

**READING BOROUGH LOCAL PLAN EXAMINATION
NOTE ON SECURING AFFORDABLE HOUSING FROM EMPLOYMENT DEVELOPMENT**

1. Introduction

1.1 The provisions within policies CC9 and EM1 of the Submission Draft Local Plan for employment development to contribute to affordable housing were discussed on day 3 of the hearings (27th September 2018) under Issue 6. It was requested that the Council provide a note on this topic to cover the following matters:

- The evidence submitted by the Council alongside the previous Core Strategy policy on this matter;
- The relevant sections of the Core Strategy Inspector's Report; and
- Evidence of how the Council has secured contributions towards affordable housing from employment development since the Core Strategy was adopted.

2. Core Strategy Evidence

2.1 Core Strategy policy CS13 stated that employment development should provide mitigation measures in line with its impacts on the demand for housing (including affordable housing), labour and skills, and on the transport network. The most directly relevant information to support this policy was the answer to one of the Inspector's questions on Topic 5 (Employment). This listed relevant employment developments where a contribution towards affordable housing had been secured. The answer to this question from the Council's Topic Paper is included in Appendix 1.

2.2 In terms of the evidence that had been submitted alongside the Core Strategy, the Council produced an Employment Background Paper. That document was not specific to the requirements of CS13 only, and talked about employment issues in wider terms, but the element of greatest relevance was the discussion about the tight labour market, in terms of the balance between jobs and available labour, which is included here as Appendix 2.

3. Core Strategy Inspector's Report

3.1 Despite it having been raised as a question on the agenda for the Core Strategy examination, the Inspectors Report, received in December 2007, did not specifically discuss the requirement for mitigation of housing impacts (including affordable housing) within policy CS13.

4. Employment Contributions towards Affordable Housing since 2008

4.1 Since the Core Strategy was adopted in January 2008, the following planning permissions for employment development have been granted which included signing a Section 106 agreement which secures a contribution towards affordable housing. It is therefore an update to the table in the Council's Core Strategy Topic Paper (see Appendix 1).

Application	Address	Date permitted	Description of development	Nature of contribution
090530	Reading International Business Park, A33 Relief Road	Jun 2009	Planning permission for the development permitted by Planning Consent 06/00627/VARIAT dated 22/8/06 namely development of offices with associated leisure facilities, landscaping, service roads and 969 car parking spaces for office development, together with retention of 457 existing car parking spaces for brewery use but without complying with Conditions 3, 4, 6, 7, 8, 9, 11, 12, 14, 16, 18, 21, 22, 23, 24, 25, 26 and 27 of that Consent. ¹ Net office f/s increase: 33,910 sq m	£1,000,000 towards the provision of affordable housing Due on first occupation
090622	Station Hill	Oct 2011	Outline application for demolition of existing buildings and construction of a mixed use development comprising residential development (C3), office development (B1A), retail uses (A1), financial and professional services (A2), restaurants and cafes (A3), bars (A4), community space (D1), cultural/leisure space (D1/D2), bowling alley (D2), health and fitness (D2), car and cycle parking, structural landscaping and formation of public spaces, associated infrastructure and public realm works (access, layout and scale only) Net office f/s increase: up to 65,049 sq m	£500,000 towards affordable housing off site (part of overall £1,000,000 off-site contribution including from residential element) Due before more than 30,000 sq m of B1a space in building B1 is occupied.
121826	Energis House, Forbury Road	Jun 2013	Demolition of existing building and construction of two new office buildings (Use Class B1) with associated access, car parking, servicing, landscaping and engineering works Net office f/s increase: 18,918 sq m	£781,663 towards the provision by the Council of affordable housing. Due in two instalments - on first occupation, and 12 months following first occupation
141043	Thames Tower, Station Road	Oct 2014	Refurbishment and recladding of the existing building, construction of four additional	£677,504 towards the provision by the Council of affordable housing.

¹ This development was originally permitted under 00/01447/FUL, for which a contribution of £1,000,000 for affordable housing was also secured, which is referenced in the table in the Core Strategy hearing statement (see Appendix 1).

			storeys of offices (use class B1), change of use of the ground floor to flexible office and retail uses (classes A1, A2, A3 and B1), rooftop plant and associated works. Net office f/s increase: 5,939 sq m	Due on first occupation
130436	Station Hill <i>(would replace 090622 above)</i>	Jan 2015	Outline application for mixed use redevelopment of the site through the demolition and alteration of existing buildings and erection of new buildings & structures to provide Offices (Use Class B1), a range of town centre uses including retail and related uses (Use Class A1- A5) leisure (Use Class D2) and residential units, associated infrastructure, public realm works and ancillary development (all matters reserved). Net office f/s increase: 106,470 sq m	£1,515,000 for affordable housing in Reading (employment-related contribution only. A separate off-site/on-site contribution relates to the residential element of the development).
160569	400 Longwater Avenue	Jan 2017	Development of commercial office buildings (B1 Use Class), access, decked and surface car parking, cycle parking, landscaping, servicing, associated engineering and ancillary works. Net office f/s increase: 27,207 sq m	£200,000 towards the provision by the Council of affordable housing. Due on first occupation

APPENDIX 1: EXTRACT FROM COUNCIL TOPIC PAPER ON EMPLOYMENT FOR CORE STRATEGY EXAMINATION (AUGUST 2007)

4.0 Policy CS13: Impact of Employment Development

Question 4

Could this policy be operated effectively in practice?

