

Report to	Director of Planning
Date	06 May 2020
By	Richard Ferguson
Local Authority	East Hampshire District Council
Application Number	SDNP/19/04720/FUL
Applicant	Metis Homes
Application	Erection of 29 apartments and approximately 241 square metres of office floor space following demolition of existing buildings.
Address	Workshop and land rear of 34 Lavant Street, Petersfield, Hampshire, GU52 3EF.

Recommendation: That planning permission be refused for the reasons set out in paragraph 10.1 of the report.

Executive Summary

The application site is within the centre of Petersfield, adjacent to the railway station and partially within the defined town centre and conservation area. It comprises of a vacant retail and office building, a workshop and a large industrial building which has a general industrial use. The Site is allocated for employment uses (office, industrial, warehousing) in the Petersfield Neighbourhood Development Plan (PNDP).

The application proposes a mixed use development which includes new office space in the proposed frontage building onto Lavant Street, with residential flats in the remaining area of the site. It would replace a vacant brownfield site.

Development Plan policy safeguards existing employment sites unless it can be demonstrated that they are no longer fit for purpose primarily through a robust marketing campaign. The relevant period to consider in this application is a minimum of 18 months prior to the submission of the application. Based on the information provided, it has not been satisfactorily demonstrated that the site cannot remain in business use. The proposed office space would still retain some employment floor space on site and provide more modern small flexible office space which would be a benefit, but it would not mitigate the loss of the whole site for business uses.

1 and 2 bed flats would be a social benefit to the town but the policies regarding the loss of employment have not been sufficiently addressed. A well designed scheme has been proposed which is acceptable in regard to the townscape and built character of Petersfield, including the conservation area, and would not have a significant impact upon surrounding amenities.

The proposals include 3 affordable flats following an independent assessment by Bruton Knowles of the Applicant's viability appraisal. Their conclusions are that a policy compliant scheme cannot be achieved and that the scheme is viable with no more than 3 affordable units, which has been scrutinised by the case officer. On balance, this is an acceptable amount of on-site provision, however, a reason for refusal on the absence of a legal agreement to secure it is recommended.

The proposed design is acceptable in regard to the siting, scale and architecture of the buildings and an assessment has been undertaken in regard to the impact upon surrounding residential amenities and the character and appearance of the conservation area.

The application is placed before the Director of Planning to consider under his delegated powers.

1. Site Description

- 1.1 The application site is within the centre of Petersfield and is adjacent to Petersfield Railway Station and its car park on Lavant Street. The site is located behind properties on both Lavant Street and Charles Street to the east. It is also partially within the defined town centre boundary but it is somewhat detached from the main shopping areas. Its frontage building, the workshop behind it and the access are within the conservation area.
- 1.2 The site covers an area of 0.34ha and comprises of a single vacant retail unit, with office accommodation above, which fronts onto Lavant Street, a storage building behind it, and a vacant large industrial building which occupies the approximately two thirds of the site and fronts onto a tarmac forecourt. This part of the site has an established general industrial use (Use Class B2).
- 1.3 Alongside the retail unit is the main access into the site from Lavant Street which leads down to a courtyard area in front of the industrial building. The courtyard is adjacent to the railway car park which is on higher ground and they are separated by a retaining wall and bank covered with vegetation. The site then 'bends' away from the car park whereby the industrial building, whilst still partially adjacent to the car park, largely is behind residential properties on Drum Mead to the west. These are tall 3 storey properties. The boundary alongside these properties is a mixture of vegetation and close boarded fence and the industrial building can be seen from within Drum Mead. A stream also runs along the southern site boundary and through Drum Mead.
- 1.4 The eastern site boundary is defined by the end of long rear gardens of properties on Charles Street and a garage block. The industrial building abuts the rear gardens and this eastern site boundary is defined by vegetation and fencing. The adjacent gardens gently slope down away from the site. There is also a second access leading to the site from Charles Street, which is between the end terraced property on Charles Street and a restaurant, which is included within the application site. The northern site boundary is defined by the rear curtilages of properties which face Lavant Street, which are a mix of offices and flats above.
- 1.5 The retail unit on the Lavant Street frontage and adjacent properties along this road are within a conservation area, which covers the town centre. The town centre is very accessible with a wide range of shops and services. The site is also near to supermarkets and employment opportunities in the Bedford Road area which is a large area of commercial premises.

2. Relevant Planning History

- 2.1 The site is allocated in the Petersfield Neighbourhood Development Plan (2013-2028) for employment uses (business uses, eg. offices, industrial, warehousing).
- 2.2 F49751/001/FUL: Outline application for 36 flats within 6 blocks after demolition of 34 Lavant Street. Refused 27.09.2006.
- 2.3 SDNP/15/05781/FUL: Mixed-use development comprising 32 dwellings, 130sqm of retail floor space and 80sqm of retail floor space together with associated access and landscaping, following the demolition of existing industrial and office buildings. Refused 07.02.2017 for the following reasons:
 - Loss of an allocated employment site;
 - Cramped form of development which would not preserve or enhance the character and appearance of the conservation area and the townscape;
 - Impact on residential amenities;

- Lack of financial contributions (community facilities, public open space and affordable housing);
 - Insufficient parking;
 - Was not demonstrated that protected species would not be harmed.
- 2.4 SDNP/18/05862/PRE: Erection of 30 apartments and approximately 272 square metres of employment floor space. Pre-application enquiry closed following submission of this application. An early iteration of the scheme was considered by the Design Review Panel.

