

Reading Borough Council
Planning
Reading Borough Council Civic Offices
Bridge Street
Reading
RG1 2LU

Our ref: 2557

13 March 2025

Dear Sir / Madam

13-15 Station Road, Reading

On behalf of our client, Faye and Yarn Limited, this covering letter supports a planning and listed building application for the 'change of use of part of the building to provide 7 apartments'.

The application follows the grant of planning and listed building consent for the same development in December 2024 Reference: PL/23/0202 and Listed Building consent 23023/LBC. This submission is for the same form of development but looking to agree the removal of the contribution towards affordable housing as the project is not viable with this requirement, as demonstrated and set out in the viability report.

Included with the application is the following information:

- Requisite planning and listed building application forms
- Location and block plan, drawing number: 2209-PL01
- Existing Floor Plan 01, drawing number: 2209-PL02
- Existing Floor Plan 02, drawing number: 2209-PL03
- Existing Floor Plan 03, drawing number: 2209-PL04
- Existing roof plan 05, drawing number: 2209-PL05
- Existing Elevation 01, drawing number: 2209-PL06
- Existing Elevation 02, drawing number: 2209-PL07
- Existing sections, drawing number: 2209-PL08
- Proposed Floor plan 01, drawing number: 2209-PL09
- Proposed Floor plan 02, drawing number: 2209-PL10
- Proposed Floor plan 03, drawing number: 2209-PL11
- Proposed roof plan, drawing number: 2209-PL12
- Proposed elevation 01, drawing number: 2209-PL13
- Proposed elevation 02, drawing number: 2209-PL14
- Proposed section, drawing number: 2209-PL15



- Design and Access Statement
- CIL additional information form

And supported by the following document:

- Planning and Heritage Statement, of which this covering letter provides an update
- Transport Statement
- Air Quality Assessment
- Noise Assessment
- Marketing Report on letting activity and commercial market commentary
- Financial Viability Appraisal dated 12 February 2025

The Planning and Heritage statement is provided, and it should be read alongside the officer's report to applications PL/23/0202 and Listed Building consent 23023/LBC and this letter, which taken together explains the reason for the subsequent application and the acceptability of the scheme.

The site

The site is a grade II listed building that lies on the western side of Station Road in Reading. Station Road links the high street to Reading Station.

The building was occupied by Chiltern Training but they vacated the building in August 2024.

Proposed development

The proposed development is as described in the original application and seeks planning permission and listed building consent for the conversion of the building to create 7 apartments. Six of the apartments will be two bedroom and the one apartment will be two-bedroom. Commercial space remains in the basement and ground floor level.

The only alteration to the proposed development is the provision of the affordable housing contribution.

Viability

Following the approval of planning permission, it became clear that the financial contribution requested by Reading Borough Council would not be viable given the build costs associated with the scheme and development value and as described in detail in the viability report

The viability of this scheme was considered in on behalf of the Council by Colliers in June 2023. At that time the construction costs were considered to be £1.024m based on BCIS costs. The applicant has since received planning permission obtained a detailed cost plan which results in a projected construction cost of £1.462m (+ £420,000), whilst revenues have remained flat. This change in costs makes the payment of the previously agreed contributions (£72,446) non-viable and necessitates this application.

The viability report submitted adopts all the inputs previously agreed by Colliers – and as such it is only the new cost plan that requires review by the Council. This factor is expected to be reflected in the Councils review fee.

The present permission is linked to a S106 agreement containing a viability review clause. That obligation has been over ruled by recent planning appeal decisions, and will not be re offered in the context of the present application.



Planning Assessment

As set out in the planning statement, section 70 of the Town and Country Planning Act 1990 and 38 (6) of the Planning and Compulsory Purchase Act 2004 requires that planning applications are determined in accordance with the development plan unless material considerations indicate otherwise.

The relevant local plan is the Reading Borough Local Plan adopted in November 2019. The principle of the development is support by the policies in the Reading Local Plan as set out in the planning statement and confirmed in the Council's report on the application.

The proposed development was recently assessed through the granted full and Listed building planning applications and considered acceptable, with permission being granted. The Council's report on the application confirms:

