

5 DCCE2007/1655/O - MIXED USE DEVELOPMENT COMPRISING RESIDENTIAL (115 UNITS), EMPLOYMENT (OFFICE, INDUSTRIAL AND WAREHOUSING), RETAIL AND SUPPORTING INFRASTRUCTURE INCLUDING NEW ACCESS OFF COLLEGE ROAD, ROADS, FOOTPATHS, OPEN SPACES, LANDSCAPING, PARKING AND RE-OPENING OF PART OF CANAL AT HOLMER TRADING ESTATE, COLLEGE ROAD, HEREFORD HR1 1JS

For: Hereford Residential Developments Limited per Bryan Smith Associates, 33 The Dell, Westbury-on-Trym, Bristol, BS9 3UE

Date Received: 25 May 2007

Ward: Aylestone

Grid Ref: 51704, 41785

Expiry Date: 24 August 2007

Local Members: Councillors N Vaughan and DB Wilcox

Introduction

The application was deferred at the Central Area Planning Sub-Committee on 9 July 2008 to allow officers to establish an accurate position in relation to the existing tenants on site. This report including the Section 106 Heads of Terms has been updated to take account of the changes to the proposals and further information received. The report does not, however, investigate the details of any existing tenancy agreements or commercial negotiations or deals that are/have taken place regarding new units on the development.

At the time of writing, the businesses detailed in the table below have signed up to provisional Heads of Terms to take new units on the development. The heads confirm a commitment from the developers to provide a three-year tenancy incorporating a minimum floor area and location of the new unit. In addition, the S106 Agreement would specify that rents be fixed for three years from date of occupation. The position regarding the remaining tenants is summarised in Pars 6.10 - 6.12.

Name	Unit	Occupation	Area Sq. ft.	New units New Area Sq. ft.	New Unit No
Holmer Suite Centre	A2	Suite Retailer			
Holmer Suite Centre	A3	Suite Retailer			
Holmer Suite Centre	A4	Suite Retailer			
Holmer Suite Centre	A5	Suite Retailer			
Holmer Suite Centre	A22	Suite Retailer	7000	7000	7/8
Hereford Hydraulic Services	A8	Hydraulic repairers			
Hereford Hydraulics	A9	Hydraulic repairers	3000	3000	10
Franks Biscuits	A10	Biscuit maker			
Franks Biscuits	A11	Biscuit maker			
Franks Biscuits	A12	Biscuit maker			

Franks Biscuits	A13	Biscuit maker	4000	4000	16
Leggett & Boast (Flavours)	60	Food stores	1840	2000	14
Hereco	A15	Stationers	1000	1000	
Prince	103	Joinery	1614	1200	11
Mayo Evans	214a	MOT station	2249	5000	13
Conservatory Centre	213	Manufacture/Sales	500	1000	
R J Gore	5A	Storage	800	800	
Berry & Davies	216a	Electrician	1000	1000	9a
		Sq ft.	23003	26000	

1. Site Description and Proposal

- 1.1 The site comprises an established and safeguarded employment site known as Holmer Trading Estate located east of College Road. The site originally accommodated a tile manufacturing works, which was subsequently developed and divided up after the war to create the development as it now stands. The site is bounded by the railway line to the north, the former Herefordshire and Gloucester Canal to the south and existing industrial/commercial units to the east. West and opposite the access is the Bridge Inn Public House and south beyond the route of the former canal is Wessington Drive forming part of Victoria Park residential estate.
- 1.2 The site itself extends to 3.35 hectares of land served by an existing single point of access off College Road. It comprises a mixture of single and two storey buildings of varying ages, designs and materials interwoven with a number of access roads/tracks and areas of hardstanding. There are also two detached dwellings, one now converted to three separate flats and the other having been abandoned some time ago. At the time of submission of the application, a total of 39 businesses had an employment base at the site although this number has subsequently fluctuated with there currently being 34 businesses on site. Ground levels generally fall from north to south and east to west, both within this site and surrounding with College Road to the west being elevated approximately 2.5 metres above the site level.
- 1.3 The entire site is identified within the Herefordshire Unitary Development Plan as safeguarded employment land whilst land running along the southern boundary is the safeguarded route of the Herefordshire and Gloucestershire Canal.
- 1.4 Planning permission is sought for the demolition of all the existing buildings on site facilitating a mixed use redevelopment of the site comprising the following:
- 2,235 sq.m. B1 office/light industrial
 - 2,537 sq.m. B2 general industrial
 - 2,537 sq.m. B8 storage and distribution
 - 760 sq. m. retail comprising 500 sq. m. bulky goods, 200sq. m. convenience store, 60 sq m other retail
 - 70 sq. m. A3 – Café
 - residential units comprising 18 one bedroom flats 68 two bedroom flats, 5 three bedroom duplex apartments and 24 four bedroom town houses, 35% of which would be affordable
- 1.5 The application is submitted in outline form with all matters reserved for future consideration except for means of access. In terms of the access, a traffic assessment has been provided with the final design now proposing a new roundabout to serve the

site, minor re-alignment of the adjoining highway with traffic flows controlled by way of traffic lights north of the railway bridge and south of the site junction.

- 1.6 Although only the principle of the development and access is detailed at this stage, a comprehensive master plan has been provided illustrating the likely layout of the site along with the general scales, siting and heights of development. Generally, residential development is located along the southern side of the site with the commercial units and retail adjacent the railway line to the north. The commercial development is generally all two storey height with the residential predominantly three storey with some four storey. The application is also accompanied by detailed reports under the following headings: Transport Assessment, Structural Survey, Economic Development Appraisal, Ecological Survey, Flood Risk Assessment, Contaminated Land Report, Acoustic Report, Financial Appraisal, Design and Access Statement, Affordable Housing Report and Section 106 Heads of Terms.

2. Policies

2.1 Planning Policy Guidance:

PPS1	-	Delivering Sustainable Development including the supplement on Climate Change
PPS3	-	Housing
PPG4	-	Industrial and Commercial Development and Small Firms
PPS4 (draft)	-	Planning for Sustainable Economic Development
PPG13	-	Transport
PPS25	-	Development and Flood Risk

2.2 Regional Spatial Strategy for the West Midlands

2.3 Herefordshire Unitary Development Plan 2007:

S1	-	Sustainable Development
S2	-	Development Requirements
S3	-	Housing
S4	-	Employment
S5	-	Town Centres and Retail
S6	-	Transport
S8	-	Recreation, Sport and Tourism
S10	-	Waste
S11	-	Community Facilities and Services
DR1	-	Design
DR2	-	Land Use and Activity
DR3	-	Movement
DR4	-	Environment
DR5	-	Planning Obligations
DR6	-	Water Resources
DR7	-	Flood Risk
DR10	-	Contaminated Land
DR13	-	Noise
DR14	-	Lighting
H1	-	Hereford and the Market Towns: Settlement Boundaries and Established Residential Areas
H2	-	Hereford and the Market Towns: Housing Land Allocations

H9	-	Affordable Housing
H13	-	Sustainable Residential Design
H14	-	Re-using Previously Developed Land and Buildings
H15	-	Density
H16	-	Car Parking
H19	-	Open Space Requirements
E5	-	Safeguarding Employment Land and Buildings
E8	-	Design Standards for Employment Sites
TCR1	-	Central Shopping and Commercial Areas
TCR13	-	Local and Neighbourhood Shopping Centres
T1	-	Public Transport Facilities
T6	-	Walking
T7	-	Cycling
T8	-	Road Hierarchy
T11	-	Parking Provision
T13	-	Traffic Management Schemes
T16	-	Access for All
NC1	-	Biodiversity and Development
NC4	-	Sites of Local Importance
RST3	-	Standards for Outdoor Playing and Public Open Space
RST6	-	Countryside Access
RST7	-	Promoted Recreational Routes
RST9	-	Herefordshire and Gloucestershire Canal
W11	-	Development – Waste Implications
CF2	-	Foul Drainage

2.4 Other Guidance:

Supplementary Planning Document - Planning Obligations

3. Planning History

- 3.1 Extensive planning history exists for the site as a whole dating back to 1966 when original permissions were granted for the use of what was Holmer Tile Works for general industrial purposes. A summary of the more relevant planning history is detailed below:

HP25367	New replacement workshop units. Approved 14 September 1982.
HP26019	New replacement workshop units. Approved 26 April 1983.
H/P/28408/E	Retail Sales excluding foodstuffs at Unit 1. Appeal allowed 11 May 1987
HC870344/PF/E	Non food retail use situated at Unit 5, the former slabbing shop. Approved 21 July 1987.
HC920053/PF/E	Change of use from industrial to use for a taxi business. Approved 15 April 1992.
HC930181/SE	Use as breakers yard and sale of second hand spares. Approved 23 July 1993.
CE1999/1351/F	Continued use of land for scaffold business including retention of existing hard surfaces matching kerbs and barriers. Approved 1 July 1999.

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| CE1999/3278/F | Proposed industrial units for B2 use. Approved 2 February 2000. |
| CE2004/0199/F | Proposed conversion of house into three dwellings. Approved 24 February 2004. |
| CE2004/1110/F | Renewal of permission CE1999/3278/F for a proposed industrial unit for B2 use. Approved 19 May 2004. |
- 3.2 Various temporary permissions have also been granted for development along the safeguarded route of the canal for the use of this land for the sale of cars. The most recent approval is CE2004/3311/F - continued use of land for car sales including retention of fences and barriers. Temporary permission approved 9 November 2004. This permission has now expired.
- 3.3 The above is not a comprehensive list of all planning applications submitted on the site but is a summary of the more key decisions over the last 20 years or so.

4. Consultation Summary

The comments detailed below are a summary of the final comments of both Statutory Consultees and Internal Council Advice. The full text of final and original or superseded comments can be inspected at Central Planning Services, Garrick House, Widemarsh Street, Hereford and prior to the Sub-Committee meeting.

