

ITEM 5.01

4/03763/14/MFA - CHANGE OF USE OF FOUR LONG TERM VACANT RETAIL UNITS AT PODIUM LEVEL OF BLOCKS C AND D TO A TOTAL OF 15 ONE AND TWO BEDROOM CLASS C3 APARTMENTS.

IMAGE DEVELOPMENT, LEIGHTON BUZZARD ROAD, HEMEL HEMPSTEAD.

APPLICANT: Spectrum (Hemel Hempstead) Ltd.

[Case Officer - Andrew Parrish]

Background

The application was considered at the Development Control Committee of 28th May 2015 where the Committee resolved to defer making a decision on the application to await further information from the applicant regarding the marketing of the units, the offer price of the floorspace and the prospects of attracting retail tenants in this location. Information was also sought on the precise location of the car parking spaces for the proposed residential units.

Members should consider the updated information below together with the previous committee report from the 28th May 2015 meeting.

Further submitted information from applicant

The following additional information has been submitted:

1. A letter from Lambert Smith Hampton (see Appendix 1) which reiterates the principal challenges related to letting the units alongside confirmation of the price per sq ft being sought and how this compares with lettings secured in the main town centre over the same period. It demonstrates that whilst the podium units have been marketed based on a rent which is discounted compared with the core town centre, they have remained vacant with little interest generated;
2. An additional letter from local commercial agency Brasier Freeth (see Appendix 2) which sets out their position regarding the attractiveness of the units on the podium from a local agency perspective;
3. Also attached are extracts of various email correspondence (see Appendix 3) over the marketing period which demonstrates the following:
 - (a) Invitations to high street names to attend a preview event for the units which are turned down;
 - (b) E-mails from the LSH agent expressing frustration at a potential deal falling through due to competition of Jarman Park;
 - (c) Interest from a pharmacy which fell away due to a rejected application to the relevant issuing body;
 - (d) Evidence of Hemel Hempstead not being an attractive location;
 - (e) Concerted efforts by the Applicant to secure lettings including responding to speculative applications placed by prospective tenants in the property press;
 - (f) Evidence of the units still being marketed in March 2015.

The applicant also makes some further comments as follows:

- It is noted that whilst the table in the committee report states 'lack of parking' as one of the key concerns of prospective retail tenants, this is not due to no car parking space being offered, as each unit is provided with spaces as per the original consent, but that tenants want more than one space which we cannot physically offer given the finite number of spaces delivered with the scheme. As a point of clarification, whilst the retail car parking spaces are currently occupied by other commercial tenants, this is only to ensure they do not sit idle whilst the units are vacant and are available for immediate use by any future retail tenant should the units be successfully let;
- The reference to "rent too high / fit-out-works too expensive" relates more to lack of finance by the prospective tenants than a comment on the market rate being asked;
- We have undertaken a pedestrian count of the podium vs. the main town centre with the results confirming the significant lack of footfall compared with the town centre. The results of this are included in the LSH letter (see Appendix 1).

Further Officer Considerations

The above further information from the applicant demonstrates the particular difficulties of finding tenants for these retail units in the Image development.

Footfall is particularly weak as demonstrated by the survey results from 2nd June 2015:

Podium

10 am - 11 am - 34 people

12 am - 1.30 pm - 177 people

Riverside

10 am - 11 am - 597 people

12 am - 1.30 pm - 1,492 people

The letters from LSH and Brazier Freeth reassert the difficulties of marketing the units to prospective tenants given the sub-optimal location, lack of car parking, poor servicing provision, poor physical exposure of the units, size of units too large, lack of funding for fit out, and competition from the recently refurbished Jarmans Park.

The rent of £16/ sq. ft is said to be competitively priced with the other incentives offered, when compared with retail premises taken up recently in the Marlowes and other areas (see table at Appendix 1). The quoting rents in the neighbouring Riverside shopping centre are in the region of £40 per sq. ft, indicating the competitiveness of the £16 quoting rent in the Galleries (Image development). The Council does not have any clear evidence to suggest that the price is unreasonably high. Certainly on this evidence it is not.

Whilst officers have received some informal advice (See Appendix 4) from retail consultants, Peter Brett Associates (who have been instructed in relation to other retail proposals before the Council - not this one), which suggested, from a quick desktop study (letting evidence from Focus) that the rent of £16 / sq. ft does (on the face of it) appear high, this view is guarded with the following comments:

"Reducing the rent further may attract tenants, although this may not guarantee a successful letting given the site is a poor retail location and has to compete with the

existing second-hand vacant retail space along Marlowes and Bridge Street. A quick look on Focus.co.uk shows there are around 21 units currently being advertised in these locations therefore the quantum of competition cannot be ignored. Furthermore reducing the rent to attract 'any tenant' may achieve an initial letting but may set the wrong tone to attract other tenants into the development.

Finally the developer may claim that they have a floor capital value (rent x yield) they need to achieve, letting the space to a poor covenant at a very low rent would be economically unviable to do so.

These are just are observations from our desktop look. So on the face of it, yes, the rent does look on the high side but there are other aspects to consider why the space has not let."

We have asked the applicants to comment with regards to the "floor capital value" and will report further, but based on the above, we would not recommend that the application be refused as PBA were not asked to do a full review of the application, just an initial view. There is for example no assessment of the quality of the space being offered, the location or specification. An example of this is Jarman Retail Park which shows two lettings, one achieving £11 per sq ft and one £30 per sq ft. A full assessment would be required as to why values vary to allow a reasonably informed view to be taken regarding this application, certainly in terms of rental values. In the above case, the £11 per sq ft relates to the gym, whereas the £30 per sq ft relates to Subway.