3. Proposal

- 3.1 The scheme was amended during the course of the application which involved a re-design of the proposed building onto Lavant Street, along with amendments to the hard and soft landscape scheme within the other areas of the site.
- 3.2 The application proposes to replace the existing retail unit, small commercial building behind it, and the industrial building with 29 flats, which comprise of 11 no.1 and 18 no.2 bed properties, and 241sqm of new commercial floor space. The commercial use could be flexible in regard to offices or retail, or other office based uses in A2 use.
- 3.3 The development would be a mix of 2 to 4 storey development across the site, which incorporates undercroft parking, with a predominance of 3 storey. The existing site levels would also predominantly be retained.
- 3.4 The existing Lavant Street access would be used as the primary vehicular access. It would still slope and would be re-surfaced to fit in with the hard landscape scheme proposed throughout the scheme. The access from Charles Street would also be retained and re-surfaced to improve its accessibility and amenity. It would be used for pedestrian access into the site, but it would also be used as a vehicular access for the neighbouring garage block and properties on Lavant Street.
- 3.5 The proposed built form would be in three buildings with a series of courtyard spaces. At the site entrance a new semi-detached building would be sited on the footprint of the retail unit and extend further into the site. It would be 3.5 storeys with a dual frontage onto Lavant Street and towards the railway station, in recognition that it would be a prominent building. Further into the site, the building would be 2.5 storey with a flat roof. This building would include office space on all floors fronting onto Lavant Street.
- 3.6 Adjacent to the above building, there would be a separate 3 and 4 storey building which, due to the lower ground level of the site, would have a notable lower height compared to the proposed frontage building and would also be lower than the existing neighbouring Lavant Street properties. The siting and footprint of this building would create a hard landscaped courtyard area, within which the shared space would allow access to the building and undercroft parking spaces. This building would also face onto a central shared space within the site and include balconies so as to create a more active frontage.
- 3.7 The third building further into the site is the largest and would be sited on the footprint of the industrial building. It would range between 2 and 3 storey with the lower sections 'linking' the higher elements together. Courtyard areas would be created between sections of the building and it would also face onto a central shared space. An accessible amenity area adjacent to the stream is also proposed.
- 3.8 Surrounding the buildings would be a new landscaped areas with a variety of planted areas and a shared spaces around the buildings for access, amenity and parking. The shared courtyard areas would be surfaced with a variety of materials, with a predominance of permeable block paving. A new amenity area adjacent to the stream would also be created.
- 3.9 A contemporary style of architecture is proposed. The building fronting onto Lavant Street incorporates more traditional features of gables, and brick detailing but with a more contemporary fenestration. The scheme elsewhere also includes simple gable ends to buildings and a red brick façade. The fenestration, dormer windows balconies (projecting and recessed) and timber clad flat roof elements are of a contemporary style.

Affordable housing

- 3.10 Three no.1 bed flats are proposed as affordable housing, following discussions regarding viability of the scheme.

Parking

- 3.11 The scheme includes 29 parking spaces, one for each flat, and 2 spaces for the office units. Electric vehicle charging points are proposed.

Sustainable construction

- 3.12 The scheme is proposed to achieve a 19% reduction in carbon dioxide emissions, in relation to energy efficiency of the buildings. Water efficiency has been proposed to meet 110 litres per person per day. No renewable technologies are proposed.

Landscaping

- 3.13 A soft landscape scheme is proposed with primarily new planting along the north-west site boundary and in the southern area of the site adjacent to the stream. This would involve some clearance and new grasses and shrub planting to enhance these area for wildlife. There would also be a planted courtyard at the southern end of the scheme. A rainwater garden is also proposed on the north-west boundary to manage surface water. Large areas of the site would be new courtyard areas which would be hard landscaped with permeable paving.

4. Consultations

- 4.1 The consultee responses below summarise original comments received at the initial stage of the application and any subsequent comments from a re-consultation exercise undertaken following the submission of amended plans.

4.2 **Arboriculture:** No objection (no conditions recommended).

4.3 **Archaeology:** No objection (no conditions recommended).

4.4 **Drainage (EHDC):** No objection, subject to conditions.

4.5 **Design (SDNPA):** Objection

Layout

- Layout has reduced the visual impact of car parking as viewed from the public realm.
- Limited on-site amenity space; only acceptable if it can be of the highest quality in terms of materials and landscaping.
- Amenity space next to the stream is supported; needs to be a green link with the boundary vegetation.

Architecture

- Building onto Lavant Street much improved from original proposal; more detailed design of the ground floor frontage required to reflect the shopfront character of the street.
- Remainder of residential development is 'safe' architecture; only acceptable if high quality public realm can be achieved.
- National Space Standards met.
- Use of red brick supported.
- Substitution of timber cladding with cement based timber effect cladding disappointing.
- Use of aluminium windows on the Lavant Street building supported.

Landscaping

- Limited opportunities to include soft planting should be maximised; suggest 'green walls' of climber plants.
- Consider green roofs on flat roof elements.
- Scheme needs to create more meaningful green infrastructure enhancements.

Drainage

- Use of permeable paving supported, but missed opportunities for multi-functional SUDs.

Objection:

- Further work needed to demonstrate the Lavant Street building is worthy of being a 'gateway' building into the town and national park and in the conservation area through more details of the ground floor Lavant Street design.
- Lack of private or public amenity space and the architecture of the residential development only be acceptable if public realm is of the highest quality.
- Scope for more multi-functional SuDS along the western boundary not achieved.
- The roof material must be natural slate or red clay tiles.
- Not meeting the Sustainable Construction Technical Advice Note.

4.6 **Ecology:** No objection, subject to conditions.

4.7 **Economic Development (EHDC):** Objection.

- Inadequate evidence to demonstrate the proposals meet policy for the loss of employment land.
- Would result in a new loss of industrial floorspace which will exacerbate the situation in Petersfield of very high occupancy rates, which limits market 'churn', business growth and investment, and demand for industrial/warehouse premises.
- Petersfield Neighbourhood Plan identifies a shortage of light industrial and small business units.
- PNDP allocated employment sites to safeguard and that process did not discount this site.
- Site is a redevelopment opportunity to deliver smaller industrial units and attract investment.
- Financial viability appraisal needs to be further justified and independently assessed.
- Inadequate evidence of a sustained marketing campaign for the business use premises.
- Not been provided with information on when, where and how the business use premises were marketed and enquiries received.
- Should be provided with a detailed marketing report produced in accordance with appendix 3 of the South Downs Local Plan.
- Require further details on all enquiries received.
- Property was either occupied or under offer during marketing since 2014.
- EHDC made an offer for the site, which demonstrates some interest, which was rejected as landowner was seeking residential values.
- In the absence of a structural survey, insufficient justification to demonstrate the buildings are not suitable for use.
- Statement that the existing buildings would need significant investment does not mean the buildings cannot be refurbished.
- No exceptional circumstances that would necessitate the loss of this employment site.

4.8 **Environment Agency:** No objection, subject to conditions.

4.9 **Environmental Health (Contamination):** No objection, subject to conditions.

4.10 **Environmental Health (Pollution):** No objection, subject to conditions.

4.11 **Highways Authority:** No objection, subject to conditions.

