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|---|---|-------------------------------------|----------|
| Address: | Land to west of Royal Mail Sorting office bounded by Phoenix Place, Mount Pleasant, Gough Street & Calthorpe St. Camden WC1. | | 1 |
| Application Number: | 2013/3807/P | Officer: Richard McEllistrum | |
| Ward: | Holborn & Covent Garden | | |
| Date Received: | 07/06/2013 | | |
| Proposal: | | | |
| <p>Comprehensive redevelopment, following the demolition of existing buildings, to construct four new buildings ranging from 5 to 15 storeys (above basement level) in height, to provide 38,724 sqm (GIA) of residential floorspace (345 dwellings) (Class C3), 823 sqm (GIA) of flexible retail and community floorspace (Use Classes A1, A2, A3, D1 or D2), with associated energy centre, waste and storage areas, basement level residential car parking (54 spaces), the re-provision of Royal Mail staff car parking (approx 196 spaces) cycle parking, residential cycle parking (431 residential spaces) hard and soft landscaping to provide public and private areas of open space, alterations to the public highway and all other necessary excavation and enabling works. The application is accompanied by an Environmental Statement.</p> <p>The proposed redevelopment is to be considered in the context of the redevelopment of the adjacent site, north of the Sorting Office building (within the London Borough of Islington) which has been submitted simultaneously under the Islington planning & conservation area consent application reference numbers: P2013/1423 & P2013/1435. That development involves:</p> <p>The demolition of existing buildings to construct 3 to 12 storey buildings, providing 38,015sqm (336 dwellings) residential floorspace (Class C3), 4,260sqm (GIA) office floorspace (Class B1), 1.428sqm flexible retail and community floorspace, (Classes A1, A2, A3, D1 or D2) with associated energy centre, waste and storage areas, car (65 spaces) and cycle (523 spaces) parking, hard and soft landscaping to provide public and private areas of open space, alterations to the public highway and construction of a new vehicle ramp to basement level to service Royal Mail operations, an acoustic roof deck over the existing servicing yard and other necessary excavation and enabling works. This application is accompanied by an Environmental Statement.</p> | | | |
| RECOMMENDATION SUMMARY: | | | |
| <p>Object to proposed development in its current form and request that if matters raised by officers are unable to be satisfactorily addressed prior to determination by the Mayor of London, that planning permission be refused.</p> | | | |
| Related Application Date of Application: | 28/06/2103 | | 2 |
| Application Number: | 2013/4128/P | | |

Proposal:

Observations to the London Borough of Islington for the comprehensive redevelopment of the site following the demolition of existing buildings and structures to construct six new buildings ranging from 3 to 12 storeys in height to provide 38,015 sqm (GIA) of residential floorspace (336 dwellings) (Class C3), 4,260sqm (GIA) of office floorspace (Class B1), 1.428 sqm (GIA) of flexible retail and community floorspace, (Classes A1, A2, A3, D1 and D2) with associated energy centre, waste and storage areas, vehicle (65 spaces) and cycle parking (523 spaces), hard and soft landscaping to provide public (approx 5,124sqm) and private areas open space, alterations to the public highway and construction of a new dedicated vehicle ramp to basement level to service Royal Mail operations, construction of an acoustic roof deck over the existing service yard (encloses 14,150sqm at basement and ground floor levels) and all other necessary excavation and enabling works. The Camden and Islington applications are accompanied by an Environmental Statement.

The proposed redevelopment will be considered in the context of the proposals on the adjacent site, located on the west side of Phoenix Place (within the London Borough of Camden). The Camden planning reference no. is: [2013/3807/P].

RECOMMENDATION SUMMARY:

Object to proposed development in its current form and request that if matters raised by officers are unable to be satisfactorily addressed prior to determination by the Mayor of London, that planning permission be refused.

Applicant:

Royal Mail Group
c/o agent

Agent:

DP9
100 Pall Mall
London
SW1Y 5NQ

OFFICERS' REPORT

Reason for Referral to Committee: Major development for more than 10 new dwellings [clause 3(i)]; involves the creation of Class A3 use [clause 3(iv); is subject to the completion of a Section 106 legal agreement for matters which the Director of Culture and Environment does not have delegated authority [clause 3(vi)].

The application comprises over 150 units of new housing, exceeds 15,000sqm of new commercial floorspace and is over 30m in height and is therefore considered a 'strategic' application under the Mayor of London Order 2008.

Executive Summary

The target determination period for both the Camden & Islington applications expired on the 1st October 2013 and the applicant withdrew from signing up to a Planning Performance Agreement with the Councils to extend the determination period. The applicant was then able to request that the Mayor of London 'call-in' the applications prior to the reaching of a proposed decision by the Councils, and act as the Local Planning Authority.

The applicant made a 'call-in' request on 10th January 2014. The Councils provided joint letters in response to this request on 17th January, requesting that they be allowed to reach a conclusion on their assessments before those conclusions (and proposed decisions) were then referred back to the Mayor of London. This request was not granted, and the Mayor of London called in both applications on 21st January and will act as the local planning authority, now being responsible for the handling, assessment and determination of the applications. The call-in decision letter, along with the Council's response and the original request, are attached to this agenda at Appendix 2.

The purpose of this report is for Members to consider and confirm the Council's position on a range of issues as well as those matters it considers to remain outstanding and which the Mayor of London should take into account when he determines the application. This report sets out officers conclusions on a wide variety of matters where sufficient information has been made available to them, and has identified where such views will only be able to be formed when additional information is later provided.

Members are recommended to resolve that the Mayor of London be advised that the Council:

In regard to the Camden Application, whilst supporting the principle of mixed use development, considers that in its current form the application should not be approved and that amendments should be secured prior to determination in relation to the following matters:

- 1. That the application fails to demonstrate that the maximum reasonable amount of affordable housing, taking into**

consideration the individual circumstances including development viability, the availability of public subsidy and in particular the implications of phased development, including provisions for re-appraising the viability of schemes prior to implementation of later phases

2. That application should be brought forward only as part of the wider site proposals, including enabling works and residential led development within the Islington borough site, ensuring that adequate linkages and restrictions on commencement / occupation are secured between tenures and phases.
3. That the proposed quantum of private residential car parking is excessive and the development should be modified to substantially reduce this level.
4. That the development would exert a materially harmful impact on neighbouring amenity to those residential properties identified within this report and should therefore be modified to overcome this impact
5. That the proposed development does not, in the identified instances, demonstrate the necessary standard of living environment and should be modified in the manner described.
6. That full and proper regard should be had to all other identified deficiencies and other matters set out within this report, such as those relating to archaeological impact, highways related design modifications, planning conditions, s106 provisions and the securing of development in accordance with approved plans & information

In regard to the Islington application, the following views are offered / recommendations made:

1. That the height, mass, position of blocks E & F would result in harm to listed terraces on Calthorpe Street & Wren Street, and to the Bloomsbury Conservation Area, and should be revised accordingly
2. That the Islington application also fails to demonstrate that the maximum reasonable amount of affordable housing, taking into consideration the individual circumstances including development viability, the availability of public subsidy and in particular the implications of phased development, including provisions for re-appraising the viability of schemes prior to implementation of later phases

3. That the Islington application should also be brought forward only as part of a the wider site proposals, including residential led development within the Camden borough site, ensuring that adequate linkages and restrictions on commencement / occupation are secured between tenures and phases.
4. That the proposed quantum of private residential car parking is excessive and the development should be modified to substantially reduce this level.
5. That all other matters set out within this report relating to the Islington scheme where impacting upon or relating to the Camden development and the surrounding locality within the London Borough of Camden, whether relating to planning conditions, s106 provisions and the securing of development in accordance with approved plans & information

Next Steps

Officers of the Greater London Authority have and ongoing meetings have been scheduled, to have commenced prior to the meeting of the Development Control Committee.

The effect of the Mayor of London's decision to act as local planning authority in this case is that the Councils have no formal planning powers in the determination of this application, the grant (or refusal) of planning permission, the scope of conditions or the content of any S106 agreement. The GLA has however recommended '*a close working relationship with Camden and Islington officers in determining the applications*'. The Council is also able to submit to the GLA its observations on the proposals and has the right to present its case to the Mayor of London at a representations hearing prior to the Mayor's determination of the application.

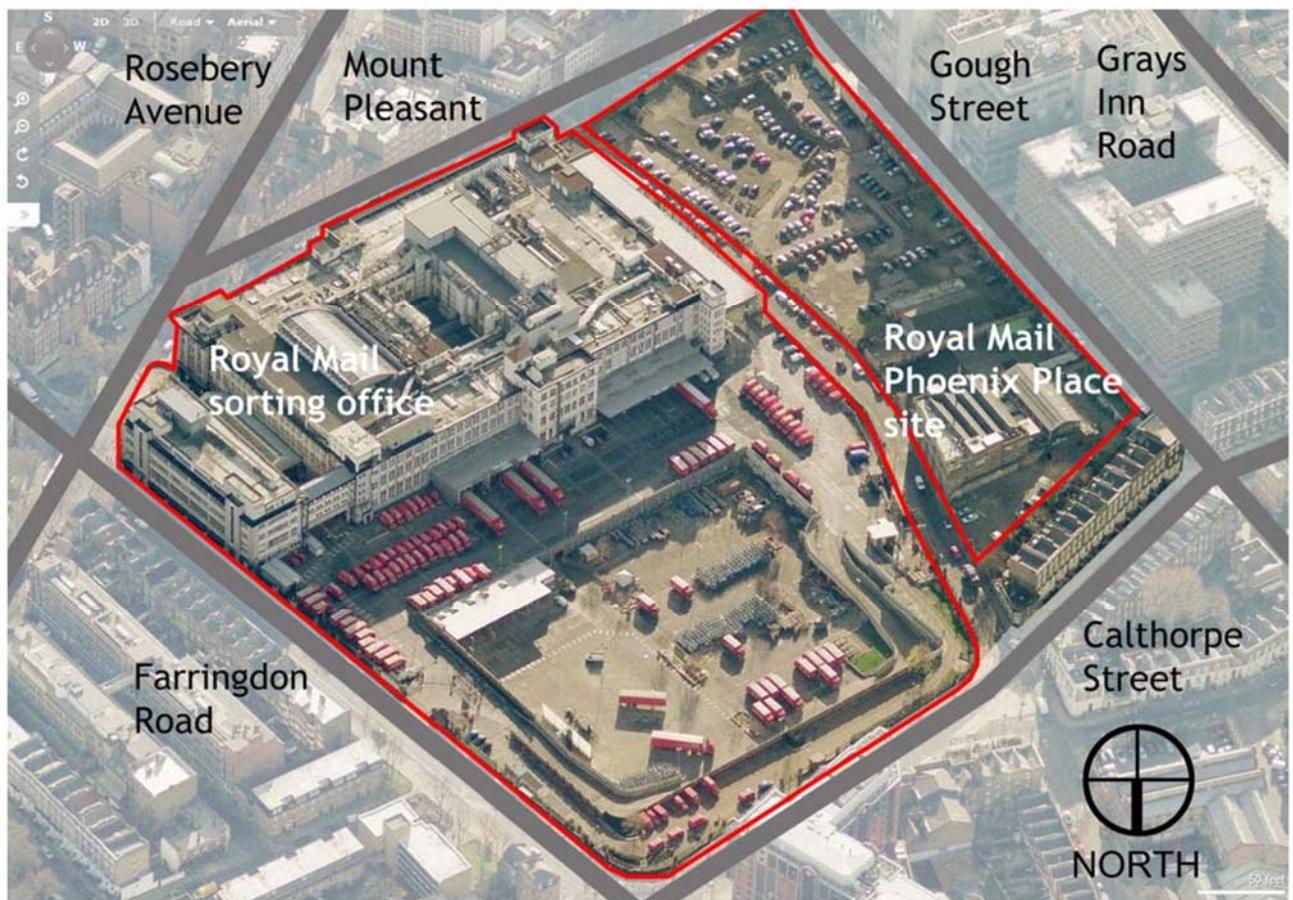
Additionally, whilst the function of agreeing any S106 obligations now rests with the Mayor, the Mayor must consult the Council before agreeing any draft agreement. The Mayor has published draft policy indicating that he will seek to involve the relevant Borough in the drafting of any S106 agreement and will take account of the Borough's local plan policies in addition to those in the London Plan. Once entered into, such agreement is enforceable by both the Mayor and the Council although the Mayor has indicated that in most cases he will leave enforcement to the Borough

0.1 Introduction

- 0.2 This report serves to make an Officer's recommendation on the Application A (reference 2013/3807/P), being the comprehensive redevelopment of that part of the Royal Mail Mount Pleasant site which lies within Camden, and an accompanying recommendation for this Council's response to the consultation by Islington on the

equivalent application for comprehensive redevelopment of that part of the wider site which lies within Islington (Application B - reference 2013/4128/P).

- 0.3 The conclusions offered for both applications are interdependent as they together constitute the combined, comprehensive redevelopment of underused land within Royal Mail's ownership at the Mount Pleasant Sorting Office site. The image below does not depict the application site areas but identifies the 2 parcels of land comprising the Royal Mail operation (where the smaller area to the right hand is that within Camden and the larger site, including the main Sorting Office Building, in Islington, is to the left). The areas are separated by Phoenix Place, along which the borough boundary runs.



- 0.4 Reference is made by default to the 'site' throughout this report, and where it does so it refers to the site within Camden. Where reference is being made to the Islington site, or both sites together (the 'wider site'), it will be appropriately identified as such.

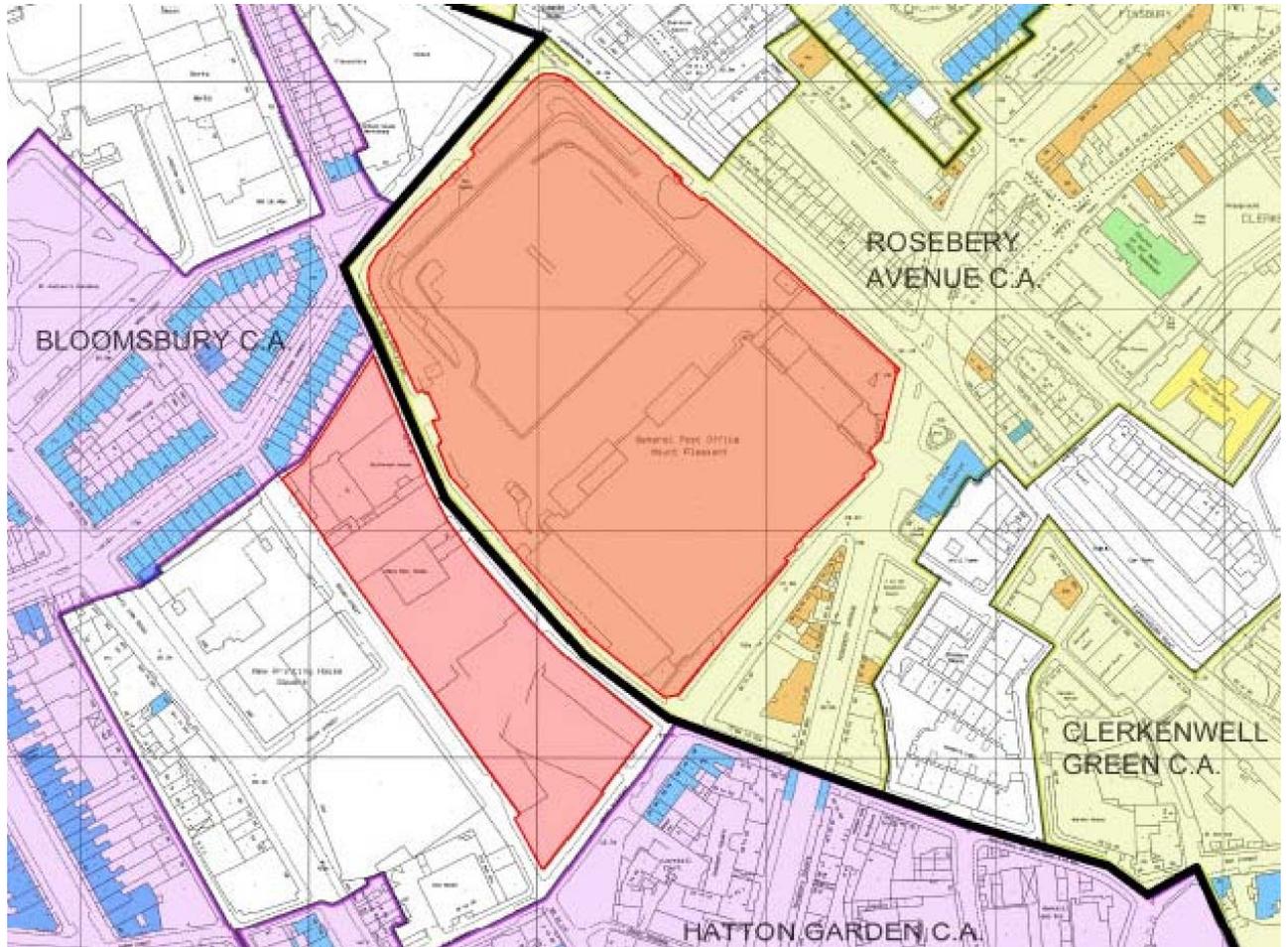
1.0 Site, Surroundings & Application Background

Site

- 1.1 The area became known as Coldbath Fields in the 1700s owing to the discovery of apparently medicinal Cold Bath Spring in 1697. The site once had the River Fleet running along its western edge, veering out through the Phoenix Place site. In the 1700s there appeared a rubbish mound on the site known as 'Mt Pleasant'. By about the 1750s the river had been culverted. By the 1790s the site had a substantial prison on the site, 'Coldbath Prison' also known as the 'Middlesex House of Corrections' or 'Clerkenwell Gaol'. By the 1830s the Phoenix Place site has a number of substantial commercial buildings on it. Bomb damage was substantial to the Phoenix Place site and led to its almost complete clearance. The Post Office buildings adjoining the site to the south comprise of the building there today was completed in the 1930s. By the 1970s the northern service yard of the Calthorpe Street site was clear.
- 1.2 The 1.17ha (gross) / 1.03ha (net) Camden site includes the mainly open areas of land within Royal Mail's ownership lying between Gough Street (SW), Mount Pleasant (SE) and Phoenix Place (NE). It excludes the site of the approved British Postal Museum & Archive (BPMA) building (15-21 Phoenix Place) at its northern end, and thus only directly adjoins the rear boundaries of the properties at 26-32 (even) Calthorpe Street. The site includes a number of small storage buildings, as well as an extension to the rear of the BPMA building, and is predominantly given over to staff parking use on part unmade and unmarked land, with some smaller operational vehicle parking evident. Submitted plans show some 250 spaces able to be occupied within the staff parking area occupying the southern half of the site, with a further 30 (approx) vehicles liable to be able to be parked in a further area immediately south of the BPMA building.
- 1.3 The Camden site benefits from several vehicular access points, onto all 3 adjoining roads. The Islington site, bounded by the Sorting Office buildings, Phoenix Place to the west, Calthorpe Street to the north and Farringdon Road to the east is used 24-hours per day as a delivery and service yard for the adjacent Mount Pleasant Sorting Office (MPSO) (which is located on the south-eastern boundary). The Site accommodates approximately 300 operational vehicles. The delivery and service yard comprises two levels, with upper and lower level parking and loading areas which are connected by ramps along the north-eastern and south western boundary of the Site. The lower level 'Bathtub' is used by the Applicant for vehicle (vans and Heavy Goods Vehicles (HGV)) parking and manoeuvring, articulated lorries and smaller rigid vehicles, equipment, waste and fuel storage, together with the loading and unloading of mail into the Mount Pleasant Sorting Office.

- 1.4 The existing main vehicle entrance and exit point to the Islington site is located opposite 142-146 Farringdon Road. Larger vehicles (Articulated vehicles and Heavy Goods Vehicles (HGVs)) move around the lower level of the site (the 'bathtub') and up ramps to the upper level to exit the site onto Phoenix Place or onto Farringdon Road. Smaller vehicles (LGVs) move around the top level of the site (adjacent to Calthorpe Street). An existing basement exit point is located on the corner of Phoenix Place and Mount Pleasant and an exit point is located at street level, onto Phoenix Place.
- 1.5 Ground levels across the site fall from west to east, across both the width and length of the site, and a variety of different levels are also evident within the site. The Camden site also includes the western half of the Phoenix Place highway. Excluding areas of public highway, the Camden development site roughly comprises 1.03ha.
- 1.6 A variety of different uses and types of built form adjoin the wider site, including terraced housing to the north, the rear of large office buildings accessed from Grays Inn Road (the ITN building and New Printing House Square) across Gough Street, a variety of commercial and mixed use buildings on Mount Pleasant, tower blocks at Laystall and Mullen Court, the Christopher Hatton Primary School to the south, and mansion blocks and an office building formerly serving as the Serious Fraud Office building on Elm Street, to the south west. The wider locality hosts a similar range of uses and types of built form, with mixed use intensive development more commonly found along Farringdon Road and Grays Inn Road, a stronger and lower density residential character evident in the land between those roads to the north, and higher rise, mixed use and more intensive development typically characterising the land to the south of the site.
- 1.7 The wider site represents the greater part of the land which is the subject of the Mount Pleasant Supplementary Planning Document (LB Camden & Islington joint adopted February 2012). The extract from the SPD below shows that the Camden site lies between the Bloomsbury and Hatton Garden Conservation Areas, with the Islington site within the Rosebery Avenue Conservation Area. The Camden site also comprises the greater part of Site 24 within the Site Allocations Document DPD (September 2013). The DPD promotes a 'A mixed use development, primarily residential, which could include other uses such as business, community and retail uses, which makes efficient use of this highly accessible Central London location and also helps to meets the operational needs of Royal Mail'. The site also has a section of the London Suburbs Archaeological Priority Area (relating to the position of Civil War defences) running through its middle part and is entirely within the Central London Area. The site benefits from an excellent PTAL (6b). The Camden site lies within the Parliament Hill to St Pauls Strategic Viewing Corridor (2A.1) and the Kenwood House view (3A.1) extends across part of the Islington site.

- 1.8 Within the immediate locality of the Camden site are a number of Listed Buildings, including the aforementioned terraces on Mount Pleasant and Calthorpe Street.



Application Background

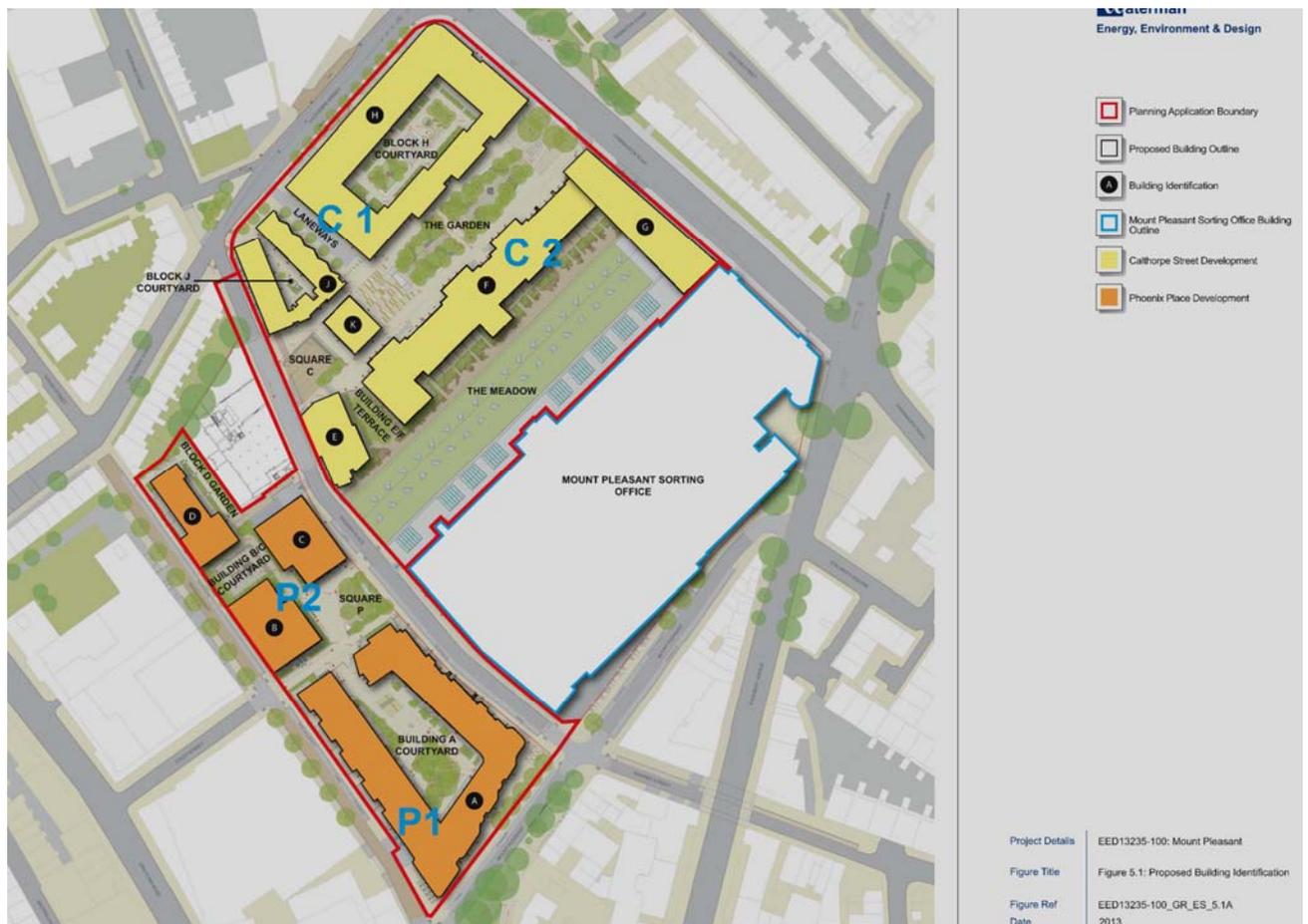
- 1.9 Royal Mail have consolidated their central London sorting office functions, with the Sorting Offices at Rathbone Place and Nine Elms being consolidated onto this site, alongside the modernisation and refurbishment of the retained site building. International distribution operations will be relocated off site at the same time. Staff numbers and vehicle movements will accordingly rise on site, though it should be noted that the site has been progressively more underused in recent years and the consolidated activity levels are described as being akin to the level of activity on this site in recent decades.
- 1.10 In order to accommodate the consolidated operations, enabling works have been and continue to be undertaken. Some works do not require planning permission, some have gained permission (and are described below) and some of the enabling works are those

specifically associated with enabling the consolidated Royal Mail operations to continue to occur alongside the proposed residential led re-development. These *development* enabling works very broadly involve the relocating, reorganising, burying or capping of functions that occur on the open land with the Camden and Islington Sites. The specific works are described in greater detail within the following section.

2.0 Proposal

Masterplan

- 2.1 The wider development would essentially comprise 5 main elements or phases of work. First the main development enabling works, including burying or capping of the Royal Mail servicing and loading operations on the Islington Site (generally under the areas described as the Garden, and the Meadow on the image below). Secondly the U shaped building to the south of the Camden Site (Building A, in the P1 phase). Buildings B, C & D within Phase P2 comprise the northern half of the Camden site. Within Islington building H, J & K comprise Phase C1 and E, F & G fall within C2.
- 2.2 Whilst the sequence of development in these phases has not been fully defined, the application was submitted on the basis of an indicative sequence of: Enabling Works / Phase P1, then P2, C2 and finally C1. The submitted indicative programme anticipated the commencement of construction in early 2015 and completion in mid-2020. At the time of writing this report those indicative timetable would have been delayed by at least 6 months.





Application A (Camden)

- 2.3 The application proposes the demolition of several small free standing storage / office buildings, including extensions to the BPMA building, and the comprehensive redevelopment of the site to provide:

“..four new buildings ranging from 5 to 15 storeys (above basement level) in height, to provide 38,724 sqm (GIA) of residential floorspace (345 dwellings) (Class C3), 823 sqm (GIA) of flexible retail and community floorspace (Use Classes A1, A2, A3, D1 or D2), with associated energy centre, waste and storage areas, basement level residential car parking (54 spaces), the re-provision of Royal Mail staff car parking (approx 196 spaces) cycle parking, residential cycle parking (431 residential spaces) hard and soft landscaping to provide public and private areas of open space, alterations to the public highway and all other necessary excavation and enabling works..”

- 2.4 It should be noted that the description used includes both the floorspace total and equivalent number of dwellings for the purposes of better conveying the scale of development, and for procedural reasons the specific number of units would, were permission to be granted, be reserved to a condition of the planning permission, rather than explicitly recorded within the description of development.

Phase P1

- 2.5 Building A, comprising the whole of Phase P1, would be a courtyard block, open at its northern end, having heights ranging from 5 to 15

storeys in height. The block would be at its lowest height at the south eastern corner, at the junction of Mount Pleasant and Phoenix Place, and the height would rise to the highest point at the western end of the same Mount Pleasant frontage, at the junction with Gough Street and Elm Street.

- 2.6 A sub-basement level comprising approximately single width ramp accessed 196 parking spaces for Royal Mail employees alongside cycle storage and plant (including the Camden site's Energy Centre) would sit below a part basement level (sub surface on the western frontage and at grade on the east).
- 2.7 This level would include 40 car parking spaces (11 w/c accessible), plant, refuse storage and the lower level or duplex residential units on Phoenix Place. It would also include the 5 flexible use commercial use units on the southern Mount Pleasant frontage. The application proposes the ability to occupy those units within either the A1 (shops), A2 (financial & professional services), A3 (restaurants & cafes), D1 (non-residential institutions) or D2 (assembly & leisure) Use Classes. It would include individual unit or communal entrances, the pedestrian entrance for Royal Mail staff on to Phoenix Place.
- 2.8 The first full above (upper) ground level would principally contain residential accommodation, with the (2 way) vehicle basement entrance point lying at the southern end of the Gough Street frontage, with a small valet office alongside. The inner courtyard communal gardens lie at this level, accessed either through the buildings communal entrances or through individual units rear accesses, or otherwise through the (gated) open end of the courtyard block, onto the east west pedestrian route through the mid-section of the Camden site ('The Walk') which links Gough Street and Phoenix Place. Estate management and concierge / security offices are also located alongside the northern access.
- 2.9 Above this level is residential accommodation, in the form of dual and single aspect units, benefitting from personal balconies, access to small parts of the stepped roof form or large communal rooftop amenity spaces located at the 5th, 8th, 9th, 10th and 11th floor levels.
- 2.10 The materials proposed for building A include a predominant London stock brickwork, with lighter reveals, bronze coloured anodised aluminium window frames, stainless steel handrails to balconies, with railing topped brickwork screens to non-Juliet balcony areas. Terraces are treated differently on different elevations, with rail topped brickwork on Phoenix Place and Mount Pleasant, white sections and glazed winter garden type recessed terraces on Gough Street. Surfaces to the inner courtyard are predominantly smoother and of light brickwork including perforated brickwork sections, as well as reconstituted stonework banding and anodised aluminium frames and terrace railings. The commercial Mount Pleasant frontage in

particular is distinguished with Portland Stone cladding, the same anodized aluminium window frames, including stallriser type base and header sections and shallow fascia topping canopy. Roof levels not given over to private or communal amenity areas include either rooftop plant or green or brown roof areas.

2.11 The accommodation in Phase P1 comprises:

(acc = wheelchair accessible constructed units, ad = wheelchair adaptable units)

At submission:

| Tenure | Studio | 1 bed | 2 bed | 3 bed | 4 bed | Total | % of units |
|--------------|--------|-----------|------------|------------|---------|-------|------------|
| Social Rent | 0 | 0 | 3 (2 acc) | 20 (1 acc) | 0 | 23 | 10.7% |
| Intermediate | 0 | 15 | 3 | 3 (1 acc) | 0 | 21 | 9.8% |
| Market | 5 | 32 (4 ad) | 99 (10 ad) | 31 (2 ad) | 3(1 ad) | 170 | 79.4% |
| Total | 5 | 47 | 105 | 54 | 3 | 214 | |

November 2013 proposed Affordable Housing Offer (change to original submission shown in *red italics*):

Social Rent component offer:

| Tenure | Studio | 1 bed | 2 bed | 3 bed | 4 bed | Total | % of units |
|--------------|--------|--------------------------|---------------------------|---------------------------|---------|---------------------|------------|
| Social Rent | 0 | 0 | 3 (2 acc) | 1 (acc) <i>(-19)</i> | 0 | 4 <i>(-19)</i> | 1.9% |
| Intermediate | 0 | 3 <i>(-12)</i> | 1 <i>(-2)</i> | 6 (1 acc) <i>(+3)</i> | 0 | 10 <i>(-11)</i> | 4.7% |
| Market | 5 | 44 (4ad) <i>(+12)</i> | 101 (10ad) <i>(+2)</i> | 47 (2 ad) <i>(+16)</i> | 3(1 ad) | 200 <i>(+30)</i> | 93.4% |
| Total | 5 | 47 | 105 | 54 | 3 | 214 | |

Phase P2

2.12 P2 includes buildings B (10 storeys), C (8 storeys) and D (5-6 storeys). Like the southern half of the Camden site, ground levels rise from east to west and from south to north, so whilst building C has its ground floor level at grade onto Phoenix Place, a small decrease in the internal floor level causes this level in the site's north west corner to be an effective full basement level, relative to the northern end of Gough Street.

- 2.13 The lowest level fronts a proposed public square (Square P), accessed from the proposed pedestrian route (the Walk) from Gough Street (which aligns with Coley Street). A 250m² (GIA) A3 unit is proposed at the base of the building on the northern edge of this square, whereas the same level in building B, to the west of the square, is wholly residential. 13 car parking spaces, of which 6 are wheelchair accessible spaces, lie at this level, accessed from a gated, single width ramp leading from Phoenix Place. Residential units within building D can be accessed externally at this level, though communal then private garden areas at the rear (east) of this block. Otherwise units in Phase P2 are generally accessed from communal entrance points, including a main entrance at the space between buildings B & C at the north west corner of square P, to building D on Gough Street, or through the proposed private communal gardens. Whereas the effective front facades of buildings B & C front onto the Square to the south east, a smaller private communal amenity space mirrors the Square's position to the north / west of those buildings, and is accessible through the aforementioned main entrance, as well as directly from Gough Street, at its western edge.
- 2.14 Access to the northern part of building D is more varied, with the said lower ground level northern flank and rear garden accesses available, as well as through internal cores. The effective upper ground floor level units at this point can be accessed either through internal cores as well as from the 2 separate stepped entrances onto Gough Street. As the northernmost core of block D does not include lift access, there are 5 units within the end part of that building that are only accessible through stepped only access to those units at 1st to 4th floor level.
- 2.15 Aside from those areas referred to above, the external amenity space within this Phase includes a 7m wide strip rear of building D, adjoining the rear of the retained Postal Museum (BPMA) building. This lies beyond the 2.2m to 3.5m deep private gardens from the 3 ground level units here, and accesses a small communal amenity space at the northernmost end of the site, behind the rear gardens of neighbouring properties on Calthorpe Street. This area, and thus access to the northern flank core and rear of building D, can also be accessed from a pedestrian access onto Gough Street, along an external staircase. Like the P1 building, the blocks within P2 also exhibit external void or projecting balconies, 5 units have personal gardens, and buildings B & C have communal roof terraces, occupying the greater part of their respective roof levels.
- 2.16 P2 external materials on the industrial effect buildings B, C and D include light buff London stock brickwork, with flatter courses demarking floor levels across the grid framed buildings, dark grey window frames and mainly projecting metal balconies. Window reveals would have a light mortar treatment. Buildings B & C possess double height 'loggia' at the uppermost levels, and Building D, as referred to above, includes the elevated (stepped) alternative

accesses to the upper ground floor units, aiming to reflect the similarly elevation main floor level of the Listed properties on Calthorpe Street.