With regards to the precise location of the car parking spaces that would be offered to residential occupants, an annotated site plan from the extant approval 4/02013/13/FUL has been submitted which identifies the parking spaces which would be made available to the prospective occupants of the development. It should be noted that under suggested Condition 5 no unit can be occupied until evidence has been provided that they have been offered a car parking space within the scheme.

The s106 agreement is anticipated to be completed by the date of the committee meeting and the recommendation is worded accordingly.

RECOMMENDATION – That planning permission be **GRANTED** for the reasons referred to above and subject to the following conditions:

- 1 The development hereby permitted shall be begun before the expiration of three years from the date of this permission.**

Reason: To comply with the requirements of Section 91 (1) of the Town and Country Planning Act 1990 as amended by Section 51 (1) of the Planning and Compulsory Purchase Act 2004.

- 2 No development shall take place until details of the materials proposed to be used on the external walls of the development shall have been submitted to and approved in writing by the local planning authority. The approved materials shall be used in the implementation of the development.**

Reason: To ensure a satisfactory appearance to the development in accordance with Policy CS12 of the Dacorum Core Strategy (September 2013).

- 3 **No development shall take place until details of the following shall have been submitted to and approved in writing by the local planning authority:**

- **box planters;**
- **soft landscape works which shall include planting plans; written specifications (including cultivation and other operations associated with plant and grass establishment); schedules of plants, noting species, plant sizes and proposed numbers/densities where appropriate.**

The development shall be carried out in accordance with the approved details. The approved landscape works shall be carried out prior to the first occupation of the development hereby permitted. Any tree, shrub or plant which forms part of the approved landscaping scheme which within a period of five years from planting fails to become established, becomes seriously damaged or diseased, dies or for any reason is removed shall be replaced in the next planting season by a tree or shrub of a species, size and maturity to be approved by the local planning authority.

Reason: To ensure a satisfactory appearance to the development and to safeguard the visual character of the immediate area in accordance with Policies CS12 and CS13 of the Dacorum Core Strategy (September 2013) and Policy 100 of the Dacorum Borough Local Plan 1991-2011.

- 4 **No development shall take place until details of directional signage to the retail plaza on the podium level shall have been submitted to and approved in writing by the local planning authority. The approved signage shall be erected before occupation of the units.**

Reason: To assist the retention and attractiveness of the remaining podium retail units in the interests of ensuring the best chances for a vibrant and complementary mixed use development in accordance with the original intentions for the public square in compliance with Policy CS13.

- 5 **Each residential unit hereby approved shall not be occupied until the applicant has provided evidence to the local planning authority that a car parking space has been made available for the use of that residential unit, or if not, that the occupant(s) have turned down the offer of a car parking.**

Reason: To ensure the adequate and satisfactory provision of off-street vehicle parking facilities in accordance with Policy CS12 of the Dacorum Core Strategy September 2013 and saved Policy 58 of the Dacorum Borough Local Plan 1991-2011.

- 6 **The development hereby permitted shall be carried out in accordance**

with the approved Sustainability Statement contained within the Design and Access Statement and the separate Energy Statement.

Reason: To ensure the sustainable development of the site in accordance with Policies CS12 and CS29 of the Dacorum Borough Core Strategy (Sept 2013).

7 The development hereby permitted shall be carried out in accordance with the following recommendation of the Crime Prevention Officer:

- **The proposed flats will have their communal entrance off existing communal access doors. Therefore the visual and audible access control should be extended to the new flats.**
- **The flat entrance doors off the communal corridors should be to BS PAS 24:2012 (internal standard).**
- **If exterior windows are replaced on the conversion then they should be BS PAS 24:2012 and incorporate laminate glass as one of the panes of the double glazing.**

The measures above shall be provided before any part of the development is first brought into use and they shall thereafter be permanently retained.

Reason: To ensure the security of the site in accordance with Policy CS12 of the Dacorum Core Strategy (September 2013).

8 No development shall take place until a Construction Management Plan shall have been submitted to and approved in writing by the local planning authority. The statement shall provide for:

- **the parking of vehicles of site operatives, contractors and visitors;**
- **loading and unloading of plant and materials;**
- **storage of plant and materials used in constructing the development;**
- **timing and routes to be employed by construction vehicles;**
- **construction access arrangements;**
- **the erection and maintenance of security hoarding;**
- **wheel washing facilities;**
- **measures to control dust and dirt during construction;**

The details shall include a plan showing the proposed location of these areas. The approved statement shall be adhered to throughout the construction period.

Reason: To minimise danger, obstruction and inconvenience to users of the highway in accordance with saved Policy 51 of the Dacorum Borough Local Plan 1991-2011.

9 The development hereby permitted shall be carried out in accordance with the following approved plans:

LN29-DA-001 P1

LN29-DA-002 P3
LN29-DA-004 P4
LN29-DA-005 P4
LN29-DA-003 P3
146 FC
145 FC

Reason: For the avoidance of doubt and in the interests of proper planning.

Article 31 Statement

Planning permission has been granted for this proposal. The Council acted pro-actively through early engagement with the applicant at the pre-application stage and during the course of the application which lead to improvements to the scheme. The Council has therefore acted pro-actively in line with the requirements of the Framework (paragraphs 186 and 187) and in accordance with the Town and Country Planning (Development Management Procedure) (England) (Amendment No. 2) Order 2012.