Statutory Consultations

4.1 Environment Agency:

Flood Risk: The site is located in Flood Zone 1 (low probability) and a Flood Risk Assessment has been provided to demonstrate there is no potential to increase flood risk elsewhere through the addition of hard surfaces. We recommend the use of sustainable open drainage systems with green field run-off restriction on impervious surfaces restricted to 10 litres per second per hectare. Drainage options include provision of porous paving for parking areas, cellular storage under the paving or granular storage and soft landscaping. Ultimately there will be a gain in permeable areas as a result of the development which will decrease the existing run-off from the site. The comments are also made on the basis that the canal is an isolated section of restoration. Further assessment is required if the canal restoration leads to potential water conveyance between watercourses. Clarification as to potential adoption of such drainage may also be required including investigation of private management company.

Contaminated land: The site is situated on a minor aquifer and thus is a sensitive location with respect to the protection of controlled waters. Based on the information contained in the Phase 1 and Phase 2 Geo-Environmental Assessment, we recommended that further leachate testing is undertaken and other site investigation work which can be satisfactorily dealt with by condition. If contaminated soil is to be re-used on site as part of the soil recovery operation, a Waste Management Licence will be required.

Foul Drainage/Pollution Prevention: An acceptable method of foul drainage disposal will be connection to the foul sewer as proposed (subject to capacity). Further consideration is also required as to how the canal will be filled to maintain the water supply to ensure general water quality is maintained. The site must be drained by separate system of foul and water drainage.

Resource Efficiency: In line with the annexed Planning Policy Statement on Planning and Climate Change, we recommend water efficiency techniques and other measures to reduce energy consumption are incorporated into the development. We recommend that development meets Level 3 of the Code for Sustainable Homes and a BREEAM standard of 'Very Good' as a minimum.

4.2 Welsh Water:

No objection subject to condition requiring foul and surface water discharges to drain separately from the site, submission of a comprehensive integrated drainage scheme and the provision of suitable grease traps to prevent entry of any contaminants into the public sewerage system. Also, no development must be sited within 3 metres either side of the public sewer.

Welsh Water also confirm that adequate capacity exists within the waste and water treatment works and adequate water supply exists to serve the development.

4.3 Network Rail:

No objection in principle subject to the following measures being accommodated to ensure the safe operation of the railway line.

- Erection of 1.8 metre high trespass resistant fence along the boundary with the railway line.
- Provision of safety barriers adjacent to roads, turning and parking areas adjoining the railway line.
- No drainage discharge or soakaways within 10 metres of the railway line.
- No excavations near railway embankment.
- Siting of all buildings a minimum of 2 metres from the boundary of the fence with the railway line.
- Design of buildings should take account of possible effect of noise and vibration and the generation of airborne dust from the railway line.
- Any lighting should not conflict with railway signalling.
- No new planting should not encroach onto the railway line.
- All demolition and construction work should be carried out in accordance with agreed Method Statement where they exist close to the railway line.

4.4 National Grid:

A high pressure gas main runs adjacent to the site. The Institute of Gas Engineers recommendations that no habitable buildings should be constructed within 14 metres of the pipeline. Further advice should be sought from the Health & Safety Executive who may specify a greater distance than this.

4.5 Advantage West Midlands:

The Agency expresses general support for this comprehensive mixed use scheme which has the potential to deliver a development in accordance with regional economic interest. It offers the opportunity to improve employment levels and regenerate a significant brownfield site that will enhance the Holmer area.

A range of land uses are proposed and the Agency particularly supports the new employment floor space which can boost the local economy through job creation and investment. The business uses will create additional jobs upon completion in addition to a considerable amount of employment during the construction phases. This accords

with the fundamental aims of the West Midlands Economic Strategy and particularly Pillar 3 - creating conditions for growth. This pillar supports the degree of good quality sites and buildings to create conditions for economic growth.

The proposal integrates opportunities for local people to have improved accessibility to jobs and the improved access arrangements will enable better transport infrastructure and support the principle of equal access to employment.

It is also noteworthy that the proposal includes the reopening of a section of disused canal to catalyse the regeneration of the area and contribute to creating high quality environment for commercial purposes. Support is primarily focussed on job creation and the investment improvements the development can deliver. Significant merits are identified in the proposed office facilities which can provide new accommodation for displaced businesses from Edgar Street Grid. This is particularly important due to the considerable demand but limited availability for employment land to facilitate re-location. Accordingly, the Agency would wish to see these elements retained and prioritised in subsequent phases of the development.

Given the application is generally regarded as a positive use of the land in economic terms in the context of the West Midlands Economic Strategy, the Agency welcomes the scheme in principle and the associated significant job creation potential.

4.6 Herefordshire Nature Trust: No comments received.

4.7 Midlands Architecture and Designed Environment : No comments received.

Internal Council Advice

4.8 Traffic Manager:

As part of the Transport Assessment the Applicant has modelled the development to copy the existing and proposed traffic movements. The developer has also added the development trips from the permitted developments for 300 houses off the A4103, Roman Road, North West of the site and 80 houses off Venn's Lane to his model. The Transport Assessment deems the proposal to have minimal impact in terms of extra traffic movements on the network which we accept and also the impact of permitted developments are also considered minimal.

For this development to work, the Traffic Lights at the Venn's Lane / College Road junction, Traffic Lights at the Bridge and the access to the development will need to be managed, to do this the lights will be synchronised together with the Trading Estate exit managed during peak times by Traffic Lights, (part time) this will keep priority with College Road avoid stacking over the mini roundabout. Between the Trading Estate and the traffic lights is the start end of the 30mph speed limit, this will need to be changed to extend the 30mph to beyond the Bridge, to Roman Road, this will require a TRO and consultation with our Transportation Department to be implemented at a budget cost of £6,000 which the developer will fund in addition to the Section 106 contributions.

The site has previous accidents as listed in the Transport Assessment, 2 are at the access to the Trading Estate, one of which involves a cyclist. The proposals will improve the situation by improved signing, a mini roundabout, a new toucan crossing and Traffic Light controls for the bridge. We are also securing contributions from the developer towards improved cycle and pedestrian links. The proposed development

would also result in a reduction in the number of HGV's on the network serving the site which would also improve safety.

Detailed design for the lay-out is not part of this application but the design will be to our design guide and the parking ratios will be to Herefordshire Council's parking standards for the proposed employment use and a residential parking ratio of around 1.5 parking spaces per dwelling. The final parking requirements can also be linked into the Travel Plan which has been conditioned. The Travel Plan will promote alternatives to single occupancy car use such as car share and alternative travel modes such as walking, cycling and Public Transport.

The developer is providing footway cycle link to Wessington Drive which will link up to the C1127, a new Toucan Crossing on the C1127 is proposed as part of the improved cycle footway.

The internal lay-out has yet to be designed in detail, the link road from the C1127 to the housing will be constructed to adoptable standards and a Section 38 agreement entered into to adopt the road, the spur to the Industrial section of the development will remain un adopted.

No objection subject to conditions and S106 contributions towards localised highway improvements and enhancement of sustainable transport infrastructure. The Section 278 works must be completed prior to occupation of the development site.

4.9 Public Rights of Way Manager:

The development would not appear to affect Public Footpath HER11 which leaves College Road heading west across public open space. However, there appears to be no provision for a safe pedestrian crossing over College Road to access the public footpath and the open space. The visibility for pedestrians to cross safely here is very restricted, especially for people that cannot walk quickly. The nature of the traffic servicing industrial areas means some traffic is proceeding in great haste. Any new pedestrian cycle routes within the site should be brought up to adoptable standards.

4.10 Minerals & Waste Officer:

The application is not affected by any mineral consultation zones and there is therefore no policy objection in this respect.

Other general comments are as follows:

1. The development has potential for significant ground engineering works being required. A written statement is required to identify how waste is to be reused on site or disposed of elsewhere. Policy W11 of the UDP is particularly relevant in this regard.
2. Development should be required to demonstrate how waste reduction/re-use is to be incorporated through the construction and post completion.

4.11 Strategic Housing:

Strategic Housing will be seeking 35% of development to be designated as affordable housing which equates to 44 units.

Strategic Housing have been in negotiations with the developer and are seeking a mix of one and two bedroom apartments and four bedroom houses, exact details of

bedroom sizes etc. to be decided. We also accept the 50/50 tenure split between rented and shared ownership. All the affordable units must be built to Housing Corporation Scheme Development Standards and lifetime homes.

4.12 Children and Young People's Directorate:

The educational facilities provided for this development site are North Hereford City Early Years, Broadlands Primary School, St Xavier's RC Primary School, Aylestone Business and Enterprise College and Hereford City Youth Service.

The Childcare Sufficiency Assessment highlights deficiencies in the North Hereford City area childcare provision.

Broadlands Primary School has a planned admission number of 60. As at the Spring Census 2008 the school had surplus capacity in all year groups.

St Francis Xavier's RC Primary School has a planned admission number of 30. As at the Spring Census 2008, all year groups have 2 or fewer spare places.

Aylestone Business and Enterprise College has a planned admission number of 250. As at the Spring Census 2008 the school surplus capacity in all year groups.

The youth service within Hereford City is based at Close House which is a voluntary sector organisation. It has been identified that they require a new central city property in order to expand the range of activities they can offer.

Approximately 1% of the population are affected by special educational needs and as such the Children and Young People's Directorate will allocate a proportion of the monies received for Primary, Secondary and Post 16 education to schools within the special educational needs sector.

The Children & Young People's Directorate would therefore be looking for a contribution to be made towards Children and Young People in this area that would go towards provision of new or enhancement of existing educational infrastructure at North Hereford City Early Years, St Xavier's Primary School, Hereford City Youth Service and Special Education Needs in the city. No contribution is sought towards the schools where capacity exists.

