

30 April 2025



Reading
Borough Council
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Title	PLANNING APPLICATION REPORT
Ward	Abbey
Planning Application Reference:	PL/24/0173
Site Address:	Broad Street Mall, Reading, RG1 7QE
Proposed Development	Part-demolition of existing retail units, car park and service areas, demolition and rebuild of car park ramp, and construction of a residential-led, mixed-use development fronting Queens Walk and Dusseldorf Way, including all necessary enabling and alteration works required
Report author	Richard Eatough
Applicant	McLaren (Broad Street Mall) Ltd and UREF III LP
Deadline:	30 September 2025
Recommendation	Grant subject to S106 (Heads of Terms as amended below) being completed and conditions as previously set out and amended below.
HEADS OF TERMS	<p>As set out in the attached report but with the following change: Not less than 80 units (12.44% of the total) affordable housing units to be provided on site comprising:</p> <ul style="list-style-type: none">65 units at LHA (Local Housing Allowance) level 65 units capped at LHA level inclusive of service charges15 units at DMR (Discounted Market Rent) level, capped at 80% Discounted Market Rent, inclusive of service charges. <p>Delivery of the 65 units at LHA to be as shown on affordable housing delivery/phasing plan, ie:</p> <ul style="list-style-type: none">• Not less than 10 affordable housing units to be provided in Block A before any BTR (non-affordable) units provided• Not less than 8 affordable housing units to be provided in Block B before any BTR (non-affordable) units provided• Not less than 7 affordable housing units to be provided in Block C before any BTR (non-affordable) units provided• Not less than 5 affordable housing units to be provided in Block D before any BTR (non-affordable) units provided <p>To match the overall dwelling mix: The LHA units shall comprise: 27x studio/1-bed; 31x 2-bed; 7x 3-bed The DMR units to comprise 7x studio/1-bed; 7x 2-bed; 1 x 3-bed</p>
1. Affordable housing: On site provision	

	LHA Affordable housing to be supplied at no more than LHA rent levels in perpetuity in accordance with Policy H4.
Heat Network and Energy	<p>-Before the end of the 'Gateway 2' stage, a feasibility study for future connection to a District Heat Network shall have been submitted to the Local Planning Authority for consideration.</p> <p>-Feasibility Study to consider a strategy for a communal ground (GSHP) or air (ASHP) source heat pump with connection to the heat network (using all up to date and relevant data to the HN)</p> <p>-Feasibility Study to set out the full schedule of costs for the communal/individual HP options</p> <p>-No later than six <u>three</u> months from receipt of the Study, the Council shall have confirmed whether the development must connect to the heat network</p> <p>-If approved for connection, the developer shall provide a scheme to ensure the provision of a GSHP or ASHP and connection to the district heating system</p> <p>-If not feasible, the applicant to submit an alternative energy strategy.</p> <p>£290,106 (as set out in updated energy strategy February 2025 update) zero carbon offset financial contribution to be paid on commencement of development</p> <p>All to enable the development to comply with Policy H5, CC2, CC3, CC4 and the Sustainable Design and Construction SPD.</p>
Conditions	<p>As set out in the attached report apart from:</p> <p>31. Car Park and Management Plan to include details of allocation of disabled parking spaces and EV charging points (To be submitted for approval before works commence above ground level).</p> <p>38. Vehicle Parking and EV Charging Points to be provided as specified in the approved CPMP (C31).</p>
Informatives	As set out in the attached report

1. Executive summary

- 1.1. This application for full planning permission was deferred at your 2 April meeting to allow for discussions with the applicant to take place in relation to various aspects but primarily aimed at improving the number of affordable housing units being offered on site. After some effort on both sides an increase from 10% to 12.5% on-site provision has been offered. With the revisions above, and explained within this report, officers are recommending the granting of planning permission.

2. Introduction

- 2.1. At the 2 April meeting, members raised concern with the planning application presented:

- The on-site affordable housing provision was considered too low
 - Concerns were raised regarding the provision and quality of open space and leisure facilities; and
 - The number of EV charging spaces was queried
- 2.2. The Committee report and Update report to the 2 April meeting are provided as appendices to this report. This report concentrates on the above matters only.

3. The proposal

- 3.1. The description of development remains unchanged.

4. Consultations

- 4.1 In considering the adjustments since your last meeting, the following consultees have been involved, with a summary of their responses:

RBC Housing Development's view on the above new offer and unit distribution has been sought and their advice will be supplied for your meeting

RBC Valuations continue to advise that the viability position between the parties is agreed and that the enhanced affordable housing offer with DPM is welcome.

RBC Transport Strategy have provided comment on how the electric vehicle charging query raised by members can be dealt with by adjusting recommended conditions.

