off and no issues to attend to or other mitigation required.

7. CONCLUSION

- 7.1 The proposal has been considered in the context of the Reading Borough Local Plan 2019.
- 7.2 The proposal to change the use of the building from 44 serviced apartments to 44 flats is considered acceptable, the proposal will not have any detrimental impact on the amenity of future residents or existing residents of nearby properties and it is therefore recommended for approval subject to the conditions and informatives as set out above.

Case Officer: Claire Ringwood



UNIT KEY

	1B 1P
	1B 2P
	2B 3P
	2B 4P
	Studio

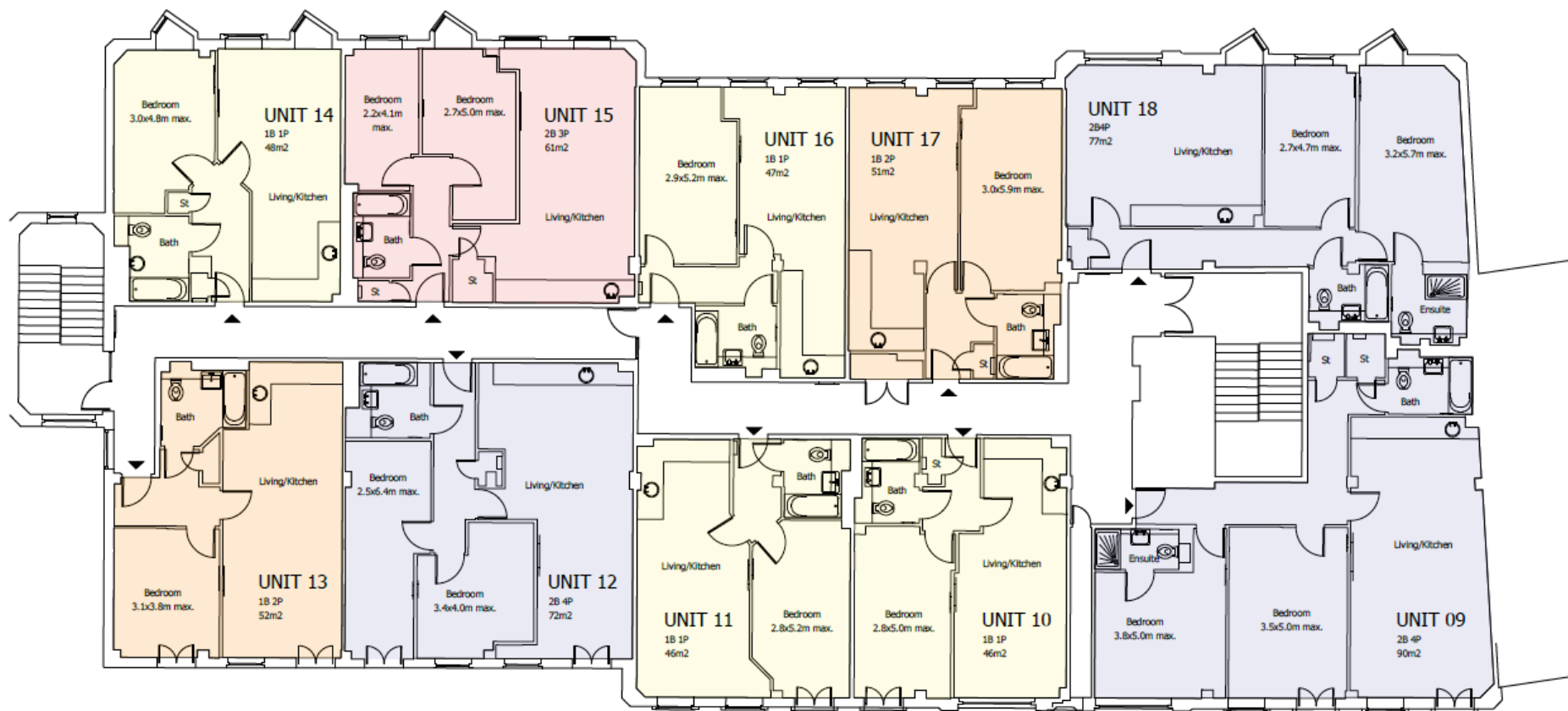
TOTAL UNITS

18no	1B 1P