2.17 The accommodation in Phase P2 comprises:

(acc = wheelchair accessible constructed units, ad = wheelchair adaptable units)

At submission (no change in November 2013 revised AH offer):

| Tenure | Studio | 1 bed | 2 bed | 3 bed | 4 bed | Total | % of units |
|---------------------|--------|------------|------------|----------|-------|-------|------------|
| Social Rent | 0 | 1 | 4 (2 acc) | 10 | 1 | 16 | 12.2% |
| Intermediate | 0 | 0 | 4 (1 acc) | 2 | 0 | 6 | 4.6% |
| Market | 0 | 43 (1 acc) | 63 (9 acc) | 3 (3 ad) | 0 | 109 | 83.2% |
| Total | 0 | 44 | 71 | 15 | 1 | 131 | |

Camden Site (Application A) Development Totals

2.18 The mix of residential accommodation within Application A therefore comprises:

(acc = wheelchair accessible constructed units, ad = wheelchair adaptable units)

At submission:

| Tenure | Studio | 1 bed | 2 bed | 3 bed | 4 bed | Total | % of units |
|---------------------|--------|-------|-------|-------|-------|-------|------------|
| Social Rent | 0 | 1 | 7* | 30* | 1 | 39 | 11.3% |
| Intermediate | 0 | 15 | 7 | 5 | 0 | 27 | 7.8% |
| Market | 5 | 75 | 162 | 34 | 3 | 279 | 80.9% |
| Total | 5 | 91 | 176 | 69 | 4 | 345 | |

*Note the applicant's Planning Statement incorrectly recorded 6x2 bed and 31x3 bed social rented units

November 2013 proposed Affordable Housing Offer (change to original submission shown in *red italics*):

Social Rent component offer:

| Tenure | Studio | 1 bed | 2 bed | 3 bed | 4 bed | Total | % of units |
|--------------------|--------|-------|-------|----------|-------|----------|------------|
| Social Rent | 0 | 1 | 7 | 11 (-19) | 1 | 20 (-19) | 5.8% |

| | | | | | | | |
|---------------------|---|----------|----------|----------|---|-----------|-------|
| Intermediate | 0 | 3 (-12) | 5 (-2) | 8 (+3) | 0 | 16 (-11) | 4.6% |
| Market | 5 | 87 (+12) | 164 (+2) | 50 (+16) | 3 | 309 (+30) | 89.6% |
| Total | 5 | 91 | 176 | 69 | 4 | 345 | |

2.19 As has been referred to above, the 345 dwellings are served by 54 parking spaces (a ratio of 0.156 spaces per unit) of which 17 would serve wheelchair accessible units, and thus 37 would serve the market units. The applicant proposed that the spaces serving market units would only serve those units having 3 or more bedrooms. Some 431 cycle parking spaces, including those located in rooms, storage boxes, or in the above ground private or public spaces formed in and around the site.

2.20 The application also includes 1428m² of flexible commercial floorspace (A1,A2, A3, D1 or D2) within which only the unit at the base of Building C, fronting the proposed public square, has been identified as intending to serve a single defined use (A3). The development would also provide Royal Mail staff car parking, which is defined as being approximately 196 spaces. A fixed number has not been provided, as this provision would include a need to use stackers and obstructing, managed parking, and would be require a valet type parking arrangement (discussed in further detail in the assessment section below).

Public / Private internal landscaping

2.21 The private owned and publically accessible area at the centre of the site, comprising the Walk and Square P, allowing pedestrian access from Gough Street to Phoenix Place, would see a sloping, step free 5m wide route, in yorkstone surfacing, formed. This would, for its eastern half, run along the edge of a public square which would be predominantly hard landscaped (in granite setts) with raised planting edges to the east and south, 6 trees planted. This 580m² approx area would provide a diagonal route through in the direction of the public areas within the Islington site, as well as an external seating area for the proposed A3 unit, hardwood seating at the inner southern and eastern edges and a route to the main access between buildings B & C.

2.22 The P2 private communal space between buildings B, C and D would again see a mix of hard and soft landscaping, with green edges including tree planting on its edge to Gough Street and yorkstone pathway areas. The main part of the 480m² space would be self bound gravel, around hardwood play equipment at its centre. The larger (1500m² approx) private communal courtyard space within P1 would see a greater mix of hard and soft landscaped areas, including small personal decks, area, screening planting and a sand pit.

Peripheral landscaping / Highway alterations

- 2.23 The outermost edge of the proposed defined private areas serving the development would mostly reflect the existing Royal Mail ownership boundary, a small area of land in the south western corner would be given over to the public highway, and a wide pavement area on the Mount Pleasant frontage would be mostly in private ownership though publically open. The surfaces for the either private or public highway edges would all be set out in yorkstone paving.
- 2.24 Phoenix Place would see a reduction from 4 to a single vehicle access (to the P2 basement), and for the greater part the pavement width and alignment would be largely unaltered (within the Camden site). Within the carriageway surface, defined parking spaces (x13) and 2 loading bays would be formed between pavement crossing build outs. A large raised platform is proposed in the area between the proposed Postal Museum building and the public square within the Islington site, towards the northern end of Phoenix Place.
- 2.25 The Mount Pleasant frontage, due to the enlarged forecourt area formed by the setting back of the building from west to east would become between 4.3m and 13.7m wide (with a consistent 2.6m wide section being public highway) between a defined parking and loading bay area. This would comprise a loading bay at the western edge and space for 9 cars. The existing 2 vehicle accesses on this frontage would of course be removed. 5 Sweet Gum trees are proposed for the private area of this forecourt, to its eastern half. The resurfacing of the southern (opposite) side of Mount Pleasant in yorkstone flags is also proposed.
- 2.26 Gough Street is currently one way only southbound for a short section at its southern junction with Mount Pleasant and Elm Street. The application proposes the widening of the highway at this point to allow the entirety of Gough Street to be made 2 way. A wide crossover area at the basement car park entrance would be formed, as well as defined bays for loading, car parking (x2) and 28 motorcycle spaces on the stretch south of the junction with Coley Street. The northern stretch of Gough Street would feature 16 parking spaces on the eastern side of the highway, whereas there are currently 2 spaces present on the western side.
- 2.27 The application would also propose the closure of all vehicle accesses on the site's frontage to Gough Street, as well as the widening (and yorkstone resurfacing) of the western pavement, to allow for new tree planting. 13 (fastigiata tulip) trees are proposed along the western pavement, and plans show the removal of the existing 6 (recently planted) trees in this area or on the eastern pavement.

- 2.28 Planting of 2 bird cherry trees on the western edge of the triangular open space to the south of the Gough Street / Elm Street / Mount Pleasant junction is proposed. This would follow the removal of existing planting and the re-landscaping of this space. The existing sloping paved space would be modified to form defined levels, including a triangular grassed area at the eastern half with edge seating as well as granite set hardsurfaced space at the western edge.
- 2.29 Whilst the southwestern (Mount Pleasant / Elm Street / Gough Street) junction would be largely unmodified other than the widening of the one way Gough Street route, the south eastern junction of Mount Pleasant / Phoenix Place / Warner Street would see the pavement edges extended, the kerb radiuses accordingly reduced. The narrower junction would also see the raised platform resurfaced in granite sets.

Application B (the Islington Application) – text taken from draft Islington Committee Report

- 2.30 *The Islington site (Calthorpe site) is suggested by the applicant to come forward in three distinct phases as set out below. However it is noted that whilst the enabling must come forward first, the later phases could be reversed.*
- *Phase 1: Enabling: consisting of the capping over of the existing Royal Mail Service yard;*
 - *Phase 2: C1: the southern part of the site (designed by Wilkinson Eyre Architects, sitting above the enabling structures); and*
 - *Phase 3: C2: the northern part of the site (designed by Allies and Morrison).*

Phase 1 (C1) Enabling Proposals

- 2.31 *The first phase of the proposals require the enclosing of the existing Royal Mail Service yard at both basement and part ground floor levels to enable the remainder of the site to be released for residential-led mixed use development.*
- 2.32 *The existing area of service yard measures approximately 14,150sqm which would be reduced from 22,169sqm which is the current area of service yard available to the Royal Mail Sorting Office functioning.*
- 2.33 *The enclosed service yard area would provide for a total of 254 Royal Mail operational parking spaces. At basement level 168 spaces would be enclosed. (N.B. Beneath the existing Royal Mail building to the south of the application site, internal alterations (not requiring planning permission) have made it possible to accommodate a further 79 parking spaces).*

- 2.34 *At ground floor level a total of 15 large vehicle parking spaces have been marked out. The service yard would contain vehicular circulation areas, the loading and unloading of Heavy Good Vehicles, parking spaces, re-fuelling and maintenance facilities. There would be no change in the use or area of operational activity. Additionally plant equipment to serve the basement areas and office building above would be located at this level, a bunded and vented fuel storage area of up to 45,000 litres, as part of the new ramp structure. The fuel that will be stored in this facility is diesel (DERV fuel) and is not classed as a flammable liquid.*
- 2.35 *A new ramp structure and ground level slab would be built over part of the Bathtub creating a platform to construct Buildings G, E and F. This structure and slab would then form a basement area that extends beneath the main public open space, beneath Buildings E and F and part of Building G. The floor level of this basement level would range between 14.00AOD and 14.75 AOD (the existing floor level is 14.55 AOD).*
- 2.36 *The roof of the ground floor enclosed service space would be a lightweight structure (due to the length of spans required to keep the circulation space open) covered by sedum base. It would be an acoustic roof constructed between the first floor level of the Sorting Office to Building E, F and G over the existing loading bays with roof lights proposed.*
- 2.37 *Construction of this structure would require significant structural foundations to be installed at this early stage to support the later residential phases above. This is to ensure that once complete, the enabling structure would not require any works to it in order to safeguard the continued Royal Mail Operations.*
- 2.38 *The Royal Mail access onto Farringdon Road would be relocated 15m south of where it currently exists. It would exist as a double height and two-way vehicle entrance and exit from beneath a proposed office building fronting Farringdon Road.*
- 2.39 *A separate but adjoining single storey basement would extend beneath Buildings H, J and K, from Farringdon Road to Phoenix Place, which would provide 5,024sqm. Additional excavation would be needed towards Calthorpe Street, however due to existing underground infrastructure (Mail Rail tunnels) the basement beneath Buildings H, J and K would not be lowered from existing (14.55 AOD).*

Phase 2 (C2) - Southern part of Islington site

- 2.40 *Phase 2 is likely to be the construction of plot C2 directly abutting and partly sitting over the ground floor Service Yard enabling structure. This phase would include the delivery of Blocks E, F and G (if not delivered already as part of phase 1).*

- *Block E is proposed for the south western part of the application site and comprises a part 10 (36.8m), part 11 (39.45m) and part 12 (44.65m) storey residential building. This building would have two entrances, one from the north (where a new square is proposed) and one from Phoenix Place.*
- *Block F is proposed along the length of the Service Yard with building heights ranging from part 7 (25.2m – 26.72m), part 8 (29.0m- 29.24m) and part 9 (31.6m - 32.475m) storeys and would comprise of:*
 - o *at ground floor level eight (8) flexible use (A1, A2, A3, A4, D1 and D2 use classes) commercial units are proposed measuring, 36sqm, 51sqm (2), 101sqm, 110sqm, 142sqm and 143sqm in size;*
 - o *on the upper floors a total of X residential units (X private, X intermediate and X social rent);*
- *Block G is a proposed office building fronting Farringdon Road. This would be part 4 storeys with a set back fifth for the majority of the Farringdon Road frontage, stepping up to five storeys where it turns into the centre of the site. Roof plant would be enclosed above this, set back away from Farringdon Road elevation. This building would provide 4270sqm of office (B1a use class) floorspace.*

Phase 3 (C2) - Northern part of Islington site

- 2.41 *Phase 3 is likely to be the construction of this part of the development, comprising of three (3) distinct buildings, with two areas of publicly accessible open space, 'The Garden' and 'Square C' as well as the creation of a new private road (but with public access rights) 'The Laneway'.*
- 2.42 *Block H: located on the corner of Farringdon Road and Calthorpe Street is proposed as a perimeter block building standing at 8 storeys on the corner for a length of approx 62m along Calthorpe Street (matching the extent of the Holiday Inn), and for a length of approx 24m along Farringdon Road. The building would then step down to 7 storeys in height along Farringdon Road and slightly turning into the site itself. A 6 storey height would then extend the remainder of the Calthorpe Street frontage. The south western corner of the block would be 4 storeys in height and accommodate the concierge, basement and bike entry points.*
- 2.43 *The ground floor would have a car lift located along the 'Laneway' providing access to the basement that is proposed to accommodate 65 car parking spaces, 17 of which would be allocated as wheelchair accessible parking spaces. Additionally, various plant including*

rainwater storage, energy centre, switch rooms. Refuse and recycling provision would also be located at this level.

- 2.44 Block J located on the corner of Calthorpe Street and Phoenix Place. This building is designed with a triangular footprint / wedge shape at four storeys in height. This building is an unusual accommodation format and is proposed as private tenure units between 1 and 2 bedrooms in size totalling X. This building incorporates an internal bridge access within its central courtyard to enable each unit to have its own front door access. This building would be constructed of brick, taking design cues from nearby listed Georgian terraces. At ground floor level the building would accommodate an approximately 166sqm 'flexible use' unit facing south over the proposed civic space. Opposite the car lift on the opposite side of the proposed 'Laneway' this building would accommodate electrical substation, mail access, refuse storage. Beneath this building would be located water, grey and rainwater recycling, cycle parking, sprinkler pumps.*
- 2.45 Block K located due south of Block J (separating proposed open spaces 'The Garden' and 'Square C') would be a 3 storey building, with ground floor 'flexible use' floorspace measuring some 173.4sqm. The first and second floors are proposed to accommodate 4 residential units. The roof space would provide communal amenity space for those units.*
- 2.46 The Laneway and Service Vehicle Movements: is a proposed private access road that would separate Block H and Block J and provide vehicle entrance to beneath Block H. Vehicles accessing the parking beneath Block H would enter and leave the site from the Laneway and Calthorpe Street. The Laneway would also be the service vehicle entrance to the site including for deliveries, maintenance, refuse and recycling collection to the residential and commercial uses within the site (including the office building fronting Farringdon Road). These vehicles would continue through the site via remote controlled bollards operated by the 24 hour concierge adjacent with vehicles moving through the southern part of the site and onto a new vehicle exit onto Farringdon Road. These vehicles would have a left-turn only due to kerb designs.*
- 2.47 The Garden: is proposed running in an east-west orientation across the site, separating the two main building blocks on the site. The space measures on average 30m in width and 105m in length. The southern edge provides pedestrian access across the site and into the ground floor commercial and residential entrances to Block F. A service route also runs along this extent with vehicles entering the site from The Laneway (described above). The Garden and all other public realm has been designed by landscape architects 'Camlins' with the open space designed to represent a boats hull, reflective of the River Fleet and its historic link to the site. The Garden is designed to incorporate a significant amount of tree planting and soft*

landscaping as well as play features and work as a type of amphitheatre facing the Block K ground floor. Four (4) very large trees are proposed to be planted within the site close to Farringdon Road, making use of the only substrate (soil) located on the site due to the existing basement levels.

2.48 Square C: is designed to sit between Blocks E, J and K and fronting Phoenix Place. It is designed as a hard surface 'civic' square. It is designed to accommodate level changes inherent due to the subsurface Mail Rail structures, including the only 'train access point' to the northern part of the site. The position of the 'square' is directly opposite the consented new location of the British Postal Museum and Archive building, to be located on the opposite side of Phoenix Place (within Camden).:

* The mix of residential accommodation within Application B therefore comprises:

(acc = wheelchair accessible constructed units, ad = wheelchair adaptable units)

At submission:

| Tenure | Studio | 1 bed | 2 bed | 3 bed | 4 bed | Total | % of units |
|---------------------|--------|-------|-------|-------|-------|-------|------------|
| Social Rent | 0 | 0 | 18 | 4 | 16 | 38 | 11.3% |
| Intermediate | 0 | 17 | 11 | 0 | 0 | 28 | 8.3% |
| Market | 0 | 68 | 160 | 37 | 5 | 270 | 80.4% |
| Total | 0 | 85 | 189 | 41 | 21 | 336 | |

November 2013 proposed Affordable Housing Offers:

Social Rent component offer:

| Tenure | Studio | 1 bed | 2 bed | 3 bed | 4 bed | Total | % of units |
|---------------------|--------|-------|-------|-------|-------|-------|------------|
| Social Rent | 0 | 0 | 6 | 0 | 13 | 19 | 5.7% |
| Intermediate | 0 | 8 | 8 | 0 | 0 | 16 | 4.8% |
| Market | 0 | 68 | 145 | 41 | 8 | 301 | 89.6% |
| | 0 | 85 | 189 | 41 | 21 | 336 | |

2.49 The current Islington affordable housing levels proposed therefore equate to 10.5% by units / 12% by habitable rooms.

3.0 Relevant History

Camden Site – Application A

- 3.1 The Camden application site has served in an informal car and overflow commercial vehicle parking capacity for several decades, having previously been host to a number of buildings, a number of which were victims of WW2 bombing raid damage. As a result there is a dearth of very recent planning history within the Camden site. The limited post war consents relate to land around the building approved to hold a relocated BPMA (British Postal Museum & Archive) – 15-21 Phoenix Place (known as Calthorpe House)
- 3.2 Calthorpe House - 8500948 - Change of use of ground floor from workshop to computerised cheque encoding centre. Granted 14 August 1985
- 3.3 Site to rear of Calthorpe House, Gough Street/Phoenix Place, WC1 - 18129 - The erection of new stores in the yard, a new rear wall to the existing workshops and a new flue. Granted 20 May 1974.
- 3.4 Calthorpe House Car Park Phoenix Place WC1 - 9000339 - Renewal of limited period planning permission for the retention of a liquid petroleum gas store. Granted 8 May 2003. 8800249 - Continued use of site as liquid petroleum gas store. Granted 8 September 1988
- 3.5 Workshops to rear of Calthorpe House - 19131 - Widening of existing entrance and crossover. Granted 30 August 1974. 19486 - The widening of existing entrance and crossover. Granted 7 January 1975
- 3.6 Calthorpe House - The single relevant application within the site is the extant BPMA (British Postal Museum & Archive) permission. Planning Permission (2012/1897/P) was given, subject to conditions and a s106 agreement on 25th June 2012, for the conversion of no.15-51 Phoenix Place, at the north eastern part of the Royal Mail landholding in Camden, rear of the eastern end of the Calthorpe Street terrace row. The permission allows for the change of use of the existing buildings from offices (Class B1) to a new Postal Museum and Archive (Class D1) with ancillary bar/café facilities. The café is located on the ground floor along with the main museum gallery and an archive area. To the upper floors are education/multifunction space, archive areas, meeting spaces and offices. The museum was expected to attract 40,000 visitors a year and will have an entrance fee of around £5-£7. School groups are expected to visit twice a day for 32 groups of the year. The existing museum is located at two sites; in the main (Islington) Mount Pleasant main Sorting Office building (accessed from Phoenix Place) and at a storage depot in Debden.
- 3.7 The scheme includes the demolition of the same rear additions lying within the application site for the current planning application and

erection of a two storey rear extension (extending up to the boundary of the current application site), which is almost the full width of the site, a three storey infill side extension to the southern elevation and a single storey side extension to the northern elevation (the elevation closest to the properties on Calthorpe Street). Replacement windows are also involved along with associated alterations to the façades and landscaping. A rooftop plant area is included to the single storey extension with an acoustic barrier.

- 3.8 Planning Permission was resolved to be granted by the Development control committee, subject to the following conditions and s106 clauses:

Conditions:

- Maximum opening times of 07:30 to 22.00 (Monday to Sunday)(cond 7).
- Hours of use of northern courtyard between 08:00 to 21.00 Monday to Sunday (cond 8)
- No use of flat roofs as roof terraces (cond 5)
- Noise mitigation (cond 6)

S106 clauses

- A museum plan (including a Description of the museum and its purpose, when it will be open to the public, that the owners will facilitate visits by schools and community groups, free entry for all (non-group participating) children under 16, a discounted rate of £2 per person/child for guided tours/school trips, local community groups to hire rooms for free or at discounted charges and a review mechanism)
- Financial contribution towards highway works (£11,234)
- Financial contribution towards pedestrian and cycle improvements (£30,000)
- Service Management Plan
- Construction Management Plan
- Car free (no business permits to be issued)

- 3.9 Scoping Opinion (2012/5808/P). The development of the Camden & Islington sites, being regarded as Schedule 2 'Environmental Impact Assessment' development, was the subject of a 'scoping request' dated 29th October 2012. The purpose of this application was to determine those matters which the local planning authority consider as the probable 'main effects' of the development (EIA Circular 2009, paragraph 89). The application was described as:

'Request for scoping opinion under the Town and Country Planning (EIA) regulation in respect of mixed use redevelopment involving up to 15 storey buildings comprising approximately 750 residential units,

6100m2 Office, and 4000m2 of flexible retail floorspace, new community facilities and 420x car parking spaces.'

A joint assessment and response was provided by Camden & Islington Councils (letters released 8th January 2013 and 14th December 2012 respectively). This 'scoping opinion' set out advice and instructions in regard to the methodology of the assessment, and identified a range of potential significant effects to be incorporated within the Environmental Statement required to accompany any subsequent planning application.

- 3.10 An informal follow up letter to this Scoping Opinion An informal follow up letter was sent by Camden Council on 14th February 2013, including collaborative input from Islington officers to address further queries that the applicant had in relation to the original Scoping Opinion response.

Islington Site

- 3.11 British Postal Museum (Islington ref: P2013/3484, Camden consultation request ref: 2013/8150/P)) relating to part of the basement and underground tunnels within this site and ground floor level ancillary workshop spaces is CURRENTLY UNDER CONSIDERATION by the Islington (as decision makers) and Camden (as interested neighbouring borough). The application is for the:

'Change of use and refurbishment of the existing ground floor Royal Mail Workshops, basement mail rail car depot and associated mail rail tunnels and platforms (sui generis use class) to provide a new exhibition, rail ride and conference facility (sui generis use class) associated with the British Postal Museum and archive (BPMA), including alterations to the existing workshop elevations fronting Phoenix Place and the construction of ventilation and escape shafts within the Royal Mail vehicle service yard'.

- 3.12 Sorting Office Building. Planning permission (Islington ref: P122295) GRANTED 14 December 2012 for alterations to the Phoenix Place facade of the Letters Office Building, including erection of a new two storey pavilion building to northwest end of the façade'. No objection was raised to this development by Camden Council, subject to the securing of details ensuring no adverse impact on existing or anticipated future residential amenity would arise (Camden consultation request ref: 2012/5739/P)

4.0 Consultations

4.0.1 In acting as the local planning authority, the GLA will itself under an obligation to undertake their own full consideration of all comments provided in regard to the application. All responses provided to the Council have been forwarded to the GLA for this purpose.

4.1 External & Statutory Consultees

4.1.1 Comments regarding and responses to the issues raised are set out within the assessment section of this report, unless specific response is shown in the summaries below.

Greater London Authority Stage 1 joint response to Camden & Islington Applications (A& B)

(and italic text indicates Camden officer's comments on conclusions of GLA officers)*

4.1.2 A Stage 1 response was provided on 3rd September 2013, following consultation by the boroughs on 10th July. The applications were referable due to the quantum of housing (criteria 1A), overall floorspace within Central London (1B) and the height of buildings (1C). Following the reaching of a resolution to approve or refuse the applications, the boroughs will refer their proposed decisions back to the Mayor of London / GLA for a final Stage 2 response.

4.1.3 The GLA consider that 'The principle of a residential led mixed use development in the Central Activities Area is in accordance with strategic objectives for this highly accessible location, and would benefit London's World City status. The masterplanning principles, architecture, form and scale of development are well considered and of a high quality in principle and would not harm local or strategic views. The residential quality of the scheme is high, with an appropriate housing mix and play space'.

4.1.4 The GLA consider that the scheme 'creates high quality public spaces and routes, and achieves a high quality design that enhances the historic significance of the site and surrounding area'. The commercial function of the site is not protected at a strategic level and the residential heavy aspect of the scheme is considered to be necessary to bring forward a viable development of the site.

4.1.5 In regard to Affordable Housing, the GLA notes that whilst an independent report had been prepared by the time of their report, the Boroughs were:

'...intending to undertake further analysis of the toolkit due to concerns over the methodological approach the applicant has adopted for the value of the site (using the RICS Guidance Note definition of Site

Value), whereas Islington Council's preference is that an alternative approach is adopted (using Existing Use Value plus premium). On this point, the Housing SPG notes under paragraph 4.2.23 that "*there are a range of valuation methodologies that can be used to assess viability in particular cases, and the usefulness and robustness of a particular approach in providing a basis for informed decision making is the key criterion for deciding which to use in each case*".' (para 25)

4.1.6 The GLA require that the provision of affordable housing is maximised, and that 'logical, transparent and accurate assessment of inputs and outputs for the development has been made'. It cannot thus confirm that the level of affordable housing proposed did, or does conform with the London Plan. GLA officers requested that the 'findings of the independent surveyor(s) be shared with GLA officers at the earliest convenience' (para 26). In this regard the draft report (v 2.2) of the Valuation Agency's District Valuers Service, provided on the 23rd October 2013, has been provided to the GLA. The GLA also noted that 'The independent review will be expected analyse in detail the costs and values that have been inputted to the toolkit and verify the assumptions that have been made in relation to rent levels and sales values, for example'.

4.1.7 The GLA also made the following statement in regard to the potential need for a viability re-appraisal mechanism (para 29):

'As noted in the London Plan, there are also circumstances where boroughs should consider whether it is appropriate to put in place provisions for re-appraising the viability of schemes, and maximise affordable housing provision, taking into account the possibility of increased sales values in the future. Such an approach may be appropriate for this scheme, given its size, the ability to phase the scheme and length of time that may pass from initial toolkit appraisal to actual build out'

4.1.8 It should be noted that The conclusions of the GLA within the Stage 1 response were made on the basis of 'approximately 20% affordable housing' where the offer across both applications equated to 132 units (77 social rented & 55 shared ownership)

4.1.9 In regard to affordable housing tenure, the overall 58:42 split is considered to be acceptable. The overall housing mix across the wider site, with 'studio (1%), one (26%), two (53%), three (16%) and four (4%) bed units' (para 30) is also supported, and the schemes are noted to have 43% of the affordable units as 3 bed plus units. Again, in regard to the affordable housing component, it should be noted that this was the submission offer, which has subsequently been reduced.

4.1.10 The density, observed at a range of 467 to 822 habitable room per hectare (hrh), with an average of approx. 600 hrh is considered to, although falling below the appropriate range set out within the

London Plan (of between 650-1100 hrh for sites with such high public transport accessibility levels), be appropriate 'in the context of the surrounding urban grain and constraints imposed by strategic views'.

- 4.1.11 In regard to the quality of accommodation, as the units exceed the London Plan space standards, have cores with less than 8 units (per floor) do not include north facing single aspect units, and all benefit from some form of private amenity space (**although this is not actually true of all units*) the accommodation proposed is supported by GLA officers. Confirmation that the proposed balconies / terrace exceed the dimensions of the Housing SPG is however sought.
- 4.1.12 The number of children within the 2 applications is calculated as 212, with 81 under 5 years of age. The London Plan SPG requires 10m2 playspace per child, within which all m2 for under 5's should be provided on site. The dedicated provision - within the 7900m2 of accessible open space provided through the wider site - for under 5's of 1660m2 (** more than double the level required*), along with 1910m2 for 5-11 years olds and 550m2 for over 12s is therefore acceptable (**2460m2 for 5 years plus aged children is thus provided, whereas 1310m2 was required*). Details of these areas should be secured by condition.
- 4.1.13 The minor (4m) breach of the Parliament Hill Strategic View (LVMF view 3A.1), at the west of that viewing corridor, is not considered to be objectionable. The layout of the schemes are considered to integrate well into the City, working well with the surrounding urban grain.
- 4.1.14 The creation of the large public space (the Gardens) within the Islington site is 'particularly welcome' and reflective of traditional typologies. Overall, 'The creation of new public spaces and routes through what is currently a relatively impenetrable site is welcomed' (para 38).
- 4.1.15 The proposed maximum height, through exceeding the indicative levels set out in the Mount Pleasant SPD, is considered to be successful in fitting into the cityscape, 'without disrupting views or the fine grain of the area'. The GLA conclude that 'the scheme is considered to achieve a good fit within its context and the variety of heights and building types gives it a very "London" character' (para 39).
- 4.1.16 In regard to local views and context, GLA officers note that materials have been chosen to reflect the local brick character, and that the greater scale to the north east corner of the Islington scheme steps down well to 4 storeys where it lies in close proximity to the eastern end of the Listed Calthorpe Street terrace within LB Camden. The projection of the highest (12 storey) element at the south westernmost corner of the Islington site above the southern Listed terrace on Wren Street, in views from St Andrews Gardens, is considered to be overly harmful, given the existing 6 storey interwar residential building that lies

at the edge of this view, and due to the presence of mature tree planting. The higher element of development in both sites is otherwise acknowledged to have an impact, but not to a harmful degree, as 'the applicant has demonstrated that the scheme would have a good fit with its setting and whilst there are some views that would compromise heritage assets to a degree, these have been kept to a minimum' (para 41).

4.1.17 In conclusion, the GLA's views in regard to scale, height and layout are:

'..the masterplanning principles are well-considered, with clearly defined public and private spaces that are carefully integrated in the surrounding streets. The two individual schemes are acceptable on their merits, and together achieve a high quality of placemaking. The applicant's commitment to ensuring a high standard of design quality is welcomed and maintaining the various architects as the project architects on the scheme post planning should be assured'

4.1.18 In regard to inclusive access, the GLA identifies that changes in levels cause step free access to be difficult. They also note that the borough's access officers will be expected to review the applications in detail, and that further discussion with these officers would be appropriate. Careful detail design is also appropriate. Further detail for access to and the location of the accessible constructed and adapted units is noted to be necessary, though the applicant has confirmed that the 16 Lifetime Homes criteria will be met and that 10% of units will be 'wheelchair accessible adaptable'. Full details of an acceptable, detailed provision should be secured by condition.

4.1.19 As the schemes together include only 5% blue badge provision (34 spaces across both sites), and this is below the 1 space per wheelchair accessible unit, the Car Parking Management Plan should include monitoring clauses and review 'to ensure that there are sufficient blue badge spaces kept available for the accessible units' (para 49). The plan should also cover taxi drop off points and community transport parking.

4.1.20 Detailed breakdown of carbon dioxide emissions, as well as the potential for a single energy centre and subsequent carbon dioxide emissions from the CHP is required. Details of the open loop ground source cooling system integration are also necessary. A commitment to BREEAM 'very good' and Code Level 4 is noted. The Camden scheme is encouraged to reduce water consumption of 90 litres per person per day as will be achieved within the Islington scheme, or otherwise provide justification why this could not be achieved. Though the target 50% surface water run off attenuation is proposed, details of how and utilisation of landscaping features to achieve this is required.

- 4.1.21 The vehicular egress of the main Royal Mail vehicle access points onto Farringdon Road was seen to be unacceptable, and reference is made to revisions being underway (**Officers are not aware that those objections have yet been satisfactorily overcome*). TMO amendments are necessary should be funded within a s278 agreement. All vehicle accesses to both sites are considered to be satisfactory.
- 4.1.22 The Camden residential parking ratio of 0.15, along with the Islington ratio of 0.19 are considered to constitute a 'restraint based approach' (para 59). Permit free and car club provision and membership obligations and electric vehicle charging point provision conditions are both necessary. The decrease level of staff parking proposed (below the existing levels available) is 'considered to be reasonable and unlikely to lead to significant peak hour trips' (para 60). A staff management plan detailing control and allocation of the spaces as well as Electric Vehicle Charging Points being provided are also necessary.
- 4.1.23 Cycle Parking levels across both sites (in total 817 residential, 27 visitor and 51 commercial spaces plus 100 for Royal Mail staff) are acceptable, and employee cycle parking should be supported by changing and showering facilities.
- 4.1.24 The methodology of predicting trip generation and mode split is supported. Highway Impact was still under assessment at the time of the Stage 1 response (**additional junction monitoring to assess junction capacity impacts is understood to have been undertaken, though additional information has not yet been provided to the GLA / Transport for London, at the time of writing this report*).
- 4.1.25 The new cycle and pedestrian routes are supported, though additional details and further discussion of how the high volume of walking and cycle trips can be accommodated within and around the site are seen to be necessary. The potential intensification of cycle routes through Phoenix Place are identified, and the retention of the Royal Mail access onto Farringdon Road is seen to help 'minimise the potential for cyclist / vehicular conflicts elsewhere' (para 68). A capped contribution (of £20,000 each) towards the 7 local bus stops is sought.
- 4.1.26 Local cycle docking stations are at capacity and the development would generate a need for a further 50 docking points. Given the applicant's identification of a single space (on Mount Pleasant, within Islington) whereas the Boroughs prefer 2 smaller sites at the centre of the site, further discussion is necessary, with ultimate delivery of the 50 spaces phased if 2 locations are to be provided.
- 4.1.27 No mitigation of bus trip or Underground travel generation is required. The development should have regard to London Underground's operation requirements. The relocation of the Farringdon Road taxi rank should be provided for within the s278 agreement.

4.1.28 Residential Travel Plans should be secured through the s106 agreement. Membership of TfL's Freight Operator Recognition Scheme is recommended. The Delivery and Service Plan should be modified to include proposals to consolidate home deliveries through a concierge service, with appropriate facilities, including cold and room temperature storage. The Construction Logistics Plan requires the addition of measures such as street cleaning, as well as confirmation of banksman presence.

4.1.29 Both boroughs lie within the £50 per m² levy charging band. The total sum should be confirmed. The sites also lie within the Crossrail s106 levy area, and the GLA note that 'the section 106 agreement will need to be worded so that if the section 106 contribution based on the assumed Mayoral Community Infrastructure Levy proves incorrect the contribution is adjusted accordingly (assuming it is still more than the CIL)' (para 78). As the Crossrail Levy rates are £140 per m² (GIA) for offices and £90 per m² for retail, a contribution of £298,920 is expected for the Islington scheme and £93,980 for the Camden scheme.

English Heritage

4.1.30 Raise no objection to the Camden scheme (Application A), noting that the 'scheme (broadly) reflects our discussions and the advice offered by our specialist staff' and recommend that the application should be 'determined in accordance with national and local policy guidance, and on the basis of your specialist conservation advice'.

4.1.31 English Heritage (EH) has, however, raised concerns regarding the Islington scheme (Application B). Though the layout and new linkages are supported, it has 'serious concerns regarding the proposed height and bulk of blocks E, F and G (** the buildings at the southern edge of the Islington site, including the 12 storey block (E), the southern edge building to the Gardens open space (F) and the office block fronting Farringdon Road (G)*) and their resultant impact on the setting of numerous heritage assets in key views'.