- 4.2 No further public consultation has taken place on the matters contained within this report as officers consider that these are matters of detailed adjustment, rather than substantial changes upon which the public should be re-consulted.

5. Appraisal

- 5.1 The main considerations to be covered within this report are:

- i. Affordable housing
- ii. Open space and leisure
- iii. Disabled persons' parking and electric vehicle (EV) charging

i. Affordable housing

- 5.2 At the 2 April committee meeting, members expressed dissatisfaction with the initial affordable housing level at 10.1% - consisting of 65 units at the Local Housing Allowance (LHA) level - being provided within the development, and deferred consideration of the application to allow officers to negotiate with the applicant to seek an improved offer, given that the policy requirement in Policy H3 is for 30% on site. Members considered that given the other factors in the overall planning judgment (for example the negative impacts of the height and impact of the tall buildings in relation to the harm caused to designated heritage assets), the planning balance was not such that the negative aspects of the development were sufficiently outweighed by the public benefits.
- 5.3 The applicant has advised that the non-viability of the scheme is already agreed between the applicant and the Council and neither officers nor the applicant wish to re-open these negotiations. The applicant further advises that providing any enhancement of the affordable housing offer would not be affordable within the economics of the scheme.
- 5.4 Policy H4 (Build to Rent Schemes) (at para. 4.4.31) clarifies that "*The Council will expect rental levels for the affordable housing or Affordable Private Rent housing to be related to Local Housing Allowance (LHA) rate levels (including service charges) and be*

affordable for those identified as in need of affordable housing in the Borough. The Council will expect such housing to remain affordable in perpetuity". The applicant has accepted the Committee's message that the initial on-site affordable housing offer be 'protected' at 10.1% (65 units at LHA) and has added to this a further 15 affordable units to be delivered at a Discounted Market Rent of 80%.

- 5.5 The level of increase is modest in % terms rising to 12.44% but this was the only permutation that allowed retention of the originally agreed number of LHA units given the genuine viability constraints on the site. This does however mean that 15 additional affordable units will be provided on site. These will be of sizes, including family units with 1 x 3 bed unit and some of the 8no. 2 bed units being large enough to accommodate 3 persons. They will be built to acceptable internal space standards and share the amenities of the private market units. The proposed distribution of the affordable units is shown on the attached plans and the amended table below (from para.3.5 of the original report) shows the proposed unit mix and tenure:

Type	Market BTR	Affordable LHA	Affordable DMR	Total
Studio/1 bedroom flat	261	27	7	298 (46.2%)
2 bedroom flat	259	31	7	297 (46.1%)
3 bedroom flat	41	7	1	49 (7.6%)
Total	579 (89.9%)	65 (10.1%)	15 (2.4%)	643 (100%)

- 5.6 The delivery of the affordable units captured in the Heads of Terms above remains focused on LHA units leaving the applicant with some flexibility on bringing forward the additional 15 units.
- 5.7 The level of affordable housing originally put forward followed from a full and detailed review of the viability position for the proposed development. This confirmed that the proposed development was non-viable within the context of Planning Viability policy and guidance, and therefore the local authority is justified in accepting lower than policy compliant affordable housing for important development schemes.
- 5.8 Planning Viability guidance does not however require us to dispense with affordable provision but allows greater flexibility to agree a position which would maximise delivery of affordable housing and support delivery of a development which would give wider economic benefits.
- 5.9 The officer's original Recommendation was to grant planning permission in the context of the agreed viability position at 10.1% (LHA), whilst acknowledging that the level is below the H3 Policy level. Officers further advise that the improved offer of 12.44% is a marked / notable improvement and further supports your officers' planning balance in favour of granting permission. Additionally, the government caps on LHA increase will further improve the affordability of these units and supresses the value of the units for the developer. Finally, the additional 15 units capped at 80% of Market Rents allows a wider range of affordable homes within the proposed development, which align these units to the intermediate housing tenure.

ii. Open space and leisure

- 5.10 At your meeting on 2 April 2025, the Committee raised concerns with the proposed implementation arrangements for the two public realm areas and the proposed/suggested officer strategy for a 'combined urban realm scheme' including leisure, open space and public art within these areas. The Committee raised concerns with shortfalls in open space provision and the general lack of open space opportunities within central Reading and for leisure opportunities for future residential occupiers of the town centre. This

section of the report will attempt to respond to these concerns and explain the officer rationale behind the Heads of Terms.