4.13 Environmental Health & Trading Standards Manager (Pollution & Contamination):

I refer to the Phase I & II Geo-environmental Assessment Report - Holmer Trading Estate, College Road Hereford prepared by Clarkebond, Ref EB00668/1, dated April 2007 and various telephone conversations and emails from the developer and the environmental consultant. I would make the following comments in relation to the above application.

I also refer to my previous comments in my memo to you on the 13th July 2007 in which I outlined a number of concerns. Some of these issues have now been clarified.

The developer has undertaken a Phase 1 and 2 site investigation. The investigation found tile waste associated with the former Victoria Tile Works within the infilled canal. The tile waste has recorded high levels of lead. The development proposal includes opening up the former canal, therefore removing the waste from the canal. The site investigation also identified contamination on the development site including some

areas of hydrocarbon contamination. At the moment the developer's preferred option is to reuse the material from the canal on the development site, therefore a suitable remediation scheme is required to ensure that the site will be made suitable for use.

The report has indicated potential remediation methods for developing the site however at this stage further investigation of the site is still necessary before remediation options can be considered in detail.

Once the investigation work has been completed a detailed feasible remediation option appraisal of remedial methods will need to be undertaken by the developer to identify the "best option" or combination of remediation options in terms of dealing with the contamination and also the practical issues on the site (phasing of remediation and site constraints). Some of this work may include treatability studies on the canal waste if chemical stabilisation of the soils is being considered.

The proposed development is quite complex in terms of contaminated land remediation however it is considered that there is sufficient information to allow the outline permission to be conditioned. It should be noted that a lot more detailed information will be required to be submitted with any reserved matters application.

4.14 Environmental Health & Trading Standards Manager (Noise & Odour):

I have had opportunity to consider the supplementary information as regards noise provided in response to the issues I raised about the original noise assessment.

These issues and concerns have generally been addressed. The proposal to have some residential accommodation at 25m from the fans at Cavanaghs is still of some concern. It is proposed that these would be single aspect and that they would provide a noise barrier to the rest of the site, and with appropriate noise insulation measures including acoustically treated ventilation an acceptable level of noise within the dwellings should be achieved. I understand that it is not proposed to provide gardens for these properties. Nevertheless, it would in my opinion be better if all proposed dwellings were located behind this barrier which should be formed by commercial premises only.

As I stated in my initial response I do not have an objection to the principle of this development, however if permission is granted conditions should be attached to reflect those suggested by the noise consultant in paragraph 5 of the supplementary noise information (additional noise survey, restrictions on hours of use, delivery access, and noise exposure restrictions). I would comment that the noise survey proposed by condition 1 would have to be undertaken on more than one 24hr period and would have to be done when the noise from Cavanaghs' fans was not present. To achieve the rating level proposed by condition 2 individual levels for every industrial/commercial unit will need to be set, and if the dwellings forming part of the noise barrier are included in the final plan, the scheme proposed by condition 3 should include noise from Cavanaghs. In addition conditions restricting hours of work and deliveries should also be included.

The proposals have subsequently been amended to address the above concerns regarding the proximity of residential to existing employment uses.

4.15 Drainage Engineer:

No adverse comments regarding land drainage.

4.16 Parks, Countryside & Leisure Development Manager:

These comments have been revised to take account the revised master plan and mix of residential development.

Based on the 2001 Census and average occupancy rates for house sizes the population for this development is 235.3 persons. Using existing UDP policy RST3 and 2.8 ha per 1000 population, this development would be required to provide 0.65 ha of open space. This equates to 0.38 ha Outdoor sport, 0.18 ha children's play area and 0.09 ha public open space.

The 0.8433 ha provided on site equates to 0.699 ha of canal, 0.047 Green space and 0.097 of "highways" verge open space at the entrance. The entrance open space is not considered "usable" amenity space, therefore its contribution is taken out of the overall amount. The canal restoration is seen as a beneficial contribution towards amenity green space and in particular natural and semi natural green space which is seen as a shortfall in the city. Therefore the total area of "usable" open space is 0.74 ha. This meets the public open space requirements of policy H19. A more detailed landscaping scheme should be provided in order to calculate any future maintenance contributions should the on site open space be adopted by the Council.

However, to fully meet the criteria of policy H19 a formal outdoor sports area and a NEAP standard play area are required from developments of 60+ dwellings. A formal outdoor sports area cannot practically be provided on site and as agreed previously, an off-site contribution is sought to be used at Aylestone Park. A development of this size would normally be expected to provide play areas for young children and teenagers and outdoor sports facilities for adults. Evidence from the emerging audit undertaken for PPG17 open space assessment has identified that in this part of the city, there are deficiencies in the amount of community accessible outdoor sports provision. An off-site contribution is therefore also sought to address this deficiency.

4.17 Economic Regeneration Manager:

Background Points

1. The application site is clearly an established Employment site with somewhere between 20 and 25 businesses operating from the estate. The business uses within the site are varied with elements of B1, B2 and B8 uses.
2. The estate is well located for the trunk road network being approx 300 metres from the A4103 Hereford to Worcester Road although it is noted that access onto the A4103 is via a skew bridge over the railway.
3. The site infrastructure is of variable quality with poorly maintained internal service roads being a feature of the estate. Build quality is also varied, with units generally of average to poor quality and I would agree with the applicants structural engineering consultant that "few appear to have useful or reasonable improvement potential".
4. It is also noted that the structural engineering consultant advises, "many of the buildings are on the point or beyond the point of becoming uninsurable because of their condition and history".

Relocation of Existing Businesses

5. Despite the above points the site is currently a viable business location for those businesses on the estate, and contributes to meeting the demand in the north of the city for lower quality employment units. It is noted that this situation may change over time with the further deterioration of the estate buildings.
6. Additionally it appears that 11 businesses, employing a total of 25 people, will have to relocate from the site prior to redevelopment taking place. Whilst it is realized that the current owner of the site has no obligation to assist businesses to relocate off the site, redevelopment of the estate will displace some currently successful businesses, with resulting uncertainty over future location and viability.
7. This is a regrettable situation and one that will be the cause of great concern and stress to the affected businesses, but the applicant has assured officers that they and their agent have entered into negotiations with other landowners across the city in an effort to secure alternative sites for some of the businesses not being offered a unit within the redevelopment.
8. I would ideally like to see written evidence from all businesses whom the applicant states are staying on site confirming that they are indeed staying on site and have provisionally agreed a unit location and Heads of Terms.

ESG Business Relocations

9. It is noted that a number of the employment units within the development (amounting to approximately 3,000 sqm) have been provisionally offered to businesses already located within the site with the possibility of some bespoke units being created for specific businesses.
10. Following on from the above point, it is noted that the applicant has formally offered ESG Herefordshire Ltd the first right of refusal for the remaining circa 4,000 sq m of employment units, and have indicated a willingness to include this as a part of the Heads of Terms for the site S106. Providing a sensible solution can be negotiated through this S106 this may assist in the meeting of demand for employment space created by the ESG redevelopment.
11. In terms of obtaining some certainty for businesses within the ESG area moving onto the application site, I would expect, within the S106, that ESG businesses are offered competitive rental levels and that these are fixed for 3 years, in line with the terms offered to existing site businesses.
12. I believe that negotiations within the S106 should cover the award of an exclusivity period to ESG for the facilitation of agreements for ESG businesses to lease premises within the development. The length and terms of this exclusivity award should be considered within the S106 negotiations.

Hereford to Gloucester Canal

13. From a wider regeneration point of view, it is noted that as a part of the development the Hereford to Gloucester canal will be reinstated within the site boundaries. This will directly assist in the restoration of the canal within Hereford and will link into the reinstatement by Herefordshire Council of the canal at Aylestone Park and may provide further momentum for the reinstatement of the canal into the ESG site and any basin subsequently constructed on the site.

14. The reinstatement of the Hereford to Gloucester canal will provide a regeneration benefit to the towns and villages along its length through tourism and leisure activities. The ESG Masterplan states that a canal basin will be constructed within the ESG site providing a focal point to the Urban Village development and uplifting value along the waterfront. It is understood that the canal trust has already secured S106 contributions and ownerships between the ESG site and the application site. Should the application be approved this will provide a substantial element of reinstated canal within Hereford city.

Draft PPS4

15. The submitted application is for a mixed-use development with Housing, a small element of retail, and employment uses within the development. It should be borne in mind that Draft PPS4 advocates a flexible approach in planning for sustainable economic development, which monitors and responds to changing economic trends and market signals. For example, the draft guidance recommends setting criteria-based policy, and promoting mixed-use developments.
16. Additionally Draft PPS4 encourages local planning authorities to adopt a constructive but balanced approach to proposals for economic development, taking account of longer-term benefits to local and regional economies.

Employment Land Provision

17. Pressure on existing employment land will increase with the likely relocation of businesses from the Edgar Street Grid site. Currently (26th March 2008) there exists 161,833 sq ft of Industrial Units and 62,454 sq ft of office space vacant within Hereford City located north of the River Wye. This amounts to 2.083 ha of vacant units and office space.
18. It is estimated that the total requirement is for 4 hectares of employment land for the relocation of businesses from the Edgar Street Grid. (Figure taken from a Private and confidential report undertaken by DTZ Pinda for AWM and Herefordshire Council, untitled Relocation of Businesses within the Edgar Street Grid, May 2005.)
19. Additionally it is understood that the majority of occupiers being relocated will want to remain close to the city centre, or to be relocated to established employment sites north of the River Wye.
20. It is understood that this application will decrease the overall amount of employment land within the City in terms of actual land area and employment land allocations. As demonstrated above this reduction comes at a time when employment land allocations and development opportunities are undersupplied in Hereford north of the River Wye.
21. The applicant states that the actual level of employment floorspace within the development site will remain approximately the same, due to the construction of the new units and revised layout. It is noted that in part this is due to the construction of mezzanine floors. In practical terms this may work for some businesses but it is considered that it is highly unlikely that all mezzanine floorspace will be taken up.
22. As a consequence it is felt that the full amount of floorspace as indicated within the application is unlikely to be developed out and that, to get an amount of floorspace

equal to that currently in existence, more employment floorspace may need to be included within the application.