4.1.32 The Key views referred to all lie within Camden, and comprise views above the Listed terraces in Guilford Street and Calthorpe Street. The aforementioned blocks are considered to 'provide a new and dominant feature within this C19 view that contrasts with the clean Georgian lines of the foreground terraces. This impact is considered to cause significant harm to the setting of the Bloomsbury Conservation Area and to the listed terraces'. Building E in particular is also noted to break the similar uniform Listed terrace on Wren Street, with the uppermost 5 storeys of that block being visible. The new building would appear 'as a dominant element that is seen to rise to almost twice the height of the modest foreground buildings' in views from St Andrews Gardens.

4.1.33 The development is therefore considered to cause 'significant harm' to the setting of said terraces and to the setting of the Bloomsbury Conservation Area. English Heritage therefore urge Islington Council 'to very carefully weigh up the harm that the proposals cause to the setting of the listed building and the character of the surrounding conservation area against any public benefits, in accordance with policies 133 and 134 of the National Planning Policy Framework, before coming to a decision'. A scheme according with the heights set out within the Mount Pleasant SPD is noted to be liable to 'reduce or remove' such impacts.

4.1.34 Although concerns are raised, and Islington is urged to address the raised concerns, the EH recommendation is essentially for the application to be 'determined in accordance with national and local policy guidance, and on the basis of your specialist conservation advice' and therefore does not constitute a formal objection to the scheme (requiring a subsequent approval of the scheme to be referred to the Secretary of State).

English Heritage (Greater London Archaeological Advisory Service)

4.1.35 GLAAS recommend that further assessment and evaluation be undertaken prior to determination of any application potentially affecting a heritage asset of archaeological interest, as the submitted Environmental Statement (ES) requires some clarification. The presence of potential Civil War defences is not considered, despite records raising the likelihood that they 'probably ran close to or through the site'. Further the ES recognises that site has a high potential for 'palaeo-environmental riverine deposits' though there has been no 'field evaluation to test and map that potential'. Subject to carrying out the necessary additional work and evaluation, the ES should then be reviewed with GLAAS. Such work is considered to be necessary prior to the application is determined, and in the absence of such they 'recommend that the failure of the applicant to provide an adequate archaeological assessment be cited as a reason for refusal.' GLAAS note that similar advice has been given in regard to the Islington site.

4.1.36 The applicant has advised that some work is scheduled to be undertaken in January 2013, though at the time of writing this report, no new information has been provided to officers.

Natural England

4.1.37 No specific assessment has been undertaken, though reference is provided to various aspects of the development's impact which require consideration, as well as existing standing advice and relevant policy and legislation instruments covering matters including protected species, local wildlife sites and biodiversity enhancements.

Environment Agency

4.1.38 A direct response to consultation was not provided, though the Environment Agency did respond to Islington, and within that response set out a requirement that a detailed surface water drainage scheme, based upon the agreed Flood Risk Assessment has been submitted to and approved in writing by the LPA (and thereafter carried out as such). The scheme should include a restriction in run off and surface water storage on site as outlined in the FRA, including being reduced to no more than 71 //s for the 1 in 100 year storm event 'at the Phoenix Place site'.

Thames Water

4.1.39 Requests regarding waste water and surface water drainage are made. Petrol / oil interceptors are recommended to parking / washing / repair facilities. No objection is raised in regard to sewerage infrastructure. Conditions regarding water supply infrastructure (to determine additional capacity required and the appropriate connection point), piling design and SUDS are proposed

Camden & Islington Public Health Team

4.1.40 Make the following recommendations:

- That the Councils and Developers negotiate an increased proportion of affordable housing towards the targets in the London Plan, and Camden and Islington Core Strategies.
- That adequate shading / ventilation is provided to ensure that residents of single aspect residential units are able to be kept cooler during periods of hot weather.
- There should be early engagement with the local NHS, particularly Camden and Islington Clinical Commissioning Groups.
- That the HUDU S106 model is used to calculate contributions towards all potential health needs of an increased population arising from the development, and agreed with the Clinical Commissioning Groups in both boroughs.
- The developer should incorporate clear signage to public transport, cycle routes, local facilities and open spaces to encourage walking, and cycling.
- That an outdoor gym is included in the development.
- That any potential vibration from the Metropolitan Line and Thameslink tunnels are assessed, and that any issues that may arise are addressed.
- The provision of a public toilet on site is encouraged.
- That the Developer works with both Camden and Islington Councils to ensure that opportunities for skills development and employment are available to local people.
- That the Developer, contractors, and subcontractors commit to the London Living Wage as a minimum for all those working on the development.

Metropolitan Police Crime Prevention Design Advisor

4.1.41 a meeting was held on the 23 July 2013 between officers, Crime Prevention Officers and the applicants. Concerns were raised including: recessed areas across, areas that would accommodate 'street drinkers, skateboarders' etc, which would place undue pressure on reduced police services. Advised that the applicant should provide a management strategy for review and other proposals to design out, or address / mitigate the above identified issues. Initial comments were provided on the layout and design of the scheme, requesting the following features be incorporated into the development across both borough schemes:

1. Preventative measures for the central public park area:

Anti-graffiti treatment on the walls, Low level foliage and high level foliage to provide surveillance and good sight lines, Removable benches should street drinkers make use of them on a regular basis, Should CCTV be supplied, careful design is needed to work with the trees and lighting in the park, Lighting uniformed to BS 5489, Alcohol free zones especially within public garden/play areas, formation of an Estate Management Plan.

2. Building lines within public walk ways:

Recessed areas, should be mitigated where possible. This lack of surveillance due to "dead ground" in the recess may be reduced by planters, glazing, lighting, change of colour or texture on the floor, uneven flooring or other adequate measure.

3. Formal surveillance :

Will CCTV be provided, if so what areas will be covered, Will the CCTV be viewed 24/7 by security staff for immediate action or just recorded for post incident investigation & detection, Will long term site wardens/security staff/ concierge be provided? If so, how will their role/duties benefit the security of development

Design Council / Commission for Architecture & the Built Environment

4.1.42 DC-CABE were consulted on, but have not provided a response to the planning applications. Written advice was provided on the basis of a largely identical form of development as presented at the latter stages of the pre-application, in a letter to the applicant of 4th April 2013. This response stated that:

'We recognise the indisputable benefits of opening up this site for Londoners to enjoy and applaud Royal Mail for initiating this valuable regeneration, with a clear commitment to delivering a scheme of the

highest design quality. This significant development could make an extraordinary contribution to Islington and Camden and we offer general support for the principles it promotes. We think the design team has successfully captured the spirit of this diverse and historic part of London. We support the density and mix of development envisaged.'

4.1.43 The detailed comments provided did also include the encouragement of additional height in some locations within the Islington site (Farrington Road & Calthorpe Street junction, opposite the Holiday Inn building, as well as at the pavilion building at the centre of the open space).

4.1.44 DC-CABE noted that '*Ultimately, the success of this development will rely heavily on the quality of materials employed across the buildings and public realm and how well the spaces and blocks are managed*

Transport for London

4.1.45 TfL provided a separate response (to those views included within the GLA Stage 1 response set out above) which is set out in the form provided below:

Car Parking and Access

4.1.46 TfL understands that to facilitate the development of the Calthorpe site, the main vehicular access to the Royal Mail site will be relocated 15 metres south on Farrington Road with the retention of vehicular egress onto Roseberry Avenue. Whilst TfL considers the location of the new access on Farrington Road could be acceptable in principle, there are serious concerns about the current proposed layout in respect of creating pinch points, graduated kerb lines, lack of sight lines for pedestrians, potential conflict with the operation of the pedestrian refuge, vehicles traversing the central road markings and with conflict with cyclist movements. The applicant is therefore being invited to meet with TfL and Islington Council to develop an alternative proposed access design for this aspect of the scheme.

4.1.47 As currently set out, the proposed access arrangements will also require amendments to the traffic management order (TMO) as the length of the existing bus cage would be shortened to 29 metres, an extension of the bus lane, footway reinstatement and the relocation of the taxi rank further south. These works should be secured through a S278 agreement with TfL.

4.1.48 Vehicular access to the existing Royal Mail staff car park is currently from Phoenix Place and this will be relocated to serve the proposed underground car park with access from Gough Street. The Calthorpe Street residential element of the scheme will be served by a priority junction on Calthorpe Street itself including an entry only for service

vehicles and a service vehicle exit only onto Farringdon Road. The Phoenix Place residential elements would be served by a vehicle access from Gough Street and from Phoenix Place. TfL welcomes that all the proposed residential accesses have been subject to a stage 1 safety audit and are therefore considered satisfactory.

4.1.49 The 336 dwellings within the Calthorpe Street element of the scheme would be served by 65 parking spaces (including 17 blue badge spaces); a ratio of 0.19 spaces per dwelling. In addition, the 345 dwellings proposed at Phoenix Place would be served by 54 parking spaces (including 17 blue badge spaces); a ratio of 0.15 spaces per dwelling. Given the highly accessible location and an already congested highway network, TfL welcomes the restraint based approach to parking provision. The allocation of parking spaces should nevertheless be secured in line with the draft car parking management plan to ensure that priority is given to occupants of wheelchair and/or family dwellings. TfL welcomes that the advice that the section 106 heads of terms will include a 'permit free' obligation and that electric vehicle charging points will also be provided in accordance with London Plan policy 6.9. Camden Council is also recommended to secure on street car club spaces as well as resident car club membership through the travel plan.

4.1.50 At the pre application stage, TfL requested justification for the 196 parking spaces proposed for Royal Mail use (a decrease of 24 spaces from the current level). The applicant advises that staff numbers are expected to increase from 1,890 to 2,970, representing a 57% expansion overall and an 83% increase in staff on the early shift (06.00 - 14.00 hours) As recommended, the applicant has undertaken a parking accumulation study of the current facility. It reveals that at present, the maximum occupation of 156 vehicles occurs between 09.00 and 11.00. TfL also notes that parking permits are issued to staff on a needs basis with priority given to those who work the early and night shifts. Based on the expected increase in staff levels and associated trip patterns, TfL considers that the proposed quantum of parking is acceptable and unlikely to lead to significant peak hour trips. The applicant should nevertheless adopt a staff management plan to show how parking will be controlled, and allocated. Electric vehicle charging points (ECVPs) should also be provided for employee parking.

4.1.51 TfL welcomes the provision of cycle parking in line with the revised early minor alterations to London Plan policy 6.9'. This equates to a total across the site of 817 residential spaces, 27 visitor spaces and 51 commercial spaces. TfL also welcomes that cycle parking for Royal Mail staff will increase from 50 to 100 spaces. All employee cycle parking should also include changing and showering facilities.

Trip generation and mode split

- 4.1.52 TfL supports the transport assessment methodology whereby the entire masterplan development with the enabling development has been assessed along with the Phoenix Place site and the Calthorpe Street site (with enabling development) being considered separately. The applicant has also considered their proposals cumulatively with other nearby development recommended by TfL at the pre application stage. However, it is acknowledged that the trip generation from these proposals are negligible and as such their exclusion from this assessment is accepted
- 4.1.53 Future baseline traffic flows have been derived using traffic data from the existing Royal Mail operation along with the expected changes to operational and staff traffic flows. This approach appears reasonable and is therefore accepted.
- 4.1.54 The trip rate assessment has been undertaken using TRAVL survey data from private riverside developments in London. As stated at the pre application stage, the trip rates are relatively low and therefore considered relevant to the proposed development, although it is understood that Camden Council do not share this view. TfL nevertheless prefers that the trips calculated for each land use is included separately. For the commercial trip assessment, survey data from retail uses has been used as it has the highest all mode trip generation and is therefore considered robust. The use of Census 2011 data is acceptable for estimating the mode split, along with the transfer of car trips to other modes as limited parking will be provided with the proposed development. The applicant should clarify whether the forecast pedestrian trips in table 7.4 include walking to public transport facilities as they appear relatively high in relation to other modes of travel.

Highway Impact

- 4.1.55 The applicant advises that no allowance has been made for background growth on the highway network as the site is in Central London. TfL does not agree that this conclusion can automatically be drawn without evidence. The applicant should therefore provide data to support this position.
- 4.1.56 Modelling has been undertaken to assess impact on the highway network. However, before TfL can properly review the outcome, all inputs into the modelling must be submitted including TRANSYT output files. There has been evidence of validation for the TRANSYT models however, there due to the lack of input/output information this cannot be verified. For the PICADY modelling, evidence will be required to show that the results are representative of average conditions. Notwithstanding that, the TRANSYT modelling results predict that the junction of Rosebery Avenue/Farringdon Road will operate over capacity in future baseline and scenarios with development, exceeding 100% degree of saturation. TfL therefore welcomes further discussion

with the applicant and Camden Council as to how this can be mitigated. TfL acknowledges however, that the intensification of Royal Mail operations alone has a significant impact on traffic conditions in this area.

4.1.57 The proposed loading bay on Phoenix Place should be designed so that HGVs can enter and exit it without the need for reversing. In addition to the concerns above about the proposed Royal Mail vehicular access on Farringdon Road, The vehicle swept paths for the proposed car parks from the Calthorpe Street site indicates that there may insufficient space to manoeuvre, particularly with respect to larger vehicles as well resulting in kerb overrunning. These aspects of the scheme should be revised accordingly.

Walking and Cycling

4.1.58 TfL is disappointed that the transport assessment does not provide details of predicted cycle trips along Farringdon Road, plus vehicle numbers using the egress ramp. Nevertheless, it is noted that overall the development will generate a high level of cycle trips; 58 two way trips in the am peak and 55 trips in the pm peak.

4.1.59 In part of the Mayor's Vision for Cycling in London, March 2013, TfL is currently examining options for improving cycle routes through this area. This is within an area where TfL expects a large volume of cycle trips, especially in peak hours (>1000 in peak hour). It is therefore expected that quiet routes such as Phoenix Place could become significantly busier. That being the case, TfL would welcome the introduction of active frontages along this route as it is currently somewhat isolated. The retention of access for Royal Mail operations on Farringdon Road will also minimise the potential for cyclist/vehicular conflicts elsewhere in this area.

4.1.60 As TfL cycle proposals are currently being developed, continuing discussion with the applicant is welcomed to ensure that the design of the respective projects are mutually beneficial and in line with London Plan policy 6.9.

4.1.61 TfL welcomes the submission of a pedestrian audit (PERS assessment). The assessment concludes that whilst the local pedestrian environment is generally well designed there is some scope for improvement, particularly along Phoenix Place. TfL expects that the design of the development, including the provision of new footways and crossing should address this matter.

4.1.62 The creation of new cycle and pedestrian routes through the development are welcomed as they will improve permeability and increase walking as well as discourage vehicle use in line with London Plan policy 6.10. The applicant should also promote walking through improved wayfinding and as such both Islington and Camden Councils

are encouraged to secure a contribution towards the implementation of TfL's Legible London signage.

4.1.63 An audit of the seven bus stops that encircle the site has been undertaken. It reveals amongst other things, an absence of real time information and suitable kerb heights. TfL therefore requests a capped contribution of up to £20,000 per stop to upgrade them to full accessibility standards.

Cycle Hire

4.1.64 Cycle docking stations already operate at capacity within the vicinity of the Mount Pleasant area. TfL therefore considers that overall; the development will generate demand for an additional 50 docking points. Whilst TfL's aspiration would be for capacity to be provided as one large docking station, it is understood that both Islington and Camden Councils would prefer two separate facilities. Whilst the applicant's commitment to provide an additional 50 cycle docking station points is welcomed, it is not clear as to their location or whether they are proposed in addition to proposals for an additional 50 commercial cycle spaces. TfL therefore welcomes further discussion about this matter. Subject to the outcome, a section 106 contribution towards implementation will be required along the safeguarding of land in line with London Plan policy 6.9. If two docking stations are proposed, their installation should be phased in line with the development itself.

Buses

4.1.65 The development is expected to generate an increase of 183 bus two way bus trips. Although requested at the pre application stage, bus trips have not been assigned by route or direction. Even if all trips however, are assumed to be taken in the peak direction, the impact of those trips is not expected to require mitigation

London Underground

4.1.66 As you will be aware, London Underground tunnels extend under Farringdon Road, close to this site. As such the design and construction of this development must not increase or decrease the loadings on the tunnels nor compromise the integrity of London Underground's operations in accordance with London Plan policy 6.2.

4.1.67 TfL notes that a separate response has already been issued by London Underground's Infrastructure Protection team and as such conditions and informatives have been recommended to Islington Council. This is not expected however, to be relevant to that part of the site within the London Borough of Camden.

4.1.68 TfL has also considered the impact of the proposed development on the underground network and station capacity and does not expect that

mitigation will be required Taxis The access arrangements for the Calthorpe Street block would require the taxi rank on Farringdon Road to relocate 15 metres further east, but retaining the same length. TfL considers that this is acceptable in principle as it is a rest rank rather than a full operational facility. These works should be provided at the applicant's expense, secured through the section 278 agreement with TfL. The applicant should be reminded to engage with TfL Taxi and Private hire in order to ensure that that the necessary taxi rank orders can be prepared in consultation with representatives of the taxi trade.

Travel Planning

- 4.1.69 TfL welcomes the submission of a framework travel plans for the Calthorpe Street site and the Phoenix Place site, supported by a residential travel plan. The content of the residential travel plan has been reviewed in accordance TfL's ATTrBuTE assessment tool (copy attached) and is considered satisfactory. The applicant should nevertheless clarify funding arrangements for the implementation and monitoring of the plan. It is also noted and welcomed that the travel plans will be secured through the section 106 agreement.
- 4.1.70 The development should also be supported by a delivery and service plan (DSP) which should identify efficiency and sustainability measures to be undertaken once a development is operational. This would include i) booking systems, ii) consolidated or re-timed trips, iii) secure off street loading and drop off facilities, iv) the use of operators committed to best practice. The DSP should also include swept paths for vehicles that will serve the site.
- 4.1.71 It is understood that the Royal Mail operations at this location currently are not supported by an employee travel plan. Whilst not part of the masterplan proposals, the proposed intensification of the site would benefit from measures to manage travel demand and are therefore strongly encouraged. Similarly, it appears that whilst some parts of Royal Mail operations are signed up to TfL's Freight Operator Recognition Scheme (FORS), the Mount Pleasant site is not. Although the applicant advises that articulated vehicle use is expected to decrease, overall vehicle deliveries will increase and as such FORS membership is also strongly recommended.
- 4.1.72 A Construction Logistics Plan (CLP) should also be provided to support the development. In order to minimise the impact of construction on the network, a CLP should include i) booking systems, ii) consolidated or re-timed trips, iii) secure off street loading and drop off facilities and iv) select operators that are committed to best practice and are a member of FORS. TfL recommends that Camden Council secures both the DSP and CLP through the section 106 agreement.

Crossrail and CIL

4.1.73 The Mayor has introduced a London-wide Community Infrastructure Levy (CIL) to help implement the London Plan, particularly policies 6.5 and 8.3. The Mayoral CIL formally came into effect on 1st April 2012, and it will be paid on commencement of most new development in Greater London that was granted planning permission on or after that date. The Mayor's CIL will contribute towards the funding of Crossrail. The Mayor has arranged boroughs into three charging bands. The rate for both Camden and Islington Councils is £50 per square metre gross internal area (GIA). The required CIL should be confirmed by the applicant and respective councils once the components of the development or phase thereof have themselves been finalised.

4.1.74 This site is within the area where section 106 contributions for Crossrail will be sought in accordance with London Plan policy 6.5 and the associated Supplementary Planning Guidance (SPG) 'Use of planning obligations in the funding of Crossrail and the Mayoral Community Infrastructure Levy', April 2013. In paragraph 4.20 of the SPG, it can be seen that in these situations, the Mayor's CIL charge (but not the boroughs') will be treated as a credit towards the section 106 liability. The practical effect of this will be that only the larger of the two amounts will normally be sought. As the CIL charge will not be confirmed until development is about to commence, the section 106 agreement will need to be worded so that if the section 106 contribution based on the assumed CIL proves incorrect the contribution is adjusted accordingly (assuming it is still more than the CIL). As stated above, other contributions towards the mitigation of transport impacts will also be sought in accordance with London Plan policy and with relevant legislation.

4.1.75 This indicative contribution for sites within the Central London Charging Area is £140 per square metre GIA for offices is expected and £90 for retail. According to the planning statement, the Phoenix Place site is expected to generate 822 square metres GIA of retail and community floorspace. The loss of 424 square metres of office floorspace is also indicated and should therefore be clarified. Depending on the outcome, a contribution of £93,980 may be sought from Camden Council. For information, the Calthorpe site will also provide 4,260 square metres (GIA) of offices and 1428 square metres (GIA) of retail uses. On that basis Islington Council are being requested to secure a total contribution of £298,920.

Summary

4.1.76 TfL considers that subject to resolving the following matters, the development could comply with the transport policies of the London Plan (please note that some of these actions only refer to the Calthorpe site and are therefore applicable to Islington Council only).

Secure a car parking management plan
Secure a permit free agreement

- Confirm EVCP provision for all elements of the scheme
- Revise the highway layouts for vehicle access from Calthorpe Street
- and Farringdon Road for discussion with TfL
- Secure a travel plan, DSP and CLP
- Secure a Crossrail contribution
- Clarify the provision of new cycle docking stations along with a contribution towards implementation and safeguard land
- Consider how the traffic impact on the Farringdon Road/Rosebury Avenue junction can be mitigated
- Provide a contribution towards Legible London wayfinding
- Provide a capped contribution of £20,000 per bus stop
- Ensure appropriate conditions are imposed to safeguard London Underground Infrastructure
- Facilitate continuing discussion with TfL with regard to potential cycle superhighway routes through the local area
- Secure revisions to the layout of the taxi rank through the section 278 agreement

4.1.77 Officers Comment – discussions have been ongoing regarding the range of issues raised by TFL. It is understood that further work undertaken by the applicant in regard to local junction capacity issues has set out a lesser impact than that predicted within the Environmental Statement. As confirmation regarding this data has yet to be provided by TFL, the Mayor / GLA will be expected to take forward the detailed matters raised by TfL (outside of those identified within the GLA Stage 1 response).

4.2 Individual Letters / Local Groups / Occupiers:

| | |
|---|--------------------------------|
| <i>Number of letters sent</i> | 3368 |
| <i>Total number of responses received</i> | 110 |
| <i>Number of electronic responses</i> | N/A |
| <i>Number in support</i> | 2 |
| <i>Number of objections</i> | 103 + 1 petition with 63 names |

4.2.1 A total of 3368 letters were sent to local addresses in Camden (on 15th April) in addition to the placement of several site notices (18th April) and the placement of a press notice (25th April). The combined expiry of the statutory publicity periods was thus the 16th May. Letters have continued to be provided after that date, and any further views provided following the completion of this report will be set out within a supplementary agenda.

Letters of Support & Comment

4.2.2 2 letters of support of the development have been received and 4 letters offering support for the detailed scheme subject only to the securing of a significantly higher level of Affordable Housing, s106 contributions to local school facilities and the incorporation of reference in the development to the historical Fleet River.

Objections

4.2.3 A Petition with 63 names (mainly from persons residing at approx. 45 addresses on Calthrope Street, Wren Street and Pakenham Street) was submitted, citing support in principle for 'social single units' and affordable housing, though recording objections to the scheme on the basis of (relevant sections within officer's assessment referring to matter raised in *red italics*):

- Excessive density (on Camden site) (*section 6.2*)
- Poor quality external materials (*6.3*)
- Dark areas encouraging crime (*6.3*)
- Excessive wind tunnel effects (*6.4*)
- Loss of sunlight (*6.4*)
- Loss of daylight (*6.4*)
- Loss of privacy (*6.4*)
- Impact of extra traffic on road safety & congestion (*6.6*)
- Noise pollution (*6.4*)
- Lack of proper soil contamination analysis (mercury lead poisoning understood to be present along with potential unexploded ordnance) (*6.8*)
- Disruption from construction (noise, subsidence) (*6.4*)
- Site should be used for a school (in preference to the potential Wren Street site) (*6.2*)

4.2.4 103 individual letters of objection have also been received by Camden. The majority of responses provided comment on direct impacts arising from the Camden site development (Application A) as well as the general approach to height, layout and design. Of the 86 addresses given, 76 were from properties within Camden and 10 in Islington. The main areas of objection are (in descending order of times mentioned in letters received & (relevant sections within officer's assessment referring to matter raised in *red italics*):

- Inadequate open space (especially the failure to provide open space at south west corner of Camden site) (*section 6.3*)
- Excessive height (especially at the south west corner of the Camden site) (*6.3*)
- Excessive scale / density / overdevelopment (especially upon the Camden site) (*6.3*)
- Impact on traffic levels / congestion (*6.6*)
- Construction disturbance (especially the length of build and lack of certainty regarding phasing) (*6.4*)
- Impact on views / outlook (especially from Christopher Hatton primary school)(*6.4*)
- Loss of daylight (*6.4*)
- Loss of sunlight (*6.4*)
- Overshadowing (*6.4*)
- Poor / inappropriate layout of buildings / open spaces (*6.3*)
- Development is excessively 'inward facing' (*6.3*)
- Unmanageable demand for community infrastructure (schools / doctors surgeries etc) (*6.2, 6.11*)
- Harmful increase in on street parking demand (*6.6*)
- Loss of privacy (*6.4*)
- Poor design quality (*6.3*)
- Design out of character with locality (*6.3*)
- Noise generated by users of the development (*6.4*)
- Crime generated by additional residents and poor layout (*6.3, 6.4, 6.7*)
- Lack of demand for proposed retail and office floorspace (*6.2*)
- Air pollution (including from additional Royal Mail vehicles) (*6.9*)
- Lack of Affordable Housing (*6.10*)
- Unsafe access to Royal Mail servicing yard from Farringdon Road (*6.6*)
- Inadequate detail of waste management (*6.6*)
- Inadequate assessment of soil contamination issues (*6.8*)
- Inadequate assessment of archaeology issues (*6.12*)
- Inadequate assessment of microclimate effects (*6.4*)
- Inadequate assessment of wind environment effects (*6.4*)
- Inadequate assessment of water resource demand / flood risk (*6.14, 6.13*)
- Harm from solar glare (*6.4*)
- Harm from light pollution (*6.4*)
- Poor quality of residential accommodation (*6.5*)

- Failure to improve highway network / consider road closures (6.6)
- Harm to strategic views of St Paul's Cathedral (6.3)

Mecklenburgh Square Residents Association

4.2.5 The MSRA have expressed 'considerable concern and reservations about the proposals' and cannot support the applications as they stand. The scheme is an overdevelopment and the heights proposed are 'not in keeping with the general scale of the area'. The submission materials is not considered to have properly assessed the impact of the additional residents / users of the site on 'transport and amenities'

Laystall Court Tenants & Residents Association

4.2.6 Support is provided in principle to the redevelopment of the site, though the LCTRA have 'many grave concerns about what is being proposed'. The objections principally relate to (relevant sections within officer's assessment referring to matter raised in *red italics*):

- Excessive height at south west (SW) corner – should be relocated northwards (*section 6.3*)
- Open space should be provided at the SW periphery of the site (6.3)
- Triangle open space at SW corner is inadequate to meet the needs of the development (6.3)
- Lack of access to proposed open space from SW corner (6.3)
- Loss of privacy & overshadowing from tower in SW corner (6.4)
- Loss of 'direct sunlight and daylight' from SW tower (6.4)
- Overdevelopment / excessive density of built form in SW corner, which is already the most densely development area adjoining the site. Area is already 'overly crowded' and especially sensitive to the impacts from further high buildings. (6.3, 6.4)
- Harm to one of the 'four corners' cited in the Mount Pleasant SPD due to SW corner height (6.3)
- Lack of regard to presence of Christopher Hatton School in SW corner (6.4, 6.6)
- Harm to outlook from / excessive sense of enclosure to Christopher Hatton School (6.4)
- Overshadowing of 1A Childrens Centre (6.4)
- Failure to have regard to previous reduction of height required at Churchill House, 40 Laystall Street (6.4)
- Harm to microclimate in SW corner (6.4)
- Failure to link open space route through Islington site to Wilmington Square (diagonal route from NE to SW corners is encouraged instead) (6.3)
- Construction disturbance (noise / dust) – new / upgraded windows sought within s106 agreement to overcome susceptibility. (6.4)

- Excessive demand for parking spaces - assurances of lack of harm or the provision of spaces within the development is sought (6.6)
- Traffic congestion – prevention of Royal Mail vehicles using Mount Pleasant, Elm Street, Gough Street or Laystall Street sought through s106 agreement. (6.6)

4.2.7 The LCTRA also request that the Fleet River be referenced in some form within the development (such as naming a new public space Fleet Square).

Calthorpe Street Residents Association

4.2.8 The CSRA recognises the need for housing, though states that their preferred use of the site would be for a secondary school. The main areas of objection to the detailed form of the application are (relevant sections within officer’s assessment referring to matter raised in *red italics*)::

- Lack of social provision (healthcare, nursery school) (*section 6.2*)
- Inadequate level of Affordable / Social Housing (should be 50% of the whole, and 30% should be ‘social’ housing and 20% ‘affordable housing’ (6.10)
- Excessive density, especially within Camden site (6.2, 6.3)
- Poor layout, with tall perimeter blocks (6.3)
- Overshadowing from Southwest tower (6.4)
- Loss of ‘light and air’ to buildings at SW corner (6.4)
- More open space at SW corner required (6.3)
- ‘large, public-access amongst the proposed buildings’ required (6.3)
- Inadequate junction width / corner radius at Gough Street / Mount Pleasant junction(6.6)
- Built form overbearing on Farringdon Road / Calthorpe Street junction (6.3)
- Poor permeability - proposed ‘Calthorpe Lane’ does not link with routes outside of the site (6.3)
- Diagonal routes across both sites preferred (SW to NE and from Coley Street to SE corner)(6.3)
- Out of character with surrounding scale, mass (6.3)
- Dull design, lacking architectural merit (6.3)
- Highest buildings should be located at the centre of the site (SW tower moved north, P2 building C on Phoenix Place moved to ‘centre’ of the site) (6.3)
- Uncertainty over level of market rented units arising (*Officer comment - this is not considered to be a matter within the scope of development plan policies*)
- Harm to ‘health and safety’ from bike lanes, including through use of narrow cycle lanes and ‘hidden corners / mini-squares’ (6.6)

- Wider, well lit walkways and roads ('traffic bearing lanes') required (6.6)
- Layout should reflect the design of Georgian Squares (6.3)
- Inadequate levels of open/green space (Camden site) (6.5)
- Lack of evidence regarding need for / viability of proposed retail (6.2)
- Office space unnecessary given local vacant units and forthcoming Farringdon Crossrail employment hub (6.2)
- Small artisan workshops required, not shown in proposals (6.2)
- Impact on traffic levels, traffic counts seen to be underestimated (6.6)
- Poor design for Royal Mail vehicular access onto Farringdon Road – will impede the traffic flow (6.6)
- Traffic calming / safety measures present on Mount Pleasant must remain ('bollards / traffic islands / sleeping policemen'). Gough Street must remain closed at northern end (6.6)
- Risk of subsidence / vibration damage to Calthorpe Street terrace, which has poor quality foundations – inadequate assessment reflected in Environmental Statement Non-Technical Summary. (6.8)
- Request to see 'proposed assessment of light and air interference' (*Officer comment – it is unclear what information this is referring to, these matters were addressed in the application documents originally submitted*)
- Lack of proper investigation into water services infrastructure, particularly necessary given propensity for local sewage back flows and surface water flooding (6.13, 6.14)
- Lack of intrusive ground investigation for archaeological remnants (6.12)
- Lack of intrusive ground investigation for industrial waste and pollution (6.8)
- Lack of intrusive ground investigation for bomb damage and unexploded ordnance (6.8)

4.2.9 The CSRA also request to know how much s106 money will be made available for 'social provision', noting that the development will generate a need for nursery / playgroup provision, playspace, community hall / meeting space / youth space. Reference is also made to the potential relocation of GP services from the local Finsbury Health Centre (Pine Street EC1), and the need for this development to include the possible relocation of such facilities to the site

Ward Councillor Objection

4.2.10 Cllr Awale Olad has recommended that planning permission be refused, noting that the scheme would greatly impact residents in Laystall Court and Calthorpe Street. Local 'services, schools and GPs will also be put under great pressure' and the failure to identify the site for use as a secondary school is highlighted. An objection to the lack

of social housing was also raised (offered at a time when the higher initial 19/20% indicative level was proposed).

Process / Information based objections

4.2.11 Various objections have also been received in regard to the form, presentation and quantum of information provided with the application, in relation to the minimum statutory consultation periods specified on neighbour letter, site and press notices. Officers at both boroughs have endeavoured to assist local residents and groups in this regard, and continually affirmed that views provided after the expiration of the minimum consultation period will and have been fully taken into account.

Mayor of London / GLA Call in

4.2.12 Following the decision to call-in the applications prior to the boroughs reaching their decisions, several additional comments have been provided by various individuals, groups and political representatives, including Councillors, GLA Assembly members and a Member of Parliament. A question has also been raised with the Prime Minister and is currently awaiting his response. Given the ongoing nature of these concerns and their mixed reference to the call in as well as the detail of the development, specific reference to those more recent comments is not offered within this report, though may be included within a supplementary / update report.

