

24 April 2024



Reading
Borough Council
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Title	PLANNING APPLICATION UPDATE REPORT
Ward	Katesgrove
Planning Application Reference:	201766/FUL
Site Address:	40-68 Silver Street, Reading
Proposed Development	Erection of 4 storey building to provide 23 private rental homes with associated communal facilities, surface parking, access and landscaping works. (amended)
Applicant	Silver Street Developments Ltd
Report author	Alison Amoah - Principal Planning Officer
Deadline:	Original deadline 20 th March 2021, but an extension of time has been agreed with the applicant until 24 th May 2024
Recommendation	<p>As per main report with amendment as in italics and bold:</p> <p>Delegate to the Assistant Director for Planning, Transport and Public Protection Services (AD PTPPS) to (i) GRANT full planning permission subject to the satisfactory completion of a Section 106 legal agreement and delegate to AD PTPPS to make such minor changes to the conditions, Heads of Terms and details of the legal agreement as may be reasonably required to issue the permission or (ii) to REFUSE permission should the Section 106 legal agreement not be completed by the 24th May 2024 (unless officers on behalf of the AD PTPPS agree to a later date for completion of the legal agreement).</p>
S106 Terms	<p>As per main report with amendment as in italics and bold.</p> <p><u>Affordable Private Rent Units</u></p> <p>To secure affordable housing on site consisting of six units (26% provision) comprising 4no. 2-bedroom 3 person units and 2no.</p>

3-bedroom 4 person units at Affordable Private Rent. The rent shall be no more than 80% of market rent and capped at Local Housing Allowance inclusive of service charge, and the nominations to these units will be via a Nominations Agreement via Reading Borough Council's Housing Team.

Affordable Private Rent Housing must be provided in perpetuity.

Deferred Payment Mechanism for Affordable Private Rent Units

Deferred Affordable Housing Contribution to secure payment towards provision of affordable housing elsewhere in the Borough equivalent to remaining 4% should profitability of the scheme improve. Mechanism calculation: NOT to take place until 6 months following the first occupation of 75% of all units (equating to 6 months after first occupation of the 17th unit in this case), but before the date 12 months after first occupation of the 17th unit in this case) with the following inputs fixed:

- Gross Development Value (GDV) determined as part of the assessment of viability at the time of planning permission to be granted: £6,267,329
- Total Build Costs determined as part of the assessment of viability at the time of planning permission to be granted: £5,052,521
- Benchmark Land Value (BLV) determined as part of the assessment of viability at the time of planning permission to be granted: £433,200
- Developer profit as a % of GDV determined at the time of planning permission to be granted: 17.5%
- Deficit determined at the time of planning permission to be granted: No deficit

In accordance with the formula within Appendix 4 of the Affordable Housing SPD.

'Clawback' Mechanism for the Sale of Affordable Private Rented Units

Following the Build to Rent covenant period of 20 years or in the event that a covenant is ceased within the 20-year period, all affected units to become Social Rent or Affordable Rent tenure with rents set no higher than LHA (or last published LHA increased by Consumer Price Index where LHA no longer exists). The affected Affordable Housing units to be offered for

sale to a Registered (affordable housing) Provider. In the event that a Registered (affordable Housing) Provider is not secured for the provision of Affordable Housing on site, the units are to be offered to the Council to be provided by the Council as Affordable Housing. In the event that neither a Registered Provider nor the Council can come forward to provide Affordable Housing on-site, the developer to pay to the Council an equivalent financial contribution to be agreed by the Council and not less than 50% of the Gross Development Value of the Affordable Housing unit/s for the provision of Affordable Housing elsewhere in the Borough. To be calculated (the mean average) from two independent RICS valuations to be submitted to and agreed by the Council prior to first occupation of any build to rent housing unit. In this event, the sum is to be paid prior to first occupation of any build to rent housing unit and index-linked from the date of valuation.

Subsequent Extension/Alterations to Create Further Units

Should the application site subsequently be extended/ altered to create further residential units then a contribution towards affordable housing would apply on a cumulative basis also taking into account this application.