(Thursday 20th September, 2.00 pm)

Relevant Examination Statements from Participants:

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4.1 This policy could be operated effectively in practice. This is not a new approach in Reading, or generally in Berkshire. Policy E2 of the Berkshire Structure Plan (St01) and Policy KEY3 of the Local Plan (Lo02) as supplemented by the SPG on Planning Obligations (Lo25) are already in place to secure such contributions where they are in line with the impacts of the development. Although less explicit, policy EMP2 of the Local Plan (Lo02) has been used to secure affordable housing contributions on major office schemes since the adoption on the Local Plan in 1998. Most significant office developments permitted in recent years in Reading Borough have included a Section 106 agreement to contribute towards affordable housing (see table).

Examples of recent office permissions subject to a legal agreement to contribute towards affordable housing:

Application	Address	Date permitted	Description of development	Nature of contribution
00/00330/FUL	Thames Tower, 37-41 Station Road	Jan 2001	Demolition of existing plant area and the erection of three storeys for (B1) office use, change of use of ground floor from (B1) office to (A3) food and drink, re-cladding of the building, a new office entrance. Net office f/s increase: 1,926 sq m	Off-site provision of affordable housing (£45,000)
00/00352/FUL	Reading International Business Park	May 2001	Application to add to floor area (approved under planning consent 99/00010/REM) Net office f/s increase: 3,750 sq m	Contribution towards Housing Strategies (£250,000)
00/01447/FUL	Reading International Business Park	Feb 2002	Development of offices with associated leisure facilities, landscaping, service roads and 969 car parking spaces for office development, together with retention of 457 existing car parking spaces for brewery use. Net office f/s increase: 33,910	£1,000,000

			sq m	
01/00132/FUL	29-35 Station Road	Jan 2002	Demolition of existing buildings and redevelopment to provide new office building with retail or A3 restaurant use at ground floor level plus service area and car parking at basement/lower ground floor level. Net office f/s increase: 1,520 sq m	£66,500
01/00643/FUL	Energis House, Forbury Road	Oct 2004	Demolition of existing buildings and construction of three office buildings (Class B1) with associated access, car parking, servicing and landscaping Net office f/s increase: 35,660 sq m	£1,000,000 (50% prior to first occupation of phase 1 and 50% prior to first occupation of phase 2)
02/01311/OUT	The Green Triangle, off Smallmead Road	Jun 2003	Outline application for development of 22,540 Sq M (242,618 Sq Ft) of B1 (business use), car parking, landscaping and related works. Net office f/s increase: 22,540 sq m	£1,700,000 (payable on commencement of first building)

Note: This list excludes mixed-use office and residential schemes which included the provision of affordable housing, such as Abbey Mill House and Manor Farm.

APPENDIX 2: EXTRACT FROM EMPLOYMENT BACKGROUND PAPER TO SUPPORT CORE STRATEGY (JANUARY 2007)