4.12 **Historic Buildings Officer:** Comments.

- Comments relate to the Lavant Street frontage building.
- Previous approach to the site used architectural styles more traditional in form, which

contrasted with modern architecture in the rest of the scheme.

- A traditional approach has not been pursued and the submission has focussed on a contemporary proposal for the Lavant Street building. A more traditional approach would produce a better result.
- Some significant improvements to the Lavant Street building have been achieved.
- Concern about a lack of detail for architectural detailing of the ground floor.
- Amendments have raised the quality of the architecture for the landmark function that is required on Lavant Street, but the **architecture does not ‘lift the spirits.’**

4.13 **Landscape Officer:** Support Design Officer’s comments in respect of the landscape scheme, green infrastructure and integrated multi-functional SuDS strategy.

4.14 **Housing (EHDC):** Objection.

- No affordable housing proposed, contrary to policy SD28.
- Viability Appraisal needs to be independently assessed.
- There is a lack **of affordable 1 and 2 bed flats in Petersfield to meet housing need.**

4.15 **Lead Flood Authority:** Objection pending further information on drainage calculations.

4.16 **Petersfield Town Council:** No objection.

4.17 **Refuse (EHDC):** No comments received.

4.18 **Southern Water:** No objection, subject to conditions.

5. Representations

5.1 4 representations have been received which comprise of 2 objections and 2 neutral responses. These representations are the result of a consultation exercise at the start of the application process and a subsequent re-consultation exercise following receipt of amended plans.

Objections

- Busy town with many new developments and at the weekend is at vehicle capacity with road infrastructure unable to cope with the volume of cars.
- Brownfield sites are a way to create affordable homes for people but do not see any affordable housing or benefits to the local community.
- Parking locally is at maximum capacity and abused by non-residents, which can also be dangerous to highway safety.
- Concern that visitors to the development may to have park elsewhere.
- Solution to local parking pressures could be to provide residents on Charles Street access to their rear gardens to build a parking space. This approach would support local community needs.

2 neutral responses:

- Proposals do not replace the employment the former use provided.
- Near to railway line and main road and the residential use of the site isn’t fully utilising the site as an economic resource.
- Intend to apply for a new hotel on the site.
- Request the development includes multiple integral nest sites for Swifts; swift bricks would be a permanent maintenance free biodiversity enhancer to support a declining bird species.

Petersfield Society: Objection.

- Loss of a substantial percentage of employment space, contrary to the PNDP.
- PNDP identifies a shortage of light industrial and small office units within Petersfield.

- Community overall is supportive of businesses and that a rich mix of small businesses should be a key feature of Petersfield.
- PNNDP policies BP1 and BP2 respectively allocates the site for employment uses and seek to safeguard its use.
- PNNDP policy BP6 supports the provision of affordable workshop space.
- SDNP policies SD35 and SD35 respectively seek to sustain the local economy and safeguard employment sites.
- Site has limited access which will become more restricted in time as the Lavant Street section of the PNNDP shared space project is implemented.
- Will result in increased vehicular movements, which will impact surrounding roads from congestion and increased risk of accidents.
- Cumulative impact upon congestion on surrounding immediate roads, particularly around the railway station.
- Development will have a large negative impact upon the Conservation Area and Petersfield.

6. Planning Policy Context

6.1 Applications must be determined in accordance with the Development Plan unless material considerations indicate otherwise. The relevant statutory Development Plan comprises of the South Downs Local Plan (SDLP) 2014-2033 and the Petersfield Neighbourhood Development Plan (PNNDP) (2013-2028). The relevant policies are set out in section 7 below.

National Park Purposes

6.2 The two statutory purposes of the SDNP designation are:

- To conserve and enhance the natural beauty, wildlife and cultural heritage of their areas;
- To promote opportunities for the public understanding and enjoyment of the special qualities of their areas.

If there is a conflict between these two purposes, conservation takes precedence. There is also a duty to foster the economic and social wellbeing of the local community in pursuit of these purposes.

National Planning Policy Framework and Circular 2010

6.3 Government policy relating to National Parks is set out in English National Parks and the Broads: UK Government Vision and Circular 2010 and The National Planning Policy Framework (NPPF) which was issued and came into effect on 24 July 2018 and revised in February 2019. The Circular and NPPF confirm that National Parks have the highest status of protection and the NPPF states at paragraph 172 that great weight should be given to conserving landscape and scenic beauty in the national parks and that the conservation of wildlife and cultural heritage are important considerations and should also be given great weight in National Parks.

National Planning Policy Framework (NPPF) 2019

6.4 The National Planning Policy Framework has been considered as a whole. The following NPPF sections have been considered in the assessment of this application:

- Achieving sustainable development
- Promoting sustainable transport
- Delivering a wide choice of high quality homes
- Building a strong competitive economy
- Requiring good design
- Meeting the challenge of climate change, flooding and coastal change.
- Conserving and enhancing the natural environment

Relationship of the Development Plan to the NPPF and Circular 2010

- 6.5 The development plan policies listed below have been assessed for their compliance with the NPPF and are considered to be compliant with it.

Legislation for Heritage Assets

- 6.6 Section 72 of the Town and Country Planning (Listed Buildings and Conservation Area) Act 1990 relates to conservation areas. It requires “special attention shall be paid to the desirability of preserving or enhancing the character or appearance of that area.”

Major development

- 6.7 The proposed development does not constitute major development for the purposes of the NPPF and policy SD3 (Major Development) of the SDLP.

The South Downs National Park Partnership Management Plan 2019-2025

- 6.8 Environment Act 1995 requires National Parks to produce a Management Plan setting out strategic management objectives to deliver the National Park Purposes and Duty. National Planning Policy Guidance (NPPG) states that Management Plans “contribute to setting the strategic context for development” and “are material considerations in making decisions on individual planning applications.” The South Downs Partnership Management Plan as amended for 2020-2025 on 19 December 2019, sets out a Vision, Outcomes, Policies and a Delivery Framework for the National Park over the next five years. The relevant outcomes include: 1, 3, 9, and 10.

Other relevant guidance and evidence documents

- 6.9 Other relevant guidance includes:
- The Ecosystems Services Technical Advice Note 2019.
 - The Sustainable Construction Technical Advice Note 2019.
 - The Petersfield Town Design Statement 2010.

