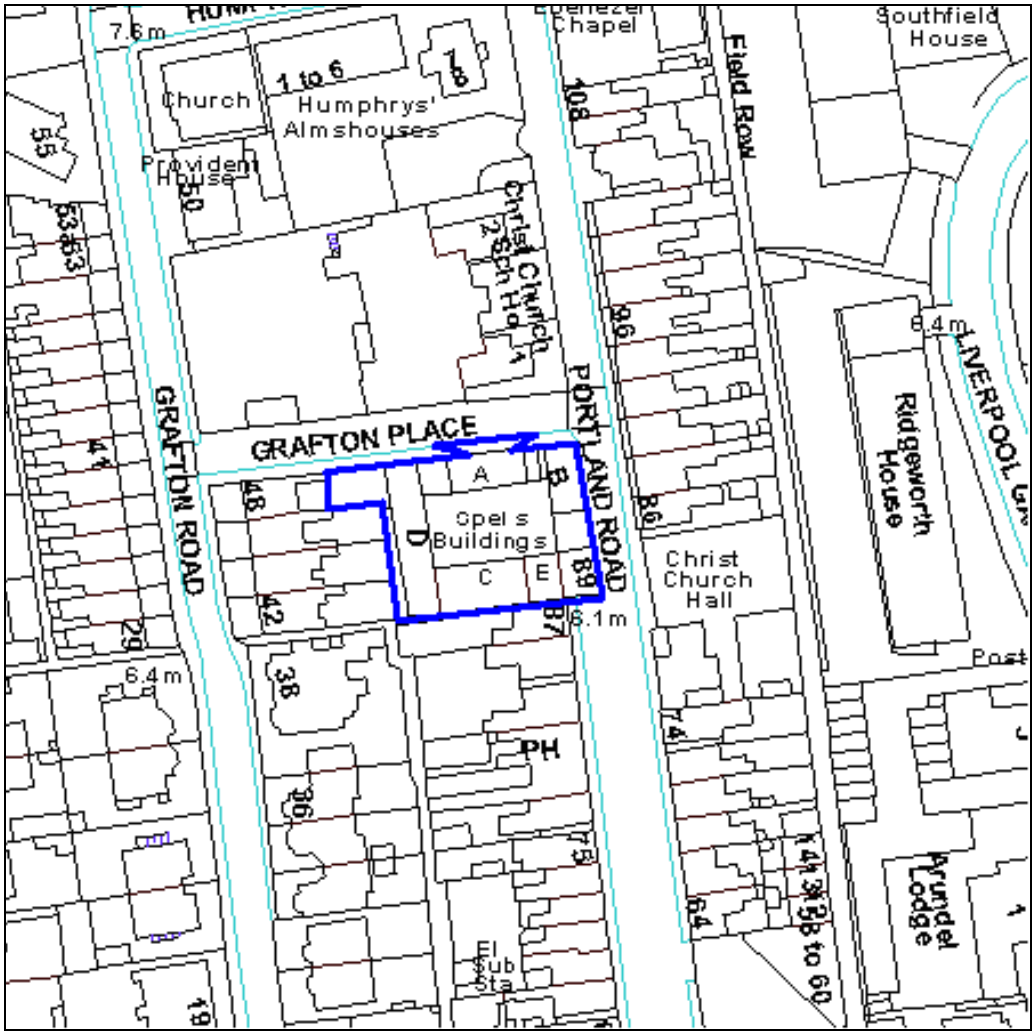
Application Number: WB/10/1033/FUL & WB/10/1035/LBC

Recommendation – Approve subject to receipt of satisfactory amended plans.

Site: **Spells Buildings Grafton Place**

Proposal: **Demolition of existing non Listed Buildings on the site and erection of development comprising of 10 residential apartments on ground, first and second floors, a 77 sqm commercial unit, bicycle storage, refuse and recycling store, 11 car parking spaces, new pedestrian twitten, lift and stair lobby to first floor level and change of use and conversion of No. 89 Portland Road (Listed Building) to provide a residential dwelling house. Amendments to planning permission WB/08/1014/FULL dated 15th December 2008 and Listed Building Consent WB/08/1016/LBC.**

Applicant: Mr J Breckell & Mr A Whibley Ward: Central
Case Officer: Paul Pennicott



Not to Scale

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The Proposal and the Site

The application site is situated at the junction of Grafton Place and Portland Road within the Chapel Road Conservation Area. It comprises several business premises in one and two storey buildings set around a central yard covered by a roof. No. 89 Portland Road on the south east corner is Grade II Listed. It currently comprises a shop on the ground floor and offices above.

The application as originally submitted proposed to retain the Listed Building but change its use to a two bedroom house and clear the remainder of the site for the construction of a two and three storey residential development comprising 2 two bedroom ground-floor apartments and 8 two bedroom duplex apartments above. The revised application now incorporates 77 sqm of commercial floorspace on the ground floor including a bicycle store, a recycling and refuse store and lift motor room. At the rear, there would be a ground floor entrance lobby containing a lift and stairway in the south west corner. The revised application would now incorporate 11 residential units (10 x 2 bed and 1 x 3 bed).

The proposed development is based upon the re-creation of an uncovered central courtyard containing 8 parking spaces with access from a centrally positioned archway entrance into Grafton Place. Three other parking spaces would be provided to the west on the Grafton Place frontage. All units would be accessed from within the courtyard except for No. 89 Portland Road which would not be altered externally, although the internal walls would be repositioned in part to create two first floor bedrooms with a bathroom.

The scheme would incorporate a variety of architectural styles. The building in the north east corner would be washed flint under a slate roof with reconstituted stone copings, cills, label moulds and quoins. There would be metal windows within timber frames and galvanised metal rainwater goods. There would be a tall brick chimney on the roof. The building would have three floors with the roof space served by gable end windows and conservation style rooflights.

The remainder of the long north elevation would comprise a central bricked element incorporating a broad ground floor entrance archway with projecting bays above capped by a Dutch gable parapet. On either side of the entrance there would be the washed flint ground floor apartments with two floors of rendered residential accommodation above incorporating large first floor projecting bays.

The north-west corner would be treated differently with a wholly rendered façade incorporating a curved corner piece above a rusticated ground floor. The north elevation would incorporate a pair of connecting bays above a ground floor window.