23. Balanced against the above, the site, although an employment land allocation, is not in one of the best locations within the city to attract new, higher value employment uses as access to the trunk road network is via a skew bridge, it does not have a large and visible frontage, and is located off a secondary road. Whilst this site may suit local businesses currently in similar locations, such as Station Trading Estate, that need to relocate due to the ESG development, it is not anticipated that it will be attractive to businesses relocating off very active frontages, such as Widemarsh Street or Edgar Street.

Concluding Remarks

24. It is considered that should this application not be approved then the existing estate will function similar to current use, with little or no investment into the employment unit provision. The site will continue in the short term to provide a supply of poorer quality units in a poor quality landscape. Whilst there is a need for this type of unit there is little doubt that a more efficient use of the site could be implemented should the necessary investment be made.
25. It is considered that there is little prospect of this investment being generated for a solely employment land development due to the investment needed in the site clearance, infrastructure and remediation. It is also considered that should the site be redeveloped solely for employment purposes a contribution to the reinstatement of the Hereford to Gloucester canal would be unlikely.
26. Therefore it is my opinion that the potential relocation of approximately 10 businesses and the protection of the employment land that would be lost to the housing and retail elements of this development is outweighed by the following:
- Construction of circa 7,000 sq m of new employment units across the B1, B2, and B8 categories complete with new infrastructure and potential for bespoke units to be created.
 - The offering of approx 4,000 sq m of these units (for a period to be determined through S106) to the ESG Herefordshire Ltd to be offered to businesses needed to relocate off the ESG site.
 - The reinstatement of an element of the Hereford to Gloucester canal possibly facilitating the future enhancement of further elements of the canal especially in linking into the ESG site.

As a consequence I support the application subject to further negotiation within the S106 regarding the offering of units to ESG Herefordshire Ltd, and subject to a review of employment floorspace requirements and the use of mezzanines.

Subsequent to these comments, the proposals have been further amended to increase the employment floorspace by another 800 sq metres at the expense of ten residential units.

4.18 Conservation Manager (Ecology):

I have received a summary report of the latest ecological surveys (April/May 2008) and visited the site again. A single full ecological report should be submitted as there are currently three separate reports.

It would appear that the weather conditions during the first survey this year (on 30/04/2008) were too cold for bat activity. I note that common pipistrelle bats were recorded emerging from the canal tunnel during the second survey and that there is also potential for roosting in the adjacent trees. Pipistrelle bats were also recorded roosting in the building in the NE of the site during the previous survey season. Mitigation measures for loss of roosting sites will need to be submitted prior to development.

I am concerned about the impact upon the canal tunnel entrance as a result of the new road layout. There is an oak tree in this wooded area that should be retained. Any trees that are to be felled, in particular those that are covered in ivy, will need to be inspected and surveyed immediately prior to felling, as there are opportunities for occasional roosting by bats. The canal tunnel should not be made accessible until measures to avoid impact upon bats have been submitted and implemented as approved.

As this is an outline application, I recommend the inclusion of conditions requiring the submission of a full working method statement regarding the nature conservation interest of the site and a scheme of habitat management and enhancement to be submitted prior to the commencement of any development.

4.19 Forward Planning Manager:

After reviewing our comments and in light of changes to the application additional comments should be noted. The application is still contrary to policy E5 where it stipulates that the loss of employment land and premises to non-employment uses will generally be resisted. However, it is shown that there could be wider regeneration benefits to the area in terms of restoration of the canal and subsequent linkages that could be formed between this site and ESG through the development of canal basin. Within this current application it is shown that there is an increase in employment floorspace to that which is currently available on the site, however there are still concerns that some of this floorspace is on a mezzanine level and the practicality issues in industrial units. There would be improvements to the quality of the employment land and the current proposal has reduced the number of houses in the scheme. It has also been noted that the applicant has now included 35% affordable housing units in the scheme, as requested in policy H9, which was a concern raised in our previous comments last year. I also note that there is an improvement to the retail provision, raised in the previous comments, and that the scheme now shows to accommodate the existing retail businesses that are currently on site and there will be a considerable reduction in the overall retail floorspace on the site.

If planning permission is granted we would have concerns that they would develop the housing element of the scheme prior to the employment units and therefore suggest that a planning condition would be incorporated to ensure that the employment floorspace element is developed at an early stage of the proposal.

5. Representations

5.1 Hereford City Council:

The City Council does not endorse the plan as it stands and has a number of concerns that need further enquiry. Members would like to know more about proposed alterations to the highway and any impact on Roman Road. The loss of employment land is a concern coming as it does with the proposed reduction of employment land

on the nearby Edgar Street Grid. Possible loss of starter units for local businesses is a serious concern with impact beyond this site. In the event of housing being approved then affordable housing is essential especially three and four bedroom family accommodation.

5.2 Edgar Street Grid Herefordshire Limited:

Further to recent discussions in respect of the evolution of the mixed use scheme at the Holmer Trading Estate, ESG's formal position with the benefit of the more up to date information now available is as follows:

ESG, as a matter of principle, is supportive of imaginative, comprehensive redevelopment proposals in the city which contribute positively to its future prosperity but in this case, the fundamental issue relates to the potentially adverse impact on employment land supply inherent within this scheme. As you are aware ESG, in partnership with Herefordshire Council and Advantage West Midlands, is committed to, and working hard to secure opportunities for businesses affected by the regeneration of ESG and as such is always extremely concerned to ensure that currently safeguarded employment land is not lost to other uses.

This said, it is fully appreciated that this is a mixed use scheme that seeks to deliver an equivalent amount of B1, B2 and B8 floor space as is currently provided in outdated units on the existing site and as such does present a potentially beneficial redevelopment so far as the relocation of ESG businesses is concerned.

However in order to be entirely satisfied of the benefits the following matters would need to be addressed by the applicant:-

- (a) It would need to be proven that the applicant had undertaken an analysis of ESG businesses and their suitability for the format of units being delivered at the Holmer site. We are currently experiencing major difficulties with relocation because of the retail orientated/sui-generis nature of many of the businesses and it has not been demonstrated how these might be accommodated at Holmer.
- (b) Furthermore there does not appear to be any evidence of interest from existing ESG businesses keen to relocate to Holmer and it would be of some comfort to see such evidence.
- (c) Finally on this issue, it is understood that the surplus floor space not taken up by existing businesses at Holmer Trading Estate would be made available to ESG businesses. This offer is welcomed but with the caveat that to consider withdrawing our objection we would need to be assured of how much floor space would be available, the mechanism for restricting occupation to ESG businesses and a timescale for the delivery of suitable available units from Summer 2010 onwards when the construction of the Link Road is programmed to start. On this latter issue how long would the applicant be prepared to commit to in order to secure a relocation?

At this stage, whilst ESG appreciates the other benefits accruing from this proposal, not least the restoration of a significant length of the canal alongside the site, it remains cautious in respect of the broader strategic impact associated with the development of this safeguarded employment site and in the absence of assurances in respect of the comments set out above, we are not in a position to retract our objection

but would welcome deliverable assurances in the areas highlighted above with a view to possibly doing so.

5.3 Herefordshire and Gloucestershire Canal Trust:

We cannot stress enough how critical this application is for the future restoration of the canal. From the very beginning, landowners and their team have sought to work closely with the Canal Trust to deliver restoration of the canal and produce an acceptably high quality development to make this stretch a showpiece from the regeneration of the canal within the City of Hereford. Without this development the restoration of the canal within the city will be severely delayed as it is unlikely that the Council will fund the necessary 1.2 million to secure the restoration of the site. The development will also provide for long term maintenance and management income to ensure the Canal Trust can maintain and manage the canal within this site, the section within Aylestone Park and the tunnel adjoining the site.

The applicants have made a clear attempt to retain existing businesses on site through offering an option lease agreement for new units. The square footage for employment space remains the same in the new development as the existing with a considerable reduction in retail space compared to that applying to existing consents. It is only with the residential element that the redevelopment of the canal is viable. The scheme makes the most of the canal corridor and seeks to fully integrate the restored canal into the scheme. The residential element provides clear overlooking of the canal corridor achieving an element of security and self policing to ensure a high quality built environment is maintained.

The canal will provide a significant drainage resource for the ESG site and this development will see a significant section of the required canal restored and made available for drainage at no cost to ESG or the Council. In addition, the new employment space on the site that has not been taken by existing tenants has been offered to ESG for their use in the relocation of tenants.

In conclusion, we must strongly support the application subject to completion of a tripartite Section 106 Agreement. This will be a showpiece of what can be achieved when public, private and voluntary sectors work together to create an economic tourism and leisure resource for the whole county. The Agreement should clearly outline the specification for the restoration to include stone facing to the retaining walls and appropriate lighting, annual index linked payments from all proposed residential and business units towards the future maintenance and management of the canal and the de-silting of the canal tunnel along with its freehold transfer to the Trust. The Trust cannot accept the canal without these works being undertaken.

5.4 Sixteen letters of objection have been received largely from existing businesses on site, The main points raised are:

- Approval of the development will lead to closure of our business and subsequent loss of jobs also affecting other businesses in the supply chain.
- Cannot afford the likely rent in the new business units.
- There is already a lack of suitable business units and sites north of the river within the city. It will be difficult to find another appropriate site to relocate if we are displaced from the site at significant financial costs and with no compensation paid.
- The proposed business units all being two storey are totally unsuitable for many of the business needs of existing businesses on site.