Informative:

Before commencing the development the applicant shall contact Hertfordshire County Council Highways (0300 123 4047) to obtain i) their permission / requirements regarding access for vehicles involved in the construction of the development; ii) a condition survey of any adjacent highways which may be affected by construction vehicles together with an agreement with the highway authority that the developer will bear all costs in reinstating any damage to the highway.

Report considered by the Development Control Committee of 28/05/15

Summary

The application is recommended for approval. Despite extensive and robust marketing since 2010, the retail units remain vacant and unlet. This has resulted in the units detracting from the wider podium and public realm with boarded up frontages and the absence of day to day activity. Whilst the marketing of the units has taken place during one of the deepest downturns in recent history, it must nevertheless be recognised that there are significant and specific constraints to the attractiveness of the units in this case. In view of this, it is considered that it would be difficult to object to the current application to convert these vacant units to residential use. The introduction of apartments to the podium area will introduce active frontage to the space, helping to revitalise this public square. The proposal is considered acceptable in its design and layout. Adequate parking and access is available, the proposal would comply with sustainability principles and would mitigate the impacts of the development through provision of contributions to children's play area facilities nearby and cycle infrastructure links in the town centre.

Site Description

The application site comprises the podium level to Blocks C and D (Cranstone Lodge and Moorend Lodge) which form part of the Image development (former Kodak site) which is positioned between Leighton Buzzard Road to the east, Cotterells to the west and Station Road to the south. The site extends to 0.1 ha and comprises four long term vacant retail units benefiting from A1, A2 and A3 flexible uses located on the eastern side of the development. The units front the internal courtyard of the podium level which is a public square linking Cotterells with the town centre via a pedestrian bridge across the Leighton Buzzard Road, onto which the units also front.

Blocks C and D rise to 6 and 8 stories above podium level and contain 119 residential apartments. The recently refurbished KD tower to the north extends to 21 stories. Together with 3 further residential blocks which were developed as part of the same scheme, the Image development comprises in total 455 dwellings, new retail and commercial floorspace with significant public realm improvements including a bridge and public square.

In place of 4-storey office development identified under the governing permission (4/02790/06/MFA), permission has recently been granted for construction of 9 x 2 bed apartments and 49 parking spaces immediately to the south of the KD tower. Further to the south is public open space in the form of Heath Park that forms part of the overall land parcel associated with Boxmoor Trust land. To the west of the site are two storey Edwardian terraced houses and later infill. To the east is the Riverside Shopping Centre.

The site falls within the town centre.

Proposal

permission of sought to change the use of four long term vacant retail units located at podium level to a mix of 15 one and two bed apartments comprising 4 x 1 bed and 11 x 2 bed units.

Referral to Committee

The application is referred to the Development Control Committee at the request of the Ward Councillor.

Planning History

4/00519/14/PRE CHANGE OF USE OF VACANT RETAIL UNITS AT PODIUM LEVEL TO RESIDENTIAL.
Unknown
11/06/2014

4/02013/13/FUL NINE TWO-BEDROOM APARTMENTS AND FORTY NINE CAR PARKING SPACES, WITH ASSOCIATED LANDSCAPING
Granted
24/12/2013

4/01415/11/MFA THIRTEEN RESIDENTIAL UNITS (TWELVE 3-BEDROOM AND ONE 2-BEDROOM) WITH ASSOCIATED ANCILLARY DEVELOPMENT AND LANDSCAPING

Granted
10/04/2012

4/00203/13/PRE 6 RESIDENTIAL UNITS AND 61 PARKING SPACES.
Unknown
18/06/2013

4/00460/11/PRE PROPOSED DEVELOPMENT OF TWELVE TERRACED 3-STOREY
TOWN HOUSES WITH ASSOCIATED ANCILLARY DEVELOPMENT
Unknown
03/05/2011

4/01148/10/VAR VARIATION OF SECTION 106 AGREEMENT
Granted
07/06/2011

4/01234/08/RO C VARIATION OF CONDITION 5 (THE STAND ALONE OFFICE BUILDING
IDENTIFIED AS BLOCK H SHALL BE COMPLETED (SHELL AND
CORE) PRIOR TO THE OCCUPATION OF 90% OF THE PRIVATE
RESIDENTIAL UNITS) OF PLANNING PERMISSION 4/02790/06 (PART
CONVERSION, PART REDEVELOPMENT TO PROVIDE 6983sqm OF
OFFICE (CLASS B1), 1631sqm OF RETAIL ACCOMMODATION
(CLASSES A1, A2, A3) AND 434 RESIDENTIAL UNITS WITH TWO
LEVELS OF CAR PARKING, CONVERSION OF UPPER FLOORS OF
EXISTING TOWER TO RESIDENTIAL AND CREATION OF SIX NEW
BUILDINGS WITH PUBLIC SQUARE AND ADDITIONAL LANDSCAPING,
REMOVAL OF EXISTING FLYOVER AND CONSTRUCTION OF NEW
PEDESTRIAN BRIDGE (AMENDED SCHEME)
Granted
22/08/2008

