

Hearing Statement Examination of the Reading Borough Local Plan

Issue 6

Robert Cort Properties Limited

12 September 2018

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1.0 Introduction

1.1 This Hearing Statement has been prepared by Lichfields, on behalf of Robert Cort Properties Limited (our client). It relates to Issue 6 of the Matters & Issues for Examination identified by the Inspector in relation to the Examination of the Reading Borough Local Plan (RBLP).

1.2 This Hearing Statement follows representations submitted on behalf of our client to both the Draft Local Plan consultation (in June 2017) and the Pre-Submission Local Plan (in January 2018) in respect of policies EM2 and EM3. We do not seek to repeat the contents of these representations within this Hearing Statement, although we do refer to their contents where relevant.

1.3 Our clients welcome the modifications proposed by RBC within the Schedule of Minor Changes prior to Submission (March 2018) (LP008) in respect of Policy EM3 and the supporting text at para 4.3.13 but these do not address our clients outstanding concerns in respect of this part of the plan.

Background and Context

1.4 This Hearing Statement relates to two neighbouring sites: (i) Robert Cort Industrial Estate, Britten Road, Reading and (ii) Preston Road Industrial Estate, Preston Road and draft policies EM2 and EM3 of the RBLP.

1.5 Both of these sites are located within close proximity to each other (and are also form much of the Elgar Road site in the RBC Sites and Detailed Policies Document (SPDP) (October 2012) (site SA12 (f)). Similarly they form a large part of the Core Employment Area (policy EM2 (f)) within the RBLP. For the purposes of this Hearing Statement they are referred to together as “the sites” except where it is appropriate to differentiate between them. A site plan showing both locations is at Appendix 1.

1.6 Our clients are long term investors in Reading who have owned the sites for over 20 years. They recognise that the emerging RBLP (para 1.1.1) “contains the policies for how Reading will develop up to 2036” and the focus of their concerns, as amplified below, is that the Plan must allow sufficient flexibility over this period. Specifically the Local Plan policy framework must reflect the location and use of the current buildings, the potential for replacement or alternative uses over this timeframe and allow flexibility for the differing national and sectoral economic patterns which are inevitable over this period.

Site Location & Surrounding Area

1.7 The sites measures approximately 3.4ha in total (site (i) is around 2.5 hectares and site (ii) is around 0.85 hectares) and predominantly comprise light industrial uses along with some leisure use. The sites are framed by further employment uses and residential dwellings to the north, a tree belt with open space and residential dwellings beyond to the east; and a mixture of residential and commercial uses to the west (across Elgar Road South) with further open space beyond.

1.8 The sites fall within Flood Zone 1 as identified on the Environment Agency Flood Map for Planning (Rivers and Sea); land assessed as having a less than 1 in 1,000 annual probability of river or sea flooding (<0.1%). According to magic.defra.gov.uk there are no listed buildings within the vicinity of the sites.

1.9 The sites are accessible and well connected to the surrounding local area, with regular bus services to Reading Town Centre. They are situated approximately 1.8 miles from Reading West

rail station which provides frequent services to Reading, Basingstoke and Newbury, and just over 2 miles from Reading rail station which has frequent services to a number of destinations.

- 1.10 Our clients long term experience of owning and letting the sites means that they have identified a specific commercial constraint arising from the Preston Road sites location being on a hill which means that access for commercial vehicles is very tight at best. Furthermore the access road is not straight which introduces further constraints for HGV's (including a requirement for such vehicles to reverse downhill). In addition the loading bay doors for most of the units are off the steep incline which hampers their operation. These constraints cannot be addressed within the current configuration and limit the end use of the units.

The Sites

Site History

- 1.11 The Robert Cort Industrial Estate was built in three phases. Phase 1 was built in circa 1985, phase 2 circa 1987 and phase 3 circa 1989. The online planning history for Robert Cort Industrial Estate shows a series of permissions for Class B uses and development associated with these. In 1998 planning permission was granted for change of use from General Industrial (B2) to Leisure and Assembly (D2). There are also some older engineering buildings on the site which were built in the 1950s and 1960s.
- 1.12 The exact date the Preston Road units were built is unknown but it was prior to the sites was purchased by Robert Cort Properties in 1995.

Level of Occupation

- 1.13 The Robert Cort Industrial Estate is close to full occupancy although there are some vacant units. The vacant units include the older units on Robert Cort Industrial Estate, which comprise approximately 1,300 sq m of floorspace. We understand these units have been difficult to let due to accessibility issues and other constraints identified above. In addition, the roof on the older units contain asbestos, meaning future renovation works to bring the units up to modern standards are likely to be costly. The lease lengths at the site vary from between 2 -20 years, with the longest lease ending in the next decade.
- 1.14 The six units under our clients ownership on the Preston Road site are almost at full occupation though we understand demand for these units has historically been low. The recently published Reading Employment Area Analysis (document reference EVO10) (March 2018) highlights that headline industrial rents of £13 sq ft have been achieved, however our clients have identified that rents are currently no higher than £6 sq ft so much lower than the figures identified by RBC and this reflects the constraints of these properties.
- 1.15 Whilst RBCs response to our clients earlier representations (within their Statement of Consultation on the Draft Local Plan (November 2017)) notes "*the site is almost fully occupied*" this does not reflect our clients longer term concerns about the potential reuse of these premises and we expand upon this below.