The western elevation of this corner block would continue the ground floor rustication with a lead canopied balcony on the first floor above to cover three pairs of French doors. This long western elevation would be broken with a recessed central element before the southern half of this elevation is finished with doors and windows matching its northern counterpart but incorporating Juliet balconies rather than a formal leaded canopy and balcony. The ground floor openings would

consist of recessed blind windows to secure the refuse and cycle stores inside the building.

Applicant's Design and Access Statement

The applicant submitted the following Design and Access Statement with the original application.

"Introduction

The application site lies on the south side of Grafton Place at its junction with Portland Road. It is on the edge of Worthing's town centre and is within the Chapel Road Conservation Area. The site, which has a frontage of 29 metres to Grafton Place and 23 metres to Portland road, is rectangular in shape and presently comprises a number of single and two storey business premises situated around a central yard which is roofed over.

On the 15th December 2008 several Planning Permissions were granted for the redevelopment of the site which comprises:

Application WB/08/1015/CAC:
Application for Conservation Area Consent for demolition of existing non Listed Buildings on the site and erection of mixed use developments comprising at ground floor 288 m.sq of (class B1) Office space, refuse and recycling point, bicycle storage, 9 car parking spaces, new pedestrian twitten and a lift and stair lobby to first floor level, together with 8 duplex residential apartments on the first and 2nd floors.

Application WB/08/1016/LBC:
Application for Listed Building Consent for demolition of neighbouring and attached buildings to a Listed Building (89 Portland Road) in connection with replacement buildings comprising 288m2 of (class B1) office space, refuse and recycling point, bicycle storage, 9 car parking spaces, a new pedestrian twitten and a lift and stair lobby to first floor and provision of 8 residential Duplex apartments on first and second floors.

Application WB/08/1014/FULL:
Demolition of existing non Listed Buildings on the site and erection of mixed use development comprising at ground floor 288m.sq of (class B1) office floor space, refuse and recycling point, bicycle storage, 9 car parking spaces, new pedestrian twitten and a lift and stair lobby to first floor level with provision of 8 duplex residential apartments on first and second floors.

Planning permission is sought for the change of use of the ground floor to provide 2 additional residential apartments, 2 additional parking spaces and alterations to the bicycle storage and refuse and recycling storage.

With its architectural treatment and design it is considered that the alterations will not affect the architectural character of the development. It will greatly enhance the character and appearance of this part of the Conservation Area and in

accordance with government guidance and best practice will be a sustainable form of development which will make the best use of the land.

One of the buildings which adjoins the site and is within the ownership of the applicant, No. 89 Portland Road is statutorily listed grade II. A listed building application for the associated works to the listed building will be submitted simultaneously. At present the listed building comprises a shop on the ground floor and offices at first floor. The fabric of this building and its external appearance will be unaffected. No. 89 Portland Road will also form part of the Change of Use application from Retail/Office use to residential use.

<u>Amount of development</u>

Existing ground floor accommodation excluding 89 Portland Road:

Office space:	*2400sq.ft*	*223m.sq*
	700 sq.ft	*65m.sq*
Total:	*3100sq.ft*	*287m.sq*

Proposed ground floor accommodation excluding 89 Portland Road:

2 x 2 bedroom apartments		
Unit 1:	*884sq.ft*	*82.2m.sq*
Unit 2:	*898sq.ft*	*83.5m.sq*
Total	*1782sq.ft*	*165.7m.sq*

The difference in internal floor space (1318sq.ft / 121.3m.sq) is due to the additional 2 car parking spaces within the courtyard and increased recycling and refuse storage and bicycle storage.

First and Second floors:

The first and second floor accommodation has not changed from the approved design.

(Note: The revised application now proposes 77 sqm of commercial floorspace on the ground floor of the scheme).

<u>Economic Statement:</u>

The proposed change of use of the ground floor is proposed because of the lack of potential tenants for the office space. Over the last 2 years the applicants have been trying to raise the finance to build out the current design. This involves raising a development loan from a Bank. Since the 'Credit Crunch' and the financial crisis that followed the Banks have changed their lending criteria:

1. *Banks insist on office space being pre-let prior to lending development finance.*
2. *Banks will only lend 50% of the 'gross development value' of the residential use (not the office use) of the development.*

These facts are the principle reason why the office space prevents the current scheme being built: There are no tenants willing to pre-let the office space and by having approximately 66% of the gross internal area as residential space; the amount of development finance that could be raised for the project will not cover the build cost.

The current scheme is therefore unattractive as a site for sale and impossible to build out.

As an investment, the current proposal can be built if the scheme is entirely residential. This will enable the Banks to lend on the whole build cost.

The Local Authority must consider whether the local area and people are best served by insisting on office use at ground floor and the scheme simply not being built, or granting the 'change of use' of the ground floor which will enable the scheme to be built.

With regard to housing, there are no residential units at present on the site. Given the site's highly sustainable location close to the town centre, transport routes and local amenities, it is considered to be eminently suitable for housing. By making the best use of such a brown field site for this purpose, the proposal accords with Government Guidance particularly that contained in PPS3: Housing. Such accommodation will make a useful contribution to the existing housing stock and will assist in meeting strategic housing targets.

It is not considered that the proposal will unacceptably intensify the use of the site but will make the best use of land.

Both the applicant and I consider that a fully residential scheme will be economically valuable to the local community; the build cost can be estimated at £1.5million. Given the complexity of the build and the site constraints, the build will have to be built using traditional methods and materials; masonry and carpentry construction. There is little opportunity for 'off site' manufacture. The importance of this is that in its construction the design can only be built using the local building industry. Bricklayers, carpenters, electricians, plumbers, plasterers etc will all be employed enabling an investment of £1.5million straight into the local economy.

<u>Layout</u>

The proposed layout of the design has been considered acceptable and granted Planning Permission under the current consents. There is no change to the layout of the design in principle. We have provided under croft parking shown on drawing number 222/10A 'Proposed Site Plan showing the ground floor plan'.

The south side and south-west corner of the building at ground floor level is landlocked by the new and existing Pedestrian Twitten. These spaces are best suited to parking, refuse and recycling store and bicycle storage because they do not need windows. This enables the elevations facing the entrance space to have windows to habitable rooms within the proposed ground floor apartments.

All residential units are accessed via the courtyard.

Scale

The proposed scale of the design has been considered acceptable and granted Planning Permission under the current consents. There is no change to the scale of the design.

Landscaping

The proposed Landscaping of the design has been considered acceptable and granted Planning Permission under the current consents. The landscape has been altered to accept 2 additional car parking spaces as part of the under croft parking.