7. Planning Policy

- 7.1 Whilst the SDLP must be read as a whole, the following policies are relevant:

- SD1: Sustainable Development
- SD2: Ecosystems Services
- SD4: Landscape Character
- SD5: Design
- SD6: Safeguarding views
- SD8: Dark Night Skies
- SD9: Biodiversity and Geodiversity
- SD11: Trees, Woodland and Hedgerows
- SD19: Transport and Accessibility
- SD21: Public Realm, Highway Design and Public Art
- SD22: Parking Provision
- SD25: Development Strategy
- SD26: Supply of Homes
- SD27: Mix of Homes
- SD28: Affordable Homes
- SD35: Employment Land
- SD37: Development in Town and Village Centres
- SD45: Green Infrastructure
- SD48: Climate Change and Sustainable Use of Resources

- SD50: Sustainable Drainage Systems
- SD55: Contaminated Land

7.2 Whilst the PNDP must be read as whole, the following policies are relevant:

- HP2: Provide an appropriate mix of market housing
- HP6: Provide Affordable Housing
- HP8: Quality and layout of housing developments
- BEP1: The character, setting and quality of the town's built environment
- BEP2: The character of the conservation area
- BEP4: Shop fronts in conservation area
- BEP6: The Settlement Boundary
- BEP7: Sustainable and adaptable buildings
- GAP1: Provide pedestrian, cycle and mobility scooter access to the town centre from new developments
- BP1: Allocate sites specifically for employment use
- BP2: protect existing employment sites
- BP3: Encourage businesses to come to Petersfield
- RP1: Encourage new retail development in the town centre
- RP2: Maintaining an appropriate mix and balance of retail uses
- NEP7: Biodiversity, trees and woodlands
- NEP8: Flood risk and waterway enhancement

8. Planning Assessment

8.1 Petersfield is one of two market towns within the National Park which serve as economic and social hubs. Petersfield also has good road and rail links as well as a wide range of facilities and services. It's linked with the wider economy in East Hampshire District, within which approximately 60% of East Hants residents work in the district.

8.2 Employment sites, by their very nature, can be hard to replace. Determining the loss of these sites is taken looking at a relatively short period in their lifespan. Policies BP2 and SD35 respectively require at least 6 months and up to 18 months marketing periods to determine the viability and demand of these sites. Such an approach focusses on looking back at a site's viability and efforts to market it and whether it is fit for purpose, whilst there is other more general policy at the local and national level which supports the economy looking ahead.

8.3 These considerations are currently pertinent given the Covid-19 crisis. The impact on the economy is uncertain and whilst Petersfield has a reasonably buoyant economy, particularly in regard to the high occupancy rate of business premises, a consequently the viability of this site to remain as an employment site may worsen as well as its potential for a residential scheme. For the purposes of this application, the viability appraisals considered in the assessment pre-date the current crisis.

The principle of development

8.4 The existing industrial building has an established general industrial use (Use Class B2). The building on the Lavant Street frontage is a retail unit with offices above. In regard to the site's allocation, employment uses are those which fall within the B Use Class which are:

- B1 – offices, research and development, light industrial
- B2 – General industrial
- B8 – storage (warehouses) and distribution

8.5 The Site is within the Settlement Policy Boundary of Petersfield. It is an allocated employment site in the PNDP (policy BP1) which is a principal issue concerning its re-

development. The purpose of this policy was to allocate sites which are important to the economy of Petersfield. Along with policy BP2, detailed below, the PNDP objectives encourage retaining existing employment areas and new growth. The PNDP does outline that there is a demand for better quality small scale office and serviced office space, which this scheme would provide and in a greater amount compared to the existing frontage building. It is noteworthy however that the Town Council have not objected to the scheme.

- 8.6 Policies BP2 and SD35 safeguard existing allocated employment sites, subject to considerations about whether they are fit for purpose and the outcome of a robust marketing campaign. The relevant marketing periods are 6 months and 18 months in each policy respectively. The longer 18 month period should take precedence given that the SDLP is a more recent Local Plan and greater weight is given to this policy. The marketing should also be undertaken based on the marketing requirements set out in appendix 3 of the SDLP.
- 8.7 The onus is on applicants to demonstrate that there is no demand for the site in its existing business uses. The proposals do include new office space which needs also to be considered in the planning balance, however, it does not mitigate the loss of the entire site which is subject to the requirements of policy SD35 specifically.
- 8.8 The policy supporting new housing needs to be balanced with the allocation of the site. The PNDP is supportive of new housing and allocates new sites to meet its need. Policy HP4 supports small scale 'windfall sites' within the built up area, subject to design considerations. Additionally, policies SD26 and SD27 support the provision of new homes and an appropriate mix of properties.
- 8.9 Regarding the existing retail unit, policy RPI has a presumption against the loss of existing ground floor premises with an A Use Class (retail, financial services, restaurant, takeaway) within the defined town centre, which this site is within. The submitted marketing information does not include this unit. However, the proposals do include office space on the ground floor which may potentially accommodate an A Class use (eg. a financial service but not food/drink) to address this policy. A reason for refusal on the loss of a retail unit has not been proposed and the main focus of the report is the loss of the existing business use of the site as a whole in relation to its employment allocation. However, the main focus this has not been considered further by officers

Employment need

- 8.10 Policy SD34 offers broad support for fostering the economic and social wellbeing of local communities, in line with the National park duty, and supports the provision of new business enterprises. More specifically, policy SD35 outlines an overall provision for new employment land of 5.3ha for new office space, 1.8ha for industrial and 3.2ha for small scale warehousing. Its supporting text outlines however that this need is already being met through sites with extant permission, Neighbourhood Plan allocations (including this site) and the SDNP Local Plan allocations.
- 8.11 Policy BP3 encourages new business development, especially small office units and workshops. This originates from the view that the c.3ha of new employment sites would not fulfil demand over the lifetime of the PDNP, based on a 2014 employment land study, which suggested that 6ha worth of sites was needed. Based on the commentary in the PNDP, there is a need for new employment space. Furthermore, the business use of the site has sought to be retained through its allocation.
- 8.12 The proposed office space would contribute to new provision and create the opportunity for additional office based jobs compared to the former level of employment for the whole site, albeit with the previous industrial based jobs being lost. However, this would not mitigate for the employment use of the whole site. The concerns raised below highlight that the loss of the business use of the site has not been sufficiently justified.