5. POLICIES

5.1 LDF Core Strategy and Development Policies DPDs (2011)

| | |
|------|--|
| CS1 | Distribution of growth |
| CS3 | Other Highly Accessible Areas |
| CS5 | Managing the impact of growth and development |
| CS6 | Providing Quality Homes |
| CS8 | Promoting a successful and inclusive Camden economy |
| CS9 | Achieving a Successful Central London |
| CS10 | Supporting community facilities and services |
| CS11 | Promoting sustainable and efficient travel |
| CS13 | Tackling climate change through promoting higher environmental standards |
| CS14 | Promoting high quality places and conserving our heritage |
| CS15 | Protecting and improving our parks and open spaces and encouraging biodiversity |
| CS16 | Improving Camden's health and well-being |
| CS17 | Making Camden a safer place |
| CS18 | Dealing with waste and encouraging recycling |
| CS19 | Delivering and monitoring the Core Strategy |
| | |
| DP1 | Mixed use development |
| DP2 | Making full use of Camden's capacity for housing |
| DP3 | Contributions to the supply of affordable housing |
| DP5 | Homes of different sizes |
| DP6 | Lifetime Homes & Wheelchair Housing |
| DP12 | Supporting strong centres and managing the impact of food, drink, entertainment and other town centre uses |
| DP13 | Employment premises and sites |
| DP15 | Community and leisure uses |
| DP16 | Transport implications of development |
| DP17 | Walking, cycling and public transport |
| DP18 | Parking standards and limiting the availability of car parking |
| | |
| DP20 | Movement of goods and materials |
| DP21 | Development connecting to the highway network |
| DP22 | Promoting sustainable design and construction |
| DP23 | Water |
| DP24 | Securing high quality design |
| DP25 | Conserving Camden's heritage |
| DP26 | Managing the impact of development on occupiers and neighbours |
| DP27 | Basements and lightwells |
| DP28 | Noise and vibration |
| DP29 | Improving access |
| DP30 | Shopfronts |
| DP31 | Provision of, and improvements to, public open space and outdoor sport and recreation facilities. |
| DP32 | Air quality and Camden's clear zone |

5.2 Other / Supplementary Planning Policies

| | |
|---|--|
| DPD | Site Allocations (2013) Site 24: Phoenix Place |
| Camden Planning Guidance (CPG) 2011/13: | |
| CPG 1 | Design |
| CPG 2 | Housing |
| CPG 3 | Sustainability |
| CPG 4 | Basements |
| CPG 6 | Amenity |
| CPG 7 | Transport |
| CPG 8 | Planning Obligations |

5.3 Other Material Considerations

- Bloomsbury Conservation Area Appraisal & Management Strategy (2011)
- Hatton Garden Conservation Area Statement (1999)
- Camden Transport Strategy

- London Plan (2011) policies, including:

| | |
|------|---|
| 1.1 | Strategic Vision |
| 2.9 | Inner London |
| 2.10 | Central Activities Zone - Priorities |
| 2.11 | Central Activities Zone - Functions |
| 2.12 | Central Activities Zone – Local activities |
| 2.13 | Opportunity areas and intensification areas |
| 2.18 | Green infrastructure: the network of open and green spaces |
| 3.2 | Improving health and addressing health inequalities |
| 3.3 | Increasing housing design |
| 3.4 | Optimising housing potential |
| 3.5 | Quality and design of housing developments |
| 3.6 | Children and young people’s play and informal recreation facilities |
| 3.7 | Large residential developments |
| 3.8 | Housing Choice |
| 3.9 | Mixed and balanced communities |
| 3.10 | Definition of affordable housing |
| 3.11 | Affordable housing targets |
| 3.16 | Protection and enhancement of social infrastructure |
| 3.19 | Sports facilities |
| 4.1 | Developing London’s economy |
| 4.3 | Mixed use development and offices |
| 4.10 | New & Emerging Economic Sectors |
| 4.12 | Improving opportunities for all |
| 5.2 | Minimising Carbon Dioxide Emissions |
| 5.3 | Sustainable design & Construction |
| 5.6 | Decentralised Energy |

| | |
|------|---|
| 5.9 | Overheating & Cooling |
| 5.10 | Urban greening |
| 5.11 | Green roofs and development site environs |
| 5.13 | Sustainable Drainage |
| 5.14 | Water Quality |
| 5.15 | Water Use |
| 6.3 | Effects of development on transport capacity |
| 6.5 | Funding Crossrail & strategic transport |
| 6.7 | Better streets and surface transport |
| 6.9 | Cycling |
| 6.10 | Walking |
| 6.13 | Parking |
| 7.1 | Neighbourhoods & Communities |
| 7.2 | An Inclusive Environment |
| 7.3 | Designing out Crime |
| 7.4 | Local Character |
| 7.5 | Public Realm |
| 7.6 | Architecture |
| 7.7 | Location and Design of Tall and Large Buildings |
| 7.8 | Heritage Assets & Archaeology |
| 7.9 | Heritage Led regeneration |
| 7.11 | London view management framework |
| 7.12 | Implementing the LVMF |
| 7.14 | Improving Air Quality |
| 7.18 | Protecting local open space and addressing local deficiency |
| 7.19 | Biodiversity and access to nature |
| 8.2 | Planning Obligations |
| 8.3 | Community Infrastructure Levy |
| | |
| SPG | London View Management Framework |
| SPG | Housing |
| SPG | Crossrail |
| SPG | Sustainable Construction & Design |
| SPG | Shaping Neighbourhoods: Play & Informal Recreation, Character & Context |
| SPG | Accessible London |
| SPG | Draft Sustainable Design & Construction (2013) |
| SPG | Land for Industry & Transport |

6. ASSESSMENT

6.1.1 The principal considerations material to the determination of this application are as follows:

- 6.2 - Principle of Development
- 6.3 - Design & Impact upon Character & Appearance
- 6.4 - Impact upon Neighbouring Residents / Occupiers Amenity
- 6.5 - Standard of Accommodation
- 6.6 - Highways & Access
- 6.7 - Trees & Landscaping
- 6.8 - Basement Impact Assessment & Ground Contamination
- 6.9 - Energy / Sustainability / Air Quality
- 6.10 - Affordable Housing
- 6.11 - Section 106 / Mayoral Community Infrastructure Levy (CIL)
- 6.12 - Archaeology
- 6.13 – Flooding
- 6.14 – Water Resources

Environmental Impact Assessment

Background

6.1.2 By virtue of Regulation 3 of the Town & Country Planning (Environmental Impact Assessment) (England) Regulations 2011 (“the EIA Regulations”) the relevant planning authority cannot grant planning permission in respect of EIA development unless it has first taken the environmental information into consideration. The environmental information means the environmental statement required to be submitted by the applicant under the EIA Regulations, any further or other information received, any representations made by any consultation bodies and any representations made by any other person about the environmental effects of the proposed development.

6.1.3 EIA development is either Schedule 1 development (not applicable in this case) or Schedule 2 development which is likely to have significant effects in the environment by virtue of factors such as its nature, size or location. Schedule 2 development is development of a type listed in Schedule 2 to the EIA Regulations which is to be carried out in a sensitive area or in relation to which any applicable threshold or criterion in Schedule 2 is exceeded or met. The wider Mount Pleasant development constitutes an ‘urban development project’ (category 10(b) of Schedule 2 to the EIA Regulations) where the size threshold is sites of more than 0.5 hectares. In determining whether the development is required to be subject to environmental impact assessment, therefore, the question is whether the development is

likely to have significant effects in the environment by virtue of factors such as its nature, size or location.

- 6.1.4 Circular 02/2009 (Environmental Impact Assessment) provides further guidance on assessing the likelihood of such effects. In respect of urban development projects it states in Annex A (paras. A18 and A19) that “In addition to the physical scale of such developments, particular consideration should be given to the potential increase in traffic, emissions and noise. EIA is unlikely to be required for the redevelopment of land unless the new development is on a significantly greater scale than the previous use, or the types of impact are of a markedly different nature or there is a high level of contamination ... Development proposed for sites which have not previously been intensively developed are more likely to require EIA if the site area of the scheme is more than 5 hectares; or it would provide a total of more than 10,000 m² of new commercial floorspace; or the development would have significant urbanising effects in a previously non, urbanised area (e.g. a new development of more than 1,000 dwellings).”
- 6.1.5 The Scoping Opinion referred to in paragraphs 3.9 & 3.10 above confirmed that the then described development, which is reflective of the current scheme, proposes development / usage of the site at a significantly greater scale than that currently present, and given the location of the site, its environmental sensitivities as well as the its potential for cumulative impacts with other developments, is likely to have significant effects on the environment and thus constitutes EIA development.
- 6.1.6 In these circumstances, planning permission cannot be granted unless the environmental information as referred to above has been taken into consideration. In relation to the applicant’s Environmental Statement (ES), this is required to report on the likely significant environmental effects of the proposed development. The ES must identify the baseline situation, the nature of the impacts (both direct and indirect), whether they are temporary (e.g. demolition and construction) or permanent (i.e. operational) as well as measures to mitigate the likely adverse impacts in each case. It must also identify the residual effects after implementation of the identified mitigation, as well as the cumulative effects of the scheme when taken with other committed development in the area. Where alternatives have been considered it must set these out, with reasons for selecting the proposed development site.
- 6.1.7 Although following the call-in of the applications, Camden & Islington Councils are no longer acting as the ‘Local Planning Authority’ with the ultimate obligation to make the decision in line with the EIA regulations, the assessment of the impacts should nonetheless be undertaken in a similar manner, in order to set out the Council’s views of the development (of both sites) to the Mayor of London / GLA.

Environmental Statement Methodology

6.1.8 Future baseline conditions: the EIA was based on the likely future baseline conditions of the Site and surrounding area, whereby it was assumed that the modernisation of the adjacent Mount Pleasant Sorting Office would be completed prior to any development on the Site is started. This includes the intensification of the operations which are now largely complete.

6.1.9 The future baseline conditions: are described within each specific chapter 7 to 16 and in Volume 3 'Townscape, Visual and Built Heritage Assessment'.

Likely Significant Effects: Each chapter presents the assessment of the likely significant effects of the following three Development Scenarios (provided for both the demolition and construction phases):

- Development Scenario 1 (both the Camden & Islington application proposals)
- Development Scenario 2 (Islington proposals only)
- Development Scenario 3 (Camden proposals only)

6.1.10 Where referring to matters within the remit of the Environmental Statement, this report will, unless specified otherwise have principal regard to Development Scenario 1 due to the integral viability and delivery aspects to the wider scheme. Where necessary, reference to impacts arising from a potential Camden only site development (Scenario 3) are discussed, and comments are also offered in read to the development of the Islington site in isolation (Scenario 2) in order.

6.1.11 The areas scoped into the Environmental Statement (and the chapters/sections which refer to the respective subject area) are:

- Waste Management (chapter 7)
- Socio-Economics (chapter 8)
- Transportation & Access (chapter 9)
- Noise & Vibration (chapter 10)
- Air Quality (chapter 11)
- Archaeology (chapter 12)
- Ground Conditions & Contamination (chapter 13)
- Water Resources / Drainage & Flood Risk (chapter 14)
- Wind (chapter 15)
- Daylight, sunlight, overshadowing, solar glare and light pollution (chapter 16)
- Townscape, Visual & Built Heritage (Volume 3)

6.1.12 It should be pointed out that other areas of impact have also been assessed, but those impacts were not considered to be liable to fall within the EIA Regulations definition of 'significant'.

6.1.13 Mitigation Measures: This section looks at developing mitigation measures to prevent, reduce and where possible, offset potentially significant adverse effects of a development. These generally relate to the i) design (stated as already incorporated such as massing, position, orientation of buildings); ii) construction (construction methodology, phasing, CEMP); and iii) completed development (e.g. s106 contributions, Travel Plan, façade and glazing to establish noise mitigation).

6.1.14 Likely Residual Effects: this section describes the nature and significance of the likely residual effects of the Development Scenarios, assuming the implementation of the proposed mitigation measures.

6.2 Principle of Development

6.2.1 Policy CS1 states that:

'The Council will focus Camden's growth in the most suitable locations, and manage it to make sure that we deliver its opportunities and benefits and achieve sustainable development, while continuing to preserve and enhance the features that make Camden such an attractive place to live, work and visit'

It goes on to say that growth will be promoted in defined Growth Areas, highly accessible locations 'in particular Central London', with more limited change elsewhere. The efficient use of land is encouraged, and in particular 'high density' development in Central London, as is a mix of uses (in suitable schemes), though this is all subject to having proper regard to 'quality of design... sustainability, amenity, heritage, transport accessibility and any other considerations relevant to the site'.

6.2.2 The site lies within the Central London area and thus the principle of development involving an increase in the intensity of use on site is supported. CS1 requires the Council to promote the most efficient use of land, requiring full use of the site, focusing the most intensely used developments in the most accessible locations and involving, where suitable, a mix of uses.

6.2.3 Policy CS3 refers to such 'other highly accessible locations' and states that such areas are 'considered to be suitable locations for the provision of homes, shops, food, drink and entertainment uses, offices, community facilities..'. The proposed Camden scheme is residential led, but includes a level of a range of those other encouraged uses. The Islington scheme also provides such an offer, though also includes a quantum of office floorspace which is not present within the Camden scheme.

- 6.2.4 Policy CS6 frames housing as the Council's top land use priority, stating that the supply of homes shall be maximised, and in support Development Policy DP2 expects the maximum appropriate contribution to the supply of housing on sites that are underused or vacant. Policy DP1 specifically encourages mixed use development is appropriate locations
- 6.2.5 The Mount Pleasant Supplementary Planning Document (February 2012) (the 'SPD', hereafter) has regard to those policies, the (then) existing site allocation and relevant London Plan policies in encouraging '*a significant number of new homes*'...'*new employment floorspace*' and other uses which 'complement the existing successful local retail economy and support a good range of goods and services for the people who live, work and study in the area'.
- 6.2.6 More recently, the Camden Site Allocations Development Plan Document (September 2013) has reinforced the support for a '*mixed use development, primarily residential, which could include other uses such as business, community and retail uses, which makes efficient use of this highly accessible Central London location and also helps to meet the operational needs of Royal Mail*' (page 102). The Camden site, including the proposed Postal Museum building, forms Site 24 within the Site Allocations document.
- 6.2.7 In this regard, the proposed Camden scheme and wider development is considered to fall within the preferred scope of site use encouraged by the above policies. The Islington scheme is considered to take advantage of the more constrained Farringdon Road environment, in regard to Royal Mail and general traffic levels, associated noise and air quality levels and positioning less sensitive office floorspace (4,260m²). Local and London Plan policy specifically encourages additional employment floorspace upon the wider site, and the planned development of the Farringdon Crossrail Hub for intensive office accommodation is not considered to make such provision within the Mount Pleasant site unviable or inappropriate. The absence of office / employment use within the Camden scheme is not considered to be objectionable, given the greater advantages to the Farringdon Road placement and the need to look at the range of uses on both borough sites in a holistic manner.
- 6.2.8 A number of comments made on the application have raised either an objection to use of the site other than – or alternatively a preference – for secondary school on the site. The SPD and Site Allocations document do not rule out such a use, but in requiring a residential led scheme, limit the opportunities for combining such uses. Whereas the current and longstanding policy preference for a residential led scheme on the site limits the potential for educational use, The Site Allocations DPD does now specifically identify, at Site 26 (Land bounded by Wren Street, Pakenham Street, Cubitt Street, Langton Walk) a preferred use as a '*new secondary school to meet 21st*

Century educational requirements and support other community uses and access, subject to the identification of need for additional school places and feasibility study' or a replacement employment / mixed use scheme.

6.2.9 Thus, office and school use aside, the development would, in providing a residential led scheme with Royal Mail staff car parking at basement level and limited (823m²) Class A1, A2, A3, D1 or D2 uses, accord with the principle of the relevant Core Strategy, Development Policies & Site Allocations DPDs and with the Mount Pleasant SPD. Some doubt as to the viability of Class A units on site, given the range of competing and vacant premises in the local area, has been expressed. In this regard, the low quantum of floorspace proposed within the Camden site - when viewed in context with the resultant increase in population on the wider site, the recently increased staffing levels for the Royal Mail operation and the associated increase in visitors expected as a result of the approved / under consideration elements of the British Postal Museum & Archive / Mail rail attraction – is considered to be appropriate. The relatively higher level of such uses proposed on the Islington site is also considered to be appropriate, unlikely to overly impair the vitality of the Camden spaces and desirable given the nature of the open publically accessible but privately managed spaces proposed to be formed on that site.

6.2.30 As the application proposes an undefined range of potential non-residential uses, it is considered to be appropriate to reserve a degree of control over the mixture of uses that would be delivered, with a minimum level of A1 to be established and a defined upper limit on A3 floorspace. This should be identified prior to the reaching of any decision, be considered alongside a similar approach to the proposed flexible uses within Islington, and also be subject to appropriate hours of use conditions.

6.2.31 A discussion on the specific form of, and impact arising from the Royal Mail functions proposed across the wider site is offered in section 6.6. below, though as such uses aim to replicate existing functions, the principle of such uses is not objectionable.

Density

6.2.32 It must be noted that the density of a scheme should not be taken as an outright indication of the level of under or overdevelopment arising, and merely serves as one indication of the scale of development being proposed.

6.2.33 Policy CS1 notes that Camden will have regard to the density 'matrix' of the London Plan. For sites with high levels of Public Transport Accessibility, in 'Central' locations, a **range of 650 to 1100 habitable rooms per hectare (hrh) is encouraged**. Dwellings per hectare

(dph) levels follow from average unit sizes, and cover a range of **140 to 405 dph**, dependant on the average size of the units proposed.

6.2.34 Whilst the residential density of the wider site arrives below the London Plan matrix range, at **621 hrh**, this is largely due to the low Islington density of 439 hrh. The density of the Camden site falls towards the higher end of matrix range. The 345 dwellings and 1077 habitable rooms upon the 1.03ha site (net site area, excluding areas of public highway) lead to density levels of **335 dph** and **1045 hrh**. As the Camden scheme exhibits an average of 3.12 habitable rooms per dwelling, the matrix outputs a recommended range of 175-355 dph.

6.2.35 Note that the above numbers contradict the inaccurate errata note figures given within the submitted Design & Access Statement, which rely upon the gross (public highway included) site area of 1.17ha, and on that basis lead to an underestimated 921 hrh and (interpolated) 295 dph.

6.2.36 Therefore the Camden scheme density lies at the upper end of the recommended matrix range. The supporting text to Policy CS1 notes that *'the Council will expect densities towards the higher end of the appropriate density range in the matrix unless it can be demonstrated that the specific circumstances of a development mean this is not appropriate.'* (para 1.23)

6.2.37 It must be acknowledged that the Camden part of the Mount Pleasant development site is heavily influenced by the significant built form present on its western flank, the surrounding heritage features within the adjoining conservation areas and the strategic viewing corridor which extends above the site. Therefore, simply providing for a development at the upper part of the range may not necessarily be able to lead to an acceptable form of development, either in its impact on the surrounding environment, or in the quality of accommodation and spaces provided.

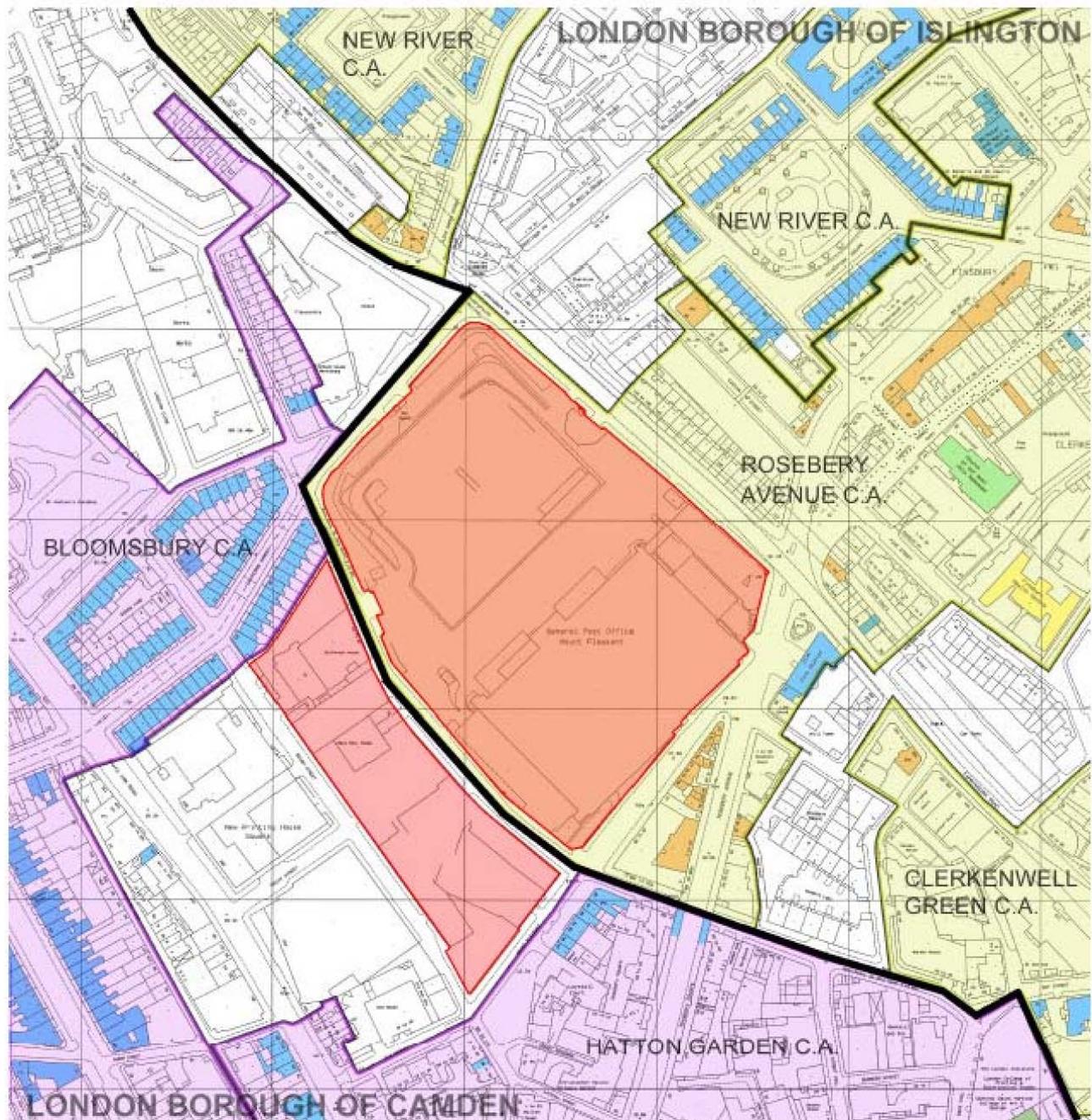
6.3 Design & Impact upon Character & Appearance

6.3.1 The NPPF (at paragraph 56) states that good design is a key aspect of sustainable development and is indivisible from good planning. Paragraph 63 states that, in determining applications, great weight should be given to outstanding designs which help raise the standard of design more generally in the area.

6.3.2 Chapter 7 of the London Plan sets out the range of matters which need to be considered in regard to the design and function of buildings and urban realm. London Plan policy 7.6 states that architecture should make a positive contribution to a coherent public realm, streetscape and wider cityscape. It goes on to set out criteria against which planning applications should be assessed, stating that buildings should be of the highest architectural quality, should be of a

proportion, composition, scale and orientation that enhances, activates and appropriately defines the public realm, and should comprise details that complement, not necessarily replicate, the local character. Other policies in the London Plan refer to the architecture used in proposed developments. These include policies 7.4 (relating to local character) and 7.7 (regarding the location and design of tall buildings).

- 6.3.3 The form and appearance of new development, its layout and relationship to its surroundings are important considerations for planning proposals in Camden. Policies CS14, DP24 and DP25 all require new development to be of the highest standard of design, respect local context and character, and preserve and enhance Camden's heritage assets. Policy CS9 reiterates the need to meet these challenges for Central London in particular.
- 6.3.4 Both borough sites are of an unkempt, disorderly and industrial appearance, the main advantage arising from the open use of this land is the views afforded across it, or groups of buildings, local townscape features, topography or in framing middle distance views. The consideration of the value arising in this regard is all the more important within these sites as they areas with significant heritage value, being almost entirely enclosed by Conservation Areas, and in regard to the Camden site, where such areas are host to several Statutory Listed Buildings.



6.3.5 The Mount Pleasant SPD sets out the aims and visions for the site and identifies the key issues arising from the existing site usage (p18, para 3.4.2), including:

- Lack of integration with the adjoining neighbourhood
- Lack of connections through the site;
- Lack of active building frontage to main streets;
- Lack of open space;
- Poor quality public spaces around the site;
- Lack of trees on site and along many of the adjacent streets; and
- Changes in level.

6.3.6 To address the above issues, the following design objectives were endorsed by the SPD (p19, para 3.4.3):

- Create a new neighbourhood with a clear network of streets, open spaces and buildings each with their own character;
- Integrate the new neighbourhood into the local area, considering the historic character of the surrounding buildings and their uses;
- Open up the site with improved connections east-west, with connections across from Farringdon Road through to Gough Street, through Coley Street to Grays Inn Road was envisaged.
- Create a new mixed use neighbourhood with a mix of uses including new homes, with amenity space, employment, cultural, retail and recreation uses;
- Provide a vibrant streetscape – with high quality, well designed new buildings that provide increased levels of activity and integrate the new neighbourhood into the surrounding areas
- Create new public open spaces for local people for a variety of uses including recreation and play
- Integrate the new neighbourhood with the retained sorting office – appropriate mitigation will be needed to protected adjacent land uses including new homes provided on the site;
- Enhance the four corners of the site

6.3.7 The submitted Environmental Statement, comprises, as Volume 3, a Townscape, Visual and Built Heritage Assessment. This concludes that the height, layout, detailed design of the proposed developments, including their impacts on adjoining conservation areas would result in beneficial local impacts ranging from negligible to substantial, beneficial effects. The development would also not lead to a harm to strategic views.

Master Planning and Site Layout Summary:

6.3.8 The master planning principles have been supported and praised in terms of layout by CABE, English Heritage, the Greater London Authority (stage 1 response) and by the Council's Design and Conservation team. The arrangements of buildings do not cast areas of public / private or communal open space into continual shadow, as illustrated by the sun on ground analysis. The functioning of this site in terms of its layout is considered successful, providing activity to

busy frontages but drawing that activity into the site to knit the development into its surroundings.

- 6.3.9 The proposed layout design delivers significantly improved east-west connections, through the middle of the site from Farringdon Road, through to Phoenix Place opposite the future British Postal Museum and Archive building, then moving south down Phoenix Place a pedestrian route through the middle of the Camden site is achieved, to match up with the position of Coley Street on the opposite side of Gough Street. The sunlight receipt to these spaces is acceptable given the existing site constraints.
- 6.3.10 The layout of buildings around the site provide widened pavements to all streets and locate active ground floor frontages to the busiest and noisiest roads. The public open spaces have been designed with input from 'Publica' based on in depth research into the 'gaps' of play space and youth provision in the area and designed to provide key 'character and use functions' to make each space identifiable and usable for all ages.
- 6.3.11 The site offers some 50% of its area as open space, in the form of either public or communal amenity space (excluding roof areas), whilst providing active frontages and perimeter layout desired by all adopted planning policies and a clear distinction between public and private areas maximising the opportunity for overlooking and natural surveillance.
- 6.3.12 The layout of the site was based on a study of the urban block sizes, shapes and arrangements in the wider area as illustrated within the Townscape and Visual Assessment report. The urban form and layout therefore has considered the historic character of the surrounding building layouts. The proposals are considered to create a new neighbourhood with a clear framework of streets, open spaces and buildings, each with their own character. The layouts and arrangements of buildings make it clear what spaces are accessible to all, what spaces are for the occupants of the buildings that surround those spaces and those spaces that are entirely private. This part of the design is a considered to be a notable improvement from the SPD layout where ambiguity of what spaces were for or who could access them existed.
- 6.3.13 Whilst there may be alternative site layouts achievable for this site, the site layout and master planning design principles proposed accord with the core planning objectives within the SPD, the site allocation and area specific policies and are considered well considered and result in a very high quality layout.

Camden Site Layout

- 6.3.14 The SPD Master Plan shows the site with a U shaped block fronting Mount Pleasant at the southern end of the site divided by a new route between Gough St and Phoenix Place leading to Grays Inn Rd. The northern end of the site comprises of two parallel blocks with the western most fronting onto Gough St and the eastern most fronting onto Phoenix Place with a private communal amenity space in between. Further to the north along Gough St the SPD shows a terrace of town houses extended to the junction with Calthorpe St.
- 6.3.15 The current proposals differ in the layout outlined in the SPD Masterplan in that the two parallel blocks are replaced by two diagonally placed blocks with open spaces on the oppositely placed diagonal. To the northern end of the site a block of apartments replaces the town houses. At the southern end of the site the U shaped block becomes a perimeter block.
- 6.3.16 The building line along Mount Pleasant aligns with the south western most corner of the Post Office Sorting Office and the south eastern most corner of the sub station at the junction with Gough St. The alignment at the south western corner provides a distance of 25m distance from the listed terrace on the opposite side of the road and a wider area of public realm along the Mount Pleasant frontage which aids in the preservation of the setting of these heritage assets.
- 6.3.17 The advantage of this change in the layout from the SPD is that a new public open space is introduced into the scheme adjacent to the route through the site (Coley St). The combination of built form and public open space offers more of an active frontage along this edge and hence a greater perceived sense of security through this section of the site. The private communal amenity space to the north of the block fronting Gough St serves to provide a break in the built form providing a greater sense of spatial variety in the street scene rather than a continuous length of built form. Planting within the amenity provides added visual richness to the experience of the passing pedestrian as part of the borrowed landscape.
- 6.3.18 Similarly the proposed public open space provides a break in the built form along Phoenix Place and provides an improved linkage to the area of open space and public routes through the Islington part of the larger development site. It is intended that the ground floor of the building to the north of the space will provide a retail and/or café use providing additional activity to this edge.

Height and Massing

- 6.3.19 The SPD set out indicative building heights for the site with low rise (up to 4 storeys) at the northern end of the site, medium rise (typically 4-8 storeys) towards the middle of the site and higher rise (typically up to 10 storeys) towards the southern end of the site.

- 6.3.20 The applicant has proposed a more varied distribution of heights across the site. The proposals comprise of low rise buildings (at part 4 and 5 storeys plus basement) to the north of the site in response to the typical heights of buildings along Calthorpe St to preserve the setting of the adjacent listed buildings and conservation area. Towards the middle of the site the two diagonally placed blocks range from 10 storeys closest to the ITN building and 8 storeys adjacent to Phoenix Place. It is considered that the 10 storey building provides an effective foil to the undifferentiated mass of the ITN building.
- 6.3.21 To the south of the 10 and 8 storey buildings a third taller element is proposed at 12 storeys to complete a cluster of taller elements which define the central public open space. This element forms the north eastern most corner of the perimeter block at the southern end of the site. To the south western corner of this block a 15 storey element is proposed. When viewed westwards in longer views along Mount Pleasant the taller element serves to mask and acts as a foil to the undifferentiated mass of the ITN building and terminates this particular vista.
- 6.3.22 The remainder of the frontage on Mount Pleasant steps down from 15 storeys through 11,9, 7 and 5 storey steps. The 5 storey element responds to the height of the Post Office Sorting Office building at the junction with Phoenix Place and the heights of buildings on the opposite corner and in particular the scale of the listed terrace. Similarly the frontage along Phoenix Place steps up to the north eastern corner in steps of 5, 7,8,9,10 to12 storeys.
- 6.3.23 The stepped form aids in breaking up the mass of the building on the Mount Pleasant and Phoenix Rd frontages and provides a positive response to the varied heights of the local context.
- 6.3.24 The frontage along Gough St comprises of the western façade of the 15 storey block and then reduces in height to 8 storeys north wards along Gough St terminating with a 9 storey block.

Architectural Form and Detailing

- 6.3.25 The same palette of materials is used for the residential use of the perimeter block fronting Mount Pleasant, throughout, however each façade has its own distinct character.
- 6.3.26 The Mount Pleasant frontage is characterised by the commercial uses at ground floor level with residential units above. The gently waved form of the ground floor is further distinguished by the use of Portland stone throughout; providing strong horizontal emphasis in the creation of a base to this frontage. The bronze coloured anodised aluminium shop front window frames match the window frames above tying the base of the building to the storeys above. The balcony details to the upper stories have been designed to provide articulation to this

frontage and their alignment sets up a rhythm bays in response to the finer grain frontage of the listed terrace opposite. The stacked balconies on the north western corner of the 12 storey tower erode the mass of this corner reducing the apparent bulk of this block. The use of a white brick tone to the balcony detailing aids in defining the articulation of this frontage and responds to white coloured details in the immediate vicinity. Punched windows provide depth and interest to the façade and relate to window details of the listed buildings opposite. The use of Juliet balconies within the window pattern reinforces the residential character of the upper storeys.

- 6.3.27 The Phoenix Place frontage is distinguished from the Mount Pleasant frontage by staggering the balcony details and the residential uses at ground floor level. Double height openings with a curved profile mark the shared entrances. This frontage is further articulated by roof garden spaces cut out between the steps in height at top floor level adding interest to the roofline. The stacked balconies on the north western corner of the 12 storey tower erode the mass of this corner reducing the apparent bulk of this block. The ground level is activated by the shared entrances to the upper storey apartments and individual doors to ground floor apartments.
- 6.3.28 The Gough St frontage is distinguished by the repetition of a series of bays with balcony spaces between. The window openings are larger and flush with the façade in response to the lower light levels resulting from the proximity of the ITN building. The balconies are enclosed with white brick planters and glass balustrades with the addition of folding glass screens to form winter gardens. The ground level is activated by the shared entrances to the upper storey apartments and individual doors to ground floor apartments.
- 6.3.29 The frontage facing Coley St and the public space is formed by two blocks on the north western and eastern corners with a gap between allowing light into the public space. The gap is enclosed by a bronze coloured metal gate which provides an entrance into the courtyard of the southernmost block. The architectural treatment of the north western most block follows the architectural and detailed treatment of the Gough St frontage and the north eastern most block follows the treatment of the Phoenix Place frontage. The gap also provides glimpsed views into the courtyard of the southernmost block.
- 6.3.30 The design of the facades facing the courtyard has been premised on creating a sense of light and openness within this space. This is achieved by the use of white brick work to form piers between full height bronze coloured framed windows. Bands of reconstituted stone express floor levels and break up the mass of the brick piers. Stair cores are marked by perforated brick work. The cut out section on the south eastern corner, as well as providing more light into the courtyard, aids in creating a sense of openness within this space.

- 6.3.31 The architectural treatment of the 10 & 8 storey blocks adjacent to the public open space and Coley St adopts a more 'industrial' appearance referencing the former industrial buildings on the site and in the locality, in their simplicity and limited palette of materials.
- 6.3.32 The materials palette proposed here comprises of a light buff coloured brick, dark grey coloured window frames and metal balconies and railings. Courses of a narrower brick are used along the floors edges between the window openings to provide variation and added texture to the building facades. This feature also provides a horizontal counterpoint to the verticality of the window openings. The deep reveals of the window openings create a strong pattern across the façade. The reveals are given a slurried mortar treatment creating a lighter tone to the window surround reflecting the detailing of local Georgian window surrounds. Added interest is given to the skyline by the double height loggia which provides these buildings with a defined top. Projecting balconies are used around the open spaces providing animation and surveillance to adjacent spaces.
- 6.3.33 The Gough St elevation of the block closest to Calthorpe St provides a positive response to the setting of the listed terraces. The northern most part of this building is set back from the pavement and the ground floor is raised above pavement level in a similar way to the properties on Calthorpe St. A similar palette of materials is used to the adjacent 10 & 8 storey buildings described above. Smaller window widths are used in transition to the Calthorpe St properties.

Views

- 6.3.34 The impact of the proposed development has been tested against the designated viewing corridors (LVMF SPG Ref 1.5) from Kenwood to St Paul's Cathedral and from Parliament Hill to St Paul's Cathedral. There are no detrimental impacts on the Viewing Corridors or the Wider Setting Consultation Area of the Protected Vistas.
- 6.3.35 The views listed below from the Townscape, Visual and Heritage Assessment (Environmental Statement Vol.3) outline the various impacts on existing views in and around the area and also provide an assessment of the impacts on local heritage assets.
- 6.3.36 View 3 looks northwards from within the Grade 2 listed Grays Inn Gardens which also contains a number of other listed buildings. The views analysis demonstrates that the 15 storey block on Mount Pleasant will be partially visible above the roof line of properties on Theobald's Rd in the winter. The impact on this view is considered to be negligible.
- 6.3.37 View 13 looks westwards along Mount Pleasant from across the Islington border. This view demonstrates how the proposed development along Mount Pleasant relates to its wider setting

characterised by its varying scale and architectural character. Generally the proposed development is considered to sit comfortably within its context, with the taller element terminating the view and masking the poorer quality architecture of Elm House.