9no	1B 2P
4no	2B 3P
9no	2B 4P
4no	Studio
44no	TOTAL

FOR INFORMATION

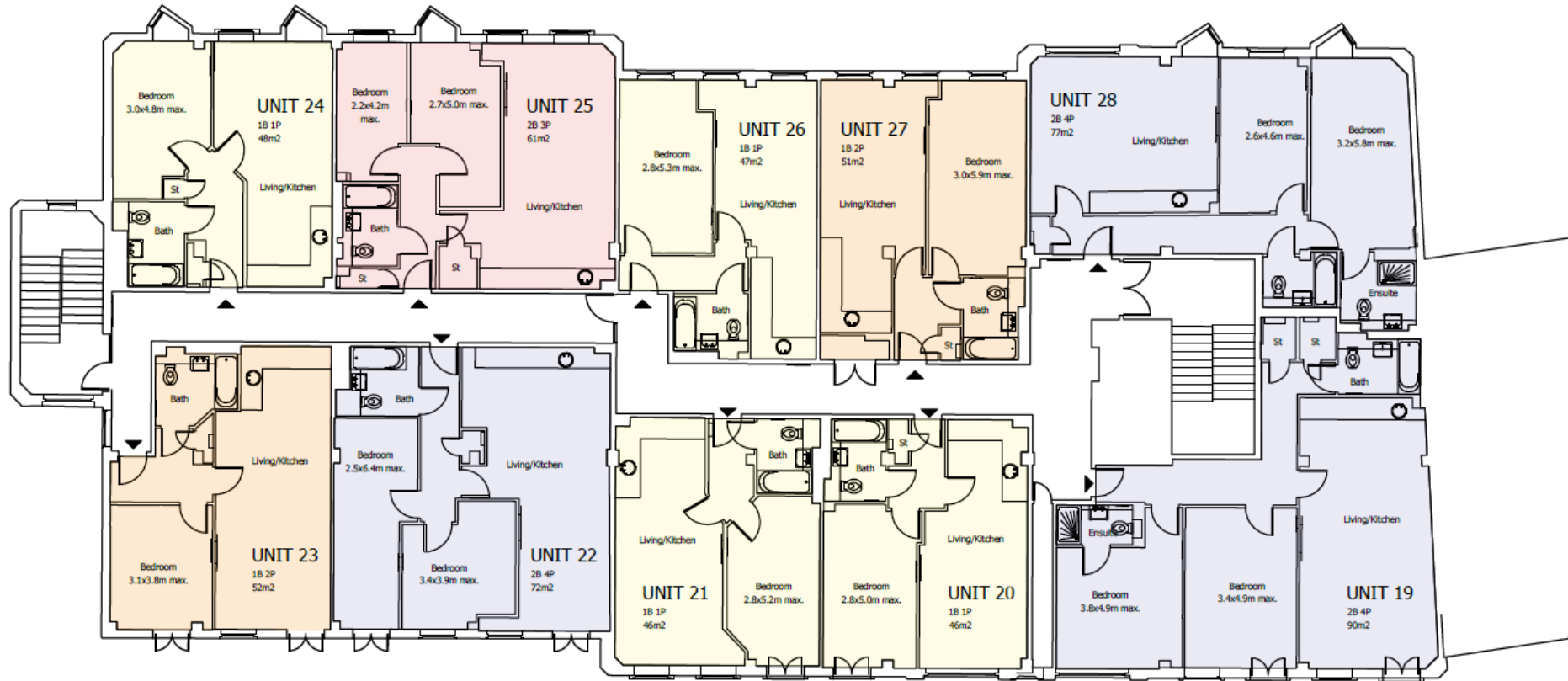


01 Ground Floor Plan
Scale 1:200



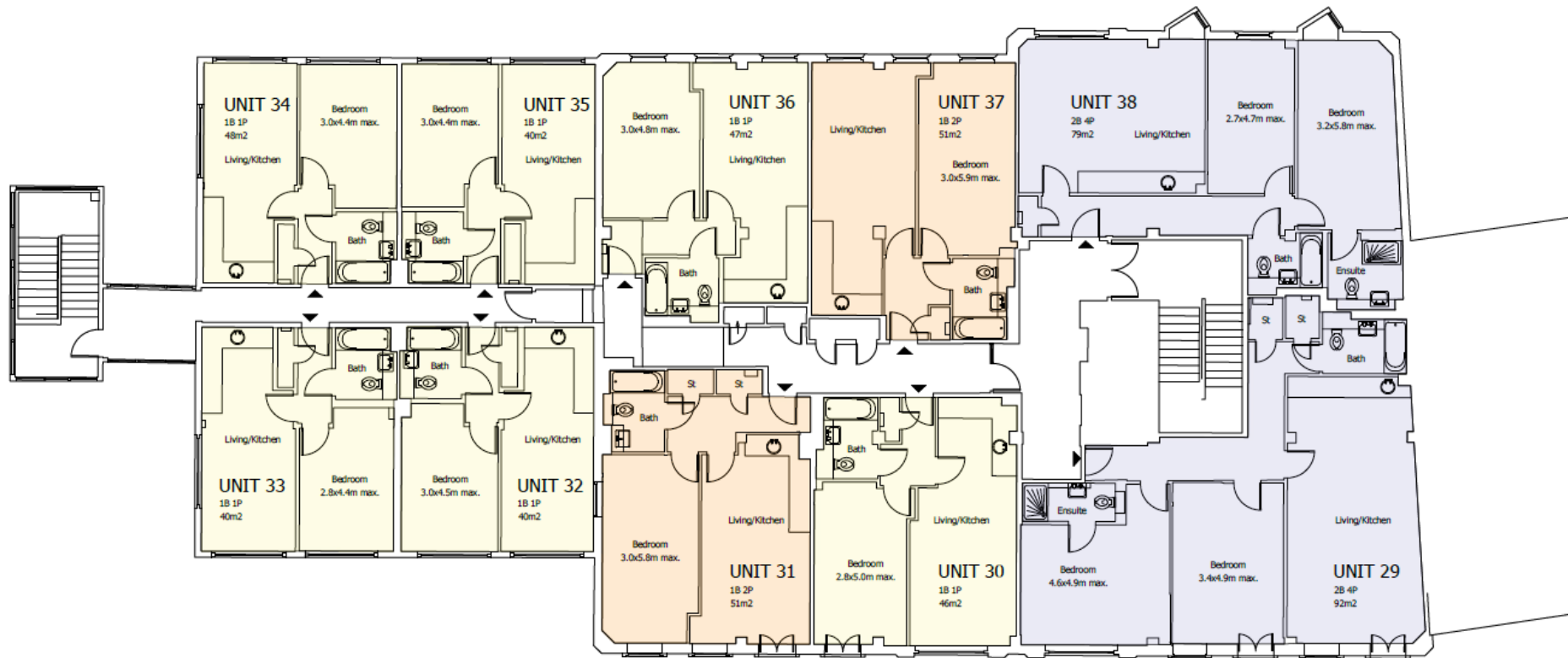
01 First Floor Plan

Scale 1:200

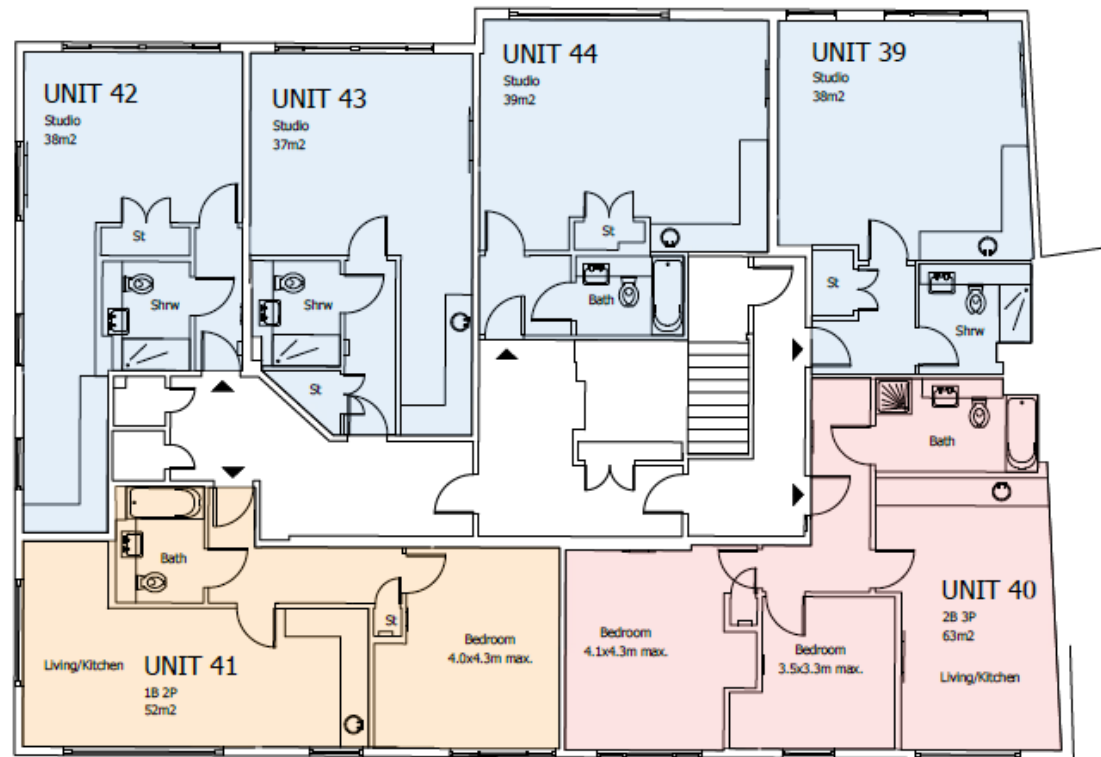


01 Second Floor Plan

Scale 1:200



01 Third Floor Plan
Scale 1:200



01 Fourth Floor Plan

Scale 1:200



Appeal Decision

Site Visit made on 8 November 2021

by David Wyborn BSc(Hons) MPhil MRTPI

an Inspector appointed by the Secretary of State

Decision date: 09 December 2021

Appeal Ref: APP/E0345/W/21/3277248

The Faculty, 23-27 London Road, Reading RG1 5BJ

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant planning permission.
 - The appeal is made by The Faculty Ltd against the decision of Reading Borough Council.
 - The application Ref 201221, dated 26 August 2020, was refused by notice dated 2 March 2021.
 - The development proposed is the change of use of The Faculty from 16 serviced apartments (Use Class C1) to 15 residential flats (Use Class C3).
-

Decision

1. The appeal is allowed and planning permission is granted for the change of use of The Faculty from 16 serviced apartments (Use Class C1) to 15 residential flats (Use Class C3) at The Faculty, 23-27 London Road, Reading RG1 5BJ in accordance with the terms of the application, Ref 201221, dated 26 August 2020, and subject to the following conditions in the attached schedule.

Application for costs

2. An application for costs has been made by Reading Borough Council against The Faculty Ltd. This application is the subject of a separate Decision.

Preliminary Matters

3. The application was refused for four reasons. The Council has confirmed in its appeal statement, following the further information on parking provision and cycle storage, that this matter could be addressed by conditions in any approval and it does not wish to maintain the fourth reason for refusal. I have found no reason to disagree with the Council on this matter.