4/00407/08/RO C VARIATION OF CONDITION 5 (THE STAND ALONE OFFICE BUILDING
IDENTIFIED AS BLOCK H ON THE APPROVED PLANS SHALL BE
COMPLETED (SHELL AND CORE) WITHIN 16 MONTHS OF 75% OF
ALL PRIVATE RESIDENTIAL UNITS BEING OCCUPIED, UNLESS
OTHERWISE AGREED IN WRITING BY THE LOCAL PLANNING
AUTHORITY) OF PLANNING PERMISSION 4/02790/06 (PART
CONVERSION, PART REDEVELOPMENT TO PROVIDE 6983sqm OF
OFFICE (CLASS B1), 1631sqm OF RETAIL ACCOMMODATION
(CLASSES A1, A2, A3) AND 434 RESIDENTIAL UNITS WITH TWO
LEVELS OF CAR PARKING, CONVERSION OF UPPER FLOORS OF
EXISTING TOWER TO RESIDENTIAL AND CREATION OF SIX NEW
BUILDINGS WITH PUBLIC SQUARE AND ADDITIONAL LANDSCAPING,
REMOVAL OF EXISTING FLYOVER AND CONSTRUCTION OF NEW
PEDESTRIAN BRIDGE (AMENDED SCHEME)
Refused
16/04/2008

4/02790/06/MFA PART CONVERSION, PART REDEVELOPMENT TO PROVIDE 6983sqm
OF OFFICE (CLASS B1), 1631sqm OF RETAIL ACCOMMODATION
(CLASSES A1, A2, A3) AND 434 RESIDENTIAL UNITS WITH TWO
LEVELS OF CAR PARKING, CONVERSION OF UPPER FLOORS OF

EXISTING TOWER TO RESIDENTIAL AND CREATION OF SIX NEW BUILDINGS WITH PUBLIC SQUARE AND ADDITIONAL LANDSCAPING, REMOVAL OF EXISTING FLYOVER AND CONSTRUCTION OF NEW PEDESTRIAN BRIDGE (AMENDED SCHEME)

Granted
29/06/2007

4/01232/06/FUL REFURBISHMENT OF MAIN KODAK TOWER AND REDEVELOPMENT OF SITE TO PROVIDE OFFICE, RETAIL/RESTAURANT (CLASS A1, A2 AND/OR A3), GYM (CLASS D2) USES, AND 470 RESIDENTIAL UNITS WITH TWO LEVELS OF CAR PARKING, PROVISION OF A PUBLIC SQUARE, REMOVAL OF EXISTING FLYOVER AND CONSTRUCTION OF NEW PEDESTRIAN FOOTBRIDGE

Refused
27/11/2006

Policies

National Policy Guidance

National Planning Policy Framework (NPPF)
National Planning Policy Guidance (NPPG)

Adopted Core Strategy

NP1 - Supporting Development
CS1 - Distribution of Development
CS4 - The Towns and Large Villages
CS8 - Sustainable Transport
CS9 - Management of Roads
CS10 - Quality of Settlement Design
CS11 - Quality of Neighbourhood Design
CS12 - Quality of Site Design
CS13 - Quality of Public Realm
CS16 - Shops and Commerce
CS17 - New Housing
CS19 - Affordable Housing
CS25 - Landscape Character
CS29 - Sustainable Design and Construction
CS31 - Water Management
CS32 - Air, Water and Soil Quality
CS33 - Hemel Hempstead Urban Design Principles
CS35 - Infrastructure and Developer Contributions

Saved Policies of the Dacorum Borough Local Plan

Policies 10, 12, 13, 18, 19, 21, 37, 39, 51, 54, 58, 61, 62, 63, 100, 129
Appendices 1 (to be updated through the CPlan sustainability checklist), 3, 5 and 6

Supplementary Planning Guidance/Documents

Environmental Guidelines

Accessibility Zones for the Application of Car Parking Standards July 2002

Water Conservation & Sustainable Drainage

Energy Efficiency & Conservation

Advice Note on Achieving Sustainable Development through Sustainability Statements

Sustainable Development Advice Note

Planning Obligations SPD April 2011

Affordable Housing SPD 2013

Advice Notes

Sustainable Development Advice Note (March 2011) Note: This is in the process of being updated to reflect the content of the adopted Core Strategy

Summary of Representations

SPAR (in summary)

The principle of residential redevelopment is acceptable here in accordance with Policy CS4 of the Dacorum Core Strategy. Subject to satisfactory plans and information in terms of the details of the scheme and to agreement on affordable housing and other infrastructure provisions through a s106 agreement, I consider that an application could be supported.

We continue to share this general approach providing there is clear evidence of marketing of the units for A-Class Uses. It is outside the core shopping area so we do not envisage any significant impact on the role of the wider town centre. We understand the units have remained vacant since completion of the development in 2010 and that they have been marketed by LSH since then. This would appear to point to a clear lack of interest/suitability for these uses.

The proposal will provide for a mix of 1-2 bed flats which is welcomed (Policy CS18). Obviously, our concern is that the conversion allows for adequate amenities for the new residents in terms of amenity space, parking, etc. (Policy CS12). A degree of flexibility is reasonable given it involves a conversion of an existing building and opportunities are constrained by the wider Image development. In terms of parking, this is a town centre location and some leeway over parking is reasonable (saved DBLP Policy 58) subject to the views of the local Highway Authority.

We note that the number of units proposed would justify a 35% contribution for affordable homes (Policy CS19). We note that the applicant claims that the scheme would not be viable with this level of contribution, and have provided an open book financial appraisal to support their approach. Policy CS19 (c) does allow viability issues to be taken into account. The views of the Strategic Housing team should be sought on this matter taking into account recent changes to the NPPG on affordable housing.

Strategic Housing (in summary)

There has been correspondence regarding the vacant building credit. This correspondence established that the site would be exempt from an affordable housing contribution as all the units proposed for conversion have been vacant for over three years.

Initial comments

To meet the affordable housing policy requirements 35% of the dwellings should be agreed for affordable housing. Therefore 5 affordable housing units should be agreed for affordable housing on this site. We would specify that the tenure mix of the affordable housing provision is 75% affordable rented and 25% shared ownership in line with our Affordable housing SPD.