- 6.3.38 View 14 from the junction of Phoenix Place with Mount Pleasant looking westwards shows the relationship of the proposed frontage onto Mount Pleasant with the grade 2 listed Apple Tree pub and Grade 2 listed terrace on the southern side of the road. The proposed development steps down to 5 storeys opposite the listed pub. This view also shows the correspondence between the colour tones with adjacent buildings and Holsworthy Square beyond. Generally it is considered that the setting of the adjacent listed buildings is improved by these proposals.
- 6.3.39 View 16 looks northwards from Rosebery Avenue and the grade 2 listed viaduct over Warner St. Within the existing view the rear of the ITN building is visible above the Apple tree pub and the New Printing House Square building is visible across the car park. The proposed building masks both of these views and creates a new and improved view from the viaduct. The relationship between the lower corner of the proposed building at the junction with Phoenix place with the other buildings at this junction is evident in this view. The stepped form is also evident and seen in relation to buildings of differing heights. View 17 is similar in effect to that of view 16 and 18.
- 6.3.40 View 18 looks northwards along Phoenix Place from the junction of Warner St with Mount Pleasant. The relationship between the south eastern most corner of the proposed development with the Post Office Sorting office is clearly evident along with the relationship of the 12 storey building on Phoenix Place with the 8 storey block beyond. The public open space is also visible in this view. The existing context formed by the Post Office Sorting Office is of varying heights and whilst parts of the proposed building frontage are larger in scale than its neighbour the proposals do not appear out of scale with its context.
- 6.3.41 View 19 northwards from the junction of Laystall Street with Mount Pleasant reveals the 15 storey element of the Mount Pleasant frontage at its most prominent. Mount Pleasant splays at this part of the road forming an area of public open space which, as part of the proposals, is planned to be re landscaped (not shown in this image). The taller element provides a focal point in this view and enclosure to the open space. The correspondence between the colour tones with Holsworthy Square is also evident. In the winter view the service tower to the rear of the ITN building is evident and of similar scale to the proposed taller building.
- 6.3.42 View 20 looks eastwards from Grays Inn Road along Elm St. This view shows the outline of the 15 storey building beyond Elm House. In this view the building reads as a similar scale to Elm House.

- 6.3.43 View 21 looks eastwards from Grays Inn Road between the ITN building and the New Printing House Building along the alignment of the proposed extension to Coley St. The building outlines demonstrate that in this view the proposed buildings read at a similar scale to the existing neighbours on Grays Inn Road.
- 6.3.44 View 30 looks southwards from St Andrews Gardens towards a terrace of Grade 2 listed buildings on Wren St. The view through to Gough St can be seen to the west of this terrace. Buildings which form part of the proposals for the Islington site can be seen above the parapet of the listed buildings. The proposed 10 storey building on Gough St is visible in this view. The proposed buildings are seen as a second tier of development beyond the Conservation Area. The proposed buildings on Gough St are not considered to harm the setting of the listed terrace, the conservation area or that of St Andrews Gardens.
- 6.3.45 View 31 looks southwards from Wren St at its junction with Calthorpe St along Gough St. In this view the part 4 storey/ part 5 storey block is evident with the 10 and 15 storey buildings visible beyond. Both terraces in the foreground are Grade 2 listed. The 4 storey element of the closest building relates in its height to the existing terraces, the heights gradually increase southwards along Gough St. This view demonstrates that the proposed buildings do not appear overly dominant in relation to the listed buildings. The proposed buildings are aided in their integration into this view by their relatively simple and robust architectural treatment with similar brick tones and the verticality, depth and rhythm of the window openings.
- 6.3.46 View 32 looks south wards along the southern end of Pakenham St along Phoenix Place. This view shows the proposed buildings on the Camden site (to the right along Phoenix Place) in relation to the taller building on the Islington site. The use of brick and similar colour tones aid in integrating the proposed buildings in the view.

Conclusion on Camden scheme

- 6.3.47 The proposed development is considered to make a positive response to its local context. The setting of local heritage assets are preserved and enhanced. The proposed architectural design is considered to be of high quality and creates a distinctive sense of place.
- 6.3.48 As discussed previously in CABEs response to pre-application proposals, praise was given to the detailed design, but key from their comments was that the detailing and materials used would be the key in the proposals remaining high quality. With this in mind, appropriately detailed conditions and / or a s106 clause are recommended to secure the consideration of the detailed elevational

design and materials assessment as in partnership with a review by CABE at the cost of the developer.

Impact of Islington Proposals

6.3.49 Generally it is considered that the Camden scheme benefits from the open space which would form part of the Islington scheme and of the east – west route across the Islington site which from Farringdon Road through to Phoenix Place and the extension to Coley St leading to Grays Inn Rd.

6.3.50 In terms of the impacts of the heights, massing and architectural design of buildings on the Islington site the principal impacts are the building frontage on Calthorpe St, their impact on the setting of the listed terraces along Calthorpe St and the impact of the 12 storey building (block F) mid way along Phoenix Place on a range of wider views around the site, including that from St Andrews Gardens.

Impact of the frontage to Calthorpe St

6.3.51 View 24 from the junction of Grays Inn Rd with Calthorpe St on the southern pavement demonstrates that the materiality of the adjacent buildings on the Islington site and their detailing provides a positive response to the character and detailing of the listed terrace and provides an appropriate setting for these heritage assets.

6.3.52 View 26 shows that the continuation of the frontage on Calthorpe St on the Islington site shows that the scale of the proposals is sympathetic to the scale of the adjacent listed terraces.

6.3.53 View 27 demonstrates that the materiality of the adjacent buildings on the Islington site and provides a positive response to the character and detailing of the listed terrace and provides an appropriate setting for these heritage assets.

6.3.54 View 28 from the junction of Calthorpe St with Pakenham St shows the relation of the proposed frontage to the southern side of Calthorpe St with No. 49 and 51 Calthorpe St across the street and also the disparate scales between the 2 and 3 storey buildings and the larger Holiday Inn building. The proposed buildings introduce an intermediate scale within the street scene and generally improve the compositional qualities of this view.

Impact of the 12 storey building (block F)

6.3.55 View 22 is taken from outside the entrance to Corams Fields (a Grade 2 listed open space) on Guildford St. within Guildford conservation area. A taller building is visible in the existing distant view at the end of the street. The proposed 12 storey building would stand in front of the existing taller building and would be visible within this distant view.

However given the existing view of a taller building, the scale of the proposed building and the use of a sympathetic brick colour in the façade it is considered that the proposed building will integrate with the existing townscape.

- 6.3.56 View 23 is taken from the junction of Guilford St with Doughty St. the 12 storey building and adjoining terrace will be visible above the parapet at the junction of Greys Inn Rd and Cathorpe St. The existing roofs to the Calthorpe Street terraces are hidden behind brick parapets and presently, there is little or no visual intrusion above the parapet lines, thereby reinforcing the uniformity of design and C19 character of the street. Officers are in agreement with the views of English Heritage, in that,
The proposed development (notably blocks E, F and G) is seen to rise above the parapet roof lines of the grade II listed Calthorpe Street terraces and to provide a new and dominant feature within this C19 view that contrasts with the clean Georgian lines of the foreground terraces. This impact is considered to cause significant harm to the setting of the Bloomsbury Conservation Area and to the listed terraces. considered to detract from the appreciation of the character of the Georgian townscape in the foreground.
- 6.3.57 View 25 from the junction of Grays Inn Rd with Calthorpe St on the northern pavement shows a minor intrusion of the 12 storey building above the parapet line of the southernmost terrace along Calthorpe St.
- 6.3.58 View 29 looks south east from the diagonal pathway at the northern edge of St Andrew's gardens. In the winter the 12 storey block along with the adjoining terrace of varying heights of 6,7,9 storeys are apparent above the parapet line of listed terrace on Wren St. Whilst the proposed taller south western buildings within the Islington site project above the consistent parapet line of the Listed Wren Street Terrace, from this perspective the 6 storey nurses home, visible in the view, and the 10 storey Trinity Court, partially visible in the view, contribute somewhat towards a context of a varied townscape within the immediate area.
- 6.3.59 View 30 further south along the diagonal path demonstrates, in winter, how the degree of visibility of the proposed development recedes from the view with a smaller portion the 12 storey block being visible and the tops of two other blocks being partially visible. In summer the 12 storey block would not be visible. At this position, more focused and formal views focusing on the setting of the Listed Wren Street Terrace (nos 2-9) are evident, and the greater height and mass of buildings to the east are less relevant. The terrace is particularly uniform in appearance, 'with a clear horizontal stucco parapet and rendered ground floor elevation. At present, the terrace appears complete and almost unaltered and enjoys a largely uninterrupted roof

line (English Heritage consultation response). From this view, officers again share the views of English Heritage, in that, *In views across St. Andrew's Gardens, the proposed development is seen to rise above the parapet roof line of the grade II listed Wren Street terraces, with at least 5 of the upper storeys of block E being visible. The proposals are considered to have a significant impact upon these, with the new building appearing as a dominant element that is seen to rise to almost twice the height of the modest foreground buildings on Wren Street. The development also introduces irregular lines and a staggered skyline that would be in direct contrast to the clean and regular elevations of these grade II listed foreground buildings. This impact is considered to cause significant harm to the setting of the gardens, the listed Wren Street terrace and the Bloomsbury Conservation Area.*

Conclusion on impact of Islington Proposals

- 6.3.60 Officers therefore have significant concerns regarding the impact upon the setting of the Bloomsbury Conservation Area and the identified listed terrace houses in Calthorpe Street and Wren Street. It has not yet been demonstrated to Camden officer's satisfaction that the Islington application demonstrates a level of public benefit sufficient to outweigh this significant harm arising in this regard.

6.4 Impact upon Neighbouring Residents / Occupiers Amenity

6.4.1 Policy CS5 requires that the 'impact of developments on their occupiers and neighbours is fully considered'. Policy DP26 expands upon this test in setting out what general impacts need to be considered. It notes that the factors that will be taken into account include:

- Visual Privacy and overlooking
- Overshadowing & Outlook
- Sunlight, daylight & artificial light levels
- Noise and vibration levels
- Odour fumes and dust
- Microclimate
- The inclusion of appropriate attenuation measures

6.4.2 The impacts arising from the scheme will be assessed in the above order, though point g) is an integral part of the assessment of the other impacts so need not be addressed separately.

Visual Privacy and overlooking

6.4.3 CPG 6 (Amenity) builds upon Policies CS5, CS14 and DP26, and requires that '*Development should be designed to protect the privacy of both new and existing dwellings to a reasonable degree*'. It notes that the degree of overlooking 'depends on the distance and the horizontal and vertical angles of view' and that living rooms, bedrooms, kitchens and the part of the garden nearest to the house are the most sensitive areas to overlooking. The CPG refers to a 'good practice' distance between directly facing units of 18m, though sets out a variety of measures to be considered where this distance cannot be met.

6.4.4 At the southern end of the site, the distance between directly facing windows or balconies across Mount Pleasant varies between 25m (to no.57) and 31m (to Laystall Court). At the northern end, whilst the flank to building D lies between 9m and 16m rear of the closest main rear facades of the Calthorpe Street terrace, this facing flank wall does not contain any windows or other overlooking openings. The closest facing window or balcony facing this direction is some 55m distant.

6.4.5 The Camden scheme does not therefore lead to any harmful loss of privacy to neighbouring residential properties.

6.4.6 The Islington scheme similarly does not introduce facing windows leading to overlooking of residential properties within Camden, with buildings lying across Phoenix Place and Calthorpe Street with appropriate distances across these public spaces.

Overshadowing & Outlook

- 6.4.7 CPG 6 provides an explanation of approach to safeguarding / planning for / protecting outlook. It requires that proposed structures do not have an 'overbearing and/or dominating effect that is detrimental to the enjoyment of their properties by adjoining residential properties'. It does also note that a specific view from a property is not protected as a material planning consideration.
- 6.4.8 CPG6 also requires careful consideration of development design to avoid the overshadowing of windows to habitable rooms, open spaces and gardens, with the latter 2 areas being '*particularly important*' though also '*particularly difficult*' in Central London.
- 6.4.9 The residential properties to the south of the site cannot of course suffer overshadowing from the proposed site buildings to their north. The development would however exert an impact to the Calthorpe Street properties to the north.
- 6.4.10 The Environment Statement (ES) examined 7 areas north of the wider site within Camden, comparing the proportion of those areas currently benefitting from at least 2 hours of sun on March 21st with the proportion of such post development (in line with BRE guidance).



- 6.4.11 The ES establishes that only areas F and G suffer losses to the BRE criteria of 2 hours of sun on March 21st. Area F would fall from 55.2% to 53.9%. Area G falls from 93.7% to 86.2% as a result of the Camden scheme alone, and to 83.2% if both Camden and Islington schemes

were implemented. This degree of change is not considered to be unreasonable for a Central London location.

- 6.4.12 In regard to outlook, whilst the development would lead to a significant change in existing conditions, being located on a currently void site this is to be expected. It is also accepted that the maximum height of buildings has been pushed beyond the potential heights illustrated in the SPD, the overall effect cannot be seen to be materially harmful.
- 6.4.13 The height of built form at the northern end of the site is reflective of the terraces on Calthorpe Street, and as it is located 'end-on' a relatively shallow profile is presented to the rear of those properties. Whilst the loss of the current open aspect arises and longer distance views would be obstructed in a number of instances, views are not protected, and the arising degree of outlook retained is considered to be not untypical of a central London location.
- 6.4.14 The increase in height above the SPD levels (indicating a maximum of 10 storeys) at the southern end of the Camden Site by 50% at the south western corner is accompanied by a partial reduction by 50% (in the south eastern corner). This degree of modelling helps to offset the impact of the additional height, though to a lesser degree than the 25-31m separation between the proposed built form and those facing buildings on the southern side of Mount Pleasant. Other buildings around the southern end of the site are more distant, or have only an indirect aspect over the site, and are thus less affected.
- 6.4.15 Therefore, the variation in buildings heights within the Camden scheme, the distance between buildings and the orientation of neighbouring buildings is considered to adequately mitigate impacts upon outlook to a level appropriate in this part of Central London.
- 6.4.16 The mass of the Islington Scheme reflects that of the Holiday Inn building, and then steps down towards the Georgian terrace scale at its western periphery. The most significant change in outlook would be felt by those staying within the Holiday Inn, though the outlook for non-permanent residential properties are not subject to the same protection as for dwellings. The impact from other nearby dwellings is further lessened due to the angles of incidence and the greater separation distances involved. Thus the impact in regard to residential properties within Camden is not regarded to be harmful.

Sunlight, daylight & artificial light levels

- 6.4.17 Policy DP26 notes in supporting text (para 26.3) that acceptable levels of sunlight and daylight should be provided to habitable spaces. It also noted that the Council will take the British Research Establishment's Site Layout Planning for Daylight and Sunlight

guidance (the BRE Guidance) into account (the 1991 version referred to within the CPG has since been superseded by the 2011 version).

- 6.4.18 CPG 6 does qualify the application of this guidance by stating that the Council will '*view the results flexibly*' and take into account the special circumstances of the site, including the '*existing layout and form in some historic areas*'. Officers note that impacts clearly in excess of the thresholds set out in the guidance have been accepted in a wide variety of sites throughout the borough, and particularly so in the dense central London area.
- 6.4.19 The impacts to properties in both boroughs from the multiple development scenarios is addressed within the Environmental Statement. The applicant has also provided additional illustrative information, presenting the original data in more easily comprehensible material (colour coded window maps) as well as correcting minor errors in regard to a single property within the Calthorpe Street terrace.
- 6.4.20 In regard to Sunlight, the BRE guidance confirms that windows that do not enjoy an orientation within 90 degrees of due south do not warrant assessment. For those windows that do warrant assessment, it is considered that there would be no real noticeable loss of sunlight where:
'In 1 year the centre point of the assessed window receives more than 1 quarter (25%) of annual probable sunlight hours (APSH), including at least 5% of Annual Winter Probable Sunlight Hours (WSPH) between 21 Sept and 21 March – being winter; and less than 0.8 of its former hours during either period.'
- 6.4.21 The BRE Guidance notes that sunlight levels are 'viewed as less important in bedrooms and in kitchens' (para 3.1.2) and seeks to focus the above statistical test upon the main living room window within an affected property.
- 6.4.22 In regard to Daylight, CPG 6, section 6, notes that the Council will '*base our considerations on the Average Daylight Factor (ADF) and Vertical Sky Component (VSC)*', and that daylight and sunlight reports submitted with planning application should follow the aforementioned BRE Guidance.
- 6.4.23 The applicant has, within the Environmental Statement (ES), used the VSC and No Sky Line (NSL) criteria for analysis. The BRE guidance states that a Vertical Sky Component greater than 27% indicates that an adequate level of daylight is reaching the windows. Where, with a new development in place, the VSC level is below 27% and less than 0.8 time sits former value, occupants will notice the reduction in light. The BRE Guidance notes that, where room layouts are known, the impact on daylighting distribution can be found by plotting the NSL. If, following construction of a new development, the NSL moves so that

the area covered within the affected room is reduced to less than 0.8 times it's former value, this change will be noticeable.

- 6.4.24 The ES sets out the range of adjoining properties where a negligible change to sunlight or daylight levels occur, so as to not require further investigation under the BRE criteria. Therefore, the following sections will focus on the identified residential addresses where a significant change to sunlight or daylight levels would arise.

Laystall Court

- 6.4.25 As this building faces largely directly the highest element of the entire development, despite the wide space between the buildings, a significant change to daylight will arise to north facing windows here. Lying south of the proposed development, no loss in sunlight would occur. The ES notes that 68 out of 70 facing windows (97%) currently meet the VSC test. Post development, only 34% of the passing windows would continue to provide the BRE 'good' level.
- 6.4.26 No 'window maps' showing the position of the room and window positions referred to in the Environmental Statement were provided at the time of the application's submission (though some information was provided in this regard at the lattermost stage of the pre-application process). Following a number of requests, the applicant has now provided updated information related to the planning applications submission to enable the proper cross referencing of this impact on given windows and rooms, and has also provided further information as to the function of the rooms served. The following image is an extract from a colour coded (to be included in DCC presentation) 'window map' provided to officers in late November 2013, which identifies for Laystall Court, the extent of windows which fail the BRE criteria, and the degree of which the loss occurs:

terrace, north of New Printing House Square, and nos.26-50 within the eastern) are particularly liable to changes in both sunlight and daylight levels. Also, given the orientation of the terrace to both borough sites, the westernmost properties are most affected by the westernmost Camden site, and the Easternmost by the Islington site to the east, including the tallest element (12 storey) within the Islington scheme.

- 6.4.35 The data within the Environmental Statement shows that there are also a number of instances where reductions in VSC are greater than 40%, and instances where the resultant VSC level is akin to those levels arising at Laystall Court. Although such reductions and arising levels have been deemed to be objectionable elsewhere, it is considered that the impacts for the facing Calthorpe Street elevations are more attributable to the form of these properties, including the rear additions / extensions. Already substandard VSC levels exist in part due to tunnelling effects from rear extensions, or as the windows are located within rearward projections (many of which were observed to use frosted glass and appear to serve bathrooms). This leads to a lesser reduction in VSC more easily exceeding the 0.8 times criteria, and causes the data to at first impression appear more indicative of harm than would actually be the case.
- 6.4.36 As has been noted above, aside from the flank wall to building D, which is of a similar height to the terrace it lies just rearward of, there principal tall building within Phase P2 (building C) lies some 50m distant, and building B is approx. 70m distant. The tallest element within the Islington scheme lies a little closer to the eastern end of the terrace (approx. 40m distant), but examination of the ES data for Scenario 2 (the Islington scheme developed in isolation) shows an impact, whilst being statistically significant, would not be itself materially harmful.
- 6.4.37 Therefore, whilst there would be a noticeable change in daylight levels to a number of properties, the development of either or both borough sites are not considered to lead to the same material harm to residential properties to the north as has been observed to southward properties on Mount Pleasant.
- 6.4.38 In regard to Sunlight levels, as expressed by Annual and Winter Probable Sunlight Levels, the development would result in a number of instances where losses of more than 20% and to below the preferred 20 / 5% levels set out in CPG, would occur to the south facing windows within this terrace. However, the majority of instances arise to windows already constrained through their location at basement and at ground floor level, including where those windows are already in close proximity to the rear property boundary or impacted by rearward extensions to adjoining properties. Therefore, the impact upon sunlight levels is not considered to be materially harmful or unreasonable in this context.

6.4.39 In regard to Artificial Light Levels, the form of development proposed is not considered to involve untypical levels or positions for such emissions and no harm would be liable to arise.

Noise & Vibration Levels

6.4.40 In addition to Policies CS5 and DP26, Policy DP28 sets out that the Council will not grant planning permission for development 'likely to generate noise pollution', with regard to noise thresholds that would cause harm to amenity. Chapter 4 of CPG6 provides more detailed advice in this regard.

6.4.41 The proposed development would not involve a use generally held to be harmful to amenity through noise or vibration. It would include plant and mechanical equipment associated with the residential and commercial uses proposed. Disturbance from construction works would also occur. Conditions and relevant clauses within a construction management plan, to be carefully secured by s106 agreement, are considered to be adequately able to secure adequate levels of mitigation from physical activities or installations.

6.4.42 A number of objections have referred to noise disturbance arising from residents and users of the proposed development. A development of the scale and intensity proposed would lead to an increase in movements of people and vehicles, though the resultant levels would not lead to an increased background noise level excessive for a central London location.

6.4.43 Requests have also been made by occupants of Laystall Court for s106 payments to allow for the improvement or upgrading of windows within that property, which are regarded to be particularly susceptible to noise (and dust) ingress. The improvement of poorly performing materials within neighbouring buildings is not considered to constitute a necessary obligation, as defined by the Community Infrastructure Levy Regulations.

Odour, fumes & dust

6.4.44 As with noise and vibration impacts from construction works, adequate mitigation measures are considered to be able to be secured within s106 provisions. These would include Camden's Best Practice Means to mitigate dust emissions.

6.4.45 The proposed development includes the potential for A3 class usage, and as such prior to the commencement of development, details of extract ventilation would be required. No indication of this provision is evident within the application submission, though is considered to be able to be provided within the proposed development. Given the focus of commercial units on the southern elevation, and as the built

form above consists of several different levels and external amenity spaces, particular care will be required as to the design and location of such equipment.

Microclimate

- 6.4.46 London Plan policy 7.6 (part B) states that buildings and structures should not cause unacceptable harm to the amenity of surrounding land and buildings, particularly residential buildings, in relation to wind and microclimate. CPG6, section 10, sets out the tests for new development to meet, and the instances where the assessment of impacts is more liable to be necessary. This section relates to consideration of the wind environment as well as matters of local temperature, overshadowing and glare.
- 6.4.47 The Environmental Statement addresses matters relating to the wind environment at chapter 15. The methodology of assessment is set out here, and includes local observations, measurements and the construction of a model (covering a distance of 360m from the centre of the combined site) for testing against the 3 development scenarios.
- 6.4.48 The conclusion of the ES was that the Camden scheme would provide for adequate ground level pedestrian sitting environments where appropriate without need for mitigation, as the adequate wind environment (defined on the 'Lawson Comfort Criteria' scale) would be provided through the design of buildings and spaces. The data reveals that the least comfortable environment within the Camden site would be provided at the vehicular entrance to the P2 car parking basement level, where no sitting or standing activities would be expected and thus no objection can be raised in this regard.
- 6.4.49 The proposed buildings are not mainly glazed, or feature concave surfaces, so there are no anticipated impacts from solar glare.
- 6.4.50 Whilst the central publically accessible square within the Camden site is enclosed on three sides by substantial buildings, relief is provided to the east by the above deck and lower edge structure space to the sorting office building. The design of the P1 courtyard building was also modified in the pre-application stage to open up its northern end to allow for light penetration from the south west. This would provide for an intimate scale with good levels of surveillance and interaction from the surrounding properties, is considered to take best advantage of the limitations of the narrow Camden site, enclosed by overbearing buildings on its western flank, and is adequately mitigated by the provision of the larger amenity open space within the Islington part of the wider site.
- 6.4.51 The development would be set back from the current property boundary to the south, onto Mount Pleasant, and would allow for the creation of a wider public space. Lying to the south of the

development, this space would not suffer significant overshadowing from the proposed development.

- 6.4.52 The Islington scheme would exert an impact upon presently underused street space on the northern side of Calthorpe Street, at its junction with Pakenham Street. The impact here would be mitigated by the lower scale of built form in the northwest corner of the Islington site and the overall impact on these spaces is not considered to be excessive.

Impact on local Community Use premises (Christopher Hatton School & 1A Childrens Centre)

- 6.4.53 Concerns have been raised by local residents regarding the impact (in regard to light levels / overshadowing / outlook upon these premises). The impacts arising in these areas are not considered to be of a degree significant enough to warrant an objection being raised. The development would exert a materially different impact from that considered to arise from the original development form proposed at the site of the subsequently approved in a reduced form Churchill House, 40 Laystall Street.

6.5 Standard of Accommodation

- 6.5.1 As has been noted above, whilst the development falls within the upper range of the London Plan density matrix, as is encouraged in principle by Camden Policy CS1, the site faces particular challenges, in a variety of areas, to deliver a decent standard of accommodation and urban realm.
- 6.5.2 Policies CS6 and DP26 set out how development should meet the needs of its users, requiring the same tests applied to the protection of amenities to surrounding occupiers and residents to be broadly applied in the same way to those using the development.
- 6.5.3 The quality of privacy, outlook, light levels and of impacts arising from noise & vibration are all relevant. DP26 also requires development to provide an acceptable standard of development in regard to layout, unit and room sizes and amenity space (indoor or outside, private or communal, *'wherever practical'*). Facilities for the storage of waste and recycling facilities and for bicycle storage are also noted to be necessary.
- 6.5.4 Policy DP6 requires all housing development to meet lifetime homes standards and for 10% of homes to meet wheelchair accessible standards, or be easily adapted to meet them. In the new build all 16 of the standards will be achieved, whilst the conversion units will meet them as far as practically possible...

6.5.5 Policy CS15 outlines the strategic need to ensure that the growth in the numbers of residents and visitors in Camden will be supported by increases in public open space provision. Development Policy DP31 sets the strategy on how this open space should be provided, stating that the provision of public open space within a development site is the top priority, with off-site provision second, and it's only in circumstances where it's not practically possible to provide public open spaces on or off-site that the Council would accept the least preferred third option of a financial contribution towards other public open spaces in an area. CPG6 section 11 provides detail on this hierarchy and the formula for calculating contributions.

Housing Mix

6.5.6 Policies CS6 and DP5 seek to ensure that an appropriate range of different housing types and sizes are provided in new development, in the interest of providing and supporting mixed and inclusive communities. Schemes should have regard to the targets set out within the following table accompanying Policy DP5:

| Dwelling Size Priorities Table | | | | | |
|--------------------------------|-----------------------|------------------|-------------|--------------------|-----------|
| | 1-bedroom (or studio) | 2-bedrooms | 3-bedrooms | 4-bedrooms or more | Aim |
| Social rented | lower | medium | high | very high | 50% large |
| Intermediate affordable | medium | high | high | high | 10% large |
| Market | lower | very high | medium | medium | 40% 2-bed |

6.5.7 The mix of unit sizes and tenures table within the whole Camden site, as shown in section 2 earlier in this report, is reproduced below:

| Tenure | Studio | 1 bed | 2 bed | 3 bed | 4 bed | Total | % of units |
|---------------------|--------|----------|----------|----------|-------|-----------|------------|
| Social Rent | 0 | 1 | 7 | 11 (-19) | 1 | 20 (-19) | 5.8% |
| Intermediate | 0 | 3 (-12) | 5 (-2) | 8 (+3) | 0 | 16 (-11) | 4.6% |
| Market | 5 | 87 (+12) | 164 (+2) | 50 (+16) | 3 | 309 (+30) | 89.6% |
| Total | 5 | 91 | 176 | 69 | 4 | 345 | |

6.5.8 The level and mix within the affordable housing tenures shall be addressed elsewhere in this report, but within the market tenure, the mix of units is considered to be acceptable. 2 bed units comprise

47.5% of the total, exceeding the 40% policy aim, and family units comprise 15.4% of the units (with a greater proportion when expressed as habitable rooms given the larger unit sizes). That the level of larger units has been swelled by the switching of those units away from the Social Rent tenure is discussed elsewhere.

Residential Amenity

- 6.5.9 The proposed units have been designed to reflect the London Plan Housing SPG standards to provide adequate room, unit sizes and headroom. The scheme has been set out to avoid single aspect north facing units and to provide adequate private and communal amenity space for future residents (though it must be noted that despite the Stage 1 report of the Greater London Authority, personal / private amenity space is not provided for every unit).
- 6.5.10 The proposed units are liable to be sufficiently insulated from noise sources, subject to the imposition of adequate acoustic treatment conditions to reflect advice from Environmental Health Officers and data set out in chapter 10 of the Environmental Statement. These conditions will need to require installation of recommended acoustic glazing and trickle vents and details of plant equipment and associated levels / attenuation.

Outlook

- 6.5.11 In regard to outlook, the proposed units are considered on the whole to provide adequate levels. The most constrained units are considered to be the lower level west facing units in the western range of the P1 block, facing across to the ITN building. The arrangements of access / lift cores, corridors and resultant single aspect units with a western perspective here are considered to be excessive. Whilst it is acknowledged that, as intended to host a large proportion of the originally indicated affordable housing units, the service charge impacts of fewer units per core were a concern at the pre-application stage, the resultant amendment is considered to have failed to provide the best compromise of outlook / daylight and core arrangement. It is recommended that revisions be made to the accommodation in this location to improve the number of dual aspect units, and that the formation of dual aspect units within block A1 north of the lift core for block A2, and at the end of a shortened corridor in A1 may be an appropriate way to achieve this. This change, with the reversal of the layout of ground floor units in this area, has the potential to lead to improved outlook, daylight and sunlight to the most heavily used living rooms in this location.
- 6.5.12 As the current affordable housing offer on these levels and the quality of daylight to the lower level units is currently not supported, this area of the scheme is considered to warrant revision. The central mass of the western P1 limb aside, the scheme is considered to provide

adequate amenities in regard to reasonably achievable outlook levels within a dense, central London location.

Daylight

- 6.5.13 The foregoing paragraphs set out that the scheme is considered to have failed to react appropriately to the constraints exerted by the mass of the ITN building and the proposed proximity of that part of the P1 building. The submitted internal daylight, sunlight and overshadowing (DSO) report concludes that levels of compliance with BRE recommended daylight levels (on the Average Daylight Factor level) in the Camden P1 phase (94.8%) and across the P2 buildings (94.6%) represent 'high levels of compliance for a central London development such as this' (section 1, page 3 of the DSO report).
- 6.5.14 The BRE guidance (Site Layout Planning for Daylight & Sunlight – A guide for Good Practice 2nd Edition 2011) referred to elsewhere in this committee report refers to British Standard 8206-2 (Code of practice for daylighting) which, *'recommends an ADF of 5% for a well daylight space and 2% for a partly daylight space. Below 2% the room will look dull and electric lighting is likely to be turned on'*. The BS specifically recommends for housing *'minimum values of ADF of 2% for kitchens, 1.5% for living rooms and 1% for bedrooms'*
- 6.5.15 The BRE guidance also notes that higher values will improve daylighting throughout the year, and *'achieving 2% in living rooms for instance, will give improved daylight provision, and 3% or 4% would be better still'*.
- 6.5.16 Within the P1 building, 36 of the 694 rooms would fail to meet the BRE minimum recommended levels, a 5.2% failure rate. Whilst proportionately, the failure rate might not appear significant, and, again as noted elsewhere, officers accept that the guidance is advisory and *'numerical target values within it may be varied to meet the needs of the development and its location'*, consideration needs to be made as to whether the development has demonstrated the best reasonable response to the constraints of the site.
- 6.5.17 The DSO report (at section 5.2.1) notes that:
Of these 36, however, the design optimisation has meant that the majority are either not the main living area or are living/kitchen/dining rooms which achieve an ADF above the 1.5% recommended for a living room but below the 2% recommended for a room incorporating a kitchen.
- 6.5.18 So, recognising that any accommodation with a frontage onto Gough Street, and especially that facing the main bulk of the ITN building will encounter a challenge in meeting the required standard, the question becomes, have unit and core layouts been tailored to make the most out of what daylight levels could be reached in this part of building P1.

- 6.5.19 The proposed Social Rent units at ground floor level facing the ITN building across Gough Street show ADF levels in their combined living / kitchen / dining rooms of 0.6 or 0.7 (where 2.0 is the recommended minimum level). Whilst the rear, courtyard facing bedrooms of these units have ADF levels which even fall short of the recommended bedroom level (1.0), the individual rooms for the majority have ADF levels 50% higher than the Gough Street facing living rooms.
- 6.5.20 It is therefore recommended that the ground floor units within the central mass of this part of P1 see their layout reversed. Such a modification would lead to improvements in quality of daylight, as well as outlook and sunlight to main living spaces. The removal of the main living room spaces from lower levels on this stretch of Gough Street is considered to adequately outweigh any harm arising through loss of daytime natural surveillance, which would otherwise be adequately high given the quantum of development proposed in this area and the nearby vehicular access location.
- 6.5.21 Officers would also require an increase to the window size to the main living room for unit A3.02.01 and those above (to A3.09.01) with similarly poor ADF values (0.5 to 0.9) which are capable of easily providing an improve quality of daylight to those spaces.
- 6.5.22 Whilst there is a similar % performance for ADF performance within the P2 buildings, the most constrained dwellings / rooms are those set at basement level, where an in built susceptibility is expected, where there are valid design reasons for setting out building form in such a manner in those locations, and where the No Sky Line (NSL) measure shows an improved performance above the worst P1 rooms. Unlike P1, the shortcomings in daylight levels in P2 are not considered to have been able to easily be improved upon or overcome.

Sunlight

- 6.5.23 The proposed development is considered to have been laid out to maximise the penetration of sunlight, with linear ranges in the P1 block served through the courtyard garden through the lowering in mass on the south eastern corner as well as across the highways which border the site flanks.
- 6.5.24 The P2 blocks are also set out to maximise sunlight to dwellings, with staggered buildings allowing for sunlight penetration, to the appropriate reasonable degree, given the constrains of the narrowing site, moving northwards.
- 6.5.25 In regard to sunlight to dwellings, the development is considered to adequately balanced the maximisation of development on site with the constraints exerted by site shape and the impact of the significant

built forms immediately west of the site. As is referred to elsewhere in this report, given the significant impact of the buildings across Gough Street, the scheme is considered to have maximised building mass where it has the least impact on amenity within the site, and allows for the greatest reasonable level of light to private communal and public spaces throughout the site.

Privacy

- 6.5.26 Whilst the proposed development comfortably avoids overlooking into neighbouring residential properties, with the recommended 18m distance met in all directions, the high density scheme does not in all instances provide in excess of that separation between directly facing habitable rooms.
- 6.5.27 The width of the P1 courtyard exceeds at its narrowest point the 18m distance, and the spaces between buildings fronting the public and private spaces in phase P2 meet or exceed this distance. The buildings to either side of the pedestrian Coley Walk section are set to align with the building facades on Coley Street to the west, and as such are separated by 12m. This width is considered to be acceptable for intra-overlooking distances across a public route within a new development, and lies between typical mews house separation distances and those which would arise across a typical 2 way public road (14m separates the proposed P1 western limb from the ITN building across Gough Street).
- 6.5.28 There are however, instances where pinch point occur, and closer distances between largely directly facing windows occur. These instances of generally between 7m and 10m can all be adequately be mitigated through the use of obscure glazing and opening restrictions, as in all identified instances, one of the facing windows is a secondary source of light or outlook to one of the facing rooms. It should be note that the applicant has requested that a condition to ensure this measure is not overly prescriptive of what method is used to ensure privacy, but that officers' in the absence of information as to what other alternative method could be employed, would resist an overly openly worded condition.
- 6.5.29 Therefore, subject to the imposition of a condition requiring the installation of obscure glazing and higher level opening only windows in all instances where windows are directly facing (where a 45 degree splay from the centre point of that window intersects with the same splay from another window opposite, and up to one floor above or below its opposite) no objection would be raised in regard to levels of privacy within the site.