- Although the estate is lacking in investment in recent years, businesses operate as a consortium and help provide small business units which are the life blood of the county's economy.
- The three storey town houses will directly overlook neighbouring properties and their gardens, particularly now existing vegetation and trees have been removed alongside the route of the canal.
- The location of the proposed footbridge may result in the congregation of antisocial behaviour.
- One of Herefordshire Council's statements is "Putting People First Providing For the Communities". However this application will not take account of this statement.
- A number of businesses have recently expanded to larger units on the site at considerable expense.
- Adequate parking for staff and customers is currently available and this will not be the case with the proposed development.
- The site has been designated as an employment site since the Victoria Tile Works manufactured there in 1878.
- The mixed use redevelopment will further reduce employment land north of the river which will be at a premium with the Edgar Street Grid plans.
- The proposed development site will largely be catering for bigger business with more capital to spend pushing small family run businesses out of the county.
- The proposed development will lead to an overall increase in traffic which is already a problem in the locality.
- The site is heavily contaminated from historic and more recent uses including cement asbestos, radio active material, oils, battery acid and remnants of the tile works.
- We have a definitive right of access through the site regularly used by large HGV's which must be safeguarded.
- The introduction of housing next to the established and proposed industrial units which operate 24 hours a day could generate noise complaints for employers, a reasonable separation distance needs to be maintained between residential and commercial uses.

Subsequent to negotiations between the applicants and the businesses, four businesses have now formally withdrawn their objections as they have been offered units as part of the redevelopment or found sites for re-location. These being Franks Luxury Biscuits, J. Mayo-Evans & Son, The Patio Centre and Hereco Art and Office Supplies. Blue line Taxis have also written stating they employ 15 staff with over 120 drivers and confirm their desire to stay on site in a new unit subject to terms being agreed. An e-mail from Lord Kitcheners stating they have spent £80,000 on taking a new unit two years ago on a short term lease but have not been formally offered a new unit on the development.

The full text of these letters can be inspected at Central Planning Services, Garrick House, Widemarsh Street, Hereford and prior to the Sub-Committee meeting.

6. Officer's Appraisal

- 6.1 The proposal is for mixed-use redevelopment of this brownfield employment site to create new B1, B2 and B8 floor space, new retail units and 115 residential units along with the construction of a new vehicular access and restoration of the section of the canal adjoining the site. The proposed development is complex, both in terms of constraints arising from the existing site and the nature and mix of uses comprising the

proposed development. The following issues are considered to be the key considerations in the assessment of the application.

1. Economic Development Considerations
2. Highway Issues
3. Environmental Considerations (Contamination and Noise)
4. Illustrative Layout and Amenity
5. Restoration of Herefordshire and Gloucestershire Canal
6. Other Matters including S106
7. Conclusion

Economic Development Considerations

- 6.2 The site is identified within the Herefordshire Unitary Development Plan 2007 (UDP) as a safeguarded employment site. Policy E5 of the UDP states that proposals which result in the loss of existing, permitted or proposed employment land and buildings to non-employment uses will only be permitted where:
- i. There will be substantial benefits to residential or other amenity in allowing alternative forms of development, and the site or premises concerned can be shown to be unsuitable for other employment uses including consideration of mitigation measures. Where such proposals are permitted, an alternative site should be found for the relocation of any existing businesses, or
 - ii. In the case of proposals incorporating elements of retail use, this is restricted to a minor or incidental activity associated with an otherwise acceptable Part B or other employment generating use.
- 6.3 Excluding the land occupied by the canal, 40% of the site is proposed to be redeveloped with non-employment uses, namely residential. Therefore, as a matter of fact the development will lead to the loss of safeguarded employment land. There may be minor benefits for the amenity of local residents arising from the removal of existing industrial activities away from localised housing although the existing activities on the site have not historically caused complaints to be made to extent that any statutory nuisance has been demonstrated. In terms of other amenity considerations, there will clearly be a visual enhancement of the site with the restoration of the canal and construction of a high quality mixed use development. However, it is not considered that the proposed mixed use development would provide sufficient benefits to residential or other amenity justifying the non employment development of the site.
- 6.4 The site is also not considered unsuitable for employment purposes. A number of the existing buildings on site whilst remaining structurally sound, are in relatively poor condition and are coming to the end of their useful commercial life. The application is accompanied by a structural engineer's report, which provides an overview of the condition of the buildings. The conclusion of the report is that "all the buildings are well beyond their economic useful life, with the exception of two modern buildings, few appear to have useful or reasonable improvement potential." The conclusions of this report are not disputed although the fact that the buildings are all still used for employment purposes would suggest that a viable employment use can be maintained providing they remain structural. However, the applicant also advises that they are now experiencing increasing difficulties gaining insurance for the buildings and site as a whole due to the quality, condition and security of the buildings. Notwithstanding

these issues, it is recognised that the majority of the buildings and site would benefit from investment to create modern, fit for purpose employment units.

- 6.5 The third part of Policy E5 relates to businesses being relocated to alternative sites. This is discussed in more detail at paragraph 6.10-6.12. Therefore, the site will result in the loss of employment land, there are no significant benefits to residential or other amenity arising from the proposal and the site is not unsuitable for employment purposes either in its present or redeveloped form. The proposed development does not therefore accord with the requirements of Policy E5, which seeks to safeguard established employment sites. It now falls to consider the other employment considerations.
- 6.6 In terms of employment land supply, the Inspector's report following the UDP Inquiry identified that there was an over supply of employment land across the city and county as a whole. Therefore in purely quantitative terms, taken across the county and based on figures contained in the Council's annual economic monitoring report, there is no need to safeguard the site in its entirety for employment purposes. However, whilst there may be adequate provision of land over the lifetime of the UDP, there are issues in the city regarding the quality and deliverability of some of the employment land. For example, much of the largest allocation in the city within the Rotherwas area is currently restricted by flooding and therefore until the flood risk is removed or mitigated, much of the land in Rotherwas cannot be developed. Furthermore, there is a general shortage of accessible employment land north of the river within the city although if the search area is extended, Moreton-on-Lugg Business Park contains large areas of undeveloped safeguarded employment land albeit restricted to light industrial and storage (B1 and B8).
- 6.7 The development plan including the Regional Spatial Strategy seeks to ensure that sufficient employment land and buildings are available to meet differing employment needs in location, size, quality and ownership. As of June 2008, there exists 140,000 sq ft (13,000 sq M) of Industrial Units and 68,400 sq ft (6354 sq M) of office space vacant within Hereford City located north of the River Wye. This amounts to 1.935 ha of vacant units and office space. In addition, a further 1.74 ha of vacant employment land at Faraday Road. These figures may appear reasonably high and ordinarily, this amount of floorspace/land is likely to be adequate for the lifetime of the UDP. However, it is estimated that around 4 hectares of employment land will be required for re-location of businesses from the Edgar Street Grid (ESG). The majority of these business wish to remain as close as possible to the city centre and their existing sites, i.e. north of the river but within the city. Notwithstanding the over supply of employment land generally, there is still therefore a need for employment land and floorspace within this part of the city. This conclusion was also reinforced by an appeal on Faraday Road in May 2007 where the Inspector concluded that the undeveloped employment land should be safeguarded, notwithstanding that adequate supply of land existed overall, and its development would be contrary to Policy E5 of the UDP. Notably, however, the Inspector did not consider that site was essential to the deliverability of ESG.
- 6.8 The development is therefore contrary to policy E5 of the UDP and additional employment land/floorspace is/will be required over the next five years or so. Therefore to enable the principle of a mixed use development to be established, the viability of the site being developed entirely for employment purposes must firstly be considered. The applicants have provided information including details of construction costs prepared by a quantity surveyor to demonstrate that the development of the site

for a mixed use incorporating residential is the only viable option. Figures have been provided for the costs associated with the development of the site entirely for employment purposes and the associated likely profit margins. It is accepted based on the information provided that the site is subject to a number of development constraints which will significantly increase the construction costs, namely high levels of contamination, the works associated to renovate the canal, new access arrangements and poor ground stability necessitating piling works throughout the site.

- 6.9 The likely rental yields from the employment floor space have been confirmed as being accurate but the construction cost figures have not been independently scrutinised. Based on the information provided, the re-development of the site for employment including the canal and new access works would make a loss of 3.8 million. However, figures have been provided on the basis that the restoration of the canal is undertaken with both options. It is questionable whether the canal would be an essential element of the development if the site were redeveloped entirely for employment purposes. This may well affect the viability of an alternative proposal particularly if there were a further increase in the B1 floorspace, which is achievable. Even revising the figures in this manner, the re-development for employment purposes is likely to be at best, marginally profitable. Therefore, on the basis of the information provided and without the benefit of an independent assessment, the full re-development of the site for employment purposes is unlikely to be viable and therefore the need for residential development, in viability terms is accepted.
- 6.10 In terms of the impact on existing businesses, at the time of the submission of the application, the site accommodated 39 businesses covering a multitude of uses and services including those associated with the vehicle trade (car sales, dismantling, scrap, repair, tyre sales, MoT centres, taxi services), food operations (biscuit manufacturing, site café and food distribution), general storage uses, general manufacturing including carpentry and steel fabrication and retail sales such as sofas, kitchen and bathroom equipment and office supplies. Since the submission of the application in May 2007, the number of businesses on site has fluctuated significantly from 39 down to 26 and as of July 2008, presently 33 businesses occupy units on the site. More specifically, since submission of the application, 13 businesses have found alternative premises and have now vacated the site with 7 new business taking up units on short term tenancies. All existing tenants are on six or twelve month rolling tenancies and most are paying considerably below current market rates. The agent also advises that the fuel bills for some units may soon be greater than some of the rental charges partly due to the inefficiency of the buildings.
- 6.11 As detailed in the introduction, 10 have confirmed a commitment to remain on site in the new units and 4 others have been offered provisional terms for new units but have not taken up the offer to date. This leaves up to 19 businesses. The applicant advises that some of these business could be retained on site but have expressed a desire to re-locate elsewhere and the applicants have sourced possible sites at Rotherwas for two other businesses and two are even considering retiring. They also advise that several of the business that may have to re-locate are not objecting, some have already found alternative premises but are awaiting the outcome of this application. One (The Patio Centre) who originally objected has subsequently withdrawn their objection notwithstanding that they will have to re-locate.
- 6.12 Of the 14 businesses (equating to at least 55 jobs) that have expressed a wish to remain on site, 10 have now signed heads of terms for tenancy agreements with the Section 106 also requiring rents to be frozen at the current low rates for 3 years and in

some instances, bespoke designed units to accommodate their specific business requirements. The applicants advise that similar opportunities exist for up to 5 other businesses but nothing has yet been agreed. The head of terms are clear and legally binding commitment by the applicants to accommodate as many existing businesses as possible on the new development and negotiations are ongoing to accommodate the needs of other existing businesses. There are however, several business (at least 5) that cannot be accommodated on the new development even if they wished to remain due to the nature of use and amount of land occupied. In pure floor area terms north of the city alone, sufficient vacant units/floorspace exist but of course the floorspace may not be suitable or viable for all their business needs. Others such as car sales require larger areas of land but little floorspace and it is acknowledged that there are no readily available sites without planning restrictions for this type of use at present