Current Condition

- 1.16 The condition of the units on the Robert Cort Estate reflect their construction period of the 1980s and this, combined with their age, means they have required constant refurbishment over time. In general the majority of units on the estate are in good order - they have been modified and refurbished to a good standard. Refurbishments costs are however increasing as the units get older and the presence of asbestos may lead to subsequent refurbishments becoming unviable due to the low rents experienced (as summarised above).

- 1.17 The units on the Preston Road estate are also ageing buildings which have required frequent maintenance and refurbishment to make the units lettable. The site in general is considered to be less desirable than the Robert Cort site – for the reasons outlined above. In addition the roofs on this site also include asbestos and therefore refurbishment costs are significant. With changes to EPC ratings in the future the units are unlikely to meet rising standards without significant costly investment and this could potentially prove to be unviable.

Focus of Hearing Statement

- 1.18 In this context our clients are concerned that policies EM2 and EM3 are too prescriptive and may, in due course, fetter the appropriate redevelopment of the site at a point where the buildings are no longer economically productive and their redevelopment is not viable due to low rental levels.
- 1.19 As expanded upon below, such prescriptiveness conflicts with the provisions of the NPPF (2012)¹ (para 22) that “*planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose...where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities*”.
- 1.20 Despite the current high levels of occupancy that our clients have achieved the scope for future refurbishment forms a key concern for them – particularly in the context of an emerging Local Plan with an end date of 2036. This underpins their concern that the employment policies within the RBLP must be sound – incorporating the flexibility required by National Planning Policy.

Employment Land and Housing Land Balance

- 1.21 We also note that whilst the RBLP contends (para 4.3.6) that there is “*a reasonable balance between the levels of employment planned for . . .and the levels of housing*” the Plan in fact seeks to accommodate the full level of employment need in the Borough (para 4.3.5) whilst planning for a shortfall in residential development when assessed against housing need (para 4.4.5). This is itself indicative that there is scope for greater flexibility in considering current and future employment land requirements than the current strategy within the RBLP.

Response to Issue 6

- 1.22 This Statement responds to the Inspector’s Issue 6 which states: “*Are the policies for employment justified, deliverable and consistent with national policy?*” and in particular:
- *Question 2 – Is the identification of the Core Employment Areas in Policy EM2 justified based on robust evidence? (section 2.0);*
 - *Question 2a – Is the provision relating to non-employment uses within the Core Employment Areas in Policy EM2 justified and will it be sufficiently flexible? (section 3.0); and*
 - *Question 2 - Is Policy EM3 worded to ensure that it would be effective and provide a clear indication of how a decision maker should react to a proposal? Is the approach consistent with national policy? (section 4.0)*

¹ As set out in Para 214 of The National Planning Policy Framework (NPPF) (2018) as the RBLP was submitted for examination before January 2019, the policies of the NPPF (2012) apply (para 214).

2.0 **Core Employment Areas (Policy EM2)**

2.1 Question 2 states: *Is the identification of the Core Employment Areas in Policy EM2 justified based on robust evidence?*

2.2 As noted in Section 1.0 the employment land allocations relating to the site have effectively been copied over from the SDPD. They were assessed within the RBC HELAA (November 2017) but this did not assess the appropriateness (or otherwise) of the current identification of the site as a Core Employment Area and instead only assessed the potential for future housing and/or economic development.

2.3 We note that the Council subsequently published their Reading Employment Area Analysis (document reference EVO10) in March 2018, after the consultation on the earlier iterations of the plan, most recently the Pre-submission Local Plan, had concluded. As such, we have not had the opportunity to comment on the analysis undertaken until now, which is in any event retrospective to RBCs analysis underpinning their retention within RBLP policy EM2.

2.4 As set out within Section 1.0, the site is comprised of older industrial stock, and is close to the end of its economic life with the costs of repairs, relative to rental levels, potentially prohibitive to future refurbishment. In addition, much lower rents are currently in place that RBC have identified and are being achieved elsewhere. This does not appear to be reflected within RBCs 2018 analysis.