Appearance

The external appearance of the building remains as per the current Planning Permissions with one amendment. The external materials of the building on the north-east corner of the building under the existing Planning Permission is shown as 'Washed Flint'. This has been changed to Brickwork.

Materials

The proposed materials are chosen from the palette of materials that already exist in the area. Walls are to be built in washed flint, render and brickwork. Details such as reconstituted stone label moulds, quoins, sills and coping stones will bring a level of detail to the building which is respectful to and will enhance the Conservation Area. Windows will be a mixture of metal frame windows and painted timber frame sashes.

Use

The proposed use of the entire scheme following the change of use will be residential.

Access

Pedestrian access is via the courtyard which, like all courtyards, has no demarcation between vehicle and pedestrian use. The surface will be a shared surface and vehicles will, by the enclosure of the space, will move slowly through it. This will not present a danger to pedestrians within the courtyard.

There will be a lift and a staircase to the residential units from within the central courtyard. The stair and lift lobby provides a secure space where residents' post boxes will be located and will be a secure lobby so that no persons except residents can gain access to the first floor, private access deck.

The provision of the lift within the lobby is to comply with Part M of the Building Regulations: Access and Facilities for disabled People and Life Time Homes

Standards published by the Rowntree Foundation. The provision of the lift will enable able bodied and disabled people to live at the proposed Spells Yard.

There will be a total of 11 car parking spaces; one car parking space for each individual unit.

Whilst this car parking provision does not meet the adopted standards for the whole development, the site is in a sustainable location close to the town centre and further off street parking provision is considered to be unnecessary. A secure cycle store is proposed for the use of the offices and for residential which will encourage and provide for a non-car mode of transport to and from the site. The site has good pedestrian links to the town centre and there is public transport available nearby serving other areas of the town and beyond.

<u>Sustainability</u>

In its construction, the development will meet current energy and Building Regulation requirements to produce a low carbon footprint. Carbon emissions and heat loss will be minimal. Potential features include: highly insulated construction, rainwater recycling to augment the mains water supply, use of 75% energy efficient lighting, use of A+ ratio domestic appliances, low flow taps and shower units to reduce water consumption. A waste bin enclosure to include recycling will be provided and, as mentioned above, secure cycle parking.

<u>Heritage Statement</u>

No. 89 Portland Road is grade II listed. Its listing description is as follows:

1.5406 *PORTLAND ROAD*
(West Side)
No. 89

TQ 1402 NE 3/112
II

Before 1814. Juts out beyond building line of No's 75-87. The east of a pair of cottages at right-angles to the road. 2 story's, Rendered. Slate hipped roof. 2 sash windows with glazing bars above and larger one off-centre below, with right-hand door. No's 75 to 89 (odd) form a group.

The development of Spells Yard and its effects on the listed building, scale, height, appearance and materials have all been considered acceptable and granted Planning Permission under the current permissions.

The only issue to consider with regard to the Listed Building Consent is the 'Change of Use' from Office (B1) to residential use. 89 Portland Road would have undoubtedly been built as a residential dwelling house. There is no planning history which would show the change of use from residential to retail and office use however the building is currently used as a retail space at ground floor and office space above.

The change of use back to residential use would restore the original use of the building and therefore it is considered that the development as a whole will preserve and enhance the character of the Conservation Area and its effect on the setting on the listed building.

Biodiversity Survey and Report

At present there is not a single tree or mature shrub or protected species on the site or anywhere near the site. It is therefore proposed that this development will have no impact on the biodiversity of the area.

Flood Risk Assessment Statement

The site location has been checked on the Environment Agency website and we can confirm that it is not within a flood risk area nor is it within 20m of a watercourse.

Appraisal of context

This is an important site on the edge of Worthing's Town Centre. The intention is to provide a high quality landmark building that will be highly sustainable and will preserve and enhance the character and appearance of this part of the Conservation Area.

Most of the planning considerations to be considered in an application like this have already been considered acceptable under the current Planning Permissions.

The only consideration is the effect of the change of use of the proposed office space to residential use.

It is considered that the proposed scheme is in accordance with saved Policy BE1 of the Worthing Local Plan in that its architectural composition achieves a high standard of design that will be compatible with its surroundings and will enhance the appearance of the locality. Its massing, scale and proportions are appropriate for the site and the scheme takes full account of the characteristics of the site and its surroundings. It will also enhance the setting of the Listed Building No. 89 Portland Road.

It is further considered that the development accords with the guidance contained in PPG 15 – Planning and the Historic Environment particularly in that the new building is carefully designed to respect the site's setting following architectural principles of scale, height, massing and the use of appropriate materials. It is important to note that PPG15 points out that the Conservation Area status cannot realistically prevent all new development. The emphasis will generally need to be on controlled and positive management of change.

The loss of the present business use does not conflict with any of the saved policies of the Worthing Local Plan.

The application proposal is highly sustainable in that it reduces the need to travel, makes the best use of a Brownfield site within an established built up area and is close to public amenities and public transport routes."

Supporting Letters on behalf of the Applicant

The application was first accompanied by a supporting letter from consultant surveyors and valuers Stiles Harold William's as follows:-

"Stiles Harold Williams have been marketing the current site for sale as a site with Planning Permission since April of this year. We have had no interest in the site that has resulted in an offer to purchase the site.

We have also been offering the ground floor office space to be let 'off plan' so that the current owner could build out the scheme with the ground floor pre-let. There has been no interest from the market to 'pre let' or purchase the ground floor upon completion of the built works.

We are currently marketing a total of 170,000 sq ft of office space in the Worthing area, much of which has been empty for over 2 years.

We would estimate that there is approximately 50,000 sq ft surplus office space in Worthing town centre at present.

The current planning application for the change of use of the ground floor is likely to be far more attractive scheme to the market place as an entirely residential scheme.

Stiles Harold Williams would therefore like to confirm our support for the change of use planning application of the ground floor of the current approved scheme from Office (B1) use to residential use."

Following a subsequent meeting with the applicant regarding the loss of employment floorspace, Stiles Harold Williams submitted the following marketing evidence in a letter dated 21st March 2011:-

"<u>Evidence of marketing</u>

The marketing of the property commenced I April 2010. As part of the marketing, the following initiatives have been carried out.

a. *Marketing boards have been placed on the property. The boards incorporated computer generated images of the proposed development.*

b. *Colour marketing particulars were produced. I enclose a set of the marketing particulars.*

c. *Through the Stiles Harold Williams network of offices maintain a database of all types of purchaser. Consequently, we have access to*

investors/developers who have an appetite for developing on both a regional and local level.