Viability and marketing of the site in business use

- 8.13 The application is accompanied by a commercial viability report (CVR). It analyses the viability of re-developing the site for differing scenarios of offices, industrial and warehousing (B Class uses) re-development.

- 8.14 The analysis considers in more detail whether an industrial/warehouse use could be viable, taking into consideration an indicative site layout of various units to determine its scale and modelling its build and other costs, rental values/yields, marketing and void periods for example. The CVR does not model the viability of refurbishing the building on the basis that it considered it was unviable to retain due to its condition and indeed outlines that its structural defects in particular have previously been under estimated.
- 8.15 East Hampshire District Council's (EHDC) Economic Development Service (EDS) object to the submitted appraisals due to inadequate evidence and justification to support the assumptions which have been used in the CVR. For example, no comparable data for the figures of freehold sales, rents and yields and further evidence relating to costs. Furthermore, EDS contend that the assessments have not been sufficiently 'sensitivity tested' whereby changes to inputs in the calculations (eg. yields, rental values, amount of floor space on site, mix of uses etc) are examined to see how these could determine whether business use re-development of the site is viable.
- 8.16 The CVR outlines that many assumptions used are taken from the SDNPA's own viability appraisals for determining its CIL charging scheme and updates the build costs data and contends that the re-development of the site is unviable, particularly with abnormal costs identified and its concerns regarding rental values of new units and other market factors.
- 8.17 However, regarding the use of the SDNPA's CIL assumptions, these cover the whole National Park and it is not until viability is assessed on a site specific basis, within the context of Petersfield's market, that the viability of a site can be specifically assessed in much more detail.
- 8.18 It is a balance between considering whether the viability information presented is acceptable or to give weight to the Economic Development Service's concerns. In the absence of sufficient evidence to support the commercial viability appraisal, it is not sufficiently robust to confirm whether the entire site either retained or redeveloped for business use is viable or not. In this regard, policy SD35 and appendix 3 have not been satisfied.

Marketing of the Site

- 8.19 Occupancy rates for business use premises in Petersfield have typically been high over recent years. Whilst this could be a sign of a buoyant market, it can also be due to lack of availability of new premises for businesses to move and expand to.
- 8.20 The marketing details of the site are included in the CVR and focus on the main industrial building. These have been assessed in relation to SD35 and Appendix 3 of the SDLP. Firstly, whether the site is practically fit for purpose and an attractive site for a business to occupy is also relevant. Unlike other industrial sites nearby (Bedford Road and Frenchmans Road), the site is relatively less accessible being partly within the town centre and adjacent to the railway station and its car park.
- 8.21 In addition, the siting and scale of its access, as well as on site turning space, limit accessibility for heavy good vehicles. The large industrial building also abuts neighbouring residential boundaries. It would not be as an attractive location for businesses compared to the other areas mentioned above, but it should not be entirely discounted because of its location and these characteristics. Furthermore, a survey of the building was submitted which concludes that the industrial building is in a poor condition with structural defects to the extent that it would be unviable for substantial investment to refurbish it.
- 8.22 A robust campaign of at least 18 months needs to be demonstrated, which would cover the period from April 2018 to October 2019 when the application was submitted. During this period, the Local Plan was adopted but this policy was referred to in pre-application discussions.
- 8.23 The marketing of the industrial building started in 2014. Following a dismissed Appeal in August 2016 relating to a residential scheme at Paris House, Frenchmans Road (a nearby PNDP allocated employment site), the marketing strategy changed with the freehold now being advertised. This was in response to the Inspector concluding that not marketing the freehold was a critical flaw. The period between 2014 to August 2016 should be discounted

in the current assessment in light of the Appeal decision and the change in the marketing approach.

- 8.24 Appendix 3 of the SDLP advises that a variety of media and outlets to attract potential interest should be used in the marketing and that dated copies of this will be required in order to demonstrate a sustained marketing effort. As a minimum, the measures cited in the table below alongside Officer's comments, should be used.

Appendix 3 Criteria	Officer comment
Property details made available through a minimum of one local professionally accredited agent with a specialism in the type of relevant use	Holloway, Iliffe and Mitchell were instructed in 2014 and have continued to be the marketing agent.
The property sales particulars should include basic site information and terms of sale (leasehold/freehold)	Undertaken (particulars appended to CVR).
A copy of the dated letter of instruction to the commercial agent and dated copies of the agent's property details.	Letter of instruction provided, which dates from 2014, but property particulars appended to CVR are undated.
On site/premises marketing boards in place throughout the period the property has been marketed.	Photograph of sales board referred to in CVR but missing in appendix. Notwithstanding, officer is aware that historically there has been an advertising board, albeit it was moved further into the site.
Targeted mailshot or email to a list of potential purchasers agreed with the Authority	Sent to other commercial agents and those on the agent's 'enquiries list' but no dates provided.
Web-based marketing through a prominent location on the appointed commercial agent's website and other relevant search engines.	CVR outlines 11 websites (including the agent's) where the site is marketed but no dates are provided.

- 8.25 The marketing has been undertaken independently by the same commercial agent before and during the relevant 18 month period. Crucially, the information provided does not demonstrate that there has been a sufficiently sustained campaign over at least an 18 month period. A lack of evidence to support the marketing was raised by the EDS, but no further detailed information has been forthcoming.
- 8.26 Evidence and/or information citing dates of when marketing efforts took place is important to establish a timeline over the 18 month period. For example, it is unclear when the site was advertised on the websites listed or when the agent's contacts were issued with marketing particulars.
- 8.27 In the absence of dated information, there is no firm evidence that a renewed marketing campaign, using the methods in the table above, from August 2016 onwards took place in light of a change in marketing approach, notwithstanding the level of interest received. Without this level of detail to demonstrate a clear timeline of efforts undertaken the marketing cannot be concluded to be sufficiently robust.
- 8.28 Furthermore, appendix 3 requires evidence to show that the site has been marketed on realistic terms. i.e - a price and terms commensurate with market values for the existing use, based on evidence from recent and comparable transactions. It has been contended that a sale or leasehold value was not advertised for the premises so as not to put off any

interested parties. This has been evidenced in marketing material provided. However, marketing particulars from around August 2017 provided by EHDC show the site was advertised then with a guide price of £1.5m. This is notably higher than the existing use value of the site presented in the Applicant's own viability appraisals. At that time the site appears to have been marketed on unrealistic market terms and given this information and in the absence of detailed information referred to above, a robust campaign has not been demonstrated.

