

## 12 Socio-economics

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### Introduction

- 12.1 This statement has been prepared by Chartplan LLP on behalf of Hermes Property Unit Trust to consider the socio-economic effects of their proposals to redevelop the Former Royal Mail Sorting Office and Distribution Centre, 80 Caversham Road, Reading RG1 8JG.

### Nature of Proposed Development

- 12.2 Hermes is proposing the comprehensive regeneration of this town centre site.
- 12.3 The phased redevelopment involves the complete demolition of the existing buildings and structures and their replacement with a high quality, high density, mixed-use scheme.
- 12.4 The proposed mix of uses includes residential, retail, office and leisure uses set within a new and attractive public realm. The development delivers new routes, amenity spaces and linkages to ensure it is well integrated with the adjoining urban fabric. Underground basement car parking minimises the land taken up at ground level thereby maximising the amount of space available for the public realm, amenity spaces and landscaping.
- 12.5 The outline planning application description of development reads:

"Outline planning application with matters reserved\* with the exception of "Access", "Landscaping", "Layout" and "Scale" by the demolition of all existing buildings and structures; site preparation and by the redevelopment of the application site for a mix of land uses to include Employment and Business (B1), Residential (C3), Retail (A1), Food and Drink (A3,A4 and A5) complementary Social uses (D2), car parking, servicing, public and private open space, landscaping, highways, pedestrian and vehicular access and associated works.

\*appearance and materials reserved for future consideration."

- 12.6 The scheme will be delivered in three phases and can be summarised as follows (all areas GEA):
- Phase 1 – Total floor area 38,213 sq m broken down into:- 243 residential units comprising 24,026 sq m, office floor area 10,095 sq m, retail floor area 1,512 sq m, retail and / or gym floor area 263 sq m with underground car parking of 2,317 sq m (? spaces). The taller building elements comprising 27 and 16 floors;
  - Phase 2 – Total floor area 11,827 sq m broken down into:- 141 residential units comprising 11,827 sq m, retail floor area 172 sq m. The taller building elements comprising 12 and 11 floors ;
  - Phase 3 – Total floor area 29,915 sq m broken down into:- 274 residential units comprising 22,692 sq m, office floor area 6,509 sq m, retail floor area 205 sq m, retail and / or gym floor area 509 sq m. The taller building elements comprising 11 and 8 floors.

## Planning Policy Context

### National Planning Policy Framework NPPF

- 12.7 The NPPF encourages sustainable development. It recognises that sustainable development can be considered as set within three dimensions – environmental, social and economic.
- 12.8 The NPPF says: “Sustainable development is about positive growth – making environmental and social progress for this and future generations” (our emphasis).
- 12.9 It goes on to highlight that sustainable development has: “An economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation, and by identifying and co-ordinating development requirements, including the provision of infrastructure”(our emphasis).
- 12.10 The Government is committed to ensuring that the planning system should operate to encourage sustainable growth. Accordingly, where development can be seen to bring forward social and economic benefits it will be deemed to be a material consideration and carry weight in support of such proposals.

### Development Plan Policies

#### Reading Borough LDF - Core Strategy

- 12.11 The Core Strategy sets out the overall planning strategy and broad principles for development in Reading.
- 12.12 *Policy CS3: Social Inclusion and Diversity* states that major developments should demonstrate measures to enhance social inclusion in terms of access to housing, employment, services, community facilities, leisure, health, education and other services and facilities.
- 12.13 Development should recognise and take account of the social and cultural diversity of the area in which it is located, and contribute to the enhancement of local distinctiveness. All members of the population should be provided with access to good quality health, education and other social facilities.
- 12.14 New housing development will be co-located with a range of accessible facilities, or appropriately planned and located to ensure that access to such facilities is provided.
- 12.15 *Policy CS5: Inclusive Access* states that all buildings should be located, sited and designed to provide suitable access to, into and within, its facilities, for all potential users, including disabled people, so that they can use them safely and easily.
- 12.16 *Policy CS10: Location of Employment Development* states that new office development will take place in the centre of Reading and along the A33 corridor. Office development will also take place in the other centres in the network.
- 12.17 *Policy CS1: Employment Development* states that employment development should provide mitigation measures in line with its impacts on the demand for housing, labour and skills and on the transport network.

- 12.18 *Policy CS29: Provision of Open Space* states that all new development should make provision for the open space needs of the development through appropriate on or off site provision or through contributions towards the provision or improvement of leisure or recreational facilities, including open space.
- 12.19 *Policy CS31: Additional and Existing Community Facilities* states that proposals for new, extended or improved community facilities will be acceptable, particularly where this will involve co-location of facilities on a single site. Community facilities should be located where there is a choice of means of travel (including walking and cycling), and in existing centres where possible.
- 12.20 *CS32: Impacts on Community Facilities* requires that where development would have an adverse impact in terms of increasing the need for additional community facilities, or the extension or upgrading of existing facilities, mitigation measures should be provided in line with the scale of the impact.