Main Issues

4. The main issues are whether or not:
 - a contribution is necessary to provide affordable housing in the area,
 - the scheme would provide a satisfactory mix of unit sizes, and
 - the internal layout and overall space within Flats 13, 15 and 16 would provide adequate living conditions for future occupants.

Reasons

5. The Faculty is a four storey building, including accommodation in the roof, which is used as an apart-hotel. It consists of 16 serviced apartments with a courtyard parking area. The building was originally permitted in 2000 as a new

build development of residential flats. In 2009, an application was approved for the existing building to be used as serviced apartments. A subsequent approval allowed the reconfiguration of the ground floor to provide an additional studio flat. The present proposal seeks to change the use of the building back to residential flats and reconfigure the ground floor to incorporate the studio flat into the adjoining unit. Effectively the use and layout would revert to a flatted development on along the lines of the scheme approved in 2000, although that layout provided 3 No 3 bedroom flats.

6. Policy H3 of the Reading Borough Local Plan (2019) (the Local Plan) sets out the policy requirements for the provision of affordable housing in development schemes. The policy explains that for a proposal of 10 or more dwellings, 30% of the total dwellings will be in the form of affordable housing. In those cases which would fall short of the policy target as a result of viability considerations, an open book approach will be undertaken and the onus will be on the developer/landowner to clearly demonstrate the circumstances justifying a lower affordable housing contribution.
7. Notwithstanding the history of the site, as 15 new residential flats would be provided from a building used within a different use, I am satisfied that Policy H3 of the Local Plan applies and that there is a need to provide the required affordable housing contribution unless viability demonstrates otherwise. The Reading Borough Council Affordable Housing Supplementary Planning Document (adopted March 2021)¹ provides background to the provision of affordable housing and the approach to viability assessments. I attribute this document substantial weight. I have also had regard to the advice in the Planning Practice Guidance, especially the sections on viability and decision taking.
8. At the appeal stage, the appellant has submitted a detailed Viability Assessment from an appropriately qualified practitioner. The Assessment is comprehensive and I attach this information substantial weight. After calculating the Benchmark Land Value of the site, even taking into account a sensitivity analysis for the effects of the covid pandemic, the Assessment leads to the clear conclusion that a scheme which sought an affordable housing contribution would not be viable. The existing development is a modern building provided to a high standard, in an accessible location with on-site car parking and with a lease that sets a return on the present investment. I can therefore understand why the Benchmark Land Value has been found to be at a relatively high level and this effectively precludes the provision of an affordable housing contribution.
9. The Council has engaged consultants at the appeal stage to examine this Assessment. The Council has not sought to introduce substantial further evidence at the appeal stage to comply with the Procedural Guidance². I note that the comment in the Council's appeal statement that the scheme's viability is particularly limited by the Benchmark Land Value of the site, taking into account the existing lease. Nevertheless, following the Council's consultants involvement an agreement was reached between the main parties for a contribution of £25,000 to be made by the appellant towards affordable housing, subject to the Council withdrawing all the reasons for refusal.

¹ The Affordable Housing Supplementary Planning Document 2013 was extant at the time of the decision and referenced in the first reason for refusal.

² Procedural Guide: Planning appeals – England

Ultimately, a planning agreement was not signed to provide this contribution. These discussions were without prejudice to the case made by both parties. While I have had regard to this background, I have little substantive information which demonstrates the requirement for such a payment when considering the analysis and conclusions of the Viability Assessment.

10. Drawing these matters together, the findings of the appellant's Viability Assessment is clear and no detailed and persuasive criticism has been made of any substantive element of the Assessment to cast material doubt on its findings. I therefore conclude that the appellant has discharged the policy duty to demonstrate the circumstances which justify that no affordable housing contribution should be made.
11. Accordingly, I conclude, for the reasons explained above, the case has been demonstrated why a contribution is not necessary to provide affordable housing and thereby the scheme would accord with Policy H3 of the Local Plan which sets out the approach to affordable housing across the plan area.