- 6.13 Therefore, notwithstanding the efforts made by the applicants, there are still businesses that would be displaced by the proposal with the potential for a loss of jobs. However, this situation would obviously exist regardless of the format of any re-development. The purpose of the employment policies within the UDP is ultimately to safeguard but also create new employment opportunities. The new floorspace to be created would create more jobs due partly to the increase in B1 floorspace and the more efficient use of the site. In quantum terms, based upon local employment densities, it is estimated that between 200 and 210 jobs will be retained and created on site. This is a significant increase over the existing and historical situation on site.
- 6.14 As it currently stands based on the number of business presently to be accommodated within the new units if permission is approved, around 4,000 sq. metres (43,000 sq. ft) of new employment floor space would be available for rent or purchase. To assist in the pressures arising from business displaced from ESG the applicants are also offering as much of the surplus floor space as is required to ESG. This would be incorporated into a Section 106 Agreement including a period of exclusivity for ESG business, the phasing of construction and fixed rental levels for up to three years. This is a significant contribution and would assist in the deliverability of the elements of ESG.
- 6.15 There is an increase in the overall floor space proposed compared with the existing situation. This is largely achieved by a higher density of development with all the new buildings being in two storey form. A number of objectors have expressed concerns regarding the format of the new floor space with it all proposed to be in two storey form. To address the concerns of business to be retained on site, units are being designed to their specific needs including the provision of lift access where necessary. The proposed units will also be of varying sizes and available for lease or freehold purchase providing flexibility in terms of their format, tenure and affordability to meet the needs of a diverse economy.
- 6.16 In terms of the retail provision, planning permission was granted in the mid 80's for non-food retail floor space. However, the existing situation on site exceeds that which is permitted by the 1980's permissions. To address this the retail provision now proposed as part of this development is less than currently exists on site. A small increase (100 sq metres) in the bulky goods retail has recently been introduced to fully accommodate the needs of an existing business on site. An overall reduction in the retail floor space on site is welcomed as the Council would generally be seeking the site to be safeguarded for B1, B2 and B8 uses with any retail being directed to city centre or other allocated bulky goods out of centre locations.

- 6.17 More specifically, the retail provision proposed as part of the development is essentially to accommodate two existing retail businesses on site, one being Holmer Suite Centre. In addition, a local convenience store is proposed to serve the site and the wider community (200 sq.m.). A brief retail assessment has been provided to establish the need and impact of providing a convenience store on site. Whilst the northern part of Hereford City is generally well provided for with local shopping centres and convenience stores, no such provision exists in the locality and therefore there is considered to be scope for a small convenience store, particularly given the increase in localised population arising from this development, developments at the Blind College and the development to the north of Roman Road. As such the principle of the convenience store of the size proposed is also accepted.
- 6.18 Overall the employment considerations are finely balanced. The conclusions on which are detailed at para 6.38.

Highway Issues

- 6.19 The highway network in the immediate locality of the site is generally substandard both in terms of the access into the site and restrictions arising from the nearby bridge over the railway line. A detailed Traffic Assessment has been provided to look at a number of options and the final access design has now been agreed with the Traffic Manager. The final design proposes the construction of a new vehicular access into the site via a new roundabout on College Road. To facilitate this, a section of College Road between the bridge and south of the site is to be straightened and widened to create clear visibility for the roundabout. In addition, traffic signals are proposed on College Road and into the site to assist in the operation of the roundabout and to restrict vehicular traffic over the bridge to one way. This then enables the construction of a new footway from the site over the bridge to connect to the existing footways to the north. A new pedestrian/cycle toucan crossing will also be provided on College Road south of the new roundabout. This will address the concerns of the Public Rights of Way Officer and ensure a safe crossing for pedestrians and cyclists travelling to and from Aylestone Park. A footbridge across the canal is also proposed to link the site with the wider cycle network. New traffic lights would be programmed into existing traffic lights on the College Road/Venns Lane junction to ensure there is no backup of traffic.
- 6.20 The final design is considered to be the safest option for vehicles, pedestrians and cyclists to facilitate not only the provision of safe access into the site but significant highway improvements along College Road. Section 106 contributions towards additional highway works including possible improvements to the College Road/Venns Lane junction have also been agreed.
- 6.21 The traffic assessment provided also examines capacity of the local highway network to accommodate the likely increase in vehicular movements associated with the development. The development being an established employment site already generates a high level of vehicle movements and the additional development will inevitably increase trip rates to and from the site. The traffic assessment looks at the impact of the development alongside other permitted or proposed developments including 300 houses north of Roman Road and developments at the Blind College and the Traffic Manager is satisfied that the local highway network has capacity with the improvements proposed to accommodate the development.

6.22 Parking provision to serve both the residential and the employment has been increased to achieve an average of 1.4 spaces for the residential element, some of which will be provided through under ground parking. This is considered acceptable, particularly given the majority of the units are two bedroom properties and is in line with Policy H16 of the Unitary Development Plan which sets a maximum provision of 1.5 spaces per dwelling with no minimum provision. Secure cycle and mobility buggy parking could also be achieved by condition. Additional Section 106 contributions will be sought to facilitate further off-site pedestrian and cycle links in the locality to increase the accessibility and sustainability of the site. The Traffic Manager is also satisfied that the parking provision associated with employment units is acceptable and in line with the guidance in Herefordshire Council's Highway Design Guide. If permission is approved, the applicants are also proposing two travel plans associated with the business and residential elements to further encourage alternative modes of transport and minimise general vehicular use. In general, the access design and other highway issues are now considered acceptable.

Environmental Considerations (Contamination & Noise)

- 6.23 A Geo-technical Survey has been carried out which has revealed that parts of the site are highly contaminated. In particular, the canal itself contains high levels of lead and high levels of hydrocarbons have been found elsewhere. Further survey work has been undertaken and the Environmental Health (Pollution) Officer is now satisfied that any risks can be mitigated through appropriate conditions. In the interests of waste minimisation, the applicants are proposing to utilise some of the less hazardous material in the construction process under the less sensitive areas such as roads and parking areas. Overall, the risk from contaminants within the site has been satisfactorily evaluated and is considered acceptable.
- 6.24 A detailed acoustic report has also been carried out to establish the potential impact of existing sources of noise arising from the railway line, localised businesses adjoining the site and road traffic noise on the proposed new development. Predicated noise levels have also been provided for the proposed business units along with the likely impact of existing and proposed noise sources on the amenity of future occupants of the proposed residential development.
- 6.25 Based on the illustrative masterplan, the noisier activities are all located adjacent to the railway line with the residential element located along the southern boundary closest to existing residential development at Wessington Drive. The plans have been further amended to remove all proposed residential development away from the existing business (Cavanaghs) in favour of further B1 floorspace. The proximity of the residential development to commercial uses as identified on the illustrative masterplan is a minor concern but the format of the proposed development and mix of uses is not uncommon with modern mixed use developments. Furthermore, it is possible to attenuate against noise in the design and construction of the buildings and impose enforceable conditions given the proposal is for a complete re-development. The Environmental Health Manager is satisfied that subject to conditions regarding the appropriate design of residential and business units and controls over hours of operation, noise emissions delivery times etc. the impact of any noise can be satisfactorily mitigated and controlled.

Illustrative Layout and Amenity.

- 6.26 A masterplan has been provided which illustrates the possible layout of the site. Whilst this is for illustrative purposes only, it gives a relatively clear indication as to how the site could be developed and compatibility of the different land uses. The development proposes a single point of access off College Road serving employment and retail units along the northern boundary adjoining the railway line leading through to existing industrial units beyond (Cavanaghs) with residential to the south adjoining the canal. A relatively strong frontage is proposed along the canal with a mixture of three and four storey height and varying massing and designs. Parking is generally in the form of parking courts or undercroft parking with some on plot parking to serve the four bedroom units. No residential is proposed adjoining existing employment sites and the noisier B2 uses are located in the northeast corner of the site furthest away from proposed residential development. With the exception of the canal, little public open space and no play or sports provision is proposed within the development. This is acceptable in principle subject to appropriate off-site provision secured through a Section 106 Agreement particularly as the site adjoins Aylestone Park where such facilities will be available. Scope nevertheless exists for some soft landscaping and this is also illustrated on the masterplan.
- 6.27 The principal elevations of the proposed high density residential along the southern boundary with the canal will have an outlook in a southerly direction across to Wessington Drive. This will inevitably increase the extent of overlooking of existing properties and their gardens. This impact was minimal until recently when all of the existing trees and vegetation adjoining the southern boundary of the site were removed/cut back. The result of which is that the site is now more exposed than previously was the case. It is therefore understandable that local residents have concerns about the development and the resultant loss of privacy. However, based on the illustrative masterplan, a distance of 46 metres exists between the proposed development and existing dwellings, which significantly exceeds the generally accepted minimum property-to-property standards of 21 metres. The proposed three/four storey height of the development will clearly exacerbate the degree of overlooking but it is not considered that the impact is sufficient to warrant refusal of the application on these grounds.
- 6.28 Although the development is high density, the layout illustrated on the masterplan would result in a high quality environment facilitating both the residential and commercial uses to coincide and achieve a successful mixed use development. This is subject to a high quality design being achieved as advocated by Planning Policy Statements one and three.