Amenity / Open Space / Play Space

- 6.5.30 The adequacy of public open space has been considered across the 2 borough sites, and that the Islington site has taken advantage of constraints and opportunities to provide the larger more usable publically accessible communal spaces that are more limited in size and function within the Camden site. It is anticipated that were permission to be granted, the Camden phases of residential development would be forthcoming in advance of the Islington accommodation, and associated public space.
- 6.5.31 As the Camden scheme, in isolation, would be adjudged to be deficient in its public open space offering, it is vital that appropriate mechanisms be provided for development phasing and linkages within a section 106 agreement to ensure that the open spaces integral to the functioning of the wider site and the amenity of future residents of the Camden scheme are provided in good time and are subsequently managed to an acceptable standard.
- 6.5.32 It must be noted that whilst regard needs to be had to the contribution of the open space within the Islington site to residents within Camden, given the separate s106 contribution methodologies embodied within planning policies in either borough, the public open space provided within the Camden site is only noted in section 6.11 to offset £40,761 of the £481,785.98 required through application of the CPG 8 Public Open Space contribution calculation formula (an area of 582m² has been attributed to public open space within the Camden site, which is the area of the public square minus the southern pedestrian walkway and the commercial and private amenity space fringes). Lying within an area of Public Open Space deficiency, the contribution from the proposed scheme and that provided within the Islington development in this regard is vital.
- 6.5.33 In regard to private amenity spaces, balconies and communal areas, the application is noted to provide 2687m² communal garden space, 785m² of communal roof space, 676m² of private amenity space and 2364m² of further private (balcony) amenity space. Whilst not every unit is provided access to individual amenity space (the studio units on the Mount Pleasant P1 façade being an example), the overall level of private individual or communal space is considered to be generous.
- 6.5.34 In regard to Play Space, the applicant has had regard to the standards set out within the GLA Shaping Neighbourhoods: Play & Informal Recreation SPG (2012). The targets and areas delivered are summarised in the following table from the applicant's play strategy:

| | LB ISLINGTON | | | LB CAMDEN | | | DEVELOPMENT TOTAL | | |
|--------------|--------------|---|-------------------------------------|-------------|---|-------------------------------------|-------------------|---|-------------------------------------|
| | Child Yield | Minimum Play Area Required / m ² | Play Area Provided / m ² | Child Yield | Minimum Play Area Required / m ² | Play Area Provided / m ² | Child Yield | Total Minimum Play Area Required / m ² | Play Area Provided / m ² |
| 0-4 YEARS | 44 | 440 | 1100 | 41 | 410 | 1120 | 85 | 850 | 1660 |
| 5-11 YEARS | 37 | 370 | 1350 | 39 | 390 | | 76 | 760 | 1910 |
| 12 + YEARS | 24 | 240 | 300 | 32 | 320 | 250 | 55 | 550 | 550 |
| TOTAL | 105 | 1050 | 2750 | 112 | 1120 | 1370 | 217 | 2160 | 4120 |

6.5.35 The totals provided above incorporate part of the communal space provided throughout both scheme, whether publically accessible or not, and is almost entirely comprised of ground level spaces.

6.5.36 The quantum and split in spaces is considered to be acceptable. All spaces are well overlooked and easily accessible to residents of the proposed development, with playable areas for 12+ age children easily accessible in the proposed publicly accessible spaces.

Lifetime Housing / Wheelchair Accessible Units

6.5.37 Paragraph 57 of the NPPF notes the importance of planning positively for the achievement of inclusive design for all development, including individual buildings, public and private spaces and wider area development schemes. London Plan policy 7.2 requires all new development to achieve the highest standards of accessible and inclusive design, and refers to the Mayor's Accessible London SPG. Policy DP5 supports the aims of Policy CS1 in seeking a high quality of residential accommodation, meeting the needs for a wide range of people, including those of different ages and mobility levels. DP5 specifically requires that all housing should meet lifetime homes standards, and that 10% of homes developed should either meet wheelchair housing standards, or be easily adapted to meet them. CPG 2, chapter 5 expands upon how to achieve this requirement.

6.5.38 The applicant has declared that all Lifetime Homes (LTH) standard requirements will be met throughout the development. It is recommended that an appropriate condition is used to ensure that sufficient detail of how the LTH standards will actually be met is submitted to and approved prior to the commencement of development, if approved.

6.5.39 In regard to Wheelchair accessible homes, the submitted Planning Statement declares that 10% of units are to be either constructed to be accessible, or to be easily adaptable. Of the 345 units proposed, 17 are shown to be accessible, with a further 20 adaptable. Officer requested that 'fully dimensioned flat layouts for the affordable

adapted properties' need to be provided, to further our assessment. This request was provided to and acknowledged by the applicant on 18th November 2013, with a response to be provided 'shortly'. At the time of writing this report no such response or additional information has been provided. Officers are thus as yet unable to confirm that the application is acceptable in this regard.

6.6 Highways & Access

- 6.6.1 Policies relevant to highways and transportation are set out in section 4 of the NPPF and chapter 6 of the London Plan. Camden Policies CS11, DP16, 17, 18, 19, 20 and 21 and CPG 7 (Transport) have particular relevance to the assessment of the highways impact of the proposed development.
- 6.6.2 The Mount Pleasant SPD (2012) at paragraph 1.5 states:
“Changes to its operations have recently been announced and Royal Mail is making plans to rationalise its sites across London. It will dispose of some sites elsewhere in London. However at Mount Pleasant, Royal Mail intends to intensify the use of this site with a number of operations being transferred there. This change will result in an increase in the number of jobs at the site (from approximately 1,500 to 2,000), as well as an increase in the number of anticipated vehicle movements to service the site (from around 2,000 movements a day back to 2003 levels of around 3,000 movements a day)”.
- 6.6.3 At paragraph 1.10 it stated one of its key aims as being to:
“Open up the site with both new and improved streets that make better connections between Mount Pleasant and the surrounding neighbourhoods”
- 6.6.4 At paragraph 4.3.36 the SPD states that *“Royal Mail has stated that their operations will continue to require some vehicle parking to replace the existing provision, and this parking is proposed to be located in the enclosed service area at the rear of the main Royal Mail building.”*
- 6.6.5 Paragraph 4.3.37 the SPD states: *“Any future development of the Mount Pleasant site is to be predominantly car free. New residential development will be limited to disabled parking, servicing and delivery access only, within the parameters of a pedestrian friendly environment.”*
- 6.6.6 Additionally at paragraphs 4.3.38 and 39 the SPD refers to securing a cycle parking strategy to distribute small areas of cycle parking throughout the development to provide cycle parking close to residential entrances, additionally it is stated that Phoenix Place could become a pedestrian priority street benefitting from a shared surface, which would improve the quality of spaces around the site.

Existing Site Conditions:

- 6.6.7 The wider site is surrounded by a range of public highways under varying ownership and responsibilities. Farringdon Road is part of the Transport for London Road Network (TLRN) and . Transport for London (TfL) have provided comments regarding the impact of the development on Farringdon Road. Rosebery Avenue is part of the

Strategic Road Network. Calthorpe Street, Mount Pleasant, Phoenix Place and Rosebery Avenue are borough roads. Mount Pleasant and Rosebery Avenue (east of Warner Street Bridge) are maintained by Islington. The other site boundary roads (i.e. Calthorpe Road and Phoenix Place) are borough boundary roads maintained by Camden in accordance with a boundary road agreement. The eastern part of Mount Pleasant and Gough Street are owned and maintained by Camden.

- 6.6.8 As is noted above, the Camden site benefits from the highest level of public transport accessibility (PTAL 6b). The levels in Islington range from between 5 and 6b. The entire site lies within the Congestion Charging Zone
- 6.6.9 Within Camden, the applicant estimates that the current staff car park on the Phoenix Place site (in Camden) provides 220 spaces for 1,890 staff.
- 6.6.10 The Calthorpe Street site currently operates as a servicing yard for the Royal Mail sorting office. The primary vehicular access is on Farringdon Road, with secondary entrances and exits on Calthorpe Street and Phoenix Place. The changes in level within the site allow articulated lorries and smaller vehicles to access the sorting office at ground and basement levels. Access to the basement level of the Mount Pleasant sorting office is available from the 'Bathtub': this is a large open-air sunken area that extends across most of the site. In addition there is a vehicle entry point at the corner of Mount Pleasant and Phoenix Place that provides access to the basement and 23 loading bays that serve the EC1 post code. The exit from this basement area is on Phoenix Place, north of the vehicle entry point. Phoenix Place also provides the access point for the large Royal Mail staff parking area to the west of the Islington site. Access to the staff car park is currently controlled by a barrier.
- 6.6.11 The wider site accommodates a variety of subterranean infrastructure. To the west of the site, the River Fleet runs through a culvert under Phoenix Place. To the east, the Metropolitan, Circle and Hammersmith and City Line follows the path of Farringdon Road. A large sewer runs east to west across the site to join the Fleet culvert. Until 2003, when Rail Mail closed, the Calthorpe Street site was the centre of the Royal Mail underground railway system. The fully automated railway operated 19 hours a day to move millions of letters and parcels across six and a half miles between nine stations, from Paddington sorting office to Whitechapel Eastern Delivery Office. Beneath the Calthorpe Street site are the Rail Mail platforms, turning loops and a maintenance depot.
- 6.6.12 The application was submitted on the basis of a future baseline scenario, whereby the rationalisation of the Royal Mail's London operations has taken place with an intensification of operations having

been carried out already for this site. This is now the actual case on site at present, with the increase in employees numbers as well as vehicles moving into and out of the site having been intensified. This intensification itself did not require planning permission.

Trip Generation

- 6.6.13 The applicant appointed consultants SKM Colin Buchanan (SKM-BC) to undertake a transport assessment (TA). This was submitted in support of the planning application. The residential trip rates have been derived from 3 sites in the TRAVL database. Following our earlier comments regarding this selection, SKM-BC reviewed alternative sites in both the TRAVL and TRICS databases and concluded that the sites they had chosen gave the highest peak hour trip rates, thus providing a robust basis for assessment. As requested, SKM-BC has used Travel to Work data for the local area from the 2011 Census to determine the likely modal split of future residents. This approach is supported. Whilst the Census figures suggest that up to 10% of residents could drive to/from work, in reality the figure is likely to be lower given the limited amount of parking that is proposed (0.17 spaces per unit on the Phoenix Place site and 0.19 spaces per unit on the Calthorpe Street site) and the Central London location. The number of vehicle trips could be further reduced by extending the hours of the Kings Cross CPZ. However, it is understood that during a recent consultation exercise there was no overall majority in favour of making any changes to the CPZ. It is unclear whether LB Islington has considered making alterations to their CPZ. In any event, whilst the vehicle trips are likely to be higher than would be expected, they enable a robust analysis of the impact of the increased traffic movements on the local highway network to be undertaken.
- 6.6.14 The proposed development includes 887 sqm GEA of commercial space on the Phoenix Place site and 1,572 sqm GEA of commercial space on the Calthorpe Street site. A flexible consent is being sought for this space, with use classes including various forms of retail and community use (ranging from A1/A2, and A3, to D1/D2). For the purposes of trip rate analysis, SKM-BC has assumed that all of this space would be used for retail purposes, basing the rates on A1 food retail; presumably a large supermarket. However, no information has been provided as to which sites have been selected from the TRAVL database. The TRAVL modal split suggests that 74% of customers would walk to the store(s) and 2% would be car passengers, whilst 12% would travel by underground, 9% would travel by bus, and 2% would travel by rail. No figures have been provided for the C1 and C2 commercial units. Further information should be provided before the commercial trip rates can be accepted.
- 6.6.15 The use of supermarket trip rates is likely to greatly inflate the number of trips to the site compared to that which would be expected

considering the actual types and size of unit being proposed, which are generally small in nature. Typically, smaller units are more likely to attract local custom, rather than attracting large numbers of people from outside the surrounding area (as a supermarket would). The table below compares the residential and retail peak hour trips for the Phoenix Place site:

| | AM Peak (8am-9am) | | | PM Peak (6pm-7pm) | | |
|-------------|-------------------|-----|-------|-------------------|-----|-------|
| | In | Out | Total | In | Out | Total |
| Residential | 53 | 174 | 227 | 148 | 72 | 220 |
| Retail | 123 | 108 | 231 | 203 | 199 | 402 |
| Total | 176 | 282 | 458 | 351 | 271 | 622 |

This illustrates that a medium sized supermarket would generate approximately the same number of trips as 345 residential units in the morning peak hour and double the number in the evening peak hour. Whilst SKM-BC states that the use of these high retail trip rates enables them to consider a “worst case” scenario, it is unclear what, if anything, is being tested.

- 6.6.16 Whilst there are no offices proposed on the Phoenix Place site, 4,701 sqm GEA of office space is proposed on the Calthorpe Street site. The B1 office trip rates have been based upon 4 sites in the TRAVL database. It is worth noting that all of the selected sites are TfL offices located near Victoria Station.
- 6.6.17 The PM peak hour office trip rates seem to be based on half an hour’s worth of data (6pm to 6.30pm) and that the rates are less than a third of those in the preceding hour (5pm to 6pm). This will affect the figures given in Tables 7.4 and 7.5 of the TA. Officers recommend using the 5pm to 6pm figures instead and the tables should be amended accordingly. To ensure clarity, it is also recommended that the figures be split between residential, commercial, and office uses for each hour throughout the day.
- 6.6.18 The TRAVL modal split has been adjusted to remove car trips, which results in 46.8% of trips being made by rail, 38.2% by Underground, 7.7% by bus, 4.1% cycle, 2.2% walking and 0.3% by motorbike. It is unclear whether this modal split is appropriate.

Travel Planning

- 6.6.19 The applicant has provided draft Travel Plans (TPs) for the residential and retail units in support of the planning application. The draft TPs have been reviewed against Transport for London guidance and are good examples of what we expect from developers during the planning application process. Camden would require a strategic level Residential Travel Plan and a strategic level Workplace Travel Plan to satisfy DP16 and Camden Planning Guidance; specifically CPG7 (Transport); this includes references to TfL and DfT guidance. The

travel plans would need to be secured by a Section 106 Agreement. We would also seek to secure a strategic level Workplace Travel Plan for the RMG site in order to reflect the proposed intensification of operations. Camden would also seek to secure a financial contribution of £5,729 to cover the costs of monitoring and reviewing the travel plans over a 5 year period. This would need to be secured by a Section 106 Agreement.

- 6.6.20 Transport for London encourages developers to use the TRAVL database for trip generation predictions. We will require the applicant to undertake a TRAVL after study and provide TfL and Camden with the results on completion of the development. TfL would then be able to update the TRAVL database with the trip generation results for the various use categories associated with this development. We will seek to secure the necessary after surveys and results by Section 106 agreement as part of the workplace Travel Plan review and monitoring process.

Doors opening outwards on to the public realm and/or public highway

- 6.6.21 The proposal includes a number of external doors which would open outwards on to the public realm at the southern end of the Gough Street frontage and also at various locations on the Phoenix Place frontage. We would generally resist such proposals. However, the effective footway width at these locations would be wider than the rest of Gough Street and Phoenix Place. The sections of public realm under discussion are currently within the site boundary; it is not clear if these are to be adopted by the Council. The doors in question do not appear to be directly adjacent to pedestrian desire lines so this element of the proposal should not impede pedestrian movements or create a safety issue. It would be useful if the design could be amended so that the doors would open inwards. However, we would not insist on this if the applicant can demonstrate that the doors would not be intensively used (e.g. fire escapes, refuse stores).

London Cycle Hire Scheme

- 6.6.22 LB Camden, LB Islington and TfL have all requested the introduction of additional Cycle Hire capacity in the vicinity of the site if planning permission was to be granted. This would encourage residents, visitors, staff and customers to cycle as an alternative to using motor vehicles, public transport or walking. The applicant has considered various possible locations where docking stations could be sited. The drawings submitted in support of the planning application suggest that a docking station could be sited on the footway directly adjacent to the RMG building on Mount Pleasant. This proposal would provide capacity for 50 cycle hire bicycles. It is understood that TfL and LB Islington have since suggested that this location would be suitable for a docking station with a capacity for 25 cycle hire bicycles.

- 6.6.23 Another location therefore needs to be agreed for a further docking station with a capacity for 25 cycle hire bicycles. It is suggested that this is located somewhere on or near to the new pedestrian and cycle route which is to be created between Coley Street and the Calthorpe Street site in LB Islington. Further discussion is required between the applicant, LB Camden, LB Islington, and TfL.
- 6.6.24 A financial contribution to cover the cost of introducing the proposed London Cycle Hire scheme should be secured by Section 106 agreement. This is discussed in more detail in a separate section of this report titled 'Pedestrian, Cycling and Environmental Improvements'.

Cycle Parking

- 6.6.25 One of Camden's key aims is to promote cycling in the borough and this is detailed in Camden's Transport Strategy, CS11 (Promoting Sustainable and Efficient Travel), DP17 (Walking, Cycling and Public Transport), and CPG7 (Transport). Indeed, Camden's Transport Strategy has set a target of 25% for cycling as a proportion of road traffic flows in the borough by 2020.
- 6.6.26 The proposal would include changing rooms with showers and lockers at basement level for retail staff. This is welcomed by Camden. It is also noted that 100 covered, secure and fully enclosed cycle parking spaces will be provided for RMG staff within the basement of the RMG building. This is also welcomed by Camden.
- 6.6.27 Camden apply the London Plan cycle parking standards for residential developments. This requires a minimum provision of 1 cycle parking space for 1 or 2 bedroom dwellings and 2 cycle parking spaces for dwellings with 3 or more bedrooms. The London Plan revised early minor alterations (June 2012) also require 1 cycle parking space per 40 residential units to be provided for visitors.
- 6.6.28 Camden however generally apply our own cycle parking standards for retail developments. This requires 1 cycle parking space per 250 sqm for staff and 1 cycle parking space per 250 sqm for customers (both from a threshold of 500 sqm). This matches the London Plan revised early minor alterations which require 1 space per 125 sqm for staff and customers.
- 6.6.29 The proposal includes the provision of 474 secure cycle parking spaces on site for residents, visitors, staff, and customers. These would be provided across the development to target specific users. The table below summarises the minimum requirements and proposed level of provision for each land use across the site.
- 6.6.30 The proposed level of provision for the entire site exceeds the minimum requirement and is therefore acceptable in transport terms.

However, the cycle parking provision for the flexible retail uses would need to be increased by 1 space to meet our minimum requirements.

| Land Use | Minimum Requirement | Proposed provision | Comments |
|--|----------------------------|---------------------------|---|
| C3 Residential for Building P1 (214 units) | 271 | 275 | Assessed against London Plan standards. Proposed provision exceeds minimum requirement. Acceptable. |
| C3 Residential for Building P2 (131 units) | 148 | 156 | Assessed against London Plan standards. Proposed provision exceeds minimum requirement. Acceptable. |
| C3 Visitors for Building P1 (214 units) | 7 | 18 | Exact level of provision to be confirmed. |
| C3 Visitors for Building P2 (131 units) | 4 | 18 | Exact level of provision to be confirmed. |
| Flexible Retail for Building P1 (604 sqm) | 6 | 5 | Assessed against LBC and London Plan standards. Proposed provision needs to be increased to meet minimum requirement. |
| Flexible Retail for Building P2 (283 sqm) | 2 | 2 | Assessed against LBC and London Plan standards. Proposed provision meets minimum requirement. |
| Totals | 438 | 474 | Proposed overall provision exceeds minimum requirement. Acceptable. |

6.6.31 The proposals would provide 275 covered, secure and fully enclosed cycle parking spaces for the residential units within building P1. These spaces would be provided at basement level and would be accessed from the proposed vehicular access from Gough Street. Cyclists would need to use a vehicular ramp which would also be used by motor vehicles. The proposed level of provision exceeds the minimum requirements of the London Plan cycle parking standards and is therefore acceptable.

6.6.32 The proposals would provide 156 covered, secure and fully enclosed cycle parking spaces for the residential units within building P2. These spaces would be provided at basement level and would be accessed from the proposed vehicular access from Phoenix Place. Cyclists would need to use a vehicular ramp which would also be used by motor vehicles. The proposed level of provision exceeds the

minimum requirements of the London Plan cycle parking standards and is therefore acceptable.

- 6.6.33 The proposals would provide 36 secure cycle parking spaces for visitors to the residential units. These spaces would be provided within publicly accessible areas within the site. The exact level of provision for each building (P1 and P2) is unclear. It has therefore been assumed that 18 spaces would be allocated to each building. However, it would make sense to allocate a significant proportion of these visitor spaces to building P1 as it would have 62% of the residential units. On this basis, we would suggest allocating 22 visitor spaces to building P1 and 14 visitor spaces to building P2. It would be useful if the exact level of provision for each building could be confirmed prior to determination. Otherwise, details should be agreed by condition.
- 6.6.34 The proposals would provide 5 secure cycle parking spaces for staff and customers of the flexible retail uses associated with building P1. However, this would need to be increased by 1 space to meet our minimum requirements. The proposals would also provide 2 secure cycle parking spaces for staff and customers of the flexible retail uses associated with building P2. These spaces would be provided within publicly accessible areas within the site. The proposed location and details of these cycle parking spaces is unclear. It would be useful if details could be confirmed prior to determination. Otherwise, details should be agreed by condition.
- 6.6.35 Various internal cycle stores are proposed for buildings P1 and P2. The drawings provided suggest that the cycle stores would be accessible by lifts, pedestrian ramps, or vehicular ramps leading to the car parking areas. This would appear to be acceptable as it complies with CPG7 (transport) guidance. However, there are some concerns regarding the design and location of specific cycle stores. For example, building P1 would have 3 separate cycle stores located in close proximity to each other on basement level -01. Access to these cycle stores from the car park would appear to be obstructed during times when aisle space number 100 would be occupied. It is also assumed that residents would need to walk through the central cycle store room in order to access the lift core. The design should be amended in this respect; 1 larger cycle store accessible to registered users only would be acceptable. There are also some concerns regarding the proposed cycle stores for building P2. The cycle store located near Core B does not appear to be easily accessible by lift (i.e. the pedestrian route is convoluted). The cycle store located near Core C appears to include unnecessary internal doors. Residents wishing to use the cycle store located near Core D would need to push their bicycles through the adjacent refuse store. This would be unacceptable as it is likely to discourage residents from using the cycle store. In summary, there are various elements of the internal cycle storage proposals which require further consideration

and design amendments prior to any works commencing on site. The planning application should be recommended for refusal on this basis if the required design changes cannot be agreed prior to determination.

- 6.6.36 The planning application fails to provide sufficient details to describe the layout of internal cycle stores or the types of cycle parking facility to be provided. I would recommend the use of 2-tier bicycle racks wherever possible within internal cycle stores as these allow for the most efficient use of space. Such details could be agreed through further discussion and/or by condition. Cycle parking details would need to adhere to the guidance provided in CPG7 (Transport) (Section 9, Cycling Facilities, Pages 53-55). We would resist any application which failed to adhere to the guidance specified in that section of CPG7. This guidance is available on the Camden website in this regard.

Proposed Vehicular Access Arrangements

- 6.6.37 There are some concerns with the proposed access arrangements for motor vehicles; this is more pertinent for the Calthorpe Street site but also applies to the Phoenix Place site. A road safety audit has been undertaken on this element of the proposal and the report is appended to the TA. The report notes that certain types of vehicle would not be able to access/egress the site without over-running the kerbs. This is clearly unacceptable as it would introduce a maintenance issue which LB Camden would be responsible for (i.e. the footways and kerbs would be damaged over time and would need to be maintained). In addition, pedestrians would potentially be placed in danger. The planning application should be recommended for refusal on this basis if the required design changes (including revised turning movement diagrams) cannot be agreed prior to determination.
- 6.6.38 There are also some minor concerns with the specific design of the proposed vehicular access on Gough Street. The proposal would allow at least 1 car to be parked on the public realm within the site (i.e. directly to the south of the proposed vehicular access road). This would be unacceptable. It is unclear why the proposed access has been designed to be so wide. It is assumed then that it would be to accommodate a refuse vehicle during refuse/recycling collections. However, a refuse vehicle parked in this location would obstruct access to the basement car park. So this would also be unacceptable. The design should be amended so that parking within the public realm would not be possible. This could be achieved through the planting of a small tree or the introduction of street furniture (e.g. bollards, a bench). The design of this vehicular access should match the design for the proposed vehicular access on Phoenix Place. The planning application should be recommended for

refusal on this basis if the required design changes (including revised turning movement diagrams) cannot be agreed prior to determination.

Residential Car Parking

- 6.6.39 The Phoenix Place site would provide 345 residential units, of which 74 units would have 3 or more bedrooms and would be designated as family sized units.
- 6.6.40 The proposal would provide 54 car parking spaces within the site. This would comprise of 37 standard spaces and 17 accessible spaces for disabled drivers. The standard spaces would be allocated to a proportion of the larger family sized units, whereas the accessible spaces would be allocated to wheelchair accessible units. The proposal would provide a car parking ratio of 0.17 parking spaces per unit, inclusive of the accessible parking spaces. This proposed car parking ratio is broadly consistent with that proposed for the Calthorpe Street site in LB Islington.
- 6.6.41 As already mentioned, the site is highly accessible by public transport with the highest possible PTAL rating of 6b. Policy DP18 states that The Council will expect development to be car free in the Central London Area and other areas within Controlled Parking Zones that are easily accessible by public transport. As the site is located within the Central London Area and the Kings Cross CPZ while also being highly accessible by public transport, the proposals are clearly contrary to DP18. The proposals are also contrary to CS11 and CPG7.
- 6.6.42 Camden officers have previously discussed their opposition to the provision of residential car parking spaces, other than a small number of disabled spaces for fully wheelchair accessible units. The proposed provision of 1 disabled space per 2 wheelchair units is considered appropriate. However, all of the other residential and commercial units should otherwise be designated as car free; i.e. the occupants would be unable to obtain on-street parking permits from the Council. This should be secured by a Section 106 planning obligation if planning permission was to be granted.
- 6.6.43 Paragraph 9.13 of the planning statement suggests that a level of car parking provision would be necessary to support the financial viability of the development proposals. We accept that car parking spaces would have a monetary value to the applicant. However, this is not a valid justification to relax our 'car free' policy in this case.
- 6.6.44 The applicant has undertaken a traffic modelling exercise in support of the planning application. The baseline models indicate that traffic congestion is already a significant issue at the 2 traffic signalised junctions on Farringdon Road. The intensification of the RMG operations will increase the volume of vehicular traffic in the local

area. Indeed the traffic modelling results confirm that this will have a negative impact on the operation of both traffic signalised junctions. Any car parking provision associated with the Phoenix Place and Calthorpe Street sites are likely to exacerbate these problems further. It is worth noting that TfL has informed the applicant that mitigation measures would need to be introduced to allow both traffic signalised junctions to continue to operate effectively.

6.6.45 Paragraph 11.4 of the planning statement discusses the draft heads of terms for a Section 106 agreement if planning permission was to be granted. This suggests that the applicant is willing to enter into a 'car capped' agreement with The Council. This would mean that occupants would be unable to obtain on-street parking permits from the Council. It is suggested that any 'car capped' agreement should cover all occupiers of the proposed site, including residents and staff. This should be secured by a Section 106 Agreement planning obligation if planning permission was to be granted based on the current parking proposals.

6.6.46 The London Plan published in 2011 (Policy 6.13 Parking) states that developments must ensure that 1 in 5 spaces (both active and passive) provide an electrical charging point to encourage the uptake of electric vehicles. If the current car parking proposal was deemed to be acceptable (e.g. on viability grounds), we would seek to secure the provision of 11 electric vehicle charging points to form part of the on-site car parking provision as part of any Section 106 agreement if planning permission is to be granted.

6.6.47 In summary the car parking proposals are unacceptable in transport terms as they contravene various policies and guidance. The provision of general car parking spaces within the proposed development and in the absence of a legal agreement to secure car-free housing units and commercial floor-space, would contravene the following policies:

- CS11 (Promoting sustainable and efficient travel)
- DP18 (Parking standards and limiting the availability of car parking)
- London Plan Policy 6.11 (Smoothing traffic flow and tackling congestion)
- London Plan Policy 6.12 (Road network capacity)
- London Plan Policy 6.13 (Parking)

Motor Vehicle Parking and Loading Bays on the Public Highway

6.6.48 The proposal includes the introduction of kerbside loading bays on Gough Street, Mount Pleasant and Phoenix Place. These loading bays would facilitate delivery and servicing related trips associated

with the residential and flexible retail units proposed for the Phoenix Place site (Buildings P1 and P2). The loading bay proposals would not involve the loss of any existing parking bays and are therefore acceptable in transport terms.

- 6.6.49 The hours during which the proposed loading bays would be operational are yet to be agreed. The planning application suggests that deliveries and servicing related trips are likely to occur between 0700 and 1700 hours. However, it is recommended that the operational hours should match those of the CPZ (i.e. between 8.30am and 6.30pm Monday to Friday and between 8.30am and 1.30pm on Saturdays). This would allow the loading bays to be used as unrestricted parking bays outside of CPZ operating hours.
- 6.6.50 In summary, the on-street parking and loading bay proposals are generally acceptable and comply with DP19. However, further discussion is required between Camden and the applicant with regard to loading bay operational hours. The proposed changes to the existing on-street parking arrangements (including the proposed loading bays) would be subject to a separate public consultation which would be undertaken by Camden's Transport Design Team. This would be necessary as the Council would need to amend the existing traffic management orders for Gough Street, Mount Pleasant and Phoenix Place.

Impact on the Controlled Parking Zone

- 6.6.51 The planning application suggests that residents would be likely to park private cars on the public highway if the Council was to insist on a car free development. This would increase the demand for on-street parking in the local area. As already mentioned, the Council would seek to secure a car free agreement for all 345 residential units (except for 17 fully accessible parking spaces for wheelchair housing units). This would mean that residents of all 345 residential units would be ineligible to apply for on-street parking permits.
- 6.6.52 As already mentioned, the site is located within the Kings Cross CPZ. The CPZ operates between 8.30am and 6.30pm Monday to Friday and between 8.30am and 1.30pm on Saturdays. The ratio of parking permits to parking spaces in the CPZ is 1.05. This suggests that parking stress is a significant issue in this part of the borough. We have made all reasonable efforts to minimise the impact of the proposals on the CPZ by seeking a car free development. The proposal would discourage the use of private car use by residents and staff. Camden cannot prevent private car ownership. However, any resident wishing to own a car without having a designated parking space on-site would clearly find parking to be a major obstacle. For example, parking would be prohibited within the site at all times and within the CPZ on Monday to Friday between 8.30am and 6.30pm and on Saturday between 8.30am and 1.30pm. The proposal would

also encourage healthier and more sustainable trips by walking, cycling and public transport in accordance with our Core Strategy; specifically CS11 (Promoting Sustainable and Efficient Travel).

- 6.6.53 Camden could review the hours of operation of the CPZ in the future if it can be demonstrated that the proposed development (if approved and implemented) is having a detrimental impact on on-street car parking outside of the existing CPZ hours of operation. However, it is not anticipated at present to be necessary. In summary, a car free development would comply with DP19 and would therefore be acceptable in transport terms.

Existing/Proposed Royal Mail Staff Car Park

- 6.6.54 The existing RMG staff car park access on Phoenix Place (Table 4.2) was used by 288 vehicles entering and 245 vehicles exiting during a 24 hour period. The maximum two-way flow was 76 vehicles, which occurred between 6am and 7am, whilst a further peak of 58 vehicles took place at noon. Other than the lunchtime peak, these peaks appear to tally with the staff shift patterns. The TA states that the maximum occupancy of the car park took place between 9am and 11am when 156 vehicles were parked on site. However, these figures fail to include the number of vehicles which were present prior to the start of the survey. This is a serious omission. As such, the true occupancy level is likely to be much higher.
- 6.6.55 The TA states that the car park survey was undertaken by video camera, with vehicle registration plates being recorded in order to determine the duration of stay of each vehicle. However, no information has been provided on the duration of stay. It is unclear why this information has been omitted.
- 6.6.56 The level of RMG operational traffic (which excludes staff parking) is forecast to double from around 1,600 movements a day (800 in and 800 out) to around 3,200 movements a day (1,600 in and 1,600 out). The number of operational vehicles is also forecast to almost double from 131 vehicles to 254 vehicles, whilst the total number of staff is forecast to increase from 1,890 to 2,970, with the largest increases occurring during the early (6am to 2pm) and day (8am to 4pm) shifts.
- 6.6.57 Taking the increase in staff numbers into account, the future staff car park occupancy level is anticipated to rise to around 245 vehicles. However, the drawings suggest that only 204 spaces would be re-provided for RMG staff. These spaces would be provided in a car park which would also be used by residents. The shared car park would be located underneath building P1 and would be accessed from Gough Street. Other than stating that car park permits would be allocated by the RMG on a needs basis, it is unclear how the remaining 676 staff on the early shift would travel to the site. No

details have been provided regarding the RMG staff Travel Plan and this issue needs to be addressed.

- 6.6.58 The TA states that the staff car parking will be provided in the form of vehicle stackers so as to maximise space and that a valet system would operate, with staff dropping their vehicles off at the 1st basement level. The valets would then take the vehicles down to the 2nd basement level and park them, returning them when needed. The submitted plans (AHMM 1159-P1-(00)P099/P02 and P098/P02) do not show any drop off area or facilities for valets at either basement level. This issue needs to be addressed. Staff would be able to enter or exit either basement level on foot via stairs or a lift from an access point on Phoenix Place adjacent to the entrance to residential block A5. It would appear that the entrance ramp to the 1st basement level would operate on a two-way basis, whilst the ramps to the 2nd basement level and to the car park for building P2 would operate on a one-way basis. No mention is made of a traffic light system to control the use of the ramps and no details are shown on any of the submitted plans. It is unclear how the ramp to the 2nd basement level connects with the ramp from the 1st basement level/ground floor (building P1). Clarification on these points is required.
- 6.6.59 Given the high flows of RMG vehicles, officers do not consider it appropriate for Phoenix Place to be converted to a shared surface street, as suggested in paragraph 11.3.4 of the TA. This was made clear at the pre-application stage.
- 6.6.60 The RMG staff car parking proposals do not make any provision for disabled staff who may wish to use the car park. The proposal would need to be reviewed and amended if necessary in this respect in order to comply with our parking standards (refer to Appendix 2 of Camden Development Policies document).

Management of on-site car parking arrangements

- 6.6.61 A parking management plan (PMP) has been submitted in support of the planning application. This states that electronic gates / barriers would be installed at the vehicular access points (Gough Street and Phoenix Place). Residents and RMG staff entitled to use the car parks would be issued with parking permits and access fobs which would be used to open and close the gates / barriers. Careful consideration would need to be given to the type of electronic gates / barriers to be installed, particularly given that they would be used 24 hours a day and would be situated directly below and adjacent to a number of residential units. Details of the electronic gates / barriers to be installed would need to be approved by condition prior to the car parking areas becoming operational (Residential car parking and cycle parking, RMG staff car parking).