Housing mix

12. At my site visit I visited Flat 16 and saw all the rooms in this unit, including the smaller second bedroom. This room accommodated a single bed and I am satisfied that there is also room for some furniture and circulation space. I therefore consider that Flat 16 can be considered a two bedroom flat. The scheme would, therefore, provide 10 No one bedroom flats and 5 No 2 bedroom flats.
13. Policy CR6 of the Local Plan establishes the approach for residential development in Central Reading, in which the appeal site is located. This policy, as a guide, requires that residential development contributes to a mix of different sized units with including a maximum of 40% one bedroom units, unless it can be clearly demonstrated that this would render a development unviable.
14. In this case, the scheme is not a new build or a conversion where there is readily a scope for the provision or reconfiguration of the floorspace to provide a new layout with a different mix of bedroomed units. The scheme combines a studio and a one bedroom flat on the ground floor to provide a 2 bedroom unit and in the other cases the units are already laid out and operational with each unit having a kitchen/lounge area, bathroom(s) and bedroom(s). The scheme with the proposed number of units has already been shown to be unviable to deliver affordable housing and seeking to alter the layout with the movement of some walls, doorways and provision of combined units would add cost, reduce the number of units on the site and, it seems to me based on the information available, render the scheme unviable.
15. Furthermore, the policy states that *ideally* (my emphasis added) there should be a mix of one, two and three bed units. In this case, while it may be ideal, it would not be reasonable given the existing layout which, with the exception on the ground floor, is not intended to or could easily be changed. The Council accept that the provision of three bedroom units is not required to be sought and the mix of one and two bedroom units, based on the existing and largely unchanged layout, would provide a reasonable mix of accommodation in a sustainable location close to the town centre.

16. In summary, Policy CR6 of the Local Plan allows for some flexibility in the mix of the units in schemes and for the viability of a scheme to be taken into account. In the circumstances of this case, I conclude that the scheme would provide a satisfactory mix of unit sizes. Accordingly, the development would comply with Policy CR6 and H2 of the Local Plan which seek amongst other things, to provide an appropriate density of residential development having regard to the need to maximise the efficiency of land.

Living conditions

17. The Council is concerned with the internal layout and overall space within Flats 13, 15 and 16 and identifies conflict with two development plan policies, CC8 and H5 of the Local Plan. Policy CC8 lists amenity issues which are to be examined and met by development. However, space standards for the units is not one of the amenity issues that is referenced. In these circumstances, I am not persuaded by the evidence that the policy would be breached in this respect.
18. In the case of Policy H5 of the Local Plan, this concerns new build housing. The appeal scheme is predominantly the change of use of a building and not new build housing. In any case, criterion (a) of the policy says that it is only (new build) housing outside the Central Area which is required to comply with the nationally-described space standards and the appeal site is within this Central Area. Indeed, the Planning Report confirms that Policy H5 of the Local Plan is not applicable to the appeal development and therefore for these reasons the proposal would not conflict with this policy.
19. Nevertheless, paragraph 4.4.42 of the Local Plan explains that, even where the space standards do not apply, they provide a useful point of reference and the Framework requires that all development creates places with a high standard of amenity for existing and future users. Furthermore, while not referenced in the reason for refusal, attention has been drawn to Policy H8 of the Local Plan which requires residential conversions should provide adequate internal floorspace and headroom for residents.
20. At my site visit I was able to enter a number of the units, including Flats 13, 15 and 16. I consider that the size and circulation space of these units are not unduly affected by being located in the roof space. This is because the angle of outside walls are quite steep and it is only about the upper half of the walls in these flats that are sloping. Accordingly, the headroom available is not especially an issue that materially affects the living conditions for occupants, either at the present time or in the future if the flats were to be used as permanent accommodation.
21. The flats are well laid out with good natural light. They have adequate space for a combined lounge, dining and kitchen area and each unit has a separate and reasonably sizeable bathroom in each case. The bedrooms for the two one-bedroom flats provided a decent sized double room with space for furniture. Flat 16 has a good sized double bedroom and a small single. As I have commented above, while this second bedroom is small, it is adequate to operate as a bedroom and provides, in conjunction with the rest of the flat, a satisfactory standard of accommodation.
22. These three units may fall below the space standards but having undertaken an internal viewing and considered all the evidence, I am satisfied that they would