There are approximately 150 developers/investors who are known to us. All of them have been notified through mailing exercises which we regularly carry out advising of the property's availability.

d. *The property has appeared on the SHW website as well as other websites which we subscribe to.*

Marketing Period

The property has been actively marketed for over 11 months (marketing commenced in April 2010). This is considered sufficiently long enough to ensure that the property has been widely exposed to the market place. During this period, the property has been circulated on a monthly basis to all applicant developers/investors whose details we hold within our database.

The property also appears on the Stiles Harold Williams website and has on a number of occasions appeared as a feature property in order to increase its exposure to the market place.

Marketing Strategy

The property was initially marketed at a price of £850,000. In October 2010, the price was reduced to £695,000.

The property was marketed as a residential and office development site.

Expressions of Interest

During the marketing campaign, very little interest has been received. There has however been interest from a few parties on the basis of a residential development site only. In December 2010, one particular party submitted an offer on behalf of a housing association wanting to purchase the completed residential units. Unfortunately, this offer excluded the office element and consequently, was not progressed.

Advertising

Given the specialist nature of the site, any purchaser is going to be from a property investment/developer background and have the expertise in order to complete such a project. Consequently, it is not the type of property that would benefit from advertising within the local press. The type of purchaser to whom such a property would be of interest to would normally register with a firm of agents who are known for their expertise and for having access to development situations which could be purchased.

Viability

With the lack of bank funding as a result of banks not having an appetite for lending on speculative developments, this poses a major problem for any purchaser who is reliant on bank funding. Whilst funding is available for residential developments, in the case of commercial i.e. offices, there are no lenders who are prepared to provide funding. Consequently, it is virtually impossible to obtain funding on a development which is a mix of commercial and residential.

Furthermore, whilst property values have fallen, the values which any residential and office would attract in the proposed development are further eroded by the fact that occupiers of modern offices typically do not want to be part of a residential development and vice versa."

This letter was attached to the published marketing details which set out the current floorspace details of the buildings, the list of individual units, tenancies and rents, plus details of the planning permission, conservation area consent and listed building consent.

At the same time the agent for the applicant submitted the following statement dated 18th March 2011 to explain why the applicant would not find an affordable housing contribution acceptable:-

"I can confirm that the applicants; Alex and Mark Whibley would accept the following financial contributions if Planning Permission were to be granted:

1.	*Outdoor recreation space*		*£15,935*
2.	*Education*		*£17,193*
3.	*Fire and Rescue*		*£192*
4.	*Transport*		*£267*
		TOTAL	***£33,587***

The affordable housing contribution of £110,352 would not be acceptable to the Whibley's and un-sustainable as part of the development cost……. Even if Planning Permission were to be granted subject to the social housing contribution, I am quite sure that the scheme would not be implemented.

Structural Condition Report

It should be noted that the applicant submitted a Structural Condition report with the original application, a summary of which was included in the previous Committee report as follows:-

"The applicant has submitted a report prepared by a civil and structural engineer who has carried out a preliminary visual inspection of the site to identify significant structural defects and comment on the viability of remedial repairs. He concludes that all of the buildings appear to have significant structural defects, particularly to the roofs which would all need replacing as part of any strengthening and remedial works. External walls to all of the main buildings, with the exception of the cottage,

have suffered from outwards rotation, probably due to general lack of restraint and exacerbated by roof spread. Two of the buildings, C (south side) and D (south-west corner) are in particularly poor condition and the west wall of building C and south west corner of building D are considered to be dangerous.

The upper floors of all the buildings appear to have deflected significantly and will require strengthening including significant replacement of timbers affected by rot, decay and insect damage. The steel frame of the roof structure over the courtyard would require almost complete replacement. The engineer suggests that it is unlikely that the existing buildings can be retained and repaired economically. He considers that it may be possible to retain parts of the south, west and east flint/random rubble masonry walls to the perimeter below first floor level but believes that the significant remedial repairs and part demolition will render the walls too unstable to retain.

In his opinion, it should be possible to strengthen and carry out necessary remedial repairs to the cottage forming No. 89 Portland Road with some degree of economy without requiring significant demolition. Much of the roof structure may require replacement and this will be made clear after investigation. He considers the west gable wall of building C, first floor level up to eaves, and the south west corner of building D to be in a dangerous condition and may collapse if subject to high winds. He strongly recommends a scheme of emergency temporary propping be installed to these areas without delay."

Contamination Land Risk Assessment

Similarly, the previous Committee report included the following reference to a contamination report which the applicant had submitted:-

"The report concludes that the site history suggests that there is no significant risk to human health due to contamination from previous site use. This is concluded mainly on the basis that the buildings on the site all have solid concrete or sealed brick floors and the uses are a greengrocers, a furniture shop, a jewellery shop, a florists and a previous brake servicing shop and so no significant contamination is likely to have occurred. Given the proposed use of offices on the ground floor with residential property above, there is considered to be no significant risk to human health from the redevelopment provided that site workers wear appropriate PPE clothing and that the concrete floor from the brake servicing shop and the asbestos roof panels are disposed of appropriately. No risk to controlled waters or ecology is likely to exist."

Consultations

The **Planning Policy Manager** comments that**,**

'The original approved scheme allowed for the replacement with 288sqms new B1 office floorspace together with 8x2 bed duplex residential properties. This application was granted permission on 15/12/2008 and was given 3 years from the date of the permission to commence the development.

Revised Application 10/1033

This application has now been amended to incorporate 77sqms of B1 office floorspace and 10x2 bed units and 1 x 3 bed unit. This would require leisure and affordable housing (20%) contribution and potentially some WSCC contributions. There would also be a policy concern over the further loss of employment floorspace.

Economic Development comments:

This site originally provided 498 sqm of commercial floor space with dedicated access and high visibility onto the street. The above application number was originally submitted in 2010 to seek full change of use from B class to residential use. This application is now being revisited with the addition of 77 sqm of office floorspace, which will be sandwiched between residential units and will have no street visibility. The alleyway access to the proposed small unit and lack of dedicated parking may deter future commercial occupiers, making the unit unviable for employment use.