- 8.29 Regarding the level of interest, it is unclear when enquiries listed in the CVR were received in order to understand how these relate to the relevant 18 month period. The report outlines 7 enquiries, 4 of which relate to employment uses. EHDC were interested in purchasing the site in 2017 but, based on the information provided, have been the only party to submit an offer based on the business use of the site. EHDC offered £1.025m for the site in June 2017 in its then existing use and condition, which was based on an independent valuation. The offer was rejected in August 2017 and no reasons have been provided.
- 8.30 Notably, the two viability appraisals submitted with the application relating to the business use of the site and affordable housing advise that the site has either a nil value or an existing use value of at least £1m respectively. A nil value is derived from the commercial viability appraisal which has determined that a new business use development on site would incur a substantial loss. There is conflict between these two appraisals but they are considering different matters and analysis.
- 8.31 Notwithstanding the commercial viability, the site has a value in its current use and condition. The Applicant's own appraisal regarding affordable housing cites an existing use value of at least £1m, plus a further 20% incentive for the landowner to sell the site for re-development. EHDC's offer of £1.025m does not therefore appear unreasonable based on the existing use value and EHDC have confirmed that they are still interested in the site. Therefore, in the absence of any further information regarding how EHDC's offer was considered it has not been shown that the marketing campaign has been sufficiently robust to demonstrate that there is no realistic prospect of the site continuing to be used for business use purposes.

Conclusion

- 8.32 Having considered the information provided and the advice from the EDS, it has not been sufficiently demonstrated that the site is not fit for purpose and there is not a strong likelihood of the site being retained or re-developed for business use through a robust marketing campaign.

The proposed housing

- 8.33 As above, there is support for new housing and to maximise the re-use of brownfield land in both the Development Plan and the NPPF. In regard to housing need, the PNDP outlines a requirement of a minimum of 700 new dwellings over the PNDP period and allocates various sites (policy HPI). A number of large allocated sites have either been built or benefit from planning permission. The National Park as a whole can also demonstrate a 5 year housing land supply, albeit this is not a significant consideration compared to areas outside of the National Park. This application would be a windfall site in terms of new housing provision.
- 8.34 There is demand for new housing and this scheme would deliver 1 and 2 bed flats, which there is a need for in Petersfield, particularly in regard to affordable housing as outlined by EHDC's Housing Officer. In this regard, the scheme would improve the existing housing stock in Petersfield particularly given many of the allocated housing sites have delivered more family homes than smaller dwellings. Smaller dwellings would, therefore, be a social benefit to Petersfield. Whilst the proposed mix does not explicitly follow policy SD27 (which requires schemes to deliver 50% 1 and 1 beds) or HP2, for the reasons above and in the context of making efficient use of brownfield sites in sustainable locations this mix is acceptable. The mix of smaller dwellings may also aid the viability of the site, particularly in regard to proposing to deliver new office accommodation which, given comments on the commercial viability of B class uses, may be less valuable development.

- 8.35 A residential scheme on this site could also arguably create a better relationship with surrounding residential uses compared to the existing industrial site and the merits of the design are considered below. Importantly, however, when balanced against the employment allocation, the proposals have not satisfactorily justified its loss.

Affordable Housing

- 8.36 Bruton Knowles, on behalf of the SDNPA, have independently assessed the viability appraisal submitted with the scheme. The independent appraisal has considered the benchmark land value (BLV) and the Residual Land Value (RLV). The BLV is determined by an assessment of the existing use value of the site, plus a premium for the landowner for selling the land. The RLV is the value of the development minus costs and accounting for a profit. The difference between BLV and RLV determines what a scheme could achieve in regard to contributions including affordable housing.
- 8.37 There have been differences in opinion centring on the existing use value (EUV) but the RLV is greatly affected by significant costs including abnormal costs of clearance and remediation given previous uses. Bruton Knowles' conclusions are consequently that that a policy compliant scheme (i.e 50% affordable housing) is not achievable and that only 3 affordable units could be delivered. At the lower end of the Applicant's profit expectation (15%), the scheme could provide these units in line with the SDNP Authority's preferred mix (2 x Affordable Rent 1 x Shared Ownership). However, at the higher end developer's profit expectation (17.5%) the Proposed Development is at the margin of viability with a tenure of 2 x shared ownership units and 1 x affordable rent unit.
- 8.38 For further comparison, the VA submitted with the previous 2015 application was independently assessed by the District Valuer Service which concluded that it could not provide any affordable housing. Furthermore, the case officer has also reviewed the Local Plan and Affordable Housing Viability Assessment (2017) which underpins policy SD28. This does not provide significantly contradictory analysis which would suggest inputs in the VA for the current scheme are unreasonable.
- 8.39 The site is in a highly sustainable location and not significantly contributing to affordable housing need is disappointing given that it is based on current viability inputs. Officers have sought to scrutinise the VA for this scheme and, on balance, a contribution of three units on site would be acceptable. The Applicant has confirmed that they will provide the 3 affordable units as no.1 bed properties. However, in the absence of a legal agreement to secure this provision a reason for refusal is recommended. In the event of an Appeal, should the site achieve PP, the 'clawback' clause would be sought to be included in the Agreement in the event a better provision is shown to be viable.

The proposed design

- 8.40 The layout seeks to maximise the use of the site. This is supported given its highly sustainable location. The layout has sought to achieve a balance between the scale of development and the amenity space.
- 8.41 Siting the Lavant Street building on the footprint of the existing building and retaining the access is an acceptable approach. Further into the site, the proposed building immediately behind the frontage would comfortably 'sit' within the site and retain acceptable distances from neighbouring properties and respect their amenity through an appropriate scale, massing, orientation and fenestration.
- 8.42 The largest proposed building would be sited on the footprint of the existing industrial building. It is sited close to the rear gardens of Charles Street properties but this is an acceptable approach for a number of reasons. These are that neighbouring properties have very long rear gardens with mature planting, the proposed building largely reflects the heights of the existing industrial building, apart from the gable ends, and by virtue of its architecture, scale, massing, and fenestration would improve the outlook from these dwellings and would not compromise their private amenities. It is noteworthy that only one neighbour from Charles Street has objected but not on the grounds of amenity. The siting

of this building also allows for a better public realm within the site. Additionally, it would also provide good separation from the adjacent car park.