Highway Authority (in summary)

Does not wish to restrict the grant of permission subject to informatives and conditions covering construction management plan, materials and equipment to be used during the construction to be stored within the curtilage of the site, wheel washing, materials to be stored within site during construction, consents for working on the Highway.

Transport issues are covered in paragraphs 4.16 to 4.19 of the Planning Statement and in the Design & Access Statement. Additional parking spaces have been provided through the revised proposals for Block H (DBC permission ref 4/02013/13/FUL). No further changes to parking arrangements on the site are proposed. There will be minimal changes in trip patterns to and from the site and that these will be mitigated by its relatively high accessibility. I therefore conclude that this development, were it to be granted permission and to be implemented, would not have a material impact on vehicle movements in the vicinity. I therefore recommend that permission is granted as long as any permission is supported by a S106 agreement setting out contributions towards TravelSmart initiatives and cycling infrastructure in the vicinity.

HCC Planning Obligations Officer (in summary)

Requests fire hydrant provision, as set out within HCC's Planning Obligations Toolkit.

Assistant Team Leader – Design & Conservation

My only concern from a design perspective is the loss of potential mixed use from what is a large expanse of high density residential development.

This scheme has been struggling to sell residential units since its completion and I am concerned that a further 15 units will not help this situation unless a different offer is provided for these units.

I also wonder if the price of these market rents has been the reason for a low commercial take up of the retail units. I think this needs careful consideration given the close proximity of the high density housing.

Trees and Woodlands Manager

There are no tree/landscape implications.

Herts Fire and Rescue

We have examined the drawings and note that the access for fire appliances and provision of water supplies appears to be adequate.

Further comments may be made when we receive details of the Building Regulations application.

Crime Prevention Officer (in summary)

1. Secured by Design physical standard:

- The proposed flats will have their communal entrance off existing communal access doors. Therefore the visual and audible access control should be extended to the new flats.*
- The flat entrance doors off the communal corridors should be to BS PAS 24:2012 (internal standard).*
- If exterior windows are replaced on the conversion then they should be BS PAS 24:2012 and incorporate laminate glass as one of the panes of the double glazing*

2. Defensible space:

Where flats abut onto the podium deck they will need defensible space in front of their windows. A line is shown on the plan, but no detail. They should be given an area along the length of the flats, possibly protected by 1.2m railing? This will help residents feel at ease within their flats and hopefully they then won't permanently have their curtains closed to prevent others looking into their flats, and thus keep that elevation active.

Thames Water In summary)

With regard to sewerage infrastructure capacity, we would not have any objection to the above planning application.

Response to Neighbour Notification / Site Notice / Newspaper Advertisement

Navigation Estates (in summary)

Objects:

- 4. Our business is an Estate Agency, where footfall is a key factor in its ongoing performance. We were sold the retail unit 1 on this basis, have suffered since we occupied the premises in January 2012 and will continue to suffer if the Planning Application is granted. We could point to the fact that the business has continued to lose money given the current lack of retail outlets in the vicinity.*
- 5. We were sold 1 KD Plaza on the basis of thriving retail area within 1.5 years and the purchase was a strategic investment by us as a business. The sales information stated 'The appeal of image is obvious: stylish new apartments right in the heart of Hemel Hempstead, with shops and cafes on site.....'*
- 6. Part of the original Planning Application – Officers report for Planning Application – 4/00407/08/ROC states that 'The development was assessed under Policy 29 of the Local Plan that sets out the employment strategy one of the main aims of the policy is to sustain the health and prosperity of the local economy.....' The granting of the Application would hinder this in terms of economy and employment.*
- 7. Spectrum's marketing of the units seem to be very low key and we are not sure where they are being marketed and that Spectrum are making a concerted effort to*

sell units at competitive market price, which gives rise to speculation that the long term aim was to apply for Change of Use, as they are more valuable as residential, than retail. On a more specific note we have been asking Spectrum to add directional signage to the retail Plaza as promised at point of purchase, but we are still awaiting this, which again gives an indication of lack of interest in the retail units.

- 8. We also believe all parking originally allocated to retail units have now been committed elsewhere, probably to SJD Accounting. And that each of the 4 retail units has only 1 parking space allocated to them now, which will not be attractive to would be purchasers. Our retail unit is considerably smaller and we have 4 parking places.*
- 9. In theory the Image development could/should be as successful as that at Apsley Lock (as both developments have very similar numbers of residential units and both have a public amenity space) – indeed the five commercial units at Apsley Lock didn't sell immediately and it was a long drawn out process that took at least 6 or 7 years before occupancy levels reached 100%. Now it's a great place!*

Letter from SHP Chartered Surveyors on behalf of Navigation Estates and Advance Insurance - objects:

- 10. Contrary to policies that seek to protect and provide retail opportunities in particular within town centres. Policy CS16 which seeks to encourage appropriate new retail development in town and local centres and retain sufficient existing shops in those centres.*
 - No indication of rents being offered or flexible terms that have been suggested to try and entice potential occupancy.*
 - The site lies within a residential hub in a pleasant environment in close proximity to the main retail area of the town, all of which should be appealing to incoming businesses if the financial situation is provided.*
 - The recent economic problems are noted but this is improving and the opportunity to retain the commercial element should be considered in light of this.*
 - Part of the original permission was to sustain a level of employment generating use within the site as encouraged and supported now by the Core Strategy (Policy CS16). To allow change of use away from this would be contrary to this aim.*
 - The lack of demand from national retailers to Hemel Hempstead does not mean that local businesses would not be attracted to the area.*
 - The concept of local companies and businesses occupying the space also conforms with promoting sustainable development.*
 - Window areas appear unduly small, limiting light into the rooms.*
 - Privacy of occupiers will be affected by passing footfall.*

163 KD Tower (in summary)

Objects:

The supporting letter from LSH makes it sound as if there is no demand for retail units here and that it is all doom and gloom. Indeed, Hemel Hempstead has struggled to attract new retailers over the last 4 years as we have been in the biggest recession in our lifetimes. It is therefore not at all surprising that Dandara have failed to find retail clients in such circumstances.

