



# PLANNING AND AFFORDABLE HOUSING STATEMENT

Land at 362 Oxford Road, Reading, RG30 1AQ

*Erection of a mixed-use development comprising of two commercial units  
on the ground floor, 28 build to rent residential units with associated landscaping, car and  
cycle parking.*

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## **Introduction**

The site for which this application relates is a broadly rectangular vacant piece of land of 0.3 hectares to the west of Reading town centre. The site adjoins the parade of shops and short stay car park to the south-west, the Tesco Extra superstore to the north-west, residential buildings to the north and east and the Conservative club (the Curzon Club) to the south which fronts Oxford Road. Whilst currently vacant and surrounded by hoarding, the site is classified as previously developed land. There are some mature trees along the eastern and southern borders of the site.

The site is an allocated housing site within the Local Plan under Policy WR3j (Land at Moultsford Mews). It also adjoins the northern boundary of the Oxford Road West district or local centre. There are no listed buildings on or adjoining the site, it is not located within a Conservation Area, and is not within an area of high flood risk. Vehicular access is gained from the north along Moultsford Mews. The site can also be accessed by pedestrians from the south, via Oxford Road and the short stay car park.

The site formed part of the former Battle Hospital site, which was comprehensively redeveloped. The Battle Hospital Planning Brief (2005) showed a health centre on the site. However, this was not subsequently required by the NHS Trust and the site was subsequently allocated for housing in the Reading Local Plan (2019). The requirement for a health centre therefore fell away with the adoption of the new Local Plan.

The site is bounded by Englefield House to the north, a 5-storey block of flats, the 3-storey townhouses along Curzon Street to the northeast, 2-storey houses on Battle Place to the east, the Curzon Club to the south and beyond that the Oxford Road, the 3 storey Cholsey House to the West, and 4-storey Tesco store to the northwest, which has residential over.

## **Planning history**

In January 2021 application 201391/FUL went before the development control committee with a recommendation for approval. The proposal was as follows:

*Erection of a mixed-use development comprising of two commercial units on the ground floor (157.5 sqm), 26 residential units (including 30% affordable housing), associated landscaping, car and cycle parking.*

The development was approved by the development control committee and following the submission of a s106 agreement, a formal permission was issued in June 2021.

## **Proposed development**

The current proposal is for a revision to the recently approved scheme with the main change being an increase in the number of residential units from 26 to 28. The current proposal is also for a build to rent scheme.

The current proposal is for the erection of a mixed-use development comprising of two commercial units on the ground floor and 28 build to rent residential units (including 30% affordable housing), associated landscaping, car and cycle parking.

Stonegate Homes are seeking to make a number of small adjustments to the accommodation mix and parking layout of the previously approved scheme, they are as follows:

1. *A change from 26 units to 28 units, the loss of 4 x 3-bed units and the addition of 6 x 1-bed units.*
2. *Revised car park layout, 23 spaces instead of 22 spaces. Parking ratio as previous application;*
3. *Small amendments to the ground floor building layout. Overall building footprint as previous application;*
4. *1st and 2nd floor plans amended to include the changes to the accommodation mix;*
5. *Minor amendments to the elevations.*

The development design, scale and mass is as the previous application. As such the impact on the character and appearance of the surrounding area will not change.

The following reports have been submitted in support of the application:

- Design and access statement;
- Transport statement;
- Daylight/ Sun light assessment;
- Air quality assessment;
- Energy report;
- Drainage report;
- Utility statement;
- Tree survey;
- Ecology statement;
- Contamination report.

## Planning assessment

### **Principle of development**

The site is allocated for development and the principle of a mixed-use development was already accepted under application 201391/FUL as outlined above. The external appearance of the revised scheme is practically identical to the previously approved scheme, therefore the design and appearance of the development has also been accepted by the Council under application 201391/FUL – see below.



*CGI of the approved scheme – the scale, bulk and massing remains the same.*

The officers committee report for 20/1391/FUL is attached at appendix 1 and this outlines the assessment of the previous scheme in detail.

In this statement we will concentrate solely on the changes made to the previously approved scheme as the principle of a mixed-use development, and the scale and massing of the building has already been approved by the Council.

The key changes to the previously approved scheme are as follows:

- Housing tenure;
- Density of development;
- Mix of units;
- Parking levels.

### **Housing tenure - Build to rent**

The proposed scheme also differs from the current consent in that it will be a build to rent scheme. Build to rent developments offer new ways of living within professionally-managed, rented accommodation that meet the demands of a growing sector of the urban population who want to live close to city and town centres.