Worthing Borough Council's Supplementary Planning Document, titled Sustainable Economy seeks to protect existing employment floorspace to ensure adequate provision of B class commercial space, to meet present and future business needs. This application has not fulfilled the criteria laid down in this document because it has not demonstrated that this site is no longer suitable for full employment use and Economic Development would welcome marketing of this site for full employment use to test the current market. Economic Development would also welcome information regarding previous tenants of the yard and listed building, to determine why they vacated these premises.

Economic Development are also concerned by the emerging NPPF permitted development rights for change of use from B1 office to residential, which could later lead to the 77 sqm unit being converted to residential, if the 77 sqm of office space does not attract an occupier. Economic Development therefore raises a strong objection to this application.

Since the original 10/1033 application was submitted the Core Strategy has been adopted as has the SPD Sustainable Economy. If the application were to be assessed afresh then there would be some justification in requesting evidence in accordance with CS Policy 4 and the SPD as to the loss of the existing floorspace (B2/B8 uses). However, given the history of the site the previous permissions and the condition of the existing building it is considered reasonable to assess this current proposal against the last planning permission (which was still extant at the time of the original submission of this application).

Key points are;

- *Loss of further employment from previously approved 288sqms of new flexible B1 floorspace to 77sqms and the loss of 89 Portland house - 60sqms comprising retail on ground and office on first floor. Little evidence has been provided to demonstrate why it is no longer viable to provide the original quantum of BI floorspace in terms of local market demand for such space.*

Justification of the loss of the floorspace at 89 Portland Road. The SPD clearly states that where applicants are arguing that the proposal is not financial viable a financial viability statement needs to be submitted demonstrating why new employment development cannot be achieved on site (or in this case why the lesser amount is the only viable level achievable on the site). It goes on to state that the Council may seek independent advice on the information provided and that this will be at the applicant's expense.

- *The proposed new units would require leisure and an affordable housing (20%) contribution in line with CS policy 10. The applicants have submitted a financial viability statement stating this current proposal under 10/1033, is the only viable proposal for the site given current conditions and restriction of the financial institutions and then only if no s106 contributions are pursued. There has been no independent assessment of their submissions and the Councils Housing Strategy and Enabling Manager considers that while we are willing to take a flexible approach to the amount contributions sought the applicants to demonstrate this. In this case the applicants are not offering any contribution and as such it is considered appropriate to seek an independent assessment by the District Valuer.*

- *The proposed 3 bed unit – is this intended to be a family unit? It has no amenity space. Does not appear to be suitable for such use.*

- *The proposed B1 unit is very small and its size combined with its location would impact on its viability as raised by Economic Development.*

- *Do the units meet the internal space standards in line with the SPD?*

The key consideration for this application is justifying the viability argument put forward by the applicants. Is this the maximum level of employment floorspace viable on this site?

Consideration needs to be given to the amount of office space proposed and its location within the development. Can we seek to retain No 89 for retail and office? It is understood that this unit has a history of long term occupancy prior to the development proposal?

On the basis of the evidence submitted there is a policy objection on this application.'

(Since the receipt of the Policy Manager's comments the Council has received an independent assessment of the applicant's viability statement from the District Valuer).

West Sussex County Council as the Highway Authority makes the following comments:-

"It is noted that the site benefits from a planning permission for 8 flats with some B1 office on the ground floor. This application seeks in essence to replace the B1 office use with 2 flats. In principle and in terms of traffic generation, the replacing

of the office use with residential would result in no detriment. The internal courtyard area is remodelled to provide additional car parking although the approved access arrangements remain unchanged.

Due consideration is given to potential parking demands arising from the permitted and proposed schemes, and if anything the proposed residential scheme should result in less car parking demands than the B1. The site in any case does lie within an area of parking restraint with there being enforceable measures in place to prevent parking from occurring in locations where it may be detrimental to highway safety. The Planning Authority may wish to consider the impact of this development upon on-street parking. The close situation to the town centre and sustainable transport links would promote and encourage sustainable access amongst future residents.

It is noted that a new twitten is shown with the intention for this to be adopted as part of the public highway. The Applicant would need to enter into a Section 38 agreement under the 1980 Highways Act to cover the adoption of this. From inspection of other similar existing twittens, street lighting would be required along this. The design of the street lighting does need to be carefully considered given that this will be in close proximity to the proposed residential units as well as those fronting Grafton Road.

A condition is suggested to cover the closure of the existing and creation of the new access.

Given that the proposed flats will replace approved B1 units, there would be no justification to seek any further TAD contributions."

The Monitoring and Records Officer from the Local Development Division of West Sussex County Council has identified the following infrastructure contribution requirements:-

Education -	
First	£4,732
Middle	£5,331
Secondary	£7,130
Fire and Rescue	£192
TAD	£267
Total	**£17,652**

The Senior Archaeologist for West Sussex County Council also comments on the history and archaeological implications as follows:-

"Archaeological comments and recommendations are similar to those made by the County Council in 2008 in response to consultation regarding the permitted development scheme WB/08/1014/FULL (recommended Condition 14 of WB/08/1014/FULL (archaeology) refers).
The application site is in the Chapel Road Conservation Area, close to the historic core of Worthing, where Roman settlement evidence has been found in the past, at a distance of between 90 and 120 metres.

Most of the existing structures on site are a mixture of flint cobble and brick, and are clearly not of a single construction phase because the flint walls have been heightened (probably in the later nineteenth century) with the additions carried out in brick. The buildings themselves have no great architectural or historic merit, but nonetheless should be recorded before demolition and destruction as they reflect the history of Worthing as a developing resort, and the changing nature of the town, as sites such as this one, formerly on the edge of the countryside in the early 19th century, became absorbed within the suburbs.

It is recommended that a condition be attached to the planning permission to make provision for archaeological recording and analysis of the existing structures on site before their demolition and alteration. In addition it is recommended that a planning condition should be attached to make provision for a watching brief on groundworks for new drainage and foundations, so that any buried ancient features, e.g. of Roman date, will be recorded and reported.

No objection is made on archaeological grounds to the amended proposals, subject to a planning condition to provide for (i) the archaeological recording and analysis of the 19th-century existing buildings, prior to their demolition and alteration, and (ii) observation by an archaeologist(s) of new development-related ground excavations on site, so that any buried ancient features and deposits will be recorded and reported.

In conclusion, no Local Development objection would be raised to this proposal."

The **Environment Agency** raises no objection to the current application but, in respect of the previous application it drew attention to the potential contamination within the site and pointed out that the site is within a sensitive groundwater area where precautions should be taken to avoid discharges and spills during and after construction.

