



Appeal Decision

Hearing Held on 29 September 2020

Site visit made on 30 September 2020

by Helen O'Connor LLB MA MRTPI

an Inspector appointed by the Secretary of State

Decision date: 19 November 2020

Appeal Ref: APP/E0345/W/19/3242252

Alexander House, 205-207 Kings Road, Reading RG1 4LS

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant planning permission.
 - The appeal is made by P.J. Alexander Estates Ltd against the decision of Reading Borough Council.
 - The application Ref 190160, dated 24 January 2019, was refused by notice dated 19 July 2019.
 - The development proposed is the demolition of the existing office building and construction of a new 182 bed student accommodation development over 7 storeys of accommodation plus lower ground floor together with ancillary landscaping, parking and amenity space.
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Decision

1. The appeal is dismissed.

Procedural Matters

2. The Reading Borough Local Plan was adopted in November 2019 (LP) and now forms part of the development plan. As such the policies of the Reading Borough Local Development Framework, Core Strategy, January 2008 and Reading Borough Local Development Framework, Sites and Detailed Policies Document, October 2012 have been superseded. Both parties referred to the LP throughout the hearing. Consequently, I am satisfied that no injustice will result from my reference to the LP.
3. The Council's decision letter showed two reasons for refusal. The latter related to the absence of a completed legal agreement designed to secure a construction phase Employment and Skills Plan and occupation of the development as student accommodation. The appellants have provided a signed Unilateral Undertaking (UU) dated 21 September 2020 that includes schedules covering occupation and an obligation to agree a construction employment and skills plan (ESP) with the Council or a financial contribution in lieu of it towards this purpose. Consequently, the second reason for refusal falls away. I shall consider the UU later in this decision.

Main Issues

4. The main issue is whether the site provides a suitable location for purpose built student accommodation (PBSA) having regard to local and national planning policies.

Reasons

Location for PBSA

5. The LP highlights the constrained nature of the Borough combined with a pressing need for additional housing in Reading and the surrounding area. It establishes a residential development strategy that, amongst other things, seeks to reconcile the competing demands for new student accommodation with those of general housing, including affordable housing.
6. The appeal site is identified as a site for development under policy ER1g of the LP. This stipulates the redevelopment of offices for residential and indicates as a guide that 26-38 dwellings would be appropriate. It follows that the residential development of the site for general housing would contribute to meeting the housing target for the Borough whilst utilising previously developed land. The supporting text confirms that the residential development would also need to provide affordable housing in line with policy H3 of the LP.
7. Policy H12 of the LP stipulates that new student accommodation will be provided on or adjacent to existing further or higher education campuses, or as an extension or reconfiguration of existing student accommodation. It further states that there will be a presumption against proposals for new student accommodation on other sites unless it can be clearly demonstrated how the proposal meets a need that cannot be met on the locations identified by the policy.
8. These policies have been adopted relatively recently and broadly accord with the approach to delivering a sufficient supply of homes set out in the National Planning Policy Framework (the Framework), which, amongst other things, sets out the Government's objective of significantly boosting the supply of homes and addressing the needs of groups with specific housing requirements. It follows that they attract full weight.
9. The proposal would provide PBSA as opposed to general housing and consequently, would not provide any affordable housing as envisaged under policy H3 of the LP. Therefore, on the face of it, the proposal would conflict with the approach to meeting general and affordable housing need identified in the LP.
10. It was agreed at the hearing that the appeal site is not on or adjacent to existing further or higher education campuses. As such, the presumption in policy H12 against new student accommodation is triggered. The parties disagree in relation to the extent of the need for PBSA in the Borough, although they both acknowledge that it is challenging to ascertain a precise figure due to the range of complex underlying factors that may affect demand and supply. Furthermore, there is no established standard methodology for calculating the need. The appellants consider that the shortfall ranges from 3405 to 3686 student spaces across all years of study based on student numbers for 2018/9¹.
11. However, in order to constitute a shortfall in PBSA, these figures presuppose that all students would prefer PBSA accommodation over a shared House in

¹ 3405 derives from Table 3, Page 8, Appellants' Response to Council's Statement 4.6.20, rerun Jackman Report Methodology calculation and 3686 derives from UoR Accommodation Strategy figures, Appendix 26, Appellants' Statement of Case

Multiple Occupation (HMO). The information presented shows that different students will have differing preferences based on a range of factors, including their age, whether they are first year students or returning students, whether they are domestic or international students, the price of accommodation and the facilities and quality of the accommodation itself. Accordingly, the evidence presents a complex picture and as such, whilst these figures may reflect a potential demand, they do not clearly demonstrate the need for PBSA.