Reading Borough LDF - Sites and Detailed Policies

- 12.21 This document is to be read in conjunction with the Reading Core Strategy and provides the detailed planning policies and identifies the specific development sites and designations in order to achieve the Core Strategy.
- 12.22 *DM6: Affordable Housing* states that on development sites of less than 15 dwellings, the following proportions of affordable housing provision will be provided:
- On sites of 10-14 dwellings, 30% on-site provision;
  - On sites of 5-9 dwellings, 20% on-site provision; and
  - On sites of 1-4 dwellings, a financial contribution will be made that will enable the equivalent of 10% of the housing to be provided as affordable housing elsewhere in the Borough.
- 12.23 *DM10: Private and Communal Outdoor Space* states that dwellings will be provided with functional private or communal open space that allows for suitable sitting-out areas, children's play areas, home food production, green waste composting, refuse storage, general outdoor storage and drying space. Houses will be provided with private outdoor space whereas flats may be provided with communal outdoor space, balconies and/or roof gardens.
- 12.24 *Policy DM15: Provision of Public Open Space* states that the amount and type of publicly accessible open space to be provided shall be as laid out in the most up-to date Open Spaces Strategy. The provision of open space shall satisfy the most urgent need in terms of the type of open space to be provided in a particular location having regard to the size of the site and shall be subject to considerations of particular site specific deficiencies.
- 12.25 New open space should:
- Be in useable parcels of land and not be fragmented;
  - Be safely and easily accessible and not severed by any physical barrier including a road;

- Be accessible to the general public and be designed so as to feel that it is part of the public and not private realm;
  - Create a safe environment, appropriately considering lighting and layout to reduce the fear of crime; and
  - Provide some informal landscaping for aesthetic, wildlife and recreational purposes.
- 12.26 In determining the appropriate form, location and extent of public open space for development, consideration will be given to the extent of deprivation of private or communal garden areas within the proposed scheme.

Reading Borough LDF – Reading Central Area Action Plan

- 12.27 The Reading Central Area Action Plan (RCAAP)<sup>7</sup> was adopted in January 2009 and sets out the planning framework for the central area up until 2026.
- 12.28 *Policy RC1e*: North of Station identifies that in this central area of Reading, there should be retail and leisure development on the ground floor with other uses including residential and offices on upper floors.
- 12.29 The policy states that an area of civic open space will be provided at the northern entrance to the station, and a green link provided to the River Thames.
- 12.30 *RC7: Leisure, Culture and Tourism in the Centre*, seeks to concentrate major leisure, cultural and non-regionally significant tourism development within the Central Core.
- 12.31 *RC9: Living in the Centre* states that proposals for residential development within the central area will be assessed against the following criteria:
- All proposals for residential development within the central area will be required to contribute towards a mix of different sized units within the development;
  - Proposals for new residential development within the central area will be required to demonstrate how the issue of potential noise disturbance from neighbouring land uses and other sources, and air quality implications of residential development, have been considered and if necessary, mitigated;
  - Residential developments in the centre will contribute towards affordable housing in line with Policy CS16 of the Core Strategy; and
  - Development in the central area that would have an adverse impact in terms of increasing the need for additional community facilities will be required to provide mitigation measures in line with the scale of the impact.
- 12.32 *Policy RC14: Public Realm* requires that proposals for new development will need to make a positive contribution towards the quality of the public realm within the central area.

## **Supplementary Planning Document Policy**

### Reading Station Area Framework

- 12.33 The purpose of the Reading Station Area Framework is to outline broad development principles to guide the planned redevelopment of the area, individual sites, the public realm, and new transport infrastructure.
- 12.34 The proposed development site is made up of three Plots: N7, N8 and N10 (page 35). Figure 9.4 of the Framework shows indicative development quantum and land use mix, and identifies that Plots N7, N8 and N10 could provide a mix of retail, residential, leisure and office floorspace.
- 12.35 An overall aim is to improve the Station area public realm by creating, improving and connecting public spaces (para. 5.3). Station square north is listed as a public realm priority area. Pedestrian priority measures are proposed for the Site area which lies north of the station and at Vastern Road (para. 5.17).

## **Socio-Economic Effects of The Proposal**

- 12.36 The social and economic effects flowing from the proposed Hermes development are fundamentally derived from two parts. First, with the activities associated with the construction phase. Second from the completed and operational aspects of the development. The effects are accrued directly, indirectly and induced via the economic multiplier effect.