Build to rent is a distinct asset class within the private rented sector, and has been defined in the National Planning Policy Framework glossary, in order to simplify its treatment within the planning system.

As part of their plan making process, local planning authorities should use a local housing need assessment to take into account the need for a range of housing types and tenures in their area including provisions for those who wish to rent. Specific demographic data is available on open data communities which can be used to inform this process. The assessment will enable an evidence-based planning judgement to be made about the need for build to rent homes in the area, and how it can meet the housing needs of different demographic and social groups.

The Council has recently approved several build to rent schemes in the area, most notably at Station Hill, Reading for 168 units.

### **National planning policy approach to Build to Rent**

Government Policy is set out in the National Planning Practice Guidance. Build to Rent is defined in the NPPF Glossary as *“Build to Rent: Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control”*.

The guide at national level is for 20% of the dwellings to be Affordable Housing (Affordable Private Rent tenure) on site unless a commuted payment or other form of provision is agreed with the LPA.

The process for managing affordable private rent units will be set out in the section 106 agreement to be agreed with the Council during the application. This should set out the parameters of the letting's agreement, the rent levels, apportionment of the homes across the development, a management and service agreement, and a marketing agreement setting out how their availability is to be publicised.

### **Local planning policy approach to Build to Rent**

Policy H4 in the Local Plan states that 'Planning permission will be granted for developments of self-contained, private rented homes which:

- 1. Are secured in single ownership providing solely for the rental market for a minimum 20-year term with provision for clawback of affordable housing contributions should the covenant not be met;*
- 2. 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;*
- 3. Provide a high standard of professional on-site management and control of the accommodation;*
- 4. Provide a commitment to high-quality rental arrangements, through meeting Reading Borough Council's voluntary Rent with Confidence Standards or equivalent measures;*
- 5. Provide for a mix of unit sizes in accordance with Policy H2 or CR6;*

6. Meet the standards of design set out in Policy H5; and

7. Provide 30% on-site affordable housing, either in accordance with Policy H3 and any relevant Supplementary Planning Document; or in the form of Affordable Private Rent Housing as defined and set out in a relevant Supplementary Planning Document.

The supporting text in the Local Plan explains that in the Reading context, *“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 National Planning Policy Framework states that affordable housing on build to rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build to rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build to rent landlord.

20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. However, local plan policy requires 30%, therefore, the proposed development would provide 8 units or 30% affordable private rental units.

National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The proposal will accord with the national requirement in this regard.

It is worth noting that the council’s planning committee have recently granted consent for an affordable housing scheme at Arthur Hill Pool & Fitness Studio, 221-225 Kings Road under reference 20/1135, where the discount market value was also 80%.

### **Scheme management**

Affordable private rent homes should be under common management control, along with the market rent build to rent homes. They should be distributed throughout the development and physically indistinguishable from the market rent homes in terms of quality and size. They will not need the separate involvement of a registered landlord. Combining the 2 tenures this way improves viability and any alternation of units between affordable private rent and market rent over time is made easier.

The process for managing affordable private rent units should also be set out in the section 106 agreement. This should set out the parameters of the lettings agreement, the rent levels, apportionment of the homes across the development, a management and service agreement, and a marketing agreement setting out how their availability is to be publicised.

The section 106 should also require build to rent scheme operators to produce an annual statement to authorities, confirming the approach to letting the affordable units, their ongoing status, and clearly identifying how the scheme is meeting the overall affordable housing level required in the planning permission.

### **How is eligibility to occupy affordable private rent homes determined?**

Eligibility for occupying affordable private rented homes should be agreed locally between the local authority and the scheme operator, but with regard to criteria set out in planning guidance. This will ensure a consistent approach to eligibility assessment across the country and reduce any risk of delay in considering build to rent applications.

Eligibility should be determined with regard to local household income levels, related to local rent levels and should ideally include evidence about peoples' local residence or employment connections.

### **Affordable housing conclusion**

A policy compliance quantum of affordable housing therefore constitutes a significant and tangible public benefit of the proposal and provides a welcome contribution to local affordable housing needs in the borough. This would be secured via S106 agreement and be considered as part of the overall planning balance for the scheme.