12. Having regard to the full time UoR student numbers for both 2017/18 and 2018/19, the evidence suggests that during that period somewhere in the order of 5015-5,468 students at the UoR required accommodation that was unable to be met by PBSA². Notwithstanding that not all students would prefer PBSA, this equates to a sizeable body of students who would have little choice but to seek HMO accommodation. However, given the reference to 5000 such students at paragraph 4.4.98 of the LP, I am not assured that the position has substantially changed since the examination of the LP and adoption of policy H12. Nevertheless, it is reasonable to suppose that a proportion of them would prefer PBSA if given the option, and that this would not necessarily be confined to first year students. The appeal proposal would be likely to represent a modest proportion of that. As such, the evidence indicates that there would be some existing demand for the appeal proposal.
13. In the absence of a nomination agreement with the UoR, it is not clearly shown that the proposal would directly assist with the acknowledged shortfall of 1000 first year student university bed spaces referred to in the LP. Nevertheless, there is no obvious reason to discount the future possibility of such an arrangement. Moreover, the development might indirectly assist by releasing accommodation space elsewhere, albeit this cannot be quantified or secured as part of the proposal. As a result, this attracts moderate weight.
14. Reference is made to the projections for growth at the UoR which would increase demand for PBSA. However, significant growth at the UoR is unlikely to occur without commensurate academic space provision. Policy OU1 of the LP stipulates that proposals for additional development for further and higher education will only be acceptable where it can be demonstrated that it would not lead to a material increase in the need for student accommodation, or that it will be supported by an appropriate increase in existing or planned student accommodation. As such, future growth of academic space would need to provide proportionate student accommodation to avoid exacerbating the existing shortfall. Therefore, it is not clearly demonstrated that the appeal proposal would be necessary to cater for future growth at the UoR.
15. In addition, policy H12 sets out a sequential approach such that it must be shown that the need cannot be met on a site on or adjacent to existing further or higher education campuses, or as an extension or reconfiguration of existing student accommodation. The extent of capacity for PBSA at the UoR's Whiteknights Campus is disputed. This largely turns on the degree to which the findings of the UoR Campus Capacity Study, September 2018 can be relied upon. The document was prepared against the backdrop of an advanced draft Local Plan. Its purpose was to establish the capacity of the Reading Campuses to fulfil the UoR's growth requirements³. Accordingly, it reflected the UoR's ambitions for growth and was not prepared following the adoption of policy

² Paragraph 31, Appellants' Response to Council's Statement 4.6.20

³ Page 5, UoR Campus Capacity Study, September 2018, Appendix 8, Appellants' Statement of Case

OU1 of the LP, which would be an important factor in guiding the potential balance of academic and accommodation floorspace of future development. On this basis, the findings of the document carry limited weight.