The **Executive Head of Health, Housing and Community Safety** commented as follows on the previous application and makes the same recommendation again:-

"This report identifies a potentially contaminative historic use of a brake servicing/repair shop situated within Building C. However, the historic land uses of the other buildings on the site have not been mentioned, please specify the historic uses of the other buildings and the dates of operation for the brake servicing/repair shop.

Although the report has identified this potentially contaminative use, it concludes that there is no risk to human health or groundwater from contamination as the buildings have solid concrete floors which are likely to have prevented any contamination reaching the soil and entering the groundwater.

Solid concrete floors will reduce the risk of contamination reaching the soil and groundwater. However, the integrity of the concrete floor within the brake servicing/repair shop or the other shops and courtyard area has not been discussed. It is possible that oils, fuels or lubricants were used and stored at the

site, is there any evidence of leakage or spillage? Are there any interceptors or drains present on site? In addition, this concrete floor may not have always been present throughout the site and other historic uses of the site, which have not been mentioned, may have had potential to cause contamination.

I do not consider that this desk top study and site walk over demonstrates that there is no significant risk to human health or groundwater. Please demonstrate that there is no significant risk to human health or groundwater by undertaking a site investigation to provide information for a detailed assessment of the risk to all receptors that may be affected, including those off site.I recommend the addition of condition C13K onto this planning application and the following precautionary condition:-

If during development, any visible contaminated or odorous material, (for example asbestos containing material, stained soil, petrol/diesel/solvent odour, underground tanks or associated pipework) not previously identified, is found to be present at the site, then no further development (unless otherwise agreed in writing with the Local Planning Authority) shall be carried out until it has been investigated by the developer. The Local Planning Authority must be informed immediately of the nature and degree of the contamination present and a method statement, detailing how the unsuspected contamination shall be dealt with, must be prepared and submitted to the Local Planning Authority for approval in writing before being implemented."

The **Executive Head of Technical Services** raises no objection but recommends that a surface water drainage condition is imposed.

Representations

Only three letters have been received from residents of Portland Road making the following comments:-

i) The previous use was for business and should remain so.
ii) The town centre requires regeneration and the situation will only worsen with more residential.
iii) Other residential apartments in the town centre have not led to improvements however affordable they are.
iv) There are too many rented apartments in this part of the town centre which has turned into bed-sit land.
v) It will increase the drug problem in the nearby twitten.
vi) Eleven parking spaces are not enough and will reduce the spaces available for shoppers and visitors who spend money in the town.
vii) There is no objection to changing the shop to residential.
viii) The redevelopment would be overdevelopment and out of keeping with the cottages and town houses in Portland Road.
ix) The road is narrow and visibility is restricted.
x) Portland Road should be residents parking only.
xi) The period flint wall along Portland Road should remain.
xii) A better solution would be a small row of cottages with on-site parking.
xiii) There will be considerable disruption during construction.

xiv) The conversion of the chapel with the development of two small cottages on the opposite side of the road is more in keeping.
xv) The introduction of windows in Portland Road will reduce the privacy of the cottages opposite.
xvi) The three storey corner building will reduce light to properties in Portland Road.

The **Conservation Area Advisory Committee** simply raises no objection to the current proposal but previously commented as follows:-

"The Committee regards this proposal as a major development in the town and has given careful consideration to the impact on the Conservation Area. There is no objection to the demolition of the existing non Listed Buildings or the concept of developing the site as an area for business and residential use. The appearance of the proposed buildings was regarded as of a good standard and would enhance the Conservation Area. The main subject of concern was centred on the north elevation. Insertion of the red brick façade was considered a distracting feature and the general consensus was that this should be compatible with the rest of the frontages, that is, in rendered finish with a conventional gable end. The majority view was that the Dutch style was too fussy within the simpler style of the rest of the building."

Planning Assessment

The proposals are submitted as two applications. The first application, WB/10/1033/FULL, seeks full permission for the redevelopment and the second application, WB/10/1035/LBC, seeks Listed Building Consent for those works that affect No. 89 Portland Road which is the Listed Building. The applicant has not submitted an application for Conservation Consent for demolition as approval already exists under application WB/08/1015/CAC (subsequently renewed).

As the principle of redeveloping this site has been established the main issue for consideration relates to the further loss of commercial B1 floorspace and the loss of the retail/office use of No 89 Portland Road. If the loss of the commercial floorspace can be justified then the acceptability of the additional residential units has to be considered having regard to local and national planning policies including the requirement to provide affordable housing and development contributions. As such, the proposal should be considered against saved Policies BE1, RES7, RES9, RES12, TR9, H18 and LR8 of the Worthing Local Plan, Adopted Core Strategy Policies 4, 7, 8, 10, 12, 14, 16, 17 and the National Planning Policy Framework (NPPF).

<u>Demolition of existing buildings</u>

There are no proposals to demolish any part of the listed building which is important and should be protected and renovated carefully. The remainder of the site would be cleared. On the basis of the civil and structural engineer's previous report, Conservation Area Consent for the remainder of the buildings to be demolished was granted in 2008 (and subsequently renewed). The buildings are not specifically referred to in the Chapel Road Conservation Area Appraisal but the

building on the north east corner of the site is shown to be a positive contributor. There is no obvious reason and no written explanation as to why this particular building has been identified as a positive contributor. It is similar to other buildings within the group which have been constructed on and above an existing flint boundary wall. Apart from a possible but unknown historic reference, there is no obvious architectural reason why the building on this north east corner should be retained. In any event, the proposed replacement building would represent a significant improvement in terms of its articulation and detailing and this corner would benefit from the removal of a number of unsightly commercial signs once the site is developed.

The existing building to the west has also been altered over the years with the incorporation of two dormer windows and the proposed scheme is considered to be a considerable improvement in this respect. There is a condition in relation to WB/08/1015/CAC which prevents the demolition of these buildings until a contract for the re-development has been agreed in order to avoid the creation of a vacant and hoarded building site in the centre of the Conservation Area for an indefinite period of time.

Loss of employment floorspace

The previous approval was for residential apartments on the upper floors above Class B1 offices on the ground floor. B1 offices were accepted as suitable uses close to and in sympathy with the residential terraces close by in Portland Road and Grafton Road.