In researching similar recent planning decisions by the Council, we noted the comment of the housing manager in relation to the development a Arthur Hill Pool & Fitness Studio where it was stated that:

*"Research indicates that in Reading an annual income of £72k is required in order to be able to afford to buy an average three bed house in Reading, and a household income of £32k to be able to afford to rent an average 2 bed property. Demand for Social housing continues to outstrip supply, with pressures on all types of accommodation from specialist housing through to family homes. In June 2020 there were 3,417 households registered with the local authority for an affordable rented home, and although pressure is felt most acutely for family sized homes, over 40% of the Housing Register are requesting 1 and 2 bed properties. The emerging Housing Strategy, due to be published later in the year is reviewing the increasing pressure for keyworker housing as public services in the town struggle to recruit and retain staff who are struggling with their housing costs.*

The size of the of the affordable properties proposed, and the location of the development means that it is an excellent option for meeting the needs of key workers, in line with the housing needs of the Council.

### **Density**

The current proposal is for a revision to the recently approved scheme with an increase in the number of residential units from 26 to 28 but without increasing the extent of the built form previously approved.

The NPPF seeks to 'boost significantly the supply of housing' and deliver a wide range of homes, of different types and tenures. Achieving an efficient use of the land within the context of any central and sustainably located site is a key priority both at a national and local level. The NPPF states that LPAs should actively "encourage the effective use of land by reusing land that has been previously developed (brownfield land), provided that it is not of high environmental value". In general terms, officers support those urban design principles which encourage an ambitious approach to density on such sites.

Policy CC6 'Accessibility and the intensity of development' makes the important link between the scale and density of development and its inherent level of accessibility by walking, cycling and public transport to a range of services and facilities, with opportunities for increased density taking place in

the most accessible locations. This does not override other planning considerations, but is an important element of meeting the borough's development needs in the most sustainable way.

Policy H2 which specifically considers density and mix, requires that the appropriate density of residential development is informed by the character and mix of uses of the area in which it is located and its current and future level of accessibility.

Within the Local Plan, indicative densities for different areas are set out. This indicates such a site located within the and urban district centre would have an indicative density of between 60-120 dwellings per hectare. The supporting text goes on to acknowledge that the criteria discussed above may indicate that different densities are appropriate, despite the indicative density range indicating otherwise.

The site is allocated for residential development in the Local Plan and the previous scheme approved had a density of 162.5 dwellings per hectare across the site. Whilst the revised density is slightly higher than envisaged in the allocation, this is similar to the adjoining flats at Englefield House opposite Tesco and consistent with the Local Plan's aim to ensure density positively assists in meeting identified needs in highly sustainable locations.

It assessing the previous application it was considered that *'given the proposed format of development (a dual core L-shaped block fronting existing commercial and higher density residential), the resultant quantum of development and density does not cause any conflict with policy or depart significantly from the density of other existing or recently approved developments on the former Battle Hospital site'*.

As the scale of built form has not been increased over and above the previous consent, nor has the proposed floor space increased, we see no valid reason why the slight increase in density should be considered unacceptable in planning terms.

Although the density is greater in terms of the number of units. In terms of room numbers, the scheme actually represents a reduction from the previous scheme from 55 bedrooms to 49 bedrooms due to the loss of some of the 3 bed units.

### **Housing mix**

Policy H2 also identifies that wherever possible, residential development should contribute towards meeting the needs for the mix of housing in the Borough.

The table below outlines the mix previously approved and the current proposal:

| <b>Unit's size</b> | <b>201391/FUL<br/>Number of units/ room<br/>numbers</b> | <b>Current proposal<br/>Number of units/ room numbers</b> |
|--------------------|---------------------------------------------------------|-----------------------------------------------------------|
| 1 bed, 2 person    | 5 / 5                                                   | 11 / 11                                                   |
| 2 bed, 3 person    | 5 / 10                                                  | 5 / 10                                                    |
| 2 bed, 4 person    | 8 / 16                                                  | 8 / 16                                                    |
| 3 bed, 5 person    | 8 / 24                                                  | 4 / 12                                                    |
| <b>Total</b>       | <b>26 / 55</b>                                          | <b>28 / 49</b>                                            |

The main change is that the proposal has been amended to reduce the number of 3 bed units and the reasoning is based on the market demands and advice we have received from local estate agents – please see appendix 2 and 3.

Following the resolution to grant in January we have been speaking in detail to local agents regarding the sell ability of the scheme as approved. It is clear that there is little demand for three-bedroom flats in this area and this is the professional opinion of the local estate agents. It is considered that it would be better to utilise the space more efficiently for more one- or two-bedrooms units that will have a realistic rate of sale - please see attached appendix 2 and 3.

Therefore, we have changed the layout to remove 4 of the 3 bed units proposed and replace them with 6 x 1 bed units.