However, the situation is changing very significantly due to a number of factors.

1. The section of Riverside development close to Image has been largely empty since it was built. However in the last few months we have seen a number of very encouraging signs demonstrating that the corner has been turned as regards retailers:

a. Firstly we have had Pandora, a national an up-market jewelry chain, open up in Riverside. For such a business to come to Hemel Hempstead indicates a real upside in the local economy.

b. Top Shop are relocating from the Marlowes shopping centre to just opposite H&M. Again, this is moving the focus of the town much closer to the Image development.

2. We have £4M of investment going into the Jellicoe Water Gardens. This will create a very attractive destination, clearly visible from the Image development.

3. We have a total of over £38M of development going into Hemel Hempstead town centre. The owners of both Riverside and Marlowes shopping centres have met with the CEO of DBC and expressed their belief that this will seriously assist the retail industry in the town centre.

4. The governments proposed extension of Crossrail to include Hemel Hempstead will boost very significantly the appeal of Hemel Hempstead.

The supporting evidence of the application fails to mention that the main block of 250 apartments (KD Tower) had a low uptake until relatively recently. This is because it was launched right at the start of the financial crisis. As of the last few months, Dandara has managed to sell all of the apartments. This will result in greater footfall.

The LSH letter cites lack of frontage on to the main street as being off-putting to retailers. However the situation in Apsley Lock, away from the town centre, demonstrates that sites can be extremely viable. Currently if you look at the Apsley Lock development, there are several restaurants, a convenience store, a hairdresser and a pub. These serve primarily the local residents and are well utilised. The parking situation there is extremely limited, much more so than in the vicinity of Image. Furthermore, none of these restaurants are visible from the road. The size of these units is small compared to the vacant Dandara units. One therefore questions the approach Dandara has taken to date.

In questioning their approach, one should consider the size of the empty units at Image. They are all over 2,400 sq ft and three of them are over 2,800 sq ft. These are extremely large for local stores. It is a size more appropriate for a high street and a major chain. It is therefore of little surprise that there has not been greater uptake. If the units were to be split up into smaller sizes there may well be a better uptake. Indeed the evidence of this is that the two units that are taken are only around 1,100 sq ft.

As a resident here, I would be very pleased to see some local stores such as a convenience store, newsagent, café, hairdresser.

In summary, given the economic depression over the last few years, I don't think

Dandara have made a compelling case that the units are not viable for retail. I believe it is mainly a symptom of the economic climate and that is why the rest of the town has suffered. I believe they are trying to capitalise on this in order to get the extra residential developments approved. Now that the economy is picking up I would expect the situation to change. I also think Dandara need to be more flexible in their offer to market. They should be promoting smaller units with an option to combine them should a retailer want a larger space. This is what happens in other places such as Marlowes shopping centre.

Considerations

Policy and principle

The site falls within Hemel Hempstead town centre where, under Policies CS1 and CS4, a mix of uses is encouraged. The principle of residential redevelopment is acceptable subject to complying with other relevant criteria.

The site falls within the Plough Zone of the Hemel Hempstead Town Centre Masterplan June 2012 wherein improvements are sought to the quality of the public realm, wayfinding and improved pedestrian and cycle movement.

Policy CS17 encourages the development of housing to meet the district housing allocation. Saved Policy 10 of the Dacorum Borough Local Plan 1991-2011 encourages the use of urban land to be optimised.

Policy CS16 encourages appropriate retail development and seeks to retain sufficient existing shops in town and local centres.

Policies CS10, 11, 12 and 13 of the Core Strategy are overarching policies applicable to all development which seek a high quality of design in all development proposals

The main considerations with this proposal relate to the background justification and impact in terms of the vitality and viability of the podium area, the marketing endeavours to retain the retail units, suitability of the site to accommodate residential development, the impact of the proposal in design / public realm and landscaping terms on the podium area, the impact in terms of parking and highway safety, and the impact in terms of physical and social infrastructure requirements.

Background justification

Following the vacation of the former HQ building by Kodak in 2005 to modern premises on the Maylands Business Park, planning permission was granted in 2007 (4/02790/06/FUL) for the redevelopment of the site to principally comprise residential apartments alongside the provision of commercial space in the form of offices and retail.

The retail units were intended to complement existing town centre uses whilst meeting the needs of existing and future residents. The associated public square and retail units were complementary to each other.

Seven retail units (allowing for A1, A2 and A3 uses) were completed in 2010 on the podium level and units 1 and 2 have since been let to Navigation Estates (an A2 use).

Units 3 to 7 have, despite robust and thorough marketing by Lambert Smith Hampton, remained vacant and unlet. This has resulted in the units detracting from the wider podium and public realm with boarded up frontages and the absence of day to day activity. This has created a negative appearance along Leighton Buzzard Road and within the podium area.