The existing offices total 251 square metres and under the existing permission, would be replaced by 288 square metres of modern office floor space. This would represent an important economic benefit for the town centre. However, there would be a loss of 247 square metres of B8 storage but, in granting permission, this particular historic use was recognised as having the potential to be a problem in this town centre location with the narrow streets and the difficult access for larger vehicles when more accessible B8 storage sites are available outside of the town centre on industrial estates. There was, therefore, no objection to the loss of the storage uses and replacement with residential accommodation. It was also considered that two bedroom duplex apartments would provide small good quality homes in a central, accessible and sustainable location. The current housing policy supports the principle of higher density residential schemes in the town centre.

The issue raised by the current proposal is the loss of 211 sqms of B1 office floorspace and the loss of the retail/office use at No 89. Since the previous approvals in 2008 there have been policy changes with the introduction of the South East Plan (May 2009), the adoption of the Core Strategy (April 2011) and the Knight Frank research to support the Core Strategy employment policy approach.

In 2008 the main policy considerations were the West Sussex Structure Plan 2001-2016 (February 2005) and the Worthing Local Plan (September 2003). At that time, although there was a net loss of employment floorspace, it was felt that the

replacement with more modern flexible floorspace in a sustainable location would be beneficial. There were also benefits from removing a non-conforming storage use.

However, Policy 4 of the Core Strategy now seeks to ensure that there is an adequate supply of employment floorspace to meet the needs of the local economy. It affords strong protection to specifically identified employment areas. Outside of these areas the policy is to resist any loss unless it can be demonstrated that the site, or part of the site or premises, is genuinely redundant and is unlikely to be re-used for industrial or commercial use within the plan period having regard to the following factors:

- The site, with or without adaptation, would not be capable of accommodating an acceptable employment development.
- No effective demand exists or is likely to exist in the future to use the land or buildings for employment generating activities. Consideration should include the length of time the property has remained vacant, the attempts made to sell/let it and the demand for the size and type of employment premises in the area.
- The condition of the property and the works required to make it suitable for an employment use, either through refurbishment or redevelopment, would be uneconomic.
- The loss of a small proportion of floorspace would lead to a significant upgrade of the remaining employment floorspace.
- The existing use conflicts with neighbouring uses.

The applicant has submitted a Design and Access Statement in which there is an 'Economic Statement' claiming that there has been a lack of potential tenants for the office space and that there have been problems in trying to raise finance to build out the scheme due to the credit crunch and banks changing their lending criteria. For example, he states that banks insist on office space being pre-let before lending finance and they will only lend 50% on the gross residential value and not on the office element. In consequence he says that no tenants are willing to pre-let and the amount of development finance that could be raised would not cover the build cost.

There were concerns expressed at the time of granting the previous permission whether the scheme was deliverable due to market conditions. It was also suggested that as the owners of the site do not normally get involved with such speculative development they may find difficulty in raising this type of finance. Nevertheless, at that time, local estate agent Michael Jones stated that there was already interest in the offices. Furthermore, it was said that existing occupiers would be offered space within the scheme.

The two applications have remained undetermined for a considerable period of time as the Councils Policy and Economic Development Officers have remained unconvinced that there is a policy justification for the further loss of employment floorspace on the site. To address these concerns the application has been amended to retain some commercial floorspace (77 sqms) and a financial viability

statement has been submitted which seeks to demonstrate that the approved scheme is financially unviable.

The District Valuer has been requested to undertake an independent review of the applicant's viability statement and he concludes that the development is unviable and he agrees with the applicant's contention that few if any speculative office developments are being built at this time in view of the impact of the recession. The District Valuer concludes that,

'Following our desktop assessment we are of the opinion that the proposed scheme with full Section 106 contributions, a benchmark land value of £335,000 and a 20% residential profit/15% commercial profit shows a deficit of approx £500,000 and therefore is not viable. If we exclude all of the contributions the profit totals £170,000 or 6.5% which is still not viable.'

In the circumstances it is not considered that it would be reasonable to insist on the development retaining the previously approved 288 sqms of B1 floorspace. The scheme would not be implemented and the previously identified benefits to the character and appearance of the Conservation Area would not be realised. As Members are aware the NPPF and recent changes to the permitted development rights (allowing for a change of use from offices to residential) demonstrates the government's commitment to take a very proactive stance to encouraging new development and not unnecessarily protecting existing employment floorspace. The NPPF states that LPA's should '*normally approve planning applications for change to residential use and any associated development from commercial buildings (currently in the B use classes) where there is an identified need for additional housing in that area, provided that there are not strong economic reasons why such development would be inappropriate.'*

Whilst, your officers have reservations about the impact of the changes to permitted development rights for Worthing given the reliance on office accommodation and the service sector for the town's employment, in this case given the viability concerns about the original mixed use scheme it is considered appropriate to support the loss of B1 offices and the provision of additional residential accommodation in a highly sustainable town centre location.

There is some concern, however, at the location of the retained office and the loss of the retail and office use from No 89. As indicated by the Economic Development Officer the proposed office lacks any visibility from any pubic vantage point and this would affect the ability to find a tenant. In addition, the retail/office use of No. 89 has been successfully occupied for a number of years and its prominent location when viewed from Montague Street has clearly contributed to its continued occupation. The agent has been requested to re-consider the loss of commercial floorspace at No.89 as well as the location of the B1 office. Members will be updated at the meeting.

<u>The provision of affordable housing</u>

Under the terms of Core Strategy Policy 10, on all sites of 11 to 14 dwellings, 20% affordable housing will be sought via a financial contribution (in this case

£110,352). In addition financial contributions would normally be required towards outdoor recreation space, education, fire and rescue and transport (totalling £33,587).

Given the views of the District Valuer it is clear that the scheme would not be viable if the above contributions were required. As the financial viability of development is a material planning consideration it is considered that there are sufficient grounds to approve this development without any financial contributions. If the applicant retained No. 89 in commercial use the affordable housing contribution would be less albeit the scheme could still not afford a lower figure. The District Valuer suggests that an overage figure could be imposed via a S106 agreement; however, in view of the considerable doubts about the viability of the project it is not considered that this would be necessary in this case. A 3 year rather than 5 year permission may be more appropriate to review the situation if the scheme were not to be implemented within this timeframe.