Restoration of the Canal

- 6.29 Running along the entire southern boundary of the site is the former Herefordshire and Gloucestershire Canal, which is safeguarded by virtue of Policy RST9 of the Unitary Development Plan. The proposal includes the restoration of the canal including removal of the contaminated waste which has been deposited within the canal and its full restoration to enable its future use possibly even as a navigatable resource in the future. The applicant will also undertake ancillary works including a canal towpath both sides and natural stone faced retaining walls. This would then be transferred freehold to the canal trust upon completion of the works. The applicants also own the adjoining section of the canal tunnel running from under College Road through to Old School Lane and this also is proposed to be transferred freehold to Herefordshire and

Gloucestershire Canal Trust if the development is permitted. There are considerable costs associated with the restoration of the canal due to the quantity of material that will need to be removed and the fact that much of it is contaminated. Financial information has been provided which identifies the cost of excavation and restoration of the canal including construction of a new footbridge across the canal is around £1.4 million.

- 6.30 The strategic aim for the canal trust is to restore the entire section from Hereford to Gloucester. Some sections have already been restored. This is undoubtedly a significant recreation, tourism and economic asset for the city creating wider regeneration benefits for the county as whole. The canal basin is also an integral part of the ESG providing a focal point for the development of the urban village. This development will facilitate the restoration of possibly the most costly section of the canal throughout the whole city creating the catalyst for the restoration for remaining sections. It is unlikely that this section of canal will be restored unless funded on the back of a development incorporating an element of residential. The canal will also provide an attractive waterside feature for occupants of future properties and generally enhance the local environment. The section of canal will also link into the recently excavated section within Aylestone Park immediately east of the site with proposed new pedestrian and cycle links to run alongside and linking to Aylestone Park.
- 6.31 The canal is considered to be an essential component of a mixed-use development of the site. The canal may also be required as part of the wider drainage strategy for the development of the Edgar Street Grid to enable sufficient sustainable urban drainage discharge capacity. However, the development of this drainage strategy is in its infancy and it is not clear to what extent the canal will be required for this purpose therefore it cannot be stated that this is essential. The restoration of the canal is nevertheless a positive outcome of the development to which appropriate weight must be attributed when determining this proposal.

Other Matters including S106

- 6.32 The proposal comprises 115 residential units comprising 18 one beds, 68 two beds, 5 three bed duplex apartments, 16 four bed town houses and 8 four bed town houses with garages. The mix of house sizes reflects the high density nature of the development but the mix is considered acceptable, particularly as the majority are two bedroom or larger thereby meeting the needs of couples or small families as well as single people.
- 6.33 35% of the total number of residential units will be affordable with a tenure mix of 50% rented and 50% shared ownership. Strategic Housing would normally seek a higher percentage of rented accommodation and this was the original request. However, due to the high development costs, it is considered that a 50/50 split is a reasonable mix and will achieve a sustainable residential community whilst also meeting an identified need for affordable housing. The development will also make a significant contribution to the brownfield windfall housing targets within the UDP over the Plan period up until 2011.
- 6.34 The site falls within Flood Zone 1, this being the lowest category of risk. The Environment Agency raises no objection and is furthermore satisfied that conditions can be imposed to ensure the development does not increase flood risk elsewhere due to surface water discharge. Welsh Water have confirmed that foul drainage capacity exists.

- 6.35 An Ecological Survey has been undertaken to establish the biodiversity interest on site. Surveys for protected species, in particular reptiles and bats have also been undertaken last year with refresher surveys April and May this year. The outcome of the further survey work has been evaluated by the Council's ecologist who is satisfied that the ecological interest of the site can be satisfactorily mitigated. There is also scope for biodiversity enhancement through the restored section of canal and within adjoining land at Aylestone Park and the Section 106 Heads of Terms includes a contribution towards such works and planting to compensate for any loss of biodiversity as a result of the development.
- 6.36 Although the application was submitted in May 2007, given the passage of time since submission and the recent adoption of the Supplementary Planning Document (SPD) on Planning Obligations, it is now considered appropriate to re-evaluate the impact of the development against the SPD. The S106 Heads of Terms appended to this report reflects the requirements of the SPD and the applicants have now agreed to the Heads of Terms.
- 6.37 The transportation contribution is based on the increase in trip rates arising when compared to the existing situation, the education contribution is based on an evaluation of capacity in the various categories of education from pre-school through to youth provision and the contribution towards off site play and sports facilities is assessed against the requirements of policy H19 of the UDP. Other contributions are in line with the requirements of the SPD or have been negotiated with the developer.
- 6.38 The applicants have also confirmed that the housing development will meet a minimum of Code Level 3 of the Code for Sustainable Homes. In addition, it is considered appropriate that the employment development achieves a higher environmental standard and therefore, this also will be required to satisfy a BREEAM standard of 'Very Good'. These measures will significantly increase the energy efficiency of the houses and employment units and assist in reducing the overall carbon footprint of the development. In terms of waste, the applicants are also to investigate measures to minimise waste both during construction and after occupation including on site recycling facilities to serve the residential and employment units. A site Waste Management Plan will also be required.

Conclusion

- 6.39 The development achieves a number of positive economic, residential, social and environmental benefits in line with the policies and objectives of the Unitary Development Plan and regional guidance within the Regional Spatial Strategy. The applicants have also gone to some lengths to address the key concerns from consultees with nearly all now having been resolved.
- 6.40 The proposal is nevertheless contrary to policy E5 of the UDP in that there would be a loss of safeguarded employment land north of the River Wye within the city where there is an increasing demand. This demand being further exacerbated over the next 3 years by displaced businesses from ESG. The development may also lead to a loss of some jobs as a result of existing businesses having to be relocated. The various components of this application must therefore be evaluated individually and collectively to assess whether, in this particular instance, there is justification to recommend approval of an application which is contrary to a specific adopted policy.

- 6.41 In this regard, the comments of the Economic Development Manager are particularly relevant. The conclusion being that the impact on existing business and loss of employment land is outweighed by the new employment floorspace that is created and resultant jobs including that which will be made available for displaced business off ESG and the benefits in restoring the canal.
- 6.42 Beyond this it is considered the needs of existing business have been accommodated by the applicants as far as possible through offering new units with rents frozen for three years at current rates. There would inevitably be some displacement of business with the consequential risk of a loss of jobs whether the site is developed entirely or in part for employment purposes. It is considered that this impact has been minimised subject to the re-location process within the site being appropriately phased and managed. The proposal will also create high quality business units of a bespoke design where required and modern flexible business units elsewhere. The provision for displaced business from ESG is also a material consideration in favour of the application. The quality and format of units that will be created would be unique to the city and potentially provide new employment opportunities particularly within the B1 use category which includes research, development and other high tech industries. The new floorspace and job creation will therefore offset the impact on existing business not remaining on site.
- 6.43 Alongside this are the wider regeneration benefits of restoring the canal and the subsequent linkages that could be formed between this site and ESG through the development of the canal basin. The abnormally high development costs are also accepted which effectively preclude the viability of developing the site entirely for employment purposes. With this in mind it is considered the right balance is achieved between employment and housing including the mix within each category and will create a mixed sustainable community as advocated by Planning Policy Statement 1.
- 6.44 The proposal will also deliver additional housing in a sustainable location creating additional employment opportunities potentially for occupants of the new development. 40 mixed tenure affordable units will also be created assisting in reducing the significant deficit in affordable housing across the city. There will also be significant localised highway improvements creating a safer environment for vehicles, cyclists and pedestrians. Further transportation, sport and recreation, education and general community infrastructure improvements will be delivered through the S106 contributions.
- 6.45 On balance, considering all the above and the unique constraints and opportunities arising from this site and proposal, notwithstanding the conflict with policy E5 of the UDP, the mixed use re-development of the site is supported.

RECOMMENDATION

That the Legal Practice Manager be authorised to complete a planning obligation under Section 106 of the Town and Country Planning Act in accordance with the Heads of Terms appended to this report and any additional matters and terms he considers appropriate.

Conditions

Due to the scale and complexity of the development, the wording of the conditions is yet to be discussed and agreed with the applicants. However, conditions will be included to cover the following:

- Standard outline conditions regarding the commencement and submission of reserved matters details
- Phasing of the development to ensure the majority of the employment floorspace is developed out in the earlier phases
- Access and internal road construction and parking
- A residential and commercial travel plan
- Off site highway works
- Tree surveys and protection
- Hard and soft landscaping including biodiversity enhancement and long term maintenance and management
- Foul and surface water drainage strategy
- Ground decontamination and remediation strategy
- Details of levels, boundary treatments, materials, lighting
- Waste/recycling management
- Restriction on the number of residential units to a maximum of 115 and a requirement for a minimum amount of employment floorspace within each use category
- Restriction on construction times
- Restriction of hours of use and delivery/collection times for new employment floorspace
- Noise attenuation measures within the design and construction of the commercial floorspace
- Environmental and construction standards for the residential (Code for Sustainable Homes assessment) and commercial (BREEAM assessment)
- Removal of permitted development rights for the residential and business units