- Loss of Class E floorspace – considered acceptable as the former officer use is not specifically protected by policy CR7 and policy RC1 recognises the need to encourage a mix of uses in the town centre which forms the heart of the Station / River Major Opportunity Area. What is more some E class use is retained, in the basement and at ground floor.
- Quality of the accommodation – all apartments had access to natural light and outlook, meeting the minimum national floorspace standards. Whilst the separation distance to the hotel to the rear is minimal, given the hotel use this was not considered to be significantly harmful to future occupiers. Again, Projection East and Icon House flats are in close but there is not direct overlooking and in view of the dense urban location considered acceptable.
- Heritage – the main area of significance is the front street façade and its original windows and window joinery. The rear section of the building has no significance left as it has been replaced by modern offices. The proposed development is considered appropriate and will bring back new occupants to the building. The provision of the residential units will help sustain and enhance the significance of the building and this is considered of be a benefit.
- Transport – the development is car free which is acceptable given the town centre nature of the site. Cycle parking is considered acceptable as well as the waste arrangements.
- Noise – noise mitigation measure can be secured by condition.
- Air quality – air quality levels for NO2 are predicted to be above limited but this can be mitigated through ventilation which can be controlled via condition.
- Landscape and biodiversity – given the nature of the site and lack of substantive external works, it is not considered possible or appropriate to seek to secure either landscape provision or biodiversity enhancements.
- Sustainability / energy – enhancements and sustainable design measures are welcomed.

In regard to affordable housing, Reading Borough Local Plan (which was adopted in November 2019 and is therefore now over five years old, requires, through policy H3, that development of between 5 and 9 dwellings provides an offsite financial contribution to affordable housing that is the equivalent of 20% of the units. The policy acknowledges that where proposals fall short of the policy target due to viability considerations, then an “open-book” approach will be taken to justify the lower provision. This application is accompanied by a viability report that confirms that the scheme is not viable with any



contribution to affordable housing as it will only return a profit of 2.30% rather than the 15% target. Therefore, the provision of no contribution is consistent with planning policy in this regard as it is not viable.

Whilst there is clear support for the proposals, and a recognised need to ensure the Listed Building has an appropriate use to ensure its longevity, it is worth noting that the planning position has changed, with increasing pressure to deliver new homes to meet local needs.

In December 2024 the Government published a revised NPPF and updated PPG which are material considerations, and set out its approach to delivering growth in the July 2024 Written Ministerial Statement, in which the Government confirmed we are in *“the most acute housing crisis in living memory”* and their intention is to ‘get Britain building again’ with the launch of the new NPPF.

The Written Ministerial Statement of 30 July 2024 sets that context nationally, acknowledging the that *“sustained economic growth is the only route to improving the prosperity of our country and the living standards of working people”* and in order to deliver that *“decisive reform”* is needed *“urgently”* in regard to housing delivery, but also in terms of ensuring the infrastructure is there to support growth, which includes supporting commercial development to drive the UK’s economy.

Included in the update to the Planning Practice Guidance, published alongside the NPPF, was a revised standard method for calculating housing need. This increased the housing requirement in Reading Borough from 878 dwellings per annum to 1028 dwellings per year. An increase of 150 homes per annum. The result of which is to place greater emphasis on the need to deliver more homes in the Borough and therefore the delivery of the 7 apartments can be attributed significant weight in the planning balance.

The presumption in favour of sustainable development has been updated in regard to the tilted balance, as before confirming that development proposals that accord with up-to-date development plans should be approved without delay. In this case the proposed development accords with the development plan, albeit the development plan is now out of date.

However, and in any event, the plan is out of date as it is over five years old, and therefore, part d) would be triggered (the tilted balance) which confirms that the adverse impacts of a development have to significantly and demonstrably outweigh the benefits when assessed against the policies of the framework taken as a whole, and that in making this balance particular regard should be had to key policies for directing development to sustainable locations, which as a town centre site, is really the most sustainable location for development, that will make the most effective and efficient use of the building and is well-designed.

The Framework / NPPF confirms that affordable housing should not be sought for residential developments that are not major development (major development being over 5 dwellings) and therefore there is no requirement for the scheme to contribute towards affordable housing.

In terms of the tilted balance the scheme offers the following benefits:

- The delivery of much needed housing in a sustainable location;
- The protection of the Listed Building in the long term through its viable use;
- Provision of updated office space in a sustainable town centre location; and
- Bringing back at an active frontage to this part of Station Road.



As addressed, above there is an extant planning permission and listed building consent for the development that confirms that all the site-specific considerations are acceptable and that the development is consistent with planning policy.

The only issue for consideration with this application is the provision of an affordable housing contribution. A viability report has been provided that demonstrates that the scheme is not viable with that provision. The scheme needs to be viable to deliver the benefits proposed, without this the building will inevitably be left empty, and as a result, over time, it will fall into a worse state of disrepair putting the Listed façade at risk. It is important the scheme is brought forward viably to enable the longevity of the building, ensure the delivery of an active frontage in this town centre site and enable the delivery of 7 apartments in a sustainable location, alongside the office accommodation.

In accordance with National Planning Policy Guidance, this scheme should be approved without delay.

We look forward to the timely registration of the application and its consideration. Should you have any queries please do not hesitate to contact the author of this letter.

Your faithfully,

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