### **Construction benefits**

- 12.37 During the construction phase a considerable number of direct jobs will be created locally and regionally. It should be noted that investment in production-type activity rather than consumption, brings significant long-term economic and social benefits.
- 12.38 The construction industry is also a driver of growth in other sectors due to its heavy reliance on an extended and varied supply chain. It uses a wide range of inputs from many industries to produce its goods and services. Investment in the sector therefore indirectly supports a broad set of industries as the increase in final demand filters through to key industries which supply the sector.
- 12.39 The following sectors are amongst those that benefit most from increases in construction activity: aggregates, renting of machinery, real estate, architectural and technical consultancy, plastic, wood and metal manufacturers.
- 12.40 The specific socio-economic effects flowing from the construction works can be summarised as follows.
- 12.41 Population growth – Jobs created during the construction phase will deliver a small increase in the number of people present on site during working hours. Whilst an element of workers will already be resident in the community a small proportion will not be able to commute on a daily basis and will thus find alternative accommodation in the area, thereby increasing the local population.
- 12.42 Employment growth – One of the most significant socio-economic benefits of the construction work will be the creation of full time and part time construction jobs, a number of which, secured via the planning permission, will be locally sourced. These jobs can help reduce unemployment levels and

provide training to members of the employment market that can be more difficult than average to reach and assist.

- 12.43 Local expenditure growth – It is likely that construction workers will spend money at local retailers and food outlets. Similarly, and as referenced above, there will be businesses providing accommodation for workers living beyond a commutable distance to the site. These will all have consequential beneficial impacts on the local economy.

### **Operational benefits**

- 12.44 The delivery of residential units, office, retail and leisure floorspace will, in contrast to the temporary construction phases, have long term social and economic effects.
- 12.45 Population growth – Based upon typical household sizes and occupancy rates, the delivery of 658 residential units will create a significant increase in local population numbers.
- 12.46 Employment growth – The office, retail and leisure uses will result in job creation including:- security, reception, cleaning, maintenance, landscaping, IT, property management and sales / letting. Although a large development it is considered to have only a minor strategic pull whereby most of the job creation benefit will be experienced within the Reading local area. We have considered current employment on site. Royal mail has ceased to operate and relocated. Network Rail occupy the site on a temporary basis. Accordingly, we believe it reasonable to assume that the jobs created by the current site are low to negligible in comparison with the opportunity arising from the site's redevelopment.
- 12.47 Expenditure growth - The new residential and working population is likely to increase spending in local retailers and restaurants. Expenditure would not just be on food but also on other goods and services, especially as the site is located in a town centre. It is though unlikely to materially alter the distribution of expenditure in Reading between convenience and comparison goods.
- 12.48 In addition to discretionary spending, Reading Borough Council will charge and receive income from residents and commercial tenants in the form of Council Tax and Business Rates at the prevailing annual rates.
- 12.49 Education growth – Whilst the nature of the residential units might be marginally skewed away from families with children or looking to have children, there will in all probability be an uplift in the required number of primary and secondary school places. It is anticipated that Community Infrastructure Levy / s106 contributions secured as part of a planning permission will deliver further investment in local education provision.
- 12.50 Healthcare – The additional population on the site will create an additional demand for primary healthcare services – particularly GP practices and dentist surgeries. Should existing practices and surgeries be oversubscribed and unable to accommodate additional patients, there is scope for the Borough Council to negotiate financial contributions under the Community Infrastructure Levy / s106 contributions route.
- 12.51 Private and Affordable Housing stock – The proposed development will contribute 678 residential units to the local private market and affordable housing stock. A mixture of unit sizes are proposed. The homes will be amongst the most sustainable and energy efficient housing in Reading. In overall

terms the proposals will contribute to improving a recognised shortage in housing stock and to a small extent high house prices. For others it will provide the opportunity to either be rehoused from existing unsuitable social housing or to have housing where none is currently available.

- 12.52 Open space and amenity – The site is currently dominated by large rudimentary commercial buildings which contribute little to nothing to local amenity or to the provision of public / private open space. The development delivers new routes, amenity spaces and linkages to ensure it is well integrated with the adjoining urban fabric. There will be a positive amenity benefit to those living, working and visiting the area.

## **Conclusions**

- 12.53 The proposed development will bring forward a series of social and economic benefits to the site and the local Reading area including:- job and training opportunities, additional private and affordable housing, increased local expenditure, enhanced healthcare and education provision as well as a series of local environmental improvements.
- 12.54 As a result the proposed development accords with the socio-economic policy provisions of Reading Borough Council's development plan and other policy documents including the NPPF and RBC SPDs such that these benefits are a material consideration in favour of the outline planning application when it comes to its determination at Committee.