16. The statement of common ground produced for the local plan examination indicated that the Council and UoR agreed that there was significant remaining capacity on the Whiteknights campus for additional development⁴. The appellants suggest that policy OU1 would prevent accommodation development coming forward in isolation on the UoR campuses in order to address existing need. However, the UoR refers⁵ to the importance of providing PBSA in recruiting students within a competitive marketplace, which in turn could affect the success of the university. This remains a strong incentive for accommodation provision. Overall, I am not assured that the need addressed by the proposal could not be met on existing further education campuses. Therefore, the threshold of clearly demonstrating how the proposal meets a need that cannot be met on sequentially preferable sites as is required by policy H12 of the LP is not met. It follows that the presumption against such proposals in policy H12 applies.
17. Even if I were to accept the appellants' assertion that the presumption in policy H12 did not apply, given the allocation of the appeal site for residential development in the LP, the proposal for student accommodation would conflict with the objective of the LP to meet its overall targets for general and affordable housing over the plan period. Furthermore, permission exists for 56 residential units, 17 of which are affordable homes. To my mind, the appeal site represents an example of the situation the Council are seeking to avoid in the LP, whereby development for student accommodation would prevent a potential housing site being used to help meet the need for general housing, including affordable housing, either through the implementation of the extant planning permission or a revised scheme on the site.
18. Implementation of the existing permission or development otherwise in accordance with policy ER1g would be likely to generate the provision of 30% of affordable dwellings in line with policy H3 of the LP. Conversely, the proposal would not provide any subsidised affordable housing. The need for affordable housing in the Borough is described as critical in the LP and at a level that represents the majority of the overall housing required. Moreover, the consequences of not providing affordable housing would be severe. It is estimated that even with each allocated site in the LP being completed, then this would deliver only 28% of the identified affordable housing need⁶.
19. The appellants indicate that residential development of the site would be likely to provide additional flats of which there is a good supply, rather than family accommodation for which there is a greater need. Be that as it may, it would have been reasonably clear when the site was allocated in the LP that flats would have been likely from the nature and context of the site as well as the existing planning permission. Therefore, this attracts little weight in support of the proposal.

⁴ Paragraph 6.20

⁵ Page 3, UoR Accommodation Strategy, Part 1 – gap analysis, July 2018-2028, Appendix 7, Appellants' Statement of Case

⁶ Table 6.3 Estimated Affordable Housing Need vs Supply 2013-2036, page 36-37 Council's Statement of Case

20. It is further asserted that the residential development of the appeal site would not be necessary to secure a five year supply of housing land. Even so, the Housing Implementation Strategy, March 2018 indicates that delivery is expected to be greatest in the earlier half of the plan period, with less housing delivered in the later half. Consequently, the loss of the allocated site from the general housing supply could harm the chances of delivering sufficient housing, and in particular affordable housing, to meet the targets set out in policy H1 across the plan period.
21. It is put to me that the proposal could free up existing dwellings into general residential use, although there is disagreement as to the number of dwellings the proposal would equate to. The various methodologies referred to are primarily for the purposes of calculating the five year housing supply. Even if I were to accept the appellants' highest figure of 75 dwellings for this purpose, it does not necessarily follow that as a direct result of the proposal 75 HMOs would revert to family houses.
22. However, the relatively similar costs of HMO accommodation and the proposed cluster bedrooms, taking into account the additional services provided, would suggest a likely correlation between its provision and some reduction in the demand for student HMO accommodation. Nonetheless, there remains uncertainty as to the extent of the impact on the existing housing stock. Therefore, in common with the Inspector in the St Patrick's Hall appeal decision⁷, who referred to a potential reduction in HMOs in the town rather than a quantified amount, I am not able to come to an exact figure. Nonetheless, the potential impact on the reduction in HMO accommodation attracts moderate weight in favour of the proposal.
23. I am referred to paragraph 59 of the Framework which states the importance of a sufficient amount and variety of land coming forward where it is needed, and that the needs of groups with specific housing requirements are addressed. Paragraph 61 stipulates that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. Whilst this does refer to students it also refers to those who require affordable housing. Similarly, Planning Practice Guidance refers to planning policies addressing the need for both student housing and affordable housing. The LP broadly complies with the Framework and this guidance. It is not suggested that the needs of one group should be addressed at the expense of sites identified to meet others.
24. The appellants highlight the supporting text to policy ER1 of the LP at paragraph 9.3.4. This refers to the potential for specialist housing provision for specific groups, outside the C3 dwellinghouse use class on some sites identified for housing. Nevertheless, it goes on to clarify that this would be dependent on other policies and provided that it does not harm the chances of delivering sufficient housing to meet the targets set out in local policy. For the reasons already mentioned, the proposal would be contrary to policies in the development plan.
25. The Inspector in the St Patrick's Hall appeal decision refers to the extra student accommodation proposed in that case as undoubtedly necessary and relatively urgent. The decision was made prior to the adoption of policy H12 of the LP. However, unlike the appeal site, that site is identified under policy ER1e of the

⁷ Reference APP/E0345/W/18/3209702

LP for development to intensify the provision of student accommodation. It further differs from the development before me in that the site relates to UoR controlled accommodation. As such, given the different circumstances, the comments of the Inspector would not lead me to a different view when applying policy H12 and ER1g of the LP to the appeal proposal.