- 8.43 By maximising the number of flats the amenity space is consequently reduced, but the site is in a town centre location and the spaces around the buildings have been well designed so as not to appear dominated by cars. The central space adjacent to the Charles Street access would be more as a shared space rather than purely serving as access. The elevations of the proposed buildings on either side of this space would also enhance it given there would be balconies to create 'active' frontages and natural surveillance.
- 8.44 The proposed landscaped courtyard and amenity space next to the stream area would also provide good amenity for residents and some green space. Again, balconies fronting onto this creates an active frontage onto this area. In light of these considerations, the amount of amenity space is acceptable and the quality of materials and planting could be addressed via planning conditions. The heights, massing and scale of the buildings overall are acceptable and make best use of the site and its topography, without significantly impacting upon adjacent properties.

The Conservation Area

- 8.45 The Conservation Area extends out from the historic core of the town around The Square to include Lavant Street. This street was developed with residential properties and shops from c.1880s onwards after the construction of the station. The Conservation Area Character Appraisal (2017) identifies the Station as a focal point and a positive listed building at the end of Lavant Street. Many of the later 19th and early 20th Century properties on the southern side (same side as the site) are identified as high quality examples which retain their original materials and details, particularly their shop fronts, make apposite contribution to the character and appearance of the conservation area. Albeit, some later materials detract from their appearance. It also highlights that more modern unsympathetic development close to the station detracts from its character and appearance. The character of the Street includes various detailing around windows, red brick facades, tile hanging, render, gables fronting onto the road, dormer windows and closer to the station older properties 'step up' in height.
- 8.46 The contemporary architecture of the proposed frontage building would not be of an excessive height in the context of the attached adjacent property and the street scene. It would not interrupt the long view of the Station from the southern end of Lavant Street, given its scale and siting on the existing building line. It would also not have an imposing relationship with the Station given the change in levels and that the station has a 3 storey element.
- 8.47 The Conservation Area Character Appraisal identifies the modern buildings near to the station are of a poor quality. In contrast, the proposed building would reflect traditional forms and have a characterful architecture in terms of its detailing and features, including English Bond brick work. These characteristics are evident in the conservation area. A notable difference are the proposed aluminium windows which would be in keeping with the proposed contemporary style but are less characteristic of Lavant Street. Sash windows are notable within Lavant Street, primarily on the more original buildings, but there are examples of unsympathetic UPVC windows. Given the contemporary building proposed, it is better to propose a contemporary fenestration than replicate more traditional windows which is an acceptable approach.
- 8.48 Of key concern are the design and conservation officers' views on the treatment of the ground floor elevations. Within Lavant Street there is a predominance of shopfronts with a variety of detailing, materials, and proportions. The proposed building would introduce large openings for new glazing to reflect the shop front character. Limited detail has however been provided for the detailing of window frames, cills and brick detailing around them. In the event planning permission was granted, a suitably worded condition could require additional details to be provided for the ground floor frontages around the windows to ensure that appropriate detailing contributes to the building and the character and appearance of the streetscene.

8.49 The contemporary architecture of the other buildings proposed is more simplistic with its gabled and flat roof forms and that it does not incorporate a wealth of features and detailing. However, its simple forms and features do create a coherent scheme that is not overly fussy or competes with the frontage building which needs to be more of a landmark building. The proposed balconies would also add visual interest to the building. Good quality materials would also help to 'lift' the building and the predominant red brick for the elevations would be characteristic of Petersfield. In light of these considerations, the scheme would also respect the setting of the conservation area.

8.50 In light of the above considerations, the scheme would preserve and enhance the character and appearance of the conservation area. The design would also be an attractive addition to the street scene, which is an important consideration in light of a PNDP aspiration to create a new shared surface along Lavant Street.

Sustainable construction

8.51 The proposed buildings would meet the energy and water efficiency measures outlined in policy SD48. No renewable technologies are proposed, however, this could be considered further via a planning condition. Electric vehicle charging points would be included.

Access and parking

8.52 Development Plan policies seek to ensure that new developments provide adequate off-street parking provision. One space per dwelling and the provision of parking for the office space is considered acceptable in this location. The Highways Authority has not objected to this provision on highway safety grounds or the use of the existing access.

Impact on amenity of local residents

8.53 The siting, scale, orientation and fenestration (with some obscure glazed rear windows) of the buildings and the access and parking arrangements would not have a significant impact upon neighbouring amenities. No objections regarding neighbouring amenities have been received.

Eco-systems Services and biodiversity

8.54 The scheme would not impact upon any trees proposed to be retained. The landscape scheme, via condition, could contribute to enhancing biodiversity. This could include enhancements of the banks and watercourse alongside the southern end of the site, with appropriate planting in this area to encourage wildlife and manage any surface water flooding. Concern has been raised by the Design Officer regarding multi-functional benefits which could be achieved in the SuDs scheme. Large areas of permeable paving and a rain water garden on the north-west boundary are proposed. All of these aspects could be considered further via planning conditions, in the event planning permission was granted.

Drainage and flood risk

8.55 The drainage engineer and Southern Water have not raised an objection in principle. The Lead Flood Authority have objected on the grounds of a lack of drainage calculations having been provided. This issue could, however, be considered via a planning condition relating to further details of the surface water drainage scheme.

Pollution

8.56 Environmental Health have not raised concerns in regard to ground contamination or other pollution, subject to conditions. The Environment agency has also not objected, subject to conditions.

9. Conclusion

9.1 The application submission has not satisfactorily demonstrated, through evidence, that the loss of the employment is acceptable in principle for the reasons outlined. A reason for refusal is recommended on these grounds.

9.2 A submitted Viability Appraisal has been independently assessed by Bruton Knowles. They have concluded that 3 of the flats could be an affordable tenure which the Applicant has

agreed to provide. On balance, the affordable housing provision is acceptable albeit a claw back clause would be included in any S06 agreement in regard to the re-consideration of viability.

- 9.3 The proposed design is considered acceptable in terms of its siting, scale and architectural approach, which would also preserve and enhance the character and appearance of the conservation area.