The proposal is to convert four of the vacant units (leaving one available to let for A1, A2 or A3 uses) into 15 one and two bed apartments, representing the most efficient and effective use of previously developed land to meet housing need. The introduction of apartments to the podium area will introduce active frontage to the space, helping to revitalise and engage with the public realm area.

Marketing

Whilst Policy CS16 encourages the provision and retention of retail space, in this case, the four retail units have never been occupied despite extensive marketing since their completion in 2010. In support of this position the applicants have submitted a letter from Lambert Smith Hampton (LSH), the marketing agents for the retail units. The letter explains that the UK retail market has been challenging, particularly Hemel Hempstead which has struggled. LSH conclude that the four retail units have struggled to let for the following reasons:

- Hemel Hempstead is not identified as a key retail destination by retailers. There is a general lack of demand from national retailers to locate in Hemel Hempstead. The core Marlowes area experiences higher footfall than the Image podium, yet still contains significant vacant units. A survey in April 2015 identified 29 vacant units in Marlowes, Bridge Street, Riverside, Marlowes Shopping Centre and Bank Court.*
- Of those units which have been let within the 'core' town centre area, these have been at low rents and flexible terms.*
- Despite the pedestrian bridge, the Image podium is not physically or perceptibly an extension of the town centre, being separated by the Leighton Buzzard Road and concealed by the building envelope. It therefore experiences significantly less footfall and is marginalised as a result.*
- A detailed schedule of interest for the units between July 2011 and April 2014 has been submitted which explains why the interest was not followed up in each case. Principal concerns relate to.*
- There are a number of servicing, parking and delivery limitations associated with retail occupation of the units.*
- Due to the height of Blocks C and D, it is costly and impractical to install ventilation to terminate at roof level for any uses requiring this.*

LSH also confirms that the marketing of the units has taken place as widely as possible, and no less than the market norm, being advertised physically on site and on the LSH website.

The applicant has submitted a report 'Retail Marketing Overview' that summarises the

extensive and thorough marketing of the units that has taken place. The Schedule of Enquires from 2011 to the present indicates the main reasons for turning the units down relate to the following:

- Lack of parking 8
- Location not suitable 6
- Size not suitable 5
- Rent too high / Fit out works excessive 5
- Details sent but no response 3
- Unsuitable for use 2
- Lack of footfall 1
- Deliveries yard too far 1

The objections raised by neighbours / occupants are noted. Whilst the marketing of the units has taken place during one of the deepest downturns in recent history, it must nevertheless be recognised that there are significant and specific constraints to the attractiveness of the units in this case many of which appear not to be within the control of the applicant.

In view of the above, it is considered that it would be difficult to object to the current application to convert these vacant units to residential use. It should be noted that the proposal would still retain three units on the podium level for continued A1, A2 or A3 use, although it is accepted that there is a risk of losing the remaining occupied units. Reference is made by the occupant to the need for directional signage to the retail plaza. It is considered reasonable that signage should be provided if permission is granted in order to assist the retention and attractiveness of the remaining podium units. A condition requiring details is recommended.

Suitability of the site to accommodate the development

The retail units fall within an area already developed for flatted residential accommodation. In the circumstances they are well located with regards to a residential use of the land. They are also well related to existing services and facilities and in sustainability terms would have good pedestrian access to the town centre and other nearby facilities such as public open space.

The floorspace would be easily adaptable to residential conversion with ready pedestrian access from the Podium level of the Image development with lift access from the car park below. The layout of the residential units has taken on board pre-application advice in respect of ensuring that none of the units are poorly orientated with regards to sunlight. Unit 3 has been omitted from the application in response.

With regards to private outdoor amenity space, it is acknowledged that little can be provided. However, the flats facing the podium clearly have the opportunity to incorporate part of the area within their frontages and the plans accordingly include provision of some semi-private space onto the podium area. Amended plans indicate enclosure in the form of landscaped box planters which will not only provide the robust means of enclosure that the Police Crime Prevention Officer has sought but also a feature that will help soften the appearance of the development in keeping with the landscaped concept adopted elsewhere in the podium square whilst providing an element of private space to each unit that will encourage residents to actively use

these areas thereby helping to enliven the space and compensate for the reduced level of commercial activity within the square.

Given the proximity to public parks in the area, and the agreement to improvements in play space provision to be secured by a s106 planning obligation, no objection is raised to the sub-standard provision of outdoor amenity space in this case.

A landscaping condition is recommended to seek details of the planting and planters.

Dedicated waste and recycling facilities will be provided at basement level adjacent to stair cores serving Blocks C and D.

The proposal would be in accordance with Policy CS11, 12 and 13, and saved Appendix 3.

Impact on appearance of building and street scene

The proposed cladding materials, comprising rendered and timber infill panels, opaque spandrel panels and clear glass would seamlessly integrate with the appearance and rhythm of the existing building, and would deliver a high quality facade which maintains the top-middle-bottom architectural vision of the development.

Subject to details of materials, the proposal would comply with Policy CS12.

Parking and highway safety

Parking provision should accord with parking standards as assessed against saved Policy 58 and Appendix 5 of the Borough Plan. The site falls within Zone 2 of the Accessibility Zones for the Application of Car Parking Standards (July 2002) where reduced parking standards apply. For 1 and 2-bed dwellings, the requirement is 1 space per dwelling which equates to 17 parking spaces plus 1 long term cycle space per dwelling.

It is understood that the four car parking spaces originally intended for the four retail units the subject of this application have been reallocated to other commercial tenants.