6.6.62 A more detailed PMP would need to be secured as a S106 planning obligation if planning permission was to be granted. The PMP would need to provide more detail to describe how the proposed valet parking arrangements would work in practice. The PMP would need to describe arrangements for management, monitoring, cleaning, maintenance and enforcement of all car parking areas within the site. The PMP would also need to describe a package of measures to be adopted by the owner in the management of parking on the development to ensure the following:

- a) parking at the Property is limited to the car parking spaces provided as part of the Development
- b) electric vehicle charging points are clearly marked on the basement car park layout plans
- c) the disabled parking bays are reserved for residents of or visitors to the Wheelchair Accessible Units only at a nil cost to the occupants of the Wheelchair Accessible Units
- d) there is no parking on the access routes between the public highway and the basement car parks within the Property
- e) there is no parking on the landscaped areas of the Development
- f) gates or barriers will be provided which will limit access to the basement car parks to authorised users (i.e. permit holders and/or key fob holders)
- g) the reduction of impact of traffic both on the Development and emanating from the Development into the wider community

Car Clubs

6.6.63 The proposal does not include the provision of any car club parking bays within the site or on the public highway adjacent to the site. We would not encourage the introduction of a new car club scheme in association with this development due to the site being highly accessible by public transport.

Managing Construction Impacts on the Public Highway Network

6.6.64 A draft Construction Management Plan (CMP) has been submitted in support of the planning application. This provides useful information describing how the site would be serviced during the proposed works (enabling works, demolition, construction). The site is located in close proximity to the strategic road network and can therefore be accessed easily from Farringdon Road or Rosebery Avenue. The draft CMP suggests that the proposed works would generate up to 24 construction vehicle trips per hour (12 in and 12 out). The predicted level of trips likely to be generated would not contribute to traffic congestion under an efficient scheduling arrangement. In addition, officers do not foresee any road safety problems associated with the

proposed arrangements as long as best practice arrangements are followed (e.g. vehicle movements into and out of the site to be supervised by trained banksmen). Some temporary highway works may be required in order to facilitate turning movements for larger construction vehicles.

- 6.6.65 A more detailed CMP would need to describe how the proposed works would be programmed and managed during the construction period. The various highways licences which would be required would need to be discussed. The site would need to be registered with the 'Freight Operators Recognition Scheme (FORS)' and the 'Considerate Constructors Scheme'. The works would need to be undertaken in accordance with the 'Guide to Contractors Working in Camden'.
- 6.6.66 The CMP would need to follow the guidance provided in our Camden Planning Guidance document CPG6 (Amenity). Pages 39 to 44 of this document provide specific guidance on our requirements for CMPs. It is important that the CMP deals with the transport considerations as detailed on pages 42 and 43 of CPG6.
- 6.6.67 Officers would expect a high level of community liaison for a development of this size if planning permission was to be granted. The final CMP would need to provide a section discussing public consultation on the draft CMP, including any feedback received and measures taken to overcome issues raised. The applicant would also be required to set up a Construction Working Group which would include representatives from the local community (residents and businesses). Such arrangements should be discussed in the final CMP.
- 6.6.68 The draft CMP suggests that parking would not be provided on site for construction workers. The proposal to encourage travel by sustainable modes of transport is encouraged by Camden. The final CMP should include more detail to describe ways in which construction workers would be encouraged to travel by sustainable modes of transport. One suggestion would be to provide a travel planning leaflet to describe how to travel to and from the site via walking, cycling and public transport.
- 6.6.69 A detailed CMP would need to be approved by LB Camden, LB Islington and TfL prior to any works commencing on site. The points raised above should be incorporated into the final CMP which should be secured as a Section 106 planning obligation if planning permission was to be granted. A schedule to describe the detailed transport considerations to be incorporated within the final CMP would be included in the Section 106 agreement.

Deliveries and Servicing

6.6.70 As already mentioned, the Phoenix Place site would be serviced from kerbside loading bays on Gough Street, Mount Pleasant and Phoenix Place. The applicant has undertaken a trip generation exercise which predicts the level of delivery and servicing related trips associated with the development proposals. The trip generation results suggest that the development would generate up to 6 delivery and servicing related trips during the morning peak hour. The trip generation results for a typical 24 hour period can be summarised as follows:

| Building Plot | Residential | Retail | Comments |
|----------------------|--------------------|---------------|-------------------------------|
| P1 | 26 | 12 | 38 2-way trips per day |
| P2 | 16 | 12 | 28 2-way trips per day |
| Totals | 42 | 24 | 66 2-way trips per day |

6.6.71 Servicing trip rates for the various land uses have been derived from the TRAVL database. However a different selection of sites has been used compared to the person trip calculations. The reasons for this are unclear. The TA states that the sites listed in Table 11.1 were used to determine the servicing trip rates. However this is incorrect (with the exception of retail) as Appendix Q indicates that a smaller selection of sites has actually been used to calculate the trip rates. The reasons for this are also unclear.

6.6.72 The planning application suggests that the majority of deliveries and servicing activity would be undertaken by transit vans or smaller vehicles (85% of residential trips and 35% of commercial trips). Swept path diagrams have been provided which demonstrate that various types of vehicle would be able to access the site (e.g. rigid lorry, refuse collection vehicle). However, this exercise also demonstrates that articulated vehicles would not be able to access the site. We agree with this assessment and suggest imposing a condition to prohibit the use of articulated vehicles. This restriction should also be included within a detailed delivery and servicing management plan (SMP) which would need to be secured as a Section 106 planning obligation if planning permission was to be granted.

6.6.73 Officers are satisfied that off-street servicing facilities are not required based on the results of the trip generation assessment undertaken in support of the planning application. The results of this assessment confirm that the proposed uses would not generate intensive delivery and/or servicing related trip activity.

6.6.74 Officers suggest agreeing the hours during which the proposed loading bays would be operational by condition. Comments on acceptable servicing hours should also be provided from Camden's Environmental Health Team. This issue could be dealt with in the detailed SMP.

- 6.6.75 A draft SMP was submitted in support of the planning application. The SMP describes the existing and proposed arrangements for deliveries and servicing. The SMP also includes useful information on the potential measures, targets and monitoring arrangements which would be taken forward during operation once occupiers are known.
- 6.6.76 The SMP provides some useful information which suggests that the Phoenix Place site could be serviced without being detrimental to the operation of the public highway in the local area. The site is located in close proximity to the strategic road network and can therefore be accessed easily from Farringdon Road or Rosebery Avenue. The predicted level of trips likely to be generated would not contribute to traffic congestion under an efficient scheduling arrangement. In addition, officers do not foresee any significant road safety issues associated with the proposed arrangements.
- 6.6.77 The SMP has been prepared in accordance with Camden Planning Guidance and is therefore generally acceptable as a Delivery and Servicing Management Plan subject to some amendments. As already mentioned, a more detailed SMP would need to be secured as a Section 106 planning obligation if planning permission was to be granted.

Public Realm Improvements within the site

- 6.6.78 The proposals include improvements to the public realm within the site. This would include hard and soft landscaping works associated with internal squares and courtyards. It would also include the introduction of the new pedestrian and cyclist route through the site as described above. All pedestrian routes within the site would provide step free access. This is welcomed by Camden.
- 6.6.79 Details of material specifications and detailed layout arrangements require further development and discussion with our Transport Strategy Service. The primary concern is to ensure that the internal public realm proposals can be tied into the external highway and public realm proposals to be delivered by Camden. Details for hard and soft landscaping materials should be secured by condition.
- 6.6.80 As already mentioned, officers would seek to secure a public realm management and maintenance strategy as a Section 106 planning obligation if planning permission is to be granted. This would describe arrangements for management and maintenance of all areas of public realm within the site boundary.

Public Highway and Public Realm Improvements in the Vicinity of the Site

- 6.6.81 The public highway adjacent to the site is in a poor condition with various items of street furniture constituting unnecessary street clutter (e.g. bollards on Phoenix Place). In addition, the carriageways and

footways are likely to be damaged significantly during construction of the proposed development. The carriageway and footway on Calthorpe Street, Gough Street, Mount Pleasant and Phoenix Place would therefore need to be repaved following completion of the works. Street furniture which would obstruct access to the site would need to be relocated (e.g. phone boxes, telecommunications cabinets, street name plates, traffic sign posts, lamp columns, bollards etc). We would also wish to remove any redundant street furniture items as a means of reducing unnecessary street clutter. We would therefore seek to secure a financial contribution to cover the cost of these works.

6.6.82 Officers have previously discussed requirements for improvements to the public highway and the public realm with the applicant at pre-application stage. The planning application appears to have taken most of the pre-application advice on board. Indeed, the design and access statement includes a section to describe the public highway and public realm improvement works which would be delivered if planning permission was to be granted. The works would include the following:

- Carriageway and footway repaving
- Junction improvements
- Traffic calming improvements including measures to discourage through traffic (e.g. Gough Street and Phoenix Place could suffer from rat-running traffic)
- Carriageway and footway realignments on Gough Street and Mount Pleasant
- Changes to site accesses
- Changes to on-street parking and loading bays
- Minor cycle route improvements
- Street lighting improvements
- Tree planting
- Public open space improvements (e.g. triangle at Mount Pleasant junction with Gough Street)

6.6.83 It is also worth noting that the footways adjacent to the site are currently quite narrow. The applicant realises that this would be a problem if planning permission was to be granted. The proposed level of pedestrian trips would not be able to be accommodated by the existing footways. The proposal allows for this by providing additional areas of public realm adjacent to the public highway around the site boundary. This is welcomed by Camden as it will mitigate the impacts of the proposed development directly adjacent to the site. It is not

clear at this stage what extent of the proposed public realm would need to be adopted by the Council. Officers would therefore welcome further discussion with the applicant in this regard. A public realm management and maintenance strategy as a Section 106 planning obligation should be secured if planning permission was to be granted. This would describe arrangements for management, cleaning and maintenance of all areas of public realm within the site boundary.

- 6.6.84 The proposal includes the planting of trees on the footways in the vicinity of the site. This would include the planting of a row of trees on the west side of Gough Street. This footway is quite narrow and we cannot be sure that trees could actually be planted in this location. The presence of public utilities and statutory undertaker's plant (e.g. electricity and telecommunications cables) may prove to be a problem. We would also need to maintain a sufficient effective footway width to cater for pedestrian movements at this location. The tree planting proposals for the site should be treated as indicative proposals, particularly where trees would be located within the public highway. Such trees would be introduced if technically feasible to do so; this would be determined by our Transport Design Team (including discussions with our Tree Officer).
- 6.6.85 It is worth stating at this point that all the proposed highway and public realm improvements should be treated as indicative, even if planning permission was to be granted. This is because planning permission does not guarantee that the proposed highway and public realm improvements would be implemented in their current form. Such proposals are always subject to further consultation, detailed design, and approval by the Highway Authority.
- 6.6.86 In summary, we will seek to secure a financial contribution towards the delivery of public highway and public realm improvements in the vicinity of the site. These works as described above would be designed and implemented by LB Camden. A cost estimate for the public highway and public realm improvements has been prepared by our Transport Design Team (referred to at section 6.11.3 below). The financial contribution should be secured by a Section 106 planning obligation. It should be noted that our Transport Design Team would need to undertake a separate public consultation exercise as the works would involve amendments to existing traffic management orders and physical changes to the public highway (e.g. carriageway and footway realignments on Gough Street and Mount Pleasant).

Proposed pedestrian and cycle route through the site

- 6.6.87 The applicant has agreed to provide a new pedestrian and cycle route through the site. This would increase the permeability of the site for pedestrians and cyclists while also contributing towards a wider route between Farringdon Road to the east and Gray's Inn Road to the

west of the site. This part of the proposal complies with policies CS11, CS19, DP17 & DP21 and is therefore acceptable in transport terms.

- 6.6.88 The proposed pedestrian and cycle route would remain in private ownership and would be managed, maintained and cleaned by the owner. However, it would perform a similar function to a pedestrian and cycle route maintained as part of the public highway network. Street lighting facilities should therefore be provided in accordance with LB Camden standards. Details of the street lighting to be provided should be secured by condition and the applicant should confirm specific requirements with our Street Lighting Team Manager (Jim Thornhill).

Pedestrian, Cycling and Environmental Improvements in the local area

- 6.6.89 Given the scale of the proposed development, Camden will require a financial contribution towards Pedestrian, Cycling and Environmental Improvements in the local area (total set out in section 6.11.3 below). This is detailed in Camden Planning Guidance; specifically CPG8 (Planning Obligations). The predicted trips by sustainable modes of transport would have an impact on the surrounding cycling and pedestrian routes and public transport facilities. This financial contribution would therefore be used to help mitigate such impacts while also helping to encourage sustainable transport choices, and would need to be secured as a Section 106 planning obligation.
- 6.6.90 The proposals would generate a significant level of short distance pedestrian trips between the site and nearby transport interchanges and local amenities (e.g. The Brunswick Centre and Exmouth Market). These additional trips would have an impact on the surrounding footways and public transport facilities. We generally seek a financial contribution to help to mitigate such impacts while also helping to encourage sustainable transport choices.
- 6.6.91 Camden is committed to rolling out the Legible London pedestrian wayfinding system across the borough. Given the significant level of pedestrian trips associated with the development while also acknowledging the retail uses as potential places of interest, we wish to provide additional Legible London signs in the vicinity of the site. A financial contribution of at least £40,000 is required.
- 6.6.92 Camden is committed to rolling out the London Cycle Hire scheme across the borough. Given the significant level of pedestrian trips associated with the development while also acknowledging the retail uses as potential places of interest, we wish to provide an additional Cycle Hire docking station in the vicinity of the site. This would have a capacity for 25 cycle hire bicycles in order to match the scheme proposed for the Mount Pleasant frontage of the Royal mail Group

building in LB Islington. A financial contribution of £185k is required, subject to discussions and agreement with TFL.

6.6.93 Camden is committed to improving conditions for cyclists throughout the borough. The proposal would generate additional cycling trips in the local area. We therefore need to make some minor improvements to roads in the local area, specifically for the benefit of cyclists. These improvements would include the following recommendations from the local cycling campaign group, Camden Cyclists:

- Delivery of Borough Wide 20mph scheme in the local area
 - Calthorpe Street between Phoenix Place and Gray's Inn Road - Improvements to existing cycle facilities and traffic calming features on this section of the Central London Bike Grid network of cycle routes
 - Cubitt Street junction with Pakenham Street - Amend junction priorities to favour the LCN cycle route
 - Laystall Street - Introduce contra-flow cycling between Mount Pleasant and Clerkenwell Road (both sections of Laystall Street)
 - Eyre Street Hill - Introduce contra-flow cycling between Warner Street and Clerkenwell Road (this could include a short section of shared space at the junction with Clerkenwell Road)

6.6.94 TfL has suggested that the applicant should consider the need to improve the bus stops in the vicinity of the site. This could include the provision of new bus shelters and 'Countdown' real time journey information signs at each bus stop in the vicinity of the site. We would welcome the provision of new bus shelters, Legible London maps and 'Countdown' real time journey information signs at each bus stop. The exact level of financial contribution required by TfL is yet to be determined.

6.6.95 A PERS audit was undertaken in support of the planning application. The audit identified a number of problems on pedestrian routes in the local area. The audit also recommended various strategies which could be delivered to improve conditions for pedestrians using these pedestrian routes. Given the significant level of pedestrian trips associated with the development while also acknowledging the retail uses as potential places of interest, we may seek to introduce the mitigation measures recommended by the PERS audit.

6.6.96 Taking all of the above points into consideration, we would seek to secure a financial contribution of £500,000 towards pedestrian, cycling and environmental improvements in the vicinity of the site. This would need to be secured as a Section 106 planning obligation.

Proposed lightwells adjacent to the site

6.6.97 The proposed floor plans indicate that lightwells are proposed adjacent to the public highway on Gough Street. Officers are concerned about the implications of pedestrians falling into the lightwells. CPG4 provides guidance on basements and lightwells. Paragraph 2.71 discusses railings, grilles and other lightwell treatments. As the proposed lightwells are to be located adjacent to the public highway, public safety issues will need to be addressed. Paragraph 2.71 states that lightwells such as those proposed need to be secured by a railing or grille. The planning application does not appear to include any such details although it suggests that railings would be provided. However, this would not constitute a reason for refusal and details should be secured by condition.

Excavation in close proximity to the public highway

6.6.98 It is necessary to ensure that the stability of the public highway adjacent to the site is not compromised by the proposed basement excavations. A basement impact assessment (BIA) has been submitted in support of the planning application.

6.6.99 The applicant shall be required to submit an 'Approval In Principle' (AIP) to Shane Greig in our Highways Management Team. This would include structural details and calculations to demonstrate that the proposed development would not affect the stability of the adjacent public highway adjacent to the site. This would also include an explanation of any mitigation measures which might be required. The condition would only be discharged once an AIP had been approved by our Highways Management Team. The planning application does not appear to include an AIP. However, this would not constitute a reason for refusal and details should be secured by condition.

Highways Conclusions

6.6.100 The proposals are **unacceptable** in transport terms as the car parking proposals are contrary to CS11, DP18, and CPG7 which require development at this location to be car free. The proposal should be amended to remove the general parking provision for the larger family sized residential units unless the applicant can demonstrate that the overall viability of the proposal would be compromised.

6.6.101 There are also various elements of the internal cycle storage proposals which require further consideration and design amendments prior to any works commencing on site. The planning application should be recommended for refusal on this basis if the required design changes cannot be agreed prior to determination.

6.6.102 There are some concerns with the proposed access arrangements for motor vehicles. The design of the vehicular access arrangements needs to be amended slightly. The planning application should be

recommended for refusal if the required design changes (including revised turning movement diagrams) cannot be agreed prior to determination.

6.6.103 The RMG staff car parking proposals do not make any provision for disabled staff who may wish to use the car park. The proposal would need to be reviewed and amended if necessary in this respect in order to comply with our parking standards (refer to Appendix 2 of Camden Development Policies document).

6.6.104 The proposals are otherwise generally acceptable in transport terms subject to some minor design changes, and various conditions and planning obligations which would need to be secured by a Section 106 agreement if planning permission was to be granted. These planning conditions and obligations are detailed in the conclusions section of this report. If the planning application was to be approved, officers would require any such approval to be subject to the following planning condition and obligations:

- A condition requiring the provision of 431 covered, secure and fully enclosed cycle storage/parking spaces for the residential units (275 spaces for building P1 and 156 spaces for building P2), designed to Camden Council's design specifications and the ongoing retention of this facility, details of which will need to be submitted and approved, and approval should be reserved by condition. Refer to CPG7 (Transport) for details.
- A condition requiring the provision of 36 secure cycle storage/parking spaces for the visitors to the residential units (22 spaces for building P1 and 14 spaces for building P2), designed to Camden Council's design specifications and the ongoing retention of this facility, details of which will need to be submitted and approved, and approval should be reserved by condition. Refer to CPG7 (Transport) for details.
- A condition requiring the provision of 8 secure cycle storage/parking spaces for staff and customers of the flexible retail units (6 spaces for building P1 and 2 spaces for building P2), designed to Camden Council's design specifications and the on-going retention of this facility, details of which will need to be submitted and approved, and approval should be reserved by condition. Refer to CPG7 (Transport) for details.
- A condition to secure details of the street lighting facilities to be provided adjacent to the new pedestrian and cyclist route through the site between Gough Street and Phoenix Place. Specific requirements should be agreed with our Street Lighting Team Manager (Jim Thornhill).
- A condition to secure details of the electronic gates / barriers to be installed at the vehicular accesses to the site. Such details would need to be approved prior to the car parking areas

becoming operational (Residential car parking and cycle parking, RMG staff car parking).

- A condition to prohibit the use of articulated vehicles as part of the delivery and servicing arrangements for the site.
- A condition to secure the agreed delivery and servicing hours for the site. Such operational hours should be agreed by Camden's Environmental Health Team.
- A condition requiring the provision of details to explain how the proposed lightwells to be located adjacent to the public highway would be secured to ensure pedestrian safety. Refer to DP27 and CPG4 (Basements and Lightwells) for details.
- A condition requiring the provision of an 'Approval In Principle' (AIP) to Shane Greig in the Camden Highways Management team. This would include structural details and calculations to demonstrate that the proposed development would not affect the stability of the adjacent public highway adjacent to the site. This would also include an explanation of any mitigation measures which might be required. The condition would only be discharged once an AIP had been approved by the Highways Management team. Refer to DP27 and CPG4 (Basements and Lightwells) for details.
- A condition to secure details for electric vehicle charging points in accordance with London Plan standards (i.e. 20% of parking spaces to have active provision with a further 20% of all parking spaces to have passive provision). The applicant will need to indicate the electric vehicle charging points (active and passive provision) on drawings of the floor plans and these plans should be submitted to Camden (to allow the condition to be discharged) to avoid any future doubt.
- A condition to secure details of the hard and soft landscaping proposals to be implemented within the site boundary.
- A Section 106 planning obligation to secure the entire development as car free (except for disabled parking as proposed). The applicant will need to indicate the proposed units which will be car free on revised drawings of the floor plans and these plans should be attached to the Section 106 agreement to avoid any future doubt. It should be noted that residents and staff will not be eligible to apply for on-street parking permits from the Council.
- A Section 106 planning obligation to secure a Parking Management Plan (PMP). The Section 106 agreement shall state that the PMP shall be approved prior to any works starting on site and the approved plan shall be followed, unless otherwise agreed with the Highway Authority concerned.

- A Section 106 planning obligation to secure a Construction Management Plan (CMP). The Section 106 agreement shall state that the CMP shall be approved prior to any works starting on site and the approved plan shall be followed, unless otherwise agreed with the Highway Authority concerned.
- A Section 106 planning obligation to secure a Delivery and Servicing Management Plan (SMP). The Section 106 agreement shall state that the SMP shall be approved prior to occupation and the approved plan shall be followed, unless otherwise agreed with the Highway Authority concerned.
- A Section 106 planning obligation to secure a management and maintenance strategy for internal areas of public realm located within the site boundary.
- A Section 106 planning obligation to secure a Residential Travel Plan (TP) for the residential units. The Section 106 agreement shall state that the TP shall be approved prior to occupation and the approved plan shall be followed, unless otherwise agreed with the Highway Authority concerned. The Section 106 agreement shall require the applicant to undertake a TRAVL after survey and to provide TfL and Camden with a copy of the results as part of the travel plan review and monitoring process.
- A Section 106 planning obligation to secure a Workplace Travel Plan (TP) for the flexible retail units. The Section 106 agreement shall state that the TP shall be approved prior to occupation and the approved plan shall be followed, unless otherwise agreed with the Highway Authority concerned. The Section 106 agreement shall require the applicant to undertake a TRAVL after survey and to provide TfL and Camden with a copy of the results as part of the travel plan review and monitoring process.
- A Section 106 planning obligation to secure a Workplace Travel Plan (TP) for the RMG site (including operational and commuter trips). The Section 106 agreement shall state that the TP shall be approved prior to occupation and the approved plan shall be followed, unless otherwise agreed with the Highway Authority concerned. The Section 106 agreement shall require the applicant to undertake a TRAVL after survey and to provide TfL and Camden with a copy of the results as part of the travel plan review and monitoring process.
- A Section 106 planning obligation to secure a financial contribution of £5,729 to cover the costs of monitoring and reviewing the Travel Plans for a period of 5 years.
- A Section 106 planning obligation to secure a financial contribution of £500,000 towards Pedestrian, Cycling and Environmental improvements in the vicinity of the site.

- A Section 106 planning obligation to secure a financial contribution to cover the cost of public highway and public realm improvement works adjacent to the site (initial estimate £2,443,164.50). These works would include repaving of the carriageways and footways and traffic calming improvements adjacent to the site on Calthorpe Street, Gough Street, Mount Pleasant, and Phoenix Place. This S106 obligation should also require plans demonstrating interface levels between development thresholds and the Public Highway to be submitted to and approved by the Highway Authority prior to implementation. The Highway Authority reserves the right to construct the adjoining Public Highway (carriageway, footway and/or verge) to levels it considers appropriate. An informative should also be placed on the planning permit, which states that planning permission does not guarantee that public highway and public realm improvement works will be implemented as proposed as they are always subject to further public consultation, detailed design, and approval by the Highway Authority.
- A Section 106 planning obligation to secure a financial contribution towards the Crossrail project in accordance with the Mayor of London's Community Infrastructure Levy, if appropriate.

Information subsequently provided by the applicant

6.6.105 It must be noted that the applicant has prepared partial response in regard to a selection of the matters referred to within this section. This information was provided following the call-in request to the GLA and officers have not been able to fully review and respond to the responses provided. Officers consider it appropriate to await a full response to all matters raised prior to offering a conclusion on the initial response provided.

Additional response to matters raised by local residents

6.6.106 The response to the application from the Laystall Court Tenants & Residents Association included a desire to limit the use of Mount Pleasant, Elm Street, Gough Street or Laystall Street by Royal Mail vehicles. The Islington planning application does not include within the scope of consideration an increase in Royal Mail operational vehicular traffic, with the enabling works relating only to the enclosing structures needed to release the greater part of that site for the residential led, mainly above ground phases. These enabling works allow mainly for the reorganisation of existing activity (which has in the recent period been swelled through the closure of nearby London sorting offices). As the Islington enabling works development would also not lead to a significant redistribution of Royal Mail operational vehicular movements, there is no justification for any new limitation on the use of the surrounding highway network by those vehicles.

6.6.107 Changes to levels and distribution of traffic movements as a result of the proposed Camden development are also not considered to warrant such a restriction, which would in any case prove to be unenforceable given the need to continuous access as part of the function provided by Royal Mail / at the wider application site.

6.7 Trees & Landscaping

- 6.7.1 Policy CS15 expects new developments to create new and enhanced habitat where possible, and to protect existing trees whilst promoting the provision of new trees and vegetation including additional street trees. Policy DP22: 'Promoting Sustainable Design and Construction' requires developments to incorporate green or brown roofs and green walls, wherever suitable. This policy also requires development to be resilient to the effects of climate change and incorporate such measures as limiting runoff and avoiding locating vulnerable land uses within basements in flood-prone areas. Policies CS14, DP23, DP24, DP25 and DP31 all contribute to the delivery of appropriate benefits arising from, and mitigation works relating to, sustainable design, water use and open space, all of which can be advanced through appropriate forms of landscaping.
- 6.7.2 The proposed landscaping throughout the site has been designed by Landscape Architects Camlins. The approach has been to knit the two sides of Phoenix Place together with a cohesive landscape plan. This has seen the introduction of similar features and materials across the two sites. The approach is considered to be generally well thought out and carefully designed. Officers initially set out a limited number of queries for the applicant to address, mainly relating to:
- Tree planting positions and species
 - Living roofs
 - Other biodiversity features (swift bricks, sparrow terraces, bat boxes)
- 6.7.3 The applicant has provided the requested corrections, revisions and provided details of the relevant biodiversity features. Conditions regarding detailed landscape design/planting, living roof design, Bird/bat box provision and sustainable drainage provision (SuDS) will be necessary, should permission be granted.
- 6.7.4 Concerns were raised by Crime Prevention Officers in relation to the publicly accessible open space. Whilst the landscaping is well conceived, and measures to address Crime Prevention Concerns suggested within the 'Crime Impact Assessment', had the scheme been supported, a further condition would have been imposed to secure additional details (bird and bat boxes, crime prevention details, CCTV and lighting) along with the finer details of the children's play arrangements to secure the successful layout of these spaces. In addition to this, within a s106 legal agreement, arrangements for the maintenance and security of the landscaping and open spaces will need to be secured.

6.8 Basement Impact Assessment / Ground Contamination

Basement Impact Assessment

6.8.1 The Council's approach in regard to basement and subterranean development is set out within Policy DP27 and CPG 4. DP27 sets out that the Council will only support development that 'does not cause harm to the built and natural environment and local amenity, and does not result in flooding or ground instability. Development is required to:

- maintain the structural stability of the building and neighbouring properties
- avoid adversely affecting drainage and run-off or causing other damage to the water environment
- avoid cumulative impacts upon structural stability or the water environment in the local area

and the Council will consider whether schemes:

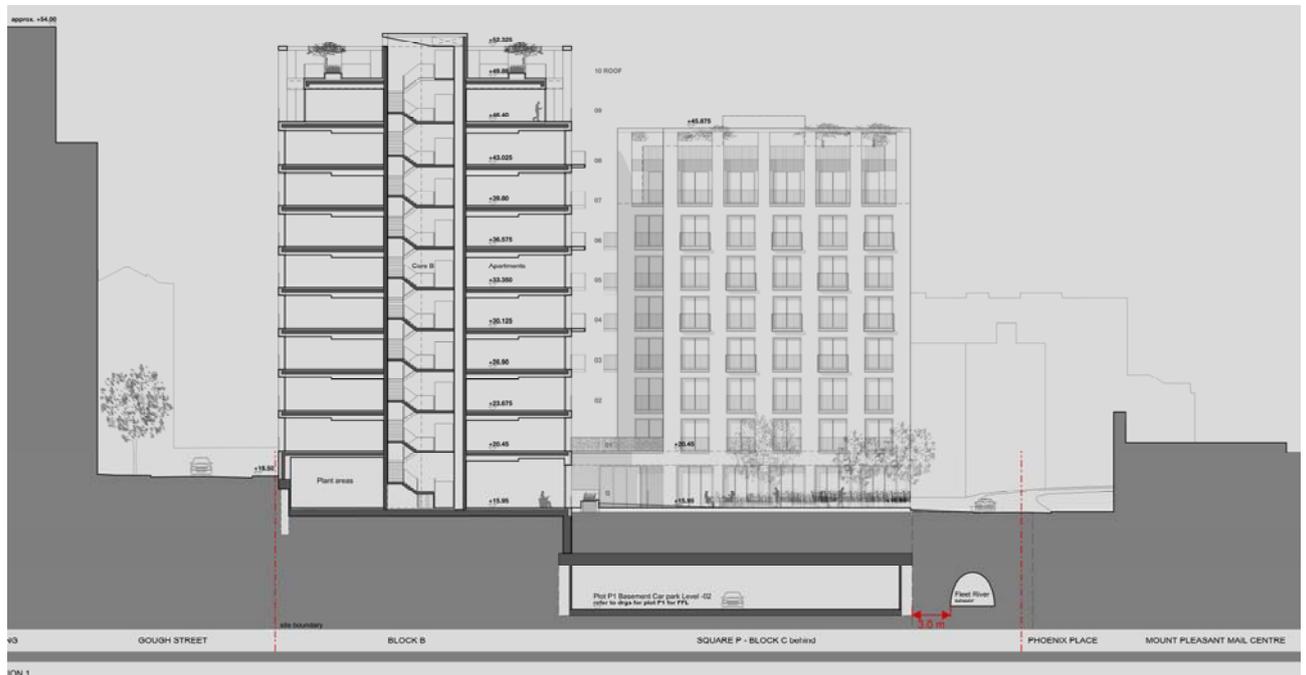
- harm the amenity of neighbours
- lead to loss of open space or trees of townscape or amenity value
- provide satisfactory landscaping, including adequate soil depth
- harm the appearance or setting of the property or the established character of the surrounding area
- protect important archaeological remains

6.8.2 Matters relating to archaeology are assessed elsewhere in this report, and it is noted that there is an outstanding objection to the development on this basis. As the proposed development in this regard does not relate to an existing development, a reduced range of considerations is appropriate to assess the scheme against Policy DP27.

6.8.3 The basement depth within phase P2, relative to ground levels on Gough Street, would range from between 3m at the northernmost point of building D (to the rear of Calthorpe Street terraces), to 3.9m at the deepest part of the basement car parking area below the private communal amenity space and 2.7m deep at the southernmost extent of building B (on the northern side of the proposed Coley Walk). Owing to the fall in ground levels from west to east, the shallow gradient from the deepest (3.9m) section would need only rise 1m across the site to Phoenix Place, where no basement would then be effected.

6.8.4 Within P1, Basement depth relative to Gough Street would fall just short of 10m, with depth relative to Phoenix Place some 2m shallower on the eastern edge of the site. The average depth of basement on the southern Mount Pleasant would be approx. 7m. the building (A) of phase P1 would, as is described above comprise an effective double level basement relative mainly to the Gough Street site edge, and would extend only two thirds of the site's width at this level, maintaining a minimum 3m separation from the Fleet River Sewer, which is shown to lie at an equivalent level as the proposed sub-basement level. The image below demonstrates the relative

positions, showing the northernmost extent of the phase P1 subbasement (Royal Mail staff parking) level beneath the proposed public square within the Camden site.



- 6.8.5 It should be noted that the recorded basement depths relative to Gough Street and Mount Pleasant highway levels do not reveal the actual level of excavation proposed. The existing site is host to a wide variety of different levels, including at their shallowest more than 1m metre below the lowest surrounding highway level (on Mount Pleasant or Phoenix Place), and are approximately on average 2m lower than the equivalent Gough Street highway level. Levels immediately rear (south) of the Calthorpe Street terrace are approx. 1m lower than the adjoining highway levels, leading to an relative depth of excavation of 2m in this area.
- 6.8.6 The applicant has provided, post application submission, a more detailed Basement Impact Assessment (dated October 2013), carried out by persons with the appropriate qualification in line with Council guidance. The BIA refers to ground investigation undertaken in the previous decade which identified groundwater within the permeable soil comprising 'secondary A aquifer' stratum within and surrounding the site. The BIA acknowledges that the development would project into the water table. As a result, the development would be carried out in accordance with the Environment Agency document NC/99/73 'Piling and penetrative ground improvement methods on land affected by contamination: Guidance on pollution prevention'.
- 6.8.7 The BIA considers that 'significant groundwater mounding' as a result of the diversion of expected limited levels of groundwater around the basement excavation is 'extremely unlikely'. The BIA acknowledges the close proximity of the River Fleet sewer to the site's eastern

boundary and that temporary and permanent works would be required to have careful regard to this infrastructure. The need for basement construction to have regard to depth differentials between the site development and the Calthorpe Street terrace to north is also acknowledged.

- 6.8.8 The BIA sets out a range of potential measures to address the matters revealed at the screening stage, including intrusive ground investigation and design development, with temporary works and monitoring noted to be necessary.
- 6.8.9 It is noted that concerns have been raised regarding the stability of Calthorpe Street properties. In this regard the basement depth in this vicinity is considered to be limited, being approximately 2m lower than existing recorded levels within the site, and leading to not dissimilar basement depths to that terrace. No significant likelihood of structural stability issues are considered to exist in the location as a result, nor are any drainage issues expected given the north to south movement of ground water flows.
- 6.8.10 The basement element of the proposed development in itself is not considered to be liable to result in harm to the range of other matters set out within Policy DP27. It must be recorded however, that the BIA has been submitted without the benefit of recent, comprehensive ground investigation work, and whilst, for the moment aside from potential harm to archaeological material, the subterranean works are not considered to be liable to lead to those potential harms identified by the policy criteria. It will certainly be the case though, that intrusive ground investigation and detailed identification of all proposed subterranean retaining structures, foundations and piling works, with all associated mitigation measures, will all need to be provided to and approved prior to the commencement of any development on site.

Ground Contamination

- 6.8.11 Conclusions in regard to ground contamination will be reported separately

6.9 Energy / Sustainability / Air Quality

Energy & Sustainability

- 6.9.1 The NPPF notes that planning plays a key role in helping shape places to secure radical reductions in greenhouse gas emissions, states that local planning authorities should adopt proactive strategies to mitigate and adapt to climate change, and states that to support the move to a low carbon future, local planning authorities should plan for new development in locations and ways which reduce greenhouse gas emissions (paragraphs 93 to 95).