Employment and Workforce Balance

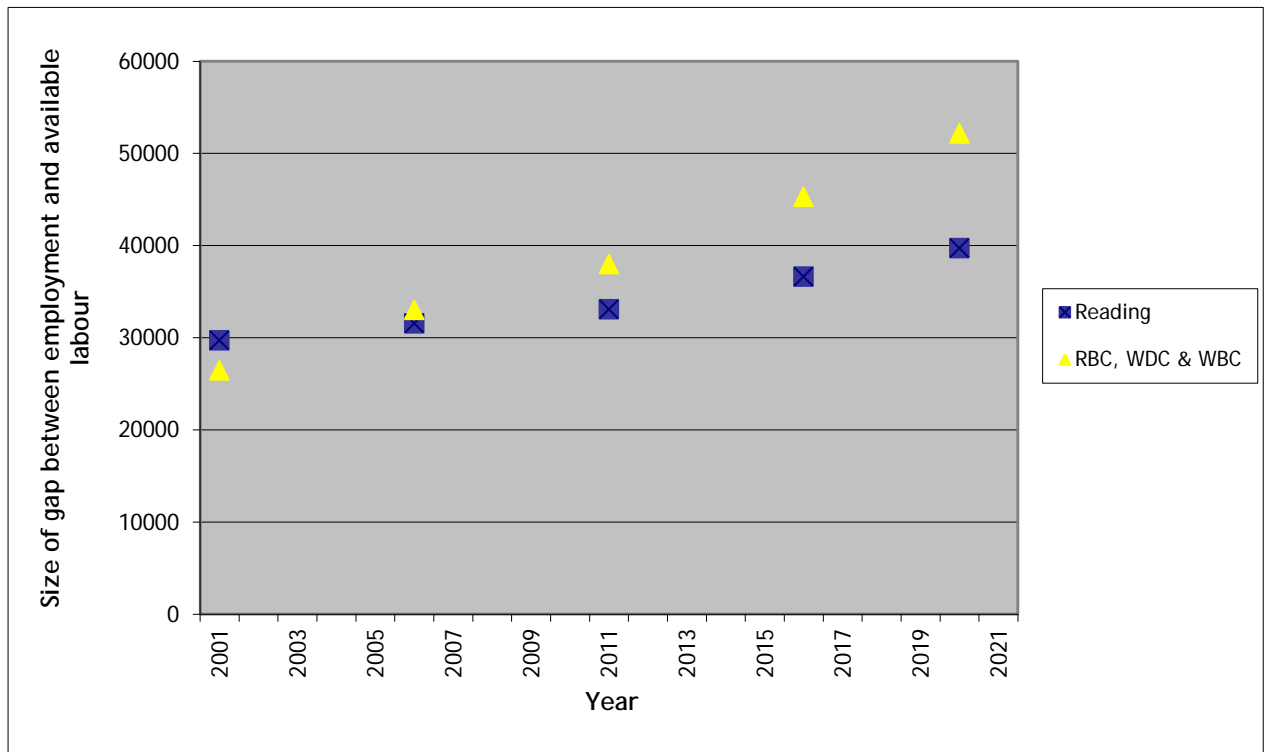
Employment and Workforce Balance - Current Situation

- 4.3.22 One of the key concerns within the Borough involves the assumed imbalance between employment opportunities and the available workforce. The perceived existence of such an imbalance implies a number of undesirable effects, such as high levels of in-commuting, often over substantial distances, and significant pressure on the housing market.
- 4.3.23 In order to substantiate the existence or otherwise of this imbalance, the available measures of workforce size and levels of employment can be compared. The measures were, respectively, the numbers of people who were participating in the labour market at 2004 and the employment levels at 2004. The respective sources were the employment forecasts produced by Experian Business Strategies and population projections produced by Anglia Polytechnic University, both commissioned to inform the Employment Land Review, and both based on the scenarios used in that document (excluding the base case scenario in the case of population projections, as this was unconnected to population levels).
- 4.3.24 The amount of people participating in the labour market in 2004 in Reading Borough was 78,196. In contrast, the amount of people employed within the Borough was 107,895. This indicates a 'gap' between employment and workforce of some 29,699 people, using these measures. However, employment includes all jobs in the Borough, whether they are full-time or part-time. Therefore, the actual gap may be smaller than this figure.
- 4.3.25 This is, however, something of a simplification. The contiguous built-up area extends some distance beyond Reading Borough, and thus many people living within parts of West Berkshire or Wokingham Districts and working within Reading Borough would be counted as in-commuting, even though they live in within the same built-up area. Figures are not available for this area, but the employment levels and workforce figures can be taken for the whole area covered by Reading, West Berkshire and Wokingham. For this area, the amount of people employed was 267,713 and the amount of people participating was 241,256. The gap is therefore 26,457, which is smaller than that for Reading Borough even though the area is of a greater scale. There is therefore likely to be a greater balance within the urban area of Reading.

Employment and Workforce Balance - Future Trends

- 4.3.26 The main purpose of the data sourced from Experian Business Strategies and Anglia Polytechnic University was to project and forecast into the future. Employment forecasts run up to 2020, while population projections go up to 2021. In both cases, for both Reading and the adjoining authorities, numbers are expected to rise.
- 4.3.27 Figure 4.18 shows the size of the gaps between employment and available workforce for both Reading and the area covered by Reading, West Berkshire and Wokingham, under Scenario 1. The general trend is very similar to other scenarios, so only one scenario is shown here. It shows that, while at 2001 the gap is larger for Reading than for the wider area, the gaps are of similar size at 2006 (31,600 and 33,000 respectively). Into the future, the gap is expected to increase at a faster rate for the wider area than for Reading - although, proportionate to the total amount of people involved, the gap is still much smaller.
- 4.3.28 Since population projections are not given for 2020, the population at this year is taken to be the 2021 population minus a fifth of the 2016-2021 increase.
- 4.3.29 There are a number of factors worth bearing in mind when considering whether these figures will reflect the actual situation as far into the future as 2020, in particular relating to labour supply-side issues. For instance, improved childcare facilities in the Borough could theoretically give opportunities for many parents who would not currently be counted as economically active to participate in the labour market. Likewise, more flexible working arrangements, such as working from home, facilitated by increasing broadband provision, for instance, could also offer a chance of employment for those who are currently economically inactive, or at least reduce the impact of commuting associated with such a gap.

Figure 4.18: Gap between employment and available workforce 2001-2020 under Scenario 1.



Sources: Experian Business Strategies Limited © and Anglia Polytechnic University