- 5.11 It is accepted that central Reading is experiencing and will continue to experience increased development pressures, particularly in terms of increased density of population. Policy documents such as the Town Centre Strategy and the draft Town Centre Public Realm Strategy recognise these tensions and seek to ensure that the increased population benefits from an appropriate increase in urban greening and public realm improvements which would benefit all parts of the town centre.
- 5.12 The redevelopment of the Broad Street Mall includes a particular and perhaps unique challenge that needs to be resolved to deliver the proposed development and suitable public realm.
- 5.13 The challenge is the relatively unknown structural condition of the podium which was built in the late 1960s. This is an elevated section of made ground with a significant void area beneath. This adds complications in terms of, *inter alia*, ownership, drainage and loading (of street furniture, vehicles and planting). Whilst the applicant is content to acknowledge and accept the risks which may be posed with the retention or replacement of the podium, there will be inevitable knock-on costs and risks which need to be factored into this redevelopment. The Minster Quarter Area Development Framework recognises these complexities too.
- 5.14 Officers took the decision that enabling the provision of high quality worthwhile public realm improvements in this area, close to where future residents will be able to make use of it and existing residents also benefit from it, was a priority. Therefore, the benefit of the public realm improvement contributions derived from the development should be fettered to ensure that the contributions are focused on Queens Walk and Dusseldorf Way, rather than contributing towards parks and open spaces some distance from the application site – for instance the Thames Parks. Indeed, this is in accordance with CIL Regulation 122, which specifies that planning obligations secured via a Section 106 agreement need to meet 3 specific criteria:
- necessary to make a development acceptable in planning terms
 - directly related to the development and
 - fairly and reasonable related in scale and kind to the development.
- 5.15 This needs also to be seen in the context of the estimated CIL contribution required for this project being approximately £6.3M, which could contribute to projects in other parts of the town centre.
- 5.16 The aim of Heads of Terms 3 and 4 in the Recommendation (in report appended) is primarily to channel contributions to ensure public realm improvements are delivered (safely and promptly); and secondly to make sure it can mitigate the immediate impact of the development and provide in-street playing recreational space at the ‘front door’ of the development.

lii. Disabled persons’ parking and EV charging

- 5.17 At your meeting some members of the Committee were concerned that the scheme appeared to show a lack of commitment to providing parking spaces for those with disabilities and where EV charging facilities were to be provided.
- 5.18 The applicant has explained disabled parking bays will be provided for the residential units and these will be detailed in the Car Park Management Plan (as required by the recommended planning condition 31) to ensure that a suitable number of bays are

provided within the maximum of 100 spaces allocated for the residential dwellings. This approach has been confirmed acceptable by the Highway Authority.

- 5.19 The Highway Authority also advises that proposed Condition 38, which requires vehicle parking and EV charging points to be provided as specified, could also be included in the details to be agreed through the Car Park Management Plan. The Highway Authority is therefore content that the required number of EV charging spaces would be provided for the residential development, in accordance with our adopted Parking and Design SPD.
- 5.20 It has however been noted that these physical details of the Car Park Management Plan condition should be approved sooner in the build programme than left as a 'pre-occupation' condition, as previously recommended. This is due to the complexity of the build and that electricity feeds that would be required to be provided to potentially different locations around the car park. The trigger for the condition has therefore been changed to "to be submitted for approval before works commence above ground level".

Other Matters

- 5.21 As part of the negotiations to achieve more affordable housing on site, officers and the applicant looked to see where some costs could be reduced for the applicant. One was the associated costs caused by the potential 6 month delay originally allowed for the Council to consider the Feasibility Study on a strategy for a communal ground (GSHP) or air (ASHP) source heat pump with connection to the heat network. Officers have agreed that the timeframe for consideration could be reduced to three months from receipt of the Study, which would be consistent with other approval time frames with thin the S106.

6. Equality implications

- 6.1. No further issues beyond those set out in the report to the 2 April 2025 Committee.

7. Conclusion & planning balance

- 7.1 As PAC will be aware, the officer Recommendation was to grant planning permission. Officers have been able to clarify how the public realm improvements have been approached and review how proposals for parking allocation for those with disabilities and spaces with EV charging will be considered and approved by amended conditions. provided and managed. More importantly Officers have been able to work with the developer to enable 15 additional affordable units to be provided with an acceptable mix and allocated across the estate (floor plans to demonstrate this are being prepared).
- 7.2 Officers recommend that planning permission should be granted with the amended Heads of Terms and conditions shown above and the remaining Terms and conditions set out in the previous appended reports.

Appendix 1

PAC report to 2 April Planning Applications Committee

Appendix 2

PAC update report to 2 April Planning Applications Committee




Level 01 Affordable units -




Level 02 - Affordable units -



Level 03 Affordable units - 



Level 04 Affordable units - 



Level 07 Affordable units - 