We are aware of the policy requirements for 3 bed room units but a simple right move search for new build three-bedroom properties in the area shows that there are only 6 currently available and all remain unsold. This alludes to the fact that there is not much desire for them as the price point leaves it comparable to getting a three-bedroom house in the same area.

This compared to a search for similar new build one- or two-bedroom units that displays 83 and of those many that are either sold or under offer. The above is a small snap shot and we believe this shows that this area does not have the demand for three-bedroom flats as opposed to the positive view of one- and two-bedroom flats.

In order to address the policy requirements, we have still provided 4 x 3 bed units despite the negative feedback from local estate agents who recommended that all 3 bed units be removed.

The approved 26-unit scheme provides 8 x 3 bed units, with one of the units proposed as affordable. Going on the expert advice of the local agents, it is highly likely that once constructed we could be left with 7 units, or 30% of the apartments vacant. As such the proposal is simply not viable with the approved mix especially having regard to the fact that we are also providing 30% affordable housing.

We would also like to point out that at the same development control committee where our previous scheme was considered acceptable, the Committee also approved a scheme for 15 units at Arthur Hill Pool & Fitness Studio, 221-225 Kings Road under reference 20/1135. The policy requirements for this scheme were the same as our site in that 50% of the units were to be provided as 3 beds. However, no 3 beds were provided and the justification given for allowing no 3 bed units was that the scheme was a policy complaint in terms of affordable housing.

The same logic can be applied to our current proposal but in our case, we have still provided 4 x 3-bedroom units.

On balance, and having regard to the marketing information before us, the provision of a policy compliant scheme in terms of affordable housing, and the recent planning decisions by the Council, we consider the revised mix of units proposed is acceptable.

### **Highways and transport**

Vehicular access to the site is proposed onto Curzon Street and will take the form of a vehicle crossover. The vehicular access will be provided on the north-eastern boundary of the site, whilst a separate pedestrian access to the residential apartment is also proposed onto Curzon Street. Moreover, pedestrian accesses to the commercial units are proposed onto the area of public realm on the western boundary of the site. Swept path drawings have been provided demonstrating that delivery vehicles and refuse vehicles can gain access to the site. Reading Borough Council confirmed

as part of previous application that the proposed access and servicing arrangements (which remain unchanged) were acceptable in principle.

The proposed development provides 23 car parking spaces and 28 cycle spaces on site. The previous scheme provided 22 car parking spaces and 26 cycle spaces.

An appropriate level of on-site car parking provision has been provided. This is based on the methodology agreed with Reading Borough Council in support of the previous application and the parking ratio is exactly the same as the previously approved scheme. Additional cycle parking is proposed to encourage travel by sustainable modes.

In accordance with the three transport tests from the NPPF:

1. The site is in a highly sustainable location and there are significant opportunities for sustainable travel modes to be appropriately taken up;
2. Safe and suitable access has been provided for all users and the parking and servicing arrangements are acceptable; and
3. The level of traffic generated by the development will not lead to a significant, let alone 'severe' impact on the operation of the local highway within the vicinity of the site.

The proposed development is therefore considered acceptable from a highway and transport perspective. Please refer to the transport statement for further details.

### **Conclusion**

In summary, 28 residential units are proposed from Ground to 5th floor, including a mixture of 1, 2 and 3-bedroom apartments all to nationally described space standards.

150.8 sqm of commercial floor space at Ground Floor level in line with the floor space approved under the recent mixed-use scheme.

Each dwelling has a private outdoor amenity space that meets national space standards and easy access to the nearby Battle Square Park for additional shared amenity space.

23 car parking spaces and 28 cycle parking spaces accessed off of Curzon Street to meet the required standards.

The proposal scheme would provide 30% affordable housing with an affordable rent tenure, at no more than 80% of the market rent in line with local plan policy requirements.

The proposal would provide housing on a site allocated to meet the Council's housing demand and would contribute towards meeting the need for affordable housing in a sustainable urban location.

The proposal makes effective use of an urban site and would not cause harm to the Locally Listed or nationally Listed building, nor harm the amenity of surrounding residents.

The design is considered to be of good quality, in accordance with sustainability policies and ensure that the amenity of residents would be safeguarded through a safe and secure design, and which would include measures to minimise the impacts of poor air quality and noise.

This proposal has been carefully considered in the context of the Reading Borough Local Plan 2019, and informed by recent planning decisions by the Council. We therefore respectfully request that the revised scheme is approved without delay.