It should be noted that the existing retail floorspace could potentially generate a similar requirement for car parking as the 15 proposed residential units, even taking account of reductions allowed under the 'Accessibility Zones' discount. In the circumstances, overall it is not considered that there would be any additional parking generation than is currently permitted on the site and therefore there would be no additional impact on highway safety. To support the reduction in private car reliance, there are several large secure cycle stores provided within the existing basement parking area with ample space to accommodate more than one bicycle per unit.

It should be noted that planning permission was recently granted on land to the south of the KD Tower fronting Station Road for 9 x 2 bedroom units together with 49 car parking spaces (4/02013/13/FUL). Nine of the spaces are required to be made available exclusively for the 9 units under that permission and associated s106 agreement. The applicant has noted that the remaining 40 spaces would be made available to existing residential units in the Image development that do not currently benefit from a car parking space, including the 15 new residential apartments under

the current application.

That application has not been implemented and there is therefore on the face of it no mechanism to require that these are allocated or that permission should be implemented to secure the 40 spaces. In the circumstances, these spaces cannot be guaranteed. However, the applicant has indicated that in terms of delivery, if the developer responsible for building-out planning ref. 4/02013/13/FUL fails to do so by 19th February 2017, the freehold of the land automatically transfers back to Spectrum (Hemel Hempstead) Ltd. The applicant fully expects the developer to complete planning ref. 4/02013/13/FUL within the next 12 months, but have indicated that they do have it within their control to step-in and complete the scheme, and deliver the associated car parking spaces, if required. The applicant has indicated that they are happy for a condition to be imposed to ensure that the parking spaces are made available to the new occupants, but if not required by individual occupants, will be allocated elsewhere within the Image development.

Access would be as existing. The Highway Authority raise no objections on highway safety grounds subject to contributions to cycling infrastructure in the vicinity.

Affordable housing and lifetime homes

The Council's planning policies indicate that a housing scheme at this site should include 35% affordable housing, in accordance with Core Strategy Policies CS18 and CS19 and the recently adopted Affordable Housing Supplementary Planning Document. However, this can no longer be sought given the need to offer vacant building credit.

In accordance with saved Policy 18, it is considered that the flats could be suitably adapted in future to be Lifetime Homes compliant.

Physical and social infrastructure requirements

The proposal for 17 dwellings would generate additional social and infrastructure requirements and therefore, in accordance with saved Policy 13 of the Local Plan and Policies CS23 and 35 of the Core Strategy, the Council can seek financial contributions towards the reasonable public facilities, services and infrastructure that the development would generate. In view of the introduction of pooling rules from April 2015, generic tariff style contributions as sought under the Council Planning Obligations SPD are no longer legitimate and specific projects must be identified.

As mentioned above, the proposed development does not provide for any play space for children occupying the development. The designated play area at Wharf Road is within walking distance of the site and serves as a LEAP for the Boxmoor end of town. Based on a typical cost of £30,000 per play area, a contribution of £11,000 towards the replacement and expansion of this facility with appropriate play facilities is considered proportionate.

The Highway Authority has requested contributions towards cycling infrastructure and TravelSmart in the vicinity. A contribution is considered necessary to encourage alternative means of travel given a lack of parking within the Kodak/Image development and the need to provide a suitable range of alternative sustainable

access arrangements to the site and nearby facilities. The Hertfordshire Toolkit generates a charge of circa £8000 towards sustainable transport. It is considered that this should be directed towards the provision of a cycle link between Coombe Street and the Plough roundabout, which is identified in the Infrastructure Delivery Plan and Town Centre Masterplan. This is considered proportionate having regard to toolkit evidence and methodology, the contributions made from other town centre developments and against the cost of cycle links per sq m in the IDP.

The County Council has requested the provision of fire hydrants to serve the development in accordance with their standard form of wording within a s106 planning obligation.

It is recommended that the above are secured by a s106 planning obligation.

Impact on neighbours

The nearest neighbours are flats within the Image development. It is not considered that there would be any significant impact on these neighbours given the suitable distances and / or orientation of the flats towards the town centre.

The proposal would comply with Policy CS12.

Flood risk

The site has previously been assessed as falling within Flood Risk Zone 1 where the chance of flooding is less than 0.1% in any given year. Policy CS31 is relevant.

A flood risk addendum has been received which confirms that there has been no change. The proposed change of use to residential is categorised as "more vulnerable" and in accordance with PPG Table 3, the Flood Risk and Flood Zone Compatibility Table, the development is considered appropriate for Flood Zone 1.

The impermeable area of the development will not increase (indeed may fall with additional planting) and therefore there is no requirement to modify the current surface water management strategy for the site.

Sustainability

Any new development should be consistent with the principles of sustainable design as set out in Policies CS29, CS30 and CS31 of the Core Strategy.

The application should be accompanied by a Sustainability Statement and Energy Statement as required by Para 18.22 of the Core Strategy and Policy CS29. This should be completed on-line through C-Plan. On-line statements have not been submitted in this case. The principal sustainability credential of this proposal is that it is converting existing vacant buildings into new homes in a sustainable location. Given that the proposal relates to the conversion of an existing building, there are only limited on site sustainability measures that can be introduced. However, a sustainability statement is contained within the submitted Design and Access Statement which indicates that the building fabric can be designed to reduce energy usage and carbon emissions. In addition, recycling facilities will be provided to all units together with low flow water appliances and energy efficient lighting and other fitted appliances. The

applicant has advised that the building is currently registered under Building Regulations 2010 but that they will be looking to target a 5% improvement in CO2 reductions. An energy statement has been promised and an update will be provided.

A compliance condition would be recommended.