provide acceptable living conditions for permanent occupation within a Central Reading location. I note the commentary in paragraph 4.4.41 of the Local Plan which explains that the expectations of those choosing to live in the centre of Reading, in terms of both internal and external space, as well as issues such as noise, tend to be different to those in other parts of the Borough. I therefore conclude that the internal layout and overall space within Flats 13, 15 and 16 would provide adequate living conditions on a permanent basis for future occupants. The scheme would not conflict with Policies CC8, H5 and H8 of the Local Plan and the Framework which seek, amongst other things, adequate internal floorspace and headroom for residents.

Conditions

23. I have had regard to the conditions suggested by the Council and the advice in the Planning Practice Guidance. I have amended the wording where necessary in the interests of clarity or to meet the six tests in the Guidance. The statutory time limit is required and a condition specifying the approved plans is necessary in the interests of certainty.
24. A condition is necessary to ensure that the car parking spaces are provided and thereafter maintained in the interests of the amenities of residents and highway safety. A condition is necessary for details to be submitted, approved and then implemented for cycle parking in the interests of providing sustainable transport opportunities.
25. A condition requiring the details of the refuse and recycling store to be agreed and implemented is necessary in the interests of highway safety and the amenities of the area.
26. The Council has recommended two conditions which seek to restrict the ability of residents to apply for on-street car parking permits. However, the policies in justification of this approach, which the Council has brought to my attention, do not directly require such a restriction. Furthermore, the analysis from the appellant's highway consultant explains why the provision of the seven car parking spaces on the site would be adequate to serve the development without displacing car parking elsewhere. With this evidence and the site located within walking distance of the town centre and other local services and facilities, including bus routes, the information before me does not demonstrate a necessity for the recommended conditions regarding parking permits or that without such conditions the development would be contrary to the development plan.
27. Policy CC8 of the Local Plan requires that there should be no unacceptable impact on living conditions for new residential properties in terms of noise and disturbance. The proposal would introduce permanent residential accommodation and some of the flats have their windows facing the busy London Road. I appreciate that windows are triple glazed, nevertheless, without confirmation that they provide sufficient sound proofing, and that if required to be open the internal noise levels would be satisfactory, there is the potential that future permanent occupants could be unduly disturbed by the wider noise environment. A condition is therefore necessary for noise levels to be assessed and appropriate action taken as required.
28. Policy EN15 of the Local Plan seeks to ensure the effects of any poor air quality are mitigated. The site lies close to London Road and details through an Air

Quality Assessment and any mitigation required to address any identified poor air quality is necessary to accord with Policy EN15 of the Local Plan and in the interests of the living conditions of future permanent residents of the development.

29. Policy CC2 of the Local Plan sets out the approach to the sustainable design and construction of new development and includes that conversions to residential are required to meet the most up-to-date BREEAM "excellent" standards, where possible. In this case, however, the development is fairly recently built, and appears to be constructed to a high standard and would not be a conversion but a change of use because of the very limited physical changes to the fabric. In these circumstances, I am not persuaded that the evidence demonstrates that the policy should apply to this scheme and therefore that it is necessary or appropriate to apply the requirements of the BREEAM approach in this case.
30. Conditions regarding the noise and air quality requirements are necessary as pre-commencement conditions because they may require some information and design alterations that are required to be undertaken from the outset and could be impractical to consider at a later stage.

Conclusion

31. For the reasons given above, the scheme would comply with the development plan when considered as a whole and other material considerations do not indicate that a decision should be made other than in accordance with the development plan. Accordingly, and taking all other matters into account, I conclude that subject to the specified conditions, the appeal should be allowed.

David Wyborn

INSPECTOR