Design, scale and form of the building

In terms of the design there has been little change from the approved scheme. The applicant had carefully considered the scale and character of the surrounding area and had entered lengthy pre-application negotiations with Officers to achieve the original solution. Portland Road and Grafton Road, with the linking streets of Grosvenor Road, Humphrys Road and Grafton Place, form an interesting and diverse area of architectural forms within this relatively confined and tightly knit space. The area is epitomised by individual buildings of character in the form of churches, chapels, halls and schools as well as residential terraces. The proposal respects the scale of its surroundings by breaking down the long elevations into smaller elements which have variety but which display an acceptable and cohesive inter-relationship in terms of their architectural styles.

One of the proposed changes was to construct the corner building in brick and not flint but this has now changed back to washed flint. The corner building is considered to be an important corner piece in recognition of the significance and importance of flint buildings within the immediate vicinity. Reps Health Studios is a flint and stone Listed Building and a number of similar flint buildings are found in the area. It is considered that this would be a fitting corner piece for the development of the site.

Alongside would be the strong rendered centrepiece with projecting bays. The Conservation Area Advisory Committee did originally question whether the central archway element should be in brick or render but this was finally approved in brick. This central brick element includes a Dutch gable, examples of which can be found on the south side of Montague Street, and is not out of place in the area.

The range of materials helps to break up this long northern elevation and satisfactorily joins the two rendered elements together. The only proposed changes to the two flint elements would be the introduction of larger ground floor windows which were considered to be weaker in design terms than the approved single windows. The applicant has subsequently reduced the widths of these ground floor openings in line with the approved scheme.

The final piece of the north elevation is the curved, rendered and rusticated western corner element. The applicant has now changed the approved north facing door for a window, which was acceptable in principle, but the applicant was advised to make it narrower in line with the width of the bays above and this has now been changed. The western elevation faces the rear of tall terraced residential properties in Grafton Road and takes its design and architectural references from those buildings in terms of its rendered form. It further draws reference from the lead canopied balconies from some of the seafront properties to give a pleasing and articulated north-west corner in harmony with Grafton Road. The southern part of the western elevation has less emphasis than the northern part with simple Juliet balconies in a plainer form recognising it's more subservient and set back position from the road. The ground floor openings cannot easily be glazed and have now been redesigned as blind windows to offer greater security to the refuse and cycle stores.

Bearing in mind the origins of the existing buildings, it seems appropriate that the scheme should be designed as an industrial courtyard with warehouse-style entrance doors, inner fenestration and balconies. This will reinforce its historic and industrial references but within a modern development built on traditional lines. The scale of the buildings at two and a half storeys is also in keeping with its neighbours and would not be out of sympathy with the overall height of the area.

Impact on Listed Building and Conservation Area

The proposed changes to the listed building are minimal and are mainly confined to repartitioning the accommodation to form a two bedroom house. Subject to a condition requiring written approval of all changes there is no objection.

In terms of the overall scheme, the Listed Building would be protected and enhanced and necessary works to restore any structural defects would be carried out strictly in accordance with planning conditions to ensure that the building is fully restored to its historic and architectural character and suffers no harm.

The overall site is currently run down with unattractive adaptations and changes to the buildings with uses which are not in sympathy with the character and charm of the Conservation Area and the re-development would improve the general amenities of the surrounding area and enhance the historic character and appearance of the Chapel Road Conservation Area.

Impact upon residential amenities of the area

As already stated, any increase in height of the buildings would not be so significant that any harm would be caused to neighbouring residential properties. Those most affected would be the terraced houses in Portland Road to the east but the development would cause no greater loss of amenity than the massing and positioning of the existing buildings. Despite an objection to this aspect, it is not considered that the east facing windows would reduce privacy for properties opposite in Portland Road such that permission should be refused. There would be benefits from removing some of the B8 non conforming storage uses along with

reducing the use of a difficult access and with the potential inconvenience and disturbance caused to local residents. The reduction in the level of office accommodation from the scheme should make little difference in terms of improving the amenities for the existing residential properties nearby.

Access and parking

The proposed access is in the same position as the approved access. The Highway Authority raises no objection and recognises that, in some respects, the proposal represents a de-intensification of usage. It recommends, once again, that a transport contribution of £4,560 be paid as previously advised. Access by larger vehicles would be avoided and the proposed on-site parking would be solely for the use of residents which will remove commercial vehicular activity, reduce the number of vehicular movements and represent less of a hazard than the current situation.

In addition, the proposal incorporates a cycle store which will reduce vehicular demands and movements. It is a town centre location, well served by all services and public transport where residents and visitors would have less reason to use a private motor vehicle.

Conclusion

The redevelopment proposal represents a substantial improvement to the existing site in terms of the design and the reduction in the type and number of commercial movements whilst providing good quality modern and valuable small residential apartments within a highly sustainable location. The existing Listed Building would be sensitively converted and the existing buildings, which are not structurally sound, would be safely removed and replaced with a more sustainable and well designed form of development.

Whilst, the original approval created a well balanced mixed use scheme providing both employment and additional residential accommodation in a sustainable town centre location, it is clear that the scheme is not now viable and a more flexible approach is required. The additional residential units are to be welcomed and overall the development would represent a significant investment in the local economy and create employment for the construction industry. In addition, the development would enhance the character and appearance of the Conservation Area.

RECOMMENDATIONS

WB/10/1033/FULL

Grant planning permission subject to amended plans revising the location of the office/employment floorspace and the following conditions:

1. Standard time limit (3 years)
2. Materials and samples to be provided prior to commencement
3. Contaminated land survey and mitigation if necessary.
4. Surface and Foul water drainage details

5. Archaeological recording of existing buildings on the site and archaeological watching brief.
6. Protection of groundwater
7. Details of new access and requirement to permanently stop up the existing site access.
8. Commercial use to be restricted to Use Class B1.
9. Provision of parking spaces and cycle spaces prior to occupation of the development
10 Construction Management Plan to be submitted prior to commencement of development.
11. Precise details of doors and fenestration and architectural features to be submitted to and approved in writing prior to commencement of development.

WB/10/1035/LBC

Grant Conservation Area consent subject to the following conditions:-

1. C3B Standard time limit for CAC.
2. C3C No demolition before contract.
3. C3D Protect building during construction.
4. C3E Protect specified features on building.

Background Papers

Observations of the Planning Policy Manager
Observations of the Regeneration Manager
Observations of the Economic Development Officer
Observations of West Sussex County Council
Observations of the Conservation Area Advisory Committee
Observations of the Environment Agency
Observations of the Executive Head of Health, Housing and Community Safety
Observations of the Executive Head of Technical Services