26. Reference is made to the proposal helping to meet the aspirations of Reading College. However, their letter of support refers to their ambitions for growth in general terms rather than detailed plans that rely upon the appeal proposal to meet a need. As such, this attracts little weight.
27. Accordingly, I find that having regard to local and national policies the site would not provide a suitable location for PBSA as it would undermine the broader strategy in the LP, which sets out how housing will be provided in the Borough in order to significantly boost the supply of homes. This acknowledges the competing land uses of student accommodation and general/affordable housing and addresses how they should interrelate. The proposal would be contrary to policy ER1g of the LP which identifies the site for residential development. In addition, it would conflict with the sequential approach to the provision of student accommodation in policy H12 of the LP and it is not clearly demonstrated that need could not be met on preferred locations.

Other Matters

28. A completed UU under Section 106 of the Town and Country Planning Act 1990 was provided. This would ensure the provision of a construction phase Employment and Skills Plan and restrict the living accommodation to be occupied as student accommodation. However, as the contents of the UU are uncontested and I am dismissing the appeal on other grounds, it is not necessary for me to reach a finding in relation to the planning obligations in the UU with regards to the statutory tests in Regulation 122(2) of the Community Infrastructure Levy Regulations 2010 (as amended).
29. In reaching my views I have had regard to the representations received in general support of the proposal referring to the reuse of the site, provision of managed student accommodation in an accessible location that would reduce the pressure on local housing. However, they do not raise matters that would address or outweigh the concerns I have identified and as such, attract limited weight. Therefore, they would not lead me to conclude otherwise.

Planning balance and conclusion

30. There would be economic benefits arising from the provision of PBSA in addressing need, as well as arising from the construction of the development and related training. These factors would be likely to contribute towards the future prosperity of the higher education sector in the town as well as the wider economy. In addition, the proposal would provide some accommodation designed to support disabled students. There would also be opportunities for the provision of well-being services for intended occupants that would be likely to have a subsequent positive impact on mental health. To a modest degree, the proposal would be likely to reduce the pressure for HMO accommodation which also weighs in its favour. Additionally, it would include measures to improve bio-diversity at the site. Overall, these benefits attract moderate weight.

31. The proposal would result in a well designed building that would be rated as BREEAM Excellent and incorporate landscaping. In addition, it would be reasonably close to further and higher education campuses and public transport services that would allow future occupants a choice as to means of travel. These would be required to make the development policy compliant, and therefore, I consider that these are neutral factors in the overall balance.
32. Planning law requires that applications for planning permission be determined in accordance with the development plan, unless material considerations indicate otherwise. The development plan identifies a pressing need for housing and a critical need for affordable housing. The proposal would displace development for these identified needs coming forward on an allocated site. Furthermore, it would conflict with the sequential approach to providing student accommodation. Significant weight is given to the conflict with the objectives and policies of the LP. The moderate benefits of the proposal would not justify my determining the development other than in accordance with the adopted development plan.
33. For the reasons given above, I conclude that the appeal is dismissed.

Helen O'Connor

Inspector

APPEARANCES

FOR THE APPELLANT

Mary Cook	Barrister and Partner at Town Legal
Kim Cohen BSc(Hons), MCD, MRTPI	Planning Partner at Barton Willmore
Sean Kelly BA(Hons)	Managing Director at Tiger Lime
Paddy Jackman BSc	Director of Jackman Education Solutions Ltd
Jane Harrison BSc(Hons), MSc, MRTPI	Senior Planner at Barton Willmore

FOR THE LOCAL PLANNING AUTHORITY

Brian Conlon	Principal Planner Reading Borough Council
Mark Worringham	Planning Policy Team Leader Reading Borough Council