3.0 **Non-employment Uses (Policy EM2)**

- 3.1 Question 2a states: *Is the provision relating to non-employment uses within the Core Employment Areas in Policy EM2 justified and will it be sufficiently flexible?*
- 3.2 As set out in our January 2018 representations our clients support the explanatory text to Policy EM 2 (para 4.3.11) confirming that *“there may be scope for the inclusion of uses that are not strictly within an ‘employment’ classification . . . in order to support the economic role of the area.”*
- 3.3 This flexibility is less clear within the Policy EM2 itself which states *“Non-employment uses that would support the area’s economic function may be located in the Core Employment Areas where they do not result in a loss of employment land.”* We consider that the final part of this sentence result in the policy is less permissive than the explanatory text suggests.
- 3.4 The Council have advised in their response to our previous representations that they consider the explanatory text provides sufficient guidance (Statement of Consultation, document ref. LP006), however as set out in the NPPF (2012) *“only policies that provide a clear indication of how a decision maker should react to a development proposal should be included in the plan”* (para 154). In this context however the Policy, and Explanatory Text risk being interpreted as pulling in different directions.
- 3.5 In terms of justification of the policy, the flexibility within para 4.3.11 and sought by our clients is consistent with the NPPF (2012) which states *“where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.”*

4.0 Policy EM3

4.1 Question 2 states: “Is Policy EM3 worded to ensure that it would be effective and provide a clear indication of how a decision maker should react to a proposal? Is the approach consistent with national policy?”

4.2 This policy relates to the loss of employment land and, as amended by LP008, states in relation to the Core Employment Areas:

“Within the Core Employment Areas, the overall level of employment land should be maintained. Proposals that would result in a loss of such land will not be permitted. Where, in exceptional circumstances, it can be demonstrated that a site in a Core Employment Area has no long-term prospect of employment use, a related alternative commercial use or a use ancillary to the employment use may be considered that would not result in a significant reduction in jobs.”

4.3 LP008 also modified paragraph 4.3.13 to add text, after “vacant in the long term” stating “for instance five years or more.”

4.4 Our clients concerns regarding this part of the policy are threefold:

(i) Contradictory

4.5 They consider that the wording of the policy is contradictory as it initially states that a loss of employment land will not be permitted before going on to identify “exceptional circumstances” where such a loss may be permitted. Our clients consider that the latter text is more appropriate.

(ii) Lack of flexibility regarding reuse

4.6 This concern is compounded by the fact that the threshold for there being no “long term” prospect of employment use is both arbitrary and inflexible. As noted above the NPPF 2012 (para 22) is clear that Development Plans should avoid the long term protection of employment sites where there is “no reasonable prospect” of a site being used for that purpose.

4.7 Whilst our clients welcome the removal for the reference to “five years” from the policy they consider it is inappropriate to reintroduce it within the supporting text. Such a reference is entirely arbitrary and that there are circumstances when the absence of a long term prospect for employment reuse will become apparent at an early stage. For example our analysis in section 1.0 confirms the issues which our clients site is likely to face in the coming years, as it reaches the end of its economic life, and faces major economic constraints on the prospects for redevelopment.

4.8 Our clients consider that as RBC, through LP008, acknowledge the reference to “five years” is inappropriate within the policy it follows that it is inappropriate within the text also.

(iii) Future Uses

4.9 Finally whilst our clients support the recognition within Policy EM3 for flexibility for alternative uses (in some limited circumstances) they consider that restricting these to “a related alternative commercial use or a use ancillary to the employment use” is too restrictive.

4.10 The also consider that the reference to “**may be considered**” (Lichfields bold) lacks the certainty required by planning policy.

- 4.11 In such circumstances it is likely to be appropriate to consider a wider range of potential uses through the development management process. This may, for example, include residential uses. As briefly identified above the RBLP does not seek to meet its objectively assessed housing need in full.
- 4.12 Furthermore, as expanded upon in our January 2018 representations the RBC HELAA considered these sites as part of a wider landholding assessed under site refs KA014 and KA015. This identified that the (wider) sites had a potential capacity for 466 dwellings. Furthermore the analysis went on to conclude that it was suitable in respect of many of the criteria whilst those it was considered unsuitable against would need to be revisited in a context where the land was no longer in employment use.
- 4.13 Our clients are therefore seeking the deletion of the text with Policy EM3 limiting redevelopment to “*a related alternative commercial use or a use ancillary to the employment use*” enabling alternative proposals to be assessed, in these circumstances, on their merits.
- 4.14 Such flexibility would be consistent with guidance in the NPPF 2012 (para 22). Whilst some guidance is provided within para 4.3.13 of the RBLP, we consider further flexibility in relation to alternative uses (including residential) should be reflected within the policy.

Appendix 1: Site Location Plan



Key

Site Boundaries



Project Robert Cort Properties, Reading

Title **Site Location Plan**

Client Robert Cort Properties Limited

Date 14.06.17

Scale 1:1250 @ A3

Drawn by MK

Drg. No. IL15818-001



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