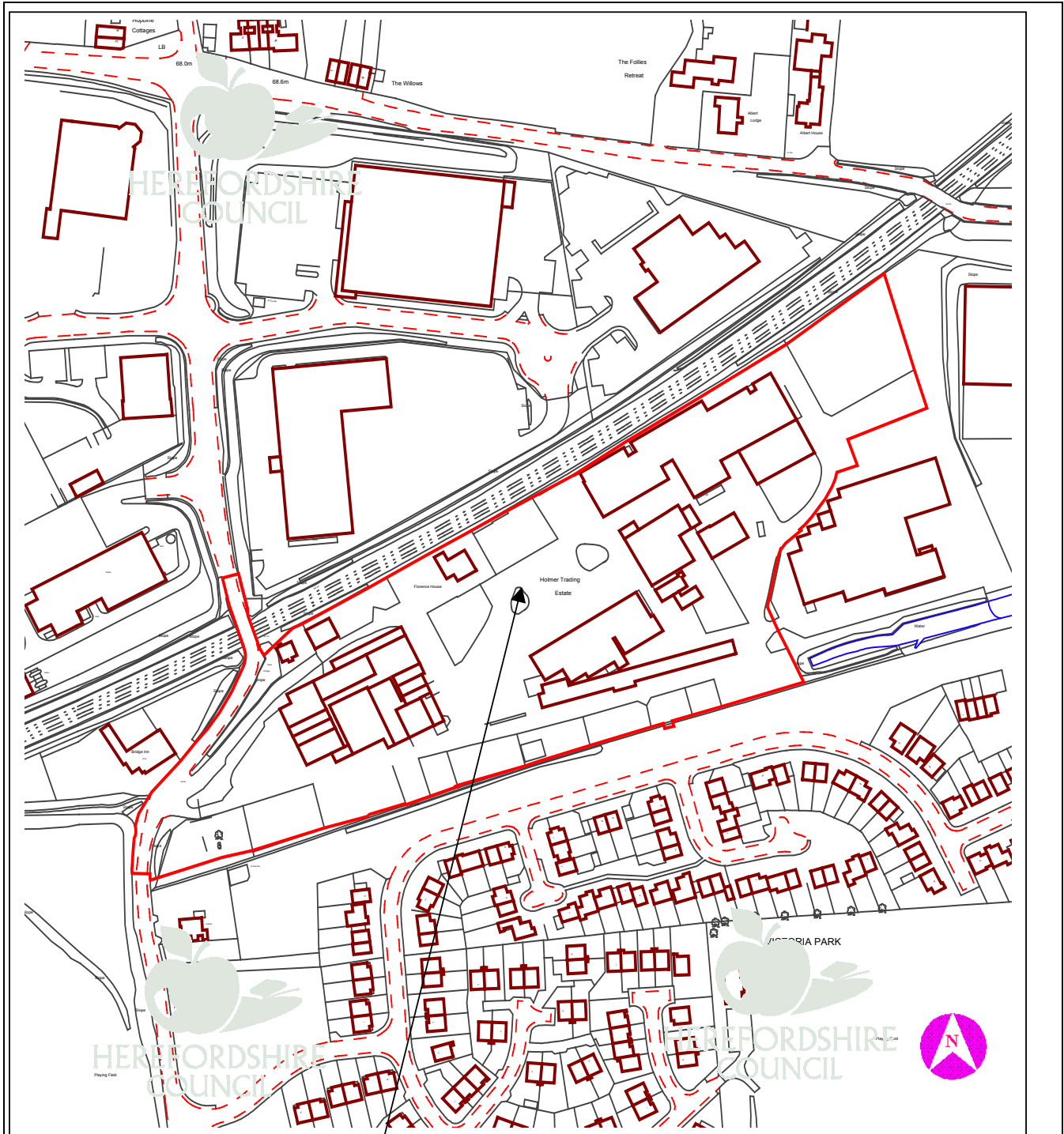
Decision:

Notes:

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Background Papers

Internal departmental consultation replies.



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APPLICATION NO: DCCE2007/1655/O

SCALE : 1 : 2500

SITE ADDRESS : Holmer Trading Estate, College Road, Hereford, HR1 1JS

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HEADS OF TERMS
Section 106 Town and Country Planning Act 1990

Planning Application – DCCE2007/1655/O

This Heads of Terms has been re-assessed against the adopted Supplementary Planning Document on Planning Obligations dated 1st April 2008

Mixed use development comprising 115 residential units incorporating 35% affordable (18 one beds, 68 two beds, 5 three beds apartments & 24 4 bed houses) B1 office 2235sq. M, B2 general industrial 2538 sq M, B8 Storage units 2538 sq M, comparison and convenience retail 760 sq. M.

At Holmer Trading Estate, College Road, Hereford.

1. The developer covenants with Herefordshire Council, in lieu of a deficit in the provision of play, sport and recreation facilities on site to serve the development to pay Herefordshire Council the sum of £140,976 (contribution based around the requirements of policy H19 of the UDP). The money shall be used by Herefordshire Council for further play, sport and recreational facilities at Aylestone Park. An additional contribution to cover the 15 year maintenance cost of any on and off site open space, play sport and recreation facilities will be required.
2. The developer covenants with Herefordshire Council to pay Herefordshire Council the sum of £155,316 to provide enhanced educational infrastructure at North Hereford City Early Years, St Xavier's Primary School, Hereford City Youth Service and Barrs Court Special School (excludes the other local primary and secondary schools at Brodlands and Aylestone where capacity exists)
3. The developer covenants with Herefordshire Council, to pay Herefordshire Council the sum of £125,695 for off site highway works and improved sustainable transport infrastructure (excluding that required to facilitate the development i.e. reduction in speed limits and the associated costs, new access arrangements, new toucan crossing, new canal bridge).
4. The monies shall be used by Herefordshire Council at its option for any or all of the following purposes:
 - a) Traffic calming and improved signage
 - b) Traffic Regulations Order(s) to reduce speed limits and impose localised parking restrictions
 - c) Localised junction improvements
 - d) North Hereford Park and Ride
 - e) Contribution to improved bus service
 - f) Contribution to Safe Routes for Schools
 - g) Improved bus shelters/stops in the locality of the application site
 - h) Improve lighting to highway routes leading to the site
 - i) Improved pedestrian and cyclist connectivity with the site
 - j) Improved pedestrian and cyclist crossing facilities

5. The developer covenants with Herefordshire Council to pay Herefordshire Council 0.1% of the gross development costs (excluding land values) or £20,000, whichever is the greater to enable the provision of public art both on and off site OR the agreement of a strategy to facilitate the delivery of public art on and off site at no cost to the Council including the cost of 15 years maintenance.
6. The developer covenants with Herefordshire Council and Herefordshire and Gloucestershire Canal Trust to enable the full de-contamination and restoration of the section of the Herefordshire and Gloucestershire Canal which adjoins the length of the application site at no cost to the Council or Canal trust in accordance with a specification to agreed with the Council and Canal Trust. The works to be phased in accordance with a phasing programme to be agreed with the Council and transferred at no charge to the Canal Trust following completion of the works. The transfer shall include the adjoining canal tunnel. In addition, an annual maintenance charge shall be applied to all dwellings (excluding the affordable) and business premises within the site. The charge shall be £250 per dwelling and a contribution per business unit to be agreed with the Council per annum in perpetuity paid to the Canal Trust to be used toward the cost of future maintenance and management of the canal within Hereford City.
7. The developer covenants with Herefordshire Council to pay Herefordshire Council the sum of £30,000 towards the cost of constructing a new skatepark facility in Hereford City (north).
8. The developer covenants with Herefordshire Council to pay Herefordshire Council the sum of £15,000 towards the cost of improvements to localised biodiversity to compensate for the loss of biodiversity on site. The money to be used at Aylestone Park in the first instance or other areas in the locality of the application site.
9. The developer covenants with Herefordshire Council to pay Herefordshire Council the sum of £13,132 towards the enhancement of existing community services in Hereford City.
10. The developer covenants with Herefordshire Council to pay Herefordshire Council the sum of £9,720 towards the provision of new or the enhancement of existing waste and recycling facilities in Hereford City (if appropriate provision/facilities are not provided on site)
11. The developer covenants with Herefordshire Council to pay Herefordshire Council an additional administration charge of 2% of the total contributions detailed in this Heads of Terms to be used toward the cost of monitoring and enforcing the Section 106 Agreement.
12. In the event that Herefordshire Council does not for any reason use the said sum of Clauses 1, 2, 3, 5, 7, 8, 9 and 10 for the purposes specified in the agreement within 10 years of the date of this agreement, and unless otherwise agreed in writing with the Council, the Council shall repay to the developer the said sum or such part thereof, which has not been used by Herefordshire Council.
13. A minimum of 35% of the total number of residential units shall be "Affordable Housing" which meets the criteria set out in Section 5.5 of the Unitary Development Plan for Herefordshire (Revised Deposit Draft) and related policy H9 or any statutory replacement of those criteria and that policy including the Supplementary Planning Document on Planning Obligations. 50% of the total affordable shall be made available for rent and 50% shall be made available for shared ownership occupation. None of the Affordable Housing shall be occupied unless Herefordshire Council has given its written agreement to the means of securing the status and use of these units as Affordable Housing. All the affordable housing units shall be completed and made available for occupation prior to the occupation of more than 50% of the general market housing or in accordance with a phasing programme to be agreed in writing with Herefordshire Council.
14. All of the financial contributions shall be Index linked and paid on or before commencement of the development or in accordance with the phasing of the development as agreed in writing with Herefordshire Council.

15. The developer shall pay to the Council on or before the completion of the Agreement, the reasonable legal costs incurred by Herefordshire Council in connection with the preparation and completion of the Agreement.
16. The Section 106 Agreement shall also safeguard the existing business that are to remain on site to include the approximate location of the units, the phasing of their construction, the size and format of the units and the tenure and rents where applicable. The agreed rents shall be fixed for a period of 3 years from the date of occupation.
17. A proportion or all of the approved surplus commercial floorspace shall be made available to business displaced from Edgar Street Grid for a fixed period to be agreed with the Council. The approximate location, quantum of floorspace within each use class, phasing of construction, tenure and rents where applicable shall also be incorporated into the S106 Agreement.

Russell Pryce - Principal Planning Officer
24 July 2008