'Clawback' Mechanism for the Sale of Market Rent Units

In the event that the owner of a build to rent development sells or otherwise transfers some or all of the units so that they no longer qualify as build to rent under some agreed variation to the terms of this agreement, the developer shall provide a valuation of the Build to Rent accommodation immediately prior to the sale/transfer and a valuation of the value following the change to non-Build to Rent. A financial contribution equal to 15% of the uplift in GDV shall be paid to the Council within 3 months of sale/transfer.

General Build-to-Rent Provisions

To meet the requirements as set out in Policy H4 of the Reading Borough Local Plan:

- *“Secured in single ownership providing solely for the rental market for a minimum 20-year term [from occupation] with provision for clawback of affordable housing contributions should the covenant not be met;*

- *Provide tenancies for private renters for a minimum of three years with a six-month break clause in the tenant's favour and structured and limited in-tenancy rent increases agreed in advance;*
- *Provide a high standard of professional on-site management and control of the accommodation;*
- *Provide a commitment to high-quality rental arrangements, through meeting Reading Borough Council's voluntary Rent with Confidence Standards or equivalent measures.*

Further detailed as follows:

- Single management company. Council to be notified of details.
- To provide and maintain the Communal Facilities as identified on the plan to be annexed to the S106 legal agreement. Rights of access to Communal Facilities, including charges and terms of use, to be the same for all residents regardless of tenure.
- Service charges – All rents to be inclusive of service charge but exclusive of utility bills and council tax. Service charges to be set as such a level as to cover the costs of services to which the charge relates and no more.
- At the end of the Build to Rent Covenant Period the Communal Facilities to continue to be provided and managed.

Employment, Skills and Training

Secure a construction phase Employment Skills and Training Plan or equivalent financial contribution of £4,080 towards local skills and labour training as calculated in accordance with the Council's Employment, Skills and Training SPD (2013). Contribution to be paid prior to commencement of the development.

Zero Carbon Offset – All Dwellings

Zero Carbon Offset as per SPD 2019 to provide a minimum improvement for each individual dwelling in regulated emissions over the Target Emissions Rate (TER) in the 2013 Building Regulations, plus a S106 contribution of £1,800 per remaining

tonne towards carbon offsetting within the Borough (calculated as £60 per tonne over a 30 year period).

As-built SAP calculation for each individual dwelling to be submitted for approval within 6 months following practical completion.

Contribution based on SPD formula below towards carbon offsetting projects calculated for each individual dwelling based on approved SAP calculation to be paid to the Council prior to the occupation of the first dwelling:

TER CO₂ m²/yr less 35% Co₂ m²/yr = 65% of TER

65% of TER x total square metres = total excess CO₂ emissions annually x £1,800 = S106 contribution

Transport

Applicant to enter into a S278 agreement in relation to amendments to car parking bays and loading bay, and the provision of 3 no. trees to be located within the public highway as shown on approved Drawing no: PL_101 Rev P, dated 13/3/24 - Ground Floor Plan, received 14th March 2024, to be provided prior to occupation.

The developer to provide and fund the provision of a car club bay, to include the procurement of a car club vehicle, for the bay on Silver Street, for a duration of 5 years. To be provided prior to occupation.

Contribution of £7,500 towards Traffic Regulation Orders necessary to provide a car club bay and to alter the existing waiting restrictions. To be paid prior to occupation.

Trees

A contribution of £1614 for the maintenance of the 3 no. street trees for a period of 5 years.

General

Contribution towards monitoring costs plus a separate commitment to pay the Council's reasonable legal costs in connection with the proposed S106 Agreement will be payable whether or not the Agreement is completed.

	All financial contributions Index-Linked from the date of permission.
Conditions	As per main report.
Informatives	As per main report.

1. ADDITIONAL WORDING ADDED TO THE RECOMMENDATION AND S106 HEADS OF TERMS

- 1.1 The recommendation wording is changed to delegate making minor changes to the conditions, heads of terms and details of the legal agreement to the Assistant Director for Planning, Transport and Public Protection Services.
- 1.2 An additional header has been included within the S106 Heads of Terms regarding subsequent changes to create further units.
- 1.3 The proposal is recommended for approval subject to the Section 106 terms, conditions and informatives are as set out in the main report.

Case Officer: Alison Amoah