10. Reason for Recommendation and Conditions

10.1 The application is recommended for refusal for the following reasons:

1. Based on the information provided, it has not been satisfactorily demonstrated that the site is no longer fit for purpose for employment use (B Use Class), and that a sufficiently robust marketing campaign has been undertaken to determine that there is no demand for the site for employment purposes, to justify its redevelopment for a predominantly alternative residential use. The proposals would therefore be contrary to policies BP1 and BP2 of the Petersfield Neighbourhood Development Plan (2013-2028), policies SD1, SD34 and SD35 of the South Downs Local Plan (2014-2033), policy 48 of the South Downs Partnership Management Plan 2020-2025 and the National Planning Policy Framework 2019.
2. In the absence of a completed legal agreement, the proposals fail to secure a contribution of on-site provision of affordable housing. The proposals are therefore contrary to policy HP6 of the Petersfield Neighbourhood Development Plan (2013-2028), policy SD28 of the South Downs Local Plan (2014-2033), policy 50 of the South Downs Partnership Management Plan (2020-2025), the English National Parks and the Broads: UK Government Vision and Circular (2010) and the National Planning Policy Framework 2019.

11. Crime and Disorder Implication

11.1 It is considered that the proposal does not raise any crime and disorder implications

12. Human Rights Implications

12.1 This planning application has been considered in light of statute and case law and any interference with an individual's human rights is considered to be proportionate to the aims sought to be realised.

13. Equality Act 2010

13.1 Due regard has been taken of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010.

14. Proactive Working

14.1 In reaching this decision the Local Planning Authority has worked with the applicant in a positive and proactive way, in line with the NPPF.

TIM SLANEY

Director of Planning

South Downs National Park Authority

Contact Officer: Richard Ferguson

Tel: 01730 819268

email: richard.ferguson@southdowns.gov.uk

Appendices I. Site Location Map

SDNPA Legal Services, Development Manager.

Consultees

Background Documents All planning application plans, supporting documents, consultation and third party responses

<https://planningpublicaccess.southdowns.gov.uk/online-applications/simpleSearchResults.do?action=firstPage>

South Downs National Park Partnership Management Plan 2019

<https://www.southdowns.gov.uk/national-park-authority/our-work/key-documents/partnership-management-plan/>

South Downs Integrated Landscape Character Assessment 2005 and 2011

<https://www.southdowns.gov.uk/planning/planning-advice/landscape/>

South Downs Local Plan 2019

https://www.southdowns.gov.uk/planning/south-downs-local-plan_2019/

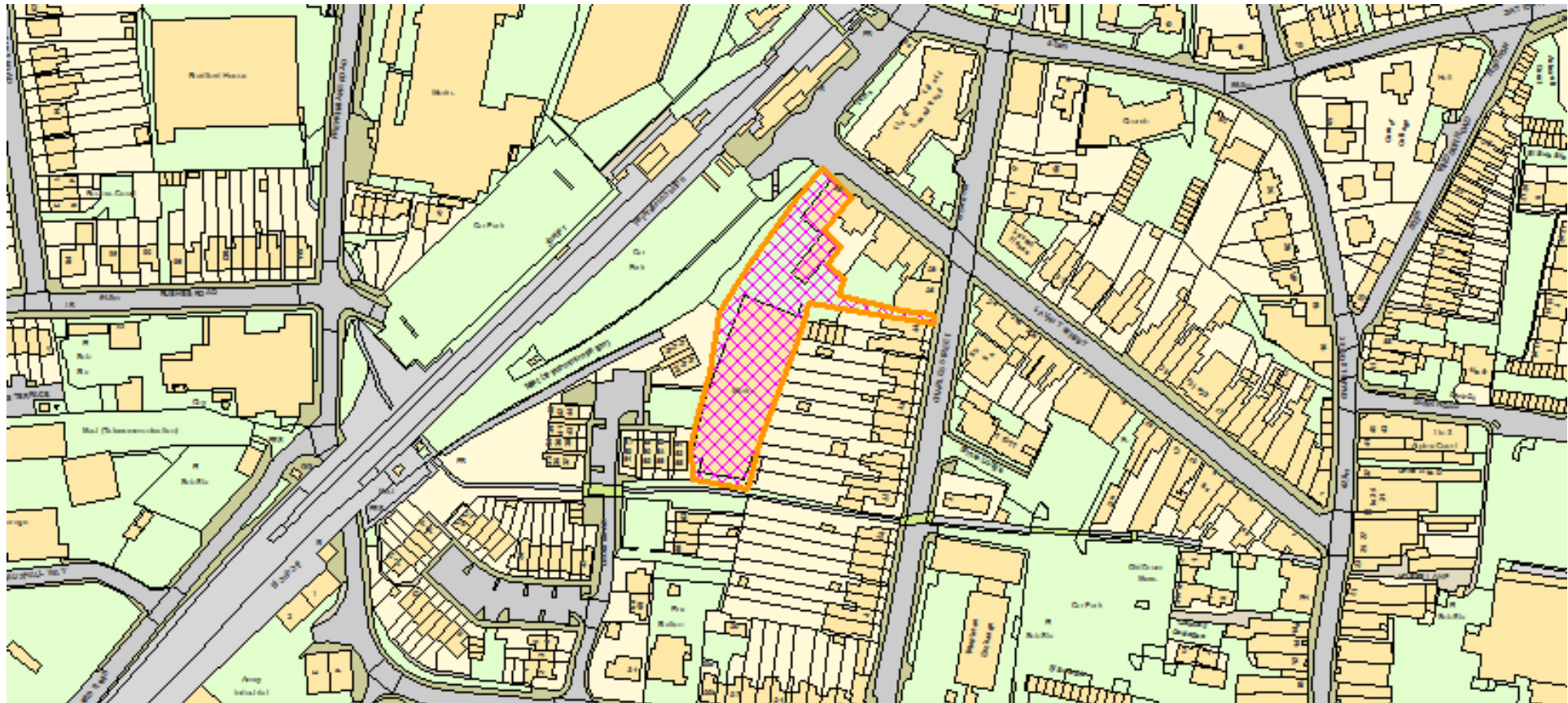
Petersfield Neighbourhood Development Plan 2013-2028

<https://www.southdowns.gov.uk/planning/planning-policy/neighbourhood-planning/neighbourhood-development-plans/lavant-neighbourhood-plan/>

Sustainable Construction Technical Advice Note

<https://www.southdowns.gov.uk/planning/supplementary-documents/>

Site Location Map



This map is reproduced from Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. South Downs National Park Authority, Licence No. 100050083 (2012) (Not to scale).