6.9.2 Chapter 5 of the London Plan (2011) sets out the Mayor of London's policies for addressing climate change. These include policy 5.1, which sets out a target of reducing London's carbon dioxide emissions by 60% (below 1990 levels) by 2025, and policy 5.2, which sets out the following energy hierarchy for minimising carbon dioxide emissions:

- Be lean: use less energy.
- Be clean: supply energy efficiently
- Be green: use renewable energy.

6.9.3 The London Plan climate change policies and Camden's Core Strategy and Development Policies CS13 and DP22 require all developments to contribute to the mitigation of and adaptation to climate change, to minimise carbon dioxide emissions and contribute to water conservation and sustainable urban drainage.

6.9.4 The applicant has submitted an Energy Strategy, which follows the approach outlined in the London Plan, LDF policies CS13, DP22 and DP23 and CPG3. This demonstrated that an overall approximate 40% Carbon Dioxide (CO₂) reduction improvement on Part L 2010 will be achieved, of which 7% of total CO₂ savings would occur through passive design and energy efficiency measures (Be Lean), 25-30% CO₂ savings would be achieved through the Combined Heat and Power (CHP) system proposed to serve the Phoenix Place site (Be Clean). The preferred Open Loop Ground Source system will aim to be employed to achieve a further 1-7% CO₂ savings (Be Green) , with either a closed loop Ground Source Heat Pump, PV array or combination of the 2 uses, should an open loop system not prove feasible.

6.9.5 Camden officers have requested and received sufficient justification from the applicant in regard to the potential use of a single CHP plant across both borough sites. In regard to energy, the application is considered to be acceptable, subject to the provision of detailed information regarding the eventual application of the proposed strategy, to be secured within a plan with an appropriate implementation review mechanism within the s106 agreement. This detailed information should be required to demonstrate that the appropriate target levels (ie – a 40% reduction in CO₂ levels above Part L 2010) will be met in the development as implemented.

6.9.6 The Sustainability Statement submitted with the application sets out that the development would provide all new homes to Code for Sustainable Homes level 4. The CfSH pre-assessment indicator score is 72.36%, including 66.66% of available points within the water category, 61.29% in the energy category and 41.66% in the materials category. The commercial element within the scheme would target a

minimum of BREEAM 2011 'Very Good', based upon shell and core design, and allowing for subsequent fit out to 'Excellent' by subsequent tenants as part of their fit out.

6.9.7 The application is therefore considered to be acceptable in regard to sustainability measures, though, again, this is subject to the imposition of requiring detailed approval of the plan within an appropriate implementation review mechanism within the s106 agreement.

6.9.8 The applicant is advised however, to have regard to the outstanding queries raised by Islington officers in regard to energy demand when submitting any subsequent material in regard to discharge of conditions or s106 obligations:

1. *The applicant provides a table to show the kWh/an breakdown of the modelled space cooling demands for this development (retail, office, residential etc) and the kWh/an/m2 estimated cooling consumption for the private dwellings.*
2. *The applicant clarifies whether space cooling is required for the private dwellings in order to mitigate modelled overheating (specific evidence required on this), or is it simply being included to "meet private expectations" (as stated in their Energy Statement).*
3. *The applicant considers, and outlines, further measures to minimise/eliminate the need for cooling for private dwellings where dwellings have been demonstrated to be at risk of overheating.*

Air Quality

6.9.9 The entirety of both Camden & Islington boroughs are designated Air Quality Management Areas. The information submitted within the Environmental Statement (Chapter 11) is considered to adequately address matters relating to air quality impact and mitigation, subject to the securing of appropriate details regarding the location on intake plant and appropriate construction phase and ongoing monitoring.

6.10 Affordable Housing & Financial Viability

Policy Background

6.10.1 Paragraph 47 of the NPPF states that, to boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area. Paragraph 173 states that to ensure viability, "*the costs of any requirements likely to be applied to development, such as*

requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable”.

- 6.10.2 London Plan (2011) policy 3.12 echoes the requirements of Camden Policy CS6 in stating that the *‘maximum reasonable amount of affordable housing should be sought when negotiating on individual private residential and mixed use schemes’*. It adds that negotiations on sites should take account of their individual circumstances including development viability, the availability of public subsidy, the implications of phased development including provisions for re-appraising the viability of schemes prior to implementation (*‘contingent obligations’*), and other scheme requirements. Paragraph 3.75 goes on to state that when determining applications for housing developments, boroughs need to *‘take account of economic uncertainties, and in respect of schemes presently anticipated to deliver low levels of affordable housing’* and that viability re-appraisals *“may be used to ensure that maximum public benefit is secured over the period of the development”*. The London Plan also, at paragraph 3.71, requires sufficient financial viability information in order to allow decision makers to *‘evaluate proposals rigorously’*.
- 6.10.3 Policy 3.11 of the London Plan and Camden Policy CS6 set out a preference for 60% of affordable housing provisions to be for Social Rent and 40% for intermediate rent or sale.
- 6.10.4 Paragraph 3.74 of the London Plan states that affordable housing provision is normally required on-site. It adds that in exceptional circumstances affordable housing may be provided off-site or through a cash in lieu contribution ring fenced, and if appropriate *‘pooled’*, to secure efficient delivery of new affordable housing on identified sites elsewhere.
- 6.10.5 Paragraph 4.4.42 of the Mayor of London’s Housing SPG (2012) states specifically that where schemes are built out in phases, *“consideration should be given to a re-appraisal mechanism which specifies the scope of a review of viability for each phase”*.
- 6.10.6 Camden Policy DP3 expands upon Policy CS6 and expects all residential developments with a capacity for 10 or more additional dwellings to make a contribution to the supply of affordable housing. When negotiating on individual private residential and mixed-use schemes the Council will seek a target of 50% of the total housing floorspace to be affordable. Policy DP3 also recognises factors relating to the individual circumstances of a site taking account of site costs and constraints, the availability of public subsidy, financial viability and other scheme requirements that will affect the scale, nature and location of affordable housing. Where a proposal does not

meet the affordable housing target submission, a financial viability appraisal will be required to justify the lower proportion proposed. CPG 2, section 2 further explains the Council's approach in this area.

- 6.10.7 The Mount Pleasant SPD (2012) confirms that Islington and Camden councils are committed to a joint approach with regard to financial viability and planning obligations. As a principle, the comprehensive development of the Mount Pleasant site across the two boroughs would be considered as a whole, with costs, benefits and viability assessed accordingly. The SPD seeks for the appropriate level of affordable housing to be delivered in each phase of the development, and would be required to be in proportion to the level of housing delivered in each borough. The SPD goes on to state at paragraph 4.3.44:

'There may be certain abnormal or exceptional costs associated with comprehensive redevelopment, which need to be determined and agreed as part of viability assessments. Costs relating to the wider business operations at the existing Royal Mail sorting office at Mount Pleasant will not be considered as development costs in relation to new development on the remainder of the site.'

Affordable Housing Mix

- 6.10.8 The application was originally submitted with reference to an 'indicative' housing tenure mix, involving 59 affordable housing (AH) dwellings (39 social rented (SR) and 27 intermediate (INT)) out of the 345 proposed. The breakdown in those units is set out in paragraph 2.18 above. The same paragraph shows the current mix of tenure proposed by the applicant in November 2013. 36 AH dwellings are now proposed (20 SR & 16 INT).
- 6.10.9 The different AH offers provided 20.26% of floorspace (NIA) at submission and 12.06% in the current proposals. Within the AH offers, the split in tenure as expressed by floorspace was 59:41 and is now proposed to be 56:44, whereas as noted above, Camden and London Plan policy aim for a 60:40 mix.
- 6.10.10 The mix in tenure from paragraph 2.18 above and Camden's dwelling size priority table are again reproduced here for convenience:

| Dwelling Size Priorities Table | | | | | |
|--------------------------------|-----------------------|------------|------------|--------------------|-----------|
| | 1-bedroom (or studio) | 2-bedrooms | 3-bedrooms | 4-bedrooms or more | Aim |
| Social rented | lower | medium | high | very high | 50% large |
| Intermediate affordable | medium | high | high | high | 10% large |
| Market | lower | very high | medium | medium | 40% 2-bed |

| Tenure | Studio | 1 bed | 2 bed | 3 bed | 4 bed | Total |
|--------------|--------|----------|----------|----------|-------|-----------|
| Social Rent | 0 | 1 | 7 | 11 (-19) | 1 | 20 (-19) |
| Intermediate | 0 | 3 (-12) | 5 (-2) | 8 (+3) | 0 | 16 (-11) |
| Market | 5 | 87 (+12) | 164 (+2) | 50 (+16) | 3 | 279 (+30) |
| Total | 5 | 91 | 176 | 69 | 4 | 345 |

6.10.11 The above tables demonstrate that the Social Rent (SR) offer is now less heavily provided through family sized units, with the entire reduction to SR units achieved through reduction in 3 bedrooms units, and those units redistributed mainly to the market dwellings. The reduction in larger Social Rent units is unwelcome and fails to reflect the Council's adopted policy targets. Conversely, the smaller intermediate units have been reduced while the 3 bed units increased in number and thus proportion. Whilst the size priority table appears to give equal weight to 2, 3 and 4 bedroom units, it is generally the smaller of those sizes that tends to offer the greatest contribution to current need and affordability. There is no information yet available on affordability and officer's experience is that larger intermediate units are not affordable in such high value areas. Therefore any increase in 3 bed intermediate is NOT acceptable, and even the larger 2 beds (2b x 4p) might not be affordable

6.10.12 The revisions to the mix within the Social Rent and Intermediate tenures are thus considered to move away from the areas of real need and the mix of affordable housing tenure is now considered to be contrary to Policy CS6, particularly part k) which confirms that the aim to create mixed and inclusive communities by '*seeking a range of self-contained homes of different sizes to meet the Council's identified dwelling-size priorities*', and the details of which are reiterated and developed within policy DP5 and its supporting dwelling size priorities table.

6.10.13 It should also be noted that the applicant has posited the use of an affordable rent model, 'at a blended rent of 60% of Full Market Rental

Value', this would mean that the current scheme would be able to afford 16.3% affordable housing. Very limited information has been provided about this potential provision and officers can offer no further comment upon it.

Financial Viability Approach / Affordable Housing Quantum

- 6.10.14 During the pre-application phase, officers from both boroughs sought to ensure that a comprehensive and holistic approach would be taken to the assessment of financial viability. Given the imperative set out in the Mount Pleasant SPD towards joint working and the shared approach to development costs, benefits and s106 matters, a single independent viability advisor was engaged.
- 6.10.13 The DVS arm of the Valuation Office Agency was engaged to undertake this assessment, and discussions between the applicant's financial advisor, Gerald Eve, the DVS and representatives from the boroughs progressed, with the applicant providing a series of Position Notes aimed at setting out their proposed approach to matters such as site value, development costs and sales values.
- 6.10.14 The approach to a variety of significant matters set out within the Position Notes was queried by officers at an early stage in 2013, prior to the submission of the applications. These concerns were set out in meetings, by email and in letter format at various stage to both the applicant and DVS, with expectations of further testing and justification in response the concerns set out. It became clear that inadequate regard was being had to the requests provided from officers (with a number of queries receiving no development of points already raised in the Position Notes and others seeing no response at all) and the initial conclusions of the DVS were provided to the boroughs, bearing little evidence or expectation of further consideration of the points raised by the boroughs.
- 6.10.15 The boroughs then resolved to engage additional expertise to supplement the DVS analysis of viability matters. Upon advising the applicant of this intention, consent was refused to share viability information and the boroughs only later were able to engage the additional resources following supporting Counsel's advice. The company used to provide that additional support, BPS, has lengthy experience of development schemes within Camden and London generally. The professional advice from BPS identified a number of areas where the conclusions of the applicant's advisors were either not agreed with, or were considered to be lacking in sufficient explanation or evidence of appropriateness. BPS have aimed towards building upon the work of the DVS where they felt that a lack of information had been provided to them or and where there was limited analysis and therefore a justification to do so, and have also provided a commentary of DVS's findings. As a result of this work, the areas with outstanding queries have been put to the applicant on

successive occasions since 7th November 2013, and no substantive response has yet been provided. The boroughs have therefore been prevented from concluding upon matters of financial viability regarding the proposed developments.

6.10.16 Following the decision of the Mayor of London to call-in the applications, officers have met again with the applicant and GLA case officer and received renewed agreement from the applicant to respond substantively to the outstanding queries. All parties at this meeting have been provided with the most recent BPS report, which will be published online in a redacted format with the remainder of the application documentation to coincide with the publication of this report within the agenda of the 27th February Development Control Committee meeting.

6.10.17 As set out in the BPS report, they are of the view that the scheme as currently presented by Gerald Eve does not optimise overall viability and has the effect of suppressing the level of affordable housing provision the scheme can successfully deliver. The report identifies key areas of uncertainty in the assumptions informing the Gerald Eve appraisals and models the significant impact of changes to these assumptions. In particular, it is considered that *'insufficient justification and evidence has been provided in support of the following aspects of the appraisal'*:

- Private Residential Sales Values
- Development Programme (i.e. timing of costs and values input)
- Affordable Housing Values
- Application of Sales Growth (as distinct from the growth forecasts themselves)
- Growth Rates applied to 2013
- Growth Forecasts for 2014 onwards

6.10.18 The BPS report concludes that a significant increase in the financial viability is likely to be achievable, with an accompanying significant increase in the maximum reasonable level of affordable housing allowing the development to meet policy target levels.

6.10.19 Officers are unable to support a different conclusion from that predicted within the BPS Report, given the absence of a substantive response on the outstanding queries relating to the underlying assumptions, proposals and queries. Given the substantially different outcomes from the modelled approaches (where those provided by BPS showed that the scheme could provide a much higher level of affordable housing), the proposed developments cannot be regarded as having demonstrated that the maximum reasonable level of Affordable Housing will be provided. Furthermore, BPS have concerns about the reliability of the residential sales value growth forecasts (the growth model) adopted by Gerald Eve and consider that an approach relying on present day values (with a lower profit

level reflecting less risk), would be more appropriate. This would also potentially entail further viability reviews to determining whether future changes in values would enable the scheme to provide additional affordable housing.

6.10.20 It is just as necessary for full confidence to be able to be offered in regard to the inputs into growth models as well as those involving present day costs / values with provision for a review mechanism. This is because review mechanisms are of limited value where there is insufficient certainty in the inputs to those growth models and as a result of the review provisions available to developers following the enactment of sections 106BA, BB & BC of the Town & Country Planning Act 1990 by the Growth & Infrastructure Act 2013. These provisions have introduced a new application and appeal procedure for the review of affordable housing obligations on planning permission on the grounds of financial viability. A section 106BA application allows a compressed (28 day assessment period) process to review the level and mix of affordable housing in a signed s106 agreement, which would be based on the main assumptions in the original assessment. This section would therefore allow for a downward review of affordable housing contributions on growth model based applications which may not allow for any positive review to reflect increased viability.

6.10.21 It should also be noted that in the event of a subsequent growth based model viability assessment actually incorporating the maximum reasonable level of affordable housing deliverable by this development, and thus being able to be supported by officers, a time delay review mechanism would nonetheless be required, at least in the event that development (excluding Royal Mail enabling works) is not forthcoming within a reasonable period of time.

6.10.22 It is also relevant to note in this context that the applicant has proposed a limited scope time review, in the event that the residential led part of the Islington scheme not having commenced within 3 years of the completion of the Royal Mail enabling works. Officers are unable to support such a proposal, as it would inhibit the ability to ensure that the development would be carried out in a holistic manner. The available evidence indicates that this is not the case.

Conclusion

6.10.22 Officers cannot therefore support either the revised mix of affordable housing tenure, nor confirm that the 12% revised affordable housing offer does represent the maximum reasonable level of affordable housing that can be supported by the proposed development.

6.11 Section 106 / Mayoral Community Infrastructure Levy (CIL)

6.11.1 As have been referred to where necessary through the preceding parts of this assessment, the development would be required to make various commitments and financial contributions in line with a variety of Core Strategy & Development Policies aims, Policy CS19 and CPG8, in order to offset its impacts on the existing community and the added pressures that it would bear upon local facilities in the area. A summary of these contributions and mechanisms is set out in the following paragraphs.

6.11.2 Financial Contributions (agreed by applicant):

- Education - (£915,971)
- Community Facilities - (£658,560 with potential for offset sought by applicant through on site delivery of such facilities)
- Open Space - (£441,024 subject to confirmation of potential offset where dual borough open space calculation is employed)
- Healthcare - (£439,974)
- Highways Travel Plan monitoring - (£5,729)
- Economic Development - (£55,500 towards 37 construction apprentices)
- Tree Planting – (sum to be confirmed)

6.11.3 Financial Contributions (yet to be agreed)

- Highways (direct enabling works - to be confirmed as awaiting information from the applicant and agreement with Islington) - £2,443,164.50
- Highways (pedestrian, cycle & environmental improvements linked to increased trip generation) – £500,000
- Legible London (£40,000)

6.11.4 Other Obligations (agreed by applicant)

- Energy Efficiency Plan
- Sustainability Plan
- Servicing & Delivery Management Plan
- Site & Open Space Management Plan
- Green Travel Plan

- Construction Management Plan
- Accessible Accommodation Plan
- Legible London Contribution (if not part of general Highways contribution)
- Parking Permit restriction
- Delivery of Affordable Housing
- Phased Housing Delivery (market and affordable housing unit delivery tied together)

6.11.5 In addition to the above matters, there are a limited number of provisions that require further discussion and agreement between the Council and the applicant (such as highways level interface, open space delivery plan, community access & management plan (if appropriate), the range of measures set out within section 6.6 above) and linkages between phases (as explained further below in paragraph 6.11.9). These matters will need to be progressed between the boroughs and the GLA.

S106 provisions relating to Islington Scheme

6.11.6 The following paragraphs are taken from the draft Islington Committee Report, and refer to s106 matters relating to the Islington site in particular:

Planning Obligations: The applicant agreed to the heads of terms that are listed below. Those obligations have been calculated based on the adopted Planning Obligations SPD (2013) or in the case of the play space and education contributions, based on the GLA child yield figures. Those contributions or obligations are considered necessary, relevant and appropriate in scale and kind to the proposed development and to make the development proposals acceptable in planning terms and policy compliant.

- a) *A contribution of £1,353,406 towards education improvements in the vicinity of the site.*
- b) *A contribution of £23,309 towards public open space improvements in the vicinity of the site.*
- c) *A contribution of £430,750 towards healthcare facility improvements in the vicinity of the site or, a provision in kind would also be accepted, in the event that one of the units is offered and secured for D1 (healthcare or dentist use) as well as fitted out. The contribution may be adjusted to recognise this.*

- d) A contribution of £868,131 towards transport and public realm improvements within the vicinity of the site. To include provision of:
- i) Legible London Scheme – pedestrian wayfinding signs in the local area
 - ii) Enhancements to pedestrian routes in the local area, as recommended by the PERS audit
 - iii) Calthorpe Street (between Phoenix Place and Farringdon Road):
footway repaving
improvements to existing cycle facilities and traffic calming features;
tree planting on the southern footway adjacent to the Calthorpe Street site;
street lighting and traffic signing improvements (if necessary).
- e) A contribution of £110,200 towards play space improvements in the vicinity of the site (based on the child yield for children aged 12 and over at the site).
- f) A contribution of £333,372 towards sport and leisure improvements in the vicinity of the site; to be paid in accordance with the phasing of the development.
- g) A contribution of £330,772 towards community improvements in the vicinity of the site.
- h) A contribution of £176,928 towards public art or the equivalent provision on site (reduced by £20,000 in order to reflect amount sought for CO2 off-setting).
- i) Compliance with the Code of Local Procurement.
- j) Compliance with the Code of Employment and Training.
- k) A contribution of £47,700 towards training and support to enhance the prospects of local residents obtaining employment relating to the end use of the Development.
- l) Facilitation of 23 work placements during the construction phase of the development, lasting a minimum of 13 weeks, or a fee of £5,000 per placement not provided (up to a total of £115,000) to be paid to LBI. Developer/ contractor to pay wages (must meet London Living wage). London Borough of Islington Construction Works Team to recruit for and monitor placements.

- m) Compliance with the Code of Practice for Construction Sites, including a construction monitoring fee of £39,873 upon implementation of the first phase.
- n) Submission of a site specific response document to the Code of Construction Practice for the approval of LBI Public Protection. To be drafted before implementation of the first phase
- o) Provision of publicly accessible open space and pedestrian routes to remain open to the public and free of obstruction of access in perpetuity. The public open space may be closed for 1 day a year to enable essential maintenance to be carried out.
- p) A Site Management Plan, informed by the findings of the Crime Impact Assessment, to be submitted for the Council's approval, specifying arrangements for maintenance, servicing, security, fire safety, public access, including maintenance and management of open space including playspaces and equipment, tree and other planting management and maintenance, lighting, seating and other furniture, the community facilities and liaison with local residents. To be made available to residents on request and to be drafted before implementation of the first phase.
- q) Connection to a local energy network, if technically and economically viable (burden of proof will be with the developer to show inability to connect). In the event that a local energy network is not available or connection to it is not economically viable, the developer should develop an on-site solution and/or connect to a neighbouring site (a Shared Heating Network) and future proof any on-site solution so that in all cases (whether or not an on-site solution has been provided), the development can be connected to a local energy network if a viable opportunity arises in the future.
- r) A contribution of £20,000 towards offsetting any projected residual CO2 emissions of the development.
- s) Submission of a Green Performance Plan.
- t) The repair and reinstatement of the footways and highways in the vicinity of the development – submission of pre and post construction condition surveys for approval of the Council. Works to be costed by LBI Public Realm (Mount Pleasant) or LB Camden (Calthorpe Street and Phoenix Place are within Islington but managed by Camden);
- u) Owner to meet the costs of the delivery of the new Mount Pleasant development and its impact on the public highway. To include all associated construction, signage, demarcation, monitoring, any necessary amendments to Traffic Management

Orders (estimated at £2,000 per Traffic Order) and administration costs.

- v) *Submission of a Traffic Management Plan (TMP) detailing haulage routes, hours of operation including how school start and finish times will be avoided in the adjacent area, how operators will be required to comply with the TMP, where and how vehicle holding areas would be located / managed. Also to include details of existing traffic calming measures along the designated haulage route. The costs of any necessary modification, removal or replacement traffic calming (e.g. to reduce noise and vibration) to be met by the applicant.*
- w) *All payments to the Council are to be index linked from the date of Committee and are due upon implementation of the planning permission.*

Disputed obligations: *However the following obligations have not been agreed by the applicant despite each one being considered necessary to make the development acceptable in planning terms, directly related to the development and fairly and reasonably related in scale and kind to the development:*

- a) *% Affordable Housing provision (yet to be agreed) comprising _% social rented and % intermediate. Islington to have 100% allocation rights to all affordable housing provided within its site boundary (as originally approved).*
- b) *Phasing and development programming*
- c) *Viability review*
- d) *Provision of defined area (m2) of affordable workspace which shall be let at a pepper corn rent for 10 years and occupied by companies nominated and approved by the council's regeneration department from their business enterprise support programme.*
- e) *Service charges shall be charged at 50% of open market value for the term of 10 years and the units should be "ready for occupation", completed to a specification to be agreed with the council and should include details of estate charges to ensure that the space is viable and affordable, unless agreed otherwise in writing.*
- f) *Royal Mail Fleet: Encourage the applicants agreement to a Royal Mail employee travel plan to introduce measures to manage travel demand. Also strongly encourage Royal Mail operations at Mount Pleasant to sign up to TfLs Freight Operator Recognition Scheme (FORS)*

6.11.7 It should be noted that the s106 provisions have been arrived at through joint discussions, and that in regard to matters extending across the borough sites and where for example, highway works descriptions or calculations include a degree of overlap, the final provisions shall be amended to reflect this and a consistent approach secured in regard to management of matters such as access to public open space across both sites.

S106 provisions sought by Transport for London

6.11.8 Notwithstanding TfL's objections raised to car parking levels (separately from the subsequent view provided within the GLA Stage 1 report) the following provisions are sought:

- Car Parking Management Plan to address the allocation of on-site car parking, with no car parking spaces to be allocated to one or two bedroom units of any tenure (with the exception of wheelchair accessible units). Allocation to be made in relation to prioritising in the following order, with even split of wheelchair accessible parking spaces across the tenures (of WAH):
 - i) wheelchair accessible housing occupants (securing a minimum of 33 spaces to be allocated to wheelchair accessible unit occupants only);
 - ii) Social rented family units; and
 - iii) Private family sized units.
- Removal of the rights of future residents to apply for on-street car parking permits
- Electric Vehicle Charging Points for all elements of the scheme (including Royal Mail) – 20% of parking spaces;
- London Cycle Hire Scheme - Delivery of two cycle docking stations with a total of 50 cycles, a 25 bicycle docking station to be provided within Islington. Ongoing discussions to determine if the proposed location on Mount Pleasant, on the northern footway adjacent to the Royal Mail Group building (within LB Islington) is acceptable. Developer to cover the full costs of delivering the docking station including any highways works necessary to accommodate the docking station. A 25 bike docking station to also be secured within Camden.
- A contribution of £298,920 towards the delivery of Crossrail. If the Mayor's CIL charge is greater than the Crossrail contribution, the Crossrail contribution will not be required. Otherwise the CIL charge will be credited against the Crossrail contribution and any amount above the CIL charge will be payable by the developer.
- A draft Travel Plan to be submitted for the Council's approval prior to implementation of the planning permission. A final Travel Plan for

each phase of the development to be submitted for Council approval 6 months after first occupation of each phase and an update on progress to be submitted 3 years after occupation of each phase.

- Updated Delivery and Service Plan which should identify efficiency and sustainability measures to be undertaken once a development is operational. This would include i) booking systems, ii) consolidated or re-timed trips, iii) secure off street loading and drop off facilities, iv) the use of operators committed to best practice. The DSP should also include swept paths for vehicles that will serve the site.
- Construction Logistics Plan (CLP) to minimise the impact of construction on the network, a CLP should include i) booking systems, ii) consolidated or re-timed trips, iii) secure off-street loading and drop off facilities and iv) select operators that are committed to best practice and are a member of FORS.
- A contribution of £140,000 to TfL towards bus stop improvements (£20,000 for each of the seven bus stops around the site)
- S38 Agreement (Highways Act) – still to be confirmed with TfL for the TfL adoption of widened footways along Farringdon Road.
- The developer to enter into a s278 agreement with TfL prior to implementation which should include details of the following (subject to the approval of TfL and amendments to the TMO):
 - details of repair, reinstatement and any additional works to TfL managed roads adjacent to the site (Farringdon Road);
 - shorten the length of the existing bus cage to 29metres.
 - relocation of Taxi Waiting Rank on Farringdon Road (15m east), all costs to be borne by the developer;
 - construction of alterations to the Farringdon Road kerbside to facilitate:
 - the new Royal Mail operations egress and ingress;
 - the service vehicle exit within the mixed use development (left turn only);
- Council's legal fees in preparing the S106 and officer's fees for the preparation, monitoring and implementation of the S106.

Phasing / Linkages

6.11.9 The principle significant area where officers have been unable to reach agreement with the applicant relates to the phasing and phase linkages between each borough site and across the borough boundary. It is considered necessary to ensure that the development is carried out in a holistic manner and in order to deliver the planning benefits, which are spread across both sites, in the manner envisaged in the application submission.

6.11.10 The principle mechanisms sought to enable this to occur are the delivery of the Royal Mail enabling works within the Islington site alongside the first phase of development within the Camden site. The second is to ensure that the substantial part of the Islington scheme, the largely above ground residential led element, which will provide the sole B1 employment space across the wider scheme and the majority of the public open space and the main linkage through the Islington site eastwards, is brought forward in a timely manner, with linkages between the later phases of the Camden scheme and this element of the Islington scheme. Such linkages would be the only effective mechanism to ensure that the wider scheme was able to be delivered in a comprehensive manner.

6.11.11 Such mechanisms are common within phased developments, whether or not the wider site is split by a borough boundary. Officers are aware, for example, that the most recent significant example of a major, mixed use, cross boundary development in London, at the Earls Court site within Hammersmith & Fulham and Kensington & Chelsea boroughs saw the applicant initially resist a cross boundary housing delivery linkage / tie. This was opposed by the boroughs and the GLA and the planning permission subsequently granted was accompanied by such a tie, inhibiting the delivery of a proportion of dwellings within one borough site until a proportion of dwellings within the other was progressed.

6.11.12 The applicant has to date not been able to accept the principle or detailed form of linkages proposed by officers, and though information has been alluded to which supports their position, that such linkages would fatally inhibit the disposal of the development sites, no such information has yet been provided to officers. The application must therefore be considered to be deficient in this regard as a result. This view is shared between Camden and Islington Officers.

Mayoral Community Infrastructure Levy / Crossrail Levy

6.11.13 The proposal will be liable for the Mayor of London's CIL as the additional floorspace exceeds 100sqm GIA or one unit of residential accommodation. The scheme will be charged at a rate of £50 per m², but will also taken into the social housing relief and the floorspace of the existing buildings on site proposed to be demolished. The CIL charge will be collected by Camden after the scheme is implemented and could be subject to surcharges for failure to assume liability, for failure to submit a commencement notice and/or for late payment, and subject to indexation in line with the construction costs index. An informative will be attached advising the applicant of the CIL requirement, although acknowledging that they are already aware of it having completed the Planning Application Additional Information Requirement form and referring to CIL within the viability information submitted.

6.11.14 The total Levy contributions remain to be calculated, being subject to final levels of affordable housing.

6.12 Archaeology

6.12.1 The Camden site includes a large swathe lying within the London Suburbs Archaeological Priority Area, the position of which in this location relates to the position of Civil War Defences.

6.12.2 The National Planning Policy Framework (Section 12) and the London Plan (2011 Policy 7.8) emphasise that the conservation of archaeological interest is a material consideration in the planning process. Paragraph 128 of the NPPF says that applicants should be required to submit appropriate desk-based assessments, and where appropriate undertake field evaluation, to describe the significance of heritage assets and how they would be affected by the proposed development. This information should be supplied to inform the planning decision.

6.12.3 Policy CS14 establishes that the Council will *'preserve and enhance...archaeological remains..'*. Policy DP27 notes that the Council will when assessing basement level development, consider whether scheme *'protect important archaeological remains'* and Policy DP25 states that, *'The Council will protect remains of archaeological importance by ensuring acceptable measures are taken to preserve them and their setting, including physical preservation, where appropriate'*

6.12.2 The response from the English Heritage Greater London Area Archaeological Service (GLAAS) concluded that the proposed development would potentially affect a heritage asset of archaeological interest. Further, that the information submitted with the application *'indicates a need for further information to reach an informed judgment of its impact on heritage assets of archaeological interest as the Environmental Statement's treatment of archaeology requires some clarification'*.

6.12.3 The principle manner through which the identified deficiencies in the submitted information have been sought to overcome relate to further analysis including field investigation. The applicant has advised that this work was commenced in January 2014 (having been identified as necessary in the GLAAS consultation response of August 2013). Following receipt of that additional information, GLAAS will need to be reconsulted to ensure that no harm to archaeological assets would occur as a result of the proposed development. Until such confirmation is received, the application must be regarded as having failed to

demonstrate that such a harm would not occur, and is therefore contrary to the planning policies listed above.

6.13 Flood Risk

- 6.13.1 The NPPF requires that “inappropriate development in areas at risk of flooding should be avoided by directing development away from areas at highest risk, but where development is necessary, making it safe without increasing flood risk elsewhere”. Although Core Strategy Map 5 (page 119) highlights the application site as lying within ‘Areas with the potential to be at risk of surface water flooding’ and reference has been made from local residents to instances of surface water flooding in the vicinity of the site, Environment Agency records and the North London Strategic Flood Risk Assessment do not provide support to a specific degree of surface water flood risk existing within the Camden site .
- 6.13.2 The Environmental Statement predicts a negligible impact on pluvial / surface water flooding, as well as a negligible impact on groundwater flows, given the predicted soil strata characteristics around the proposed 8.10m AOD Camden site basement finished floor level.
- 6.13.3 In regard to surface water attenuation, the proposed Camden scheme would include provision for 180m³ of tanks or storage units (at basement level), enabling a 50% reduction in the rate of surface water runoff from the site in the event of a 1 in 100 year storm. The ES concludes that this provision would contribute to a ‘beneficial effect of minor significance’.
- 6.13.4 The Environment Agency has confirmed that it has no objection to the proposed development on flooding grounds. Planning permission if granted, should be subject to conditions regarding the submission of and subsequent implementation of a detailed surface water drainage scheme, as set out in the Flood Risk Assessment (submitted as part of the Environmental Statement).

6.14 Water Resources

- 6.14.1 Thames Water requested that conditions and or informative be attached should permission be granted and included a requirement that non-return valves or other device be fitted to guard against back-flow; petrol / oil interceptors to be installed to all car parking areas, properly maintained fat traps to be installed to catering establishments.
- 6.14.2 Thames Water have also noted that the existing water supply infrastructure has insufficient capacity to meet the additional demands for the proposed development. They therefore recommend the following condition be imposed:

Development should not be commenced until: Impact studies of the existing water supply infrastructure have been submitted to, and approved in writing by, the local planning authority (in consultation with Thames Water). The studies should determine the magnitude of any new additional capacity required in the system and a suitable connection point.

- And have also recommend the following condition to minimise the potential for damage to subsurface water infrastructure:

No impact piling shall take place until a piling method statement (detailing the type of piling to be undertaken and the methodology by which such piling will be carried out, including measures to prevent and minimise the potential for damage to subsurface water infrastructure, and the programme for the works) has been submitted to and approved in writing by the local planning authority in consultation with Thames Water. Any piling must be undertaken in accordance with the terms of the approved piling method statement.

- 6.16 Subject to the imposition of the above conditions, officers raise no objection to the development in this regard.

7.0 Conclusion

- 7.1 Whilst the principle of the proposed development is supported by officers, the range of uses, site layout and detailed design and approach in a variety of areas is considered to be appropriate, significant issues remain unresolved, and objections are raised in several critical areas.

- 7.2 The proposed development within the Camden site, in its current form, should therefore not be approved until such time as the range issues and deficiencies identified within this report are fully addressed.

8.0 Legal Comments

- 8.1 Members are referred to the note from the Legal Division at the start of the Agenda.

Land Mount Pleasant Delivery and Sorting Office, London, WC1

Independent Review of Assessment of Viability

February 2014

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Appendix One: Heatmap with location of comparable schemes

Annex One: BPS re-modelling of Gerald Eve's appraisal

Annex Two: Re-modelling of Gerald Eve's appraisal

Annex Three: Discussion of Sale & Leaseback Valuation

1.0 INTRODUCTION

- 1.1 BPS Chartered Surveyors has been jointly instructed by the London Boroughs of Islington and Camden (the Councils) to review a March 2013 viability assessment prepared by Gerald Eve in relation to the current application by Royal Mail Group (the applicant - RMG) to redevelop land at Mount Pleasant Delivery and Sorting Office to provide a mixed use scheme of 681 dwellings together with commercial uses.
- 1.2 We have reviewed Gerald Eve's March 2013 Viability Assessment documents (Position Notes), and a later (November 2013) Viability Addendum provided in response to comments generated by ourselves and the Councils. We have also had reference to a September 2013 Viability report undertaken by the District Valuer Service (DVS), part of the Valuation Office Agency. DVS was initially commissioned to review Gerald's Eve Viability Assessment and we have taken into consideration the findings of this report when arriving at our own conclusions concerning viability.
- 1.3 This report sets out our analysis of the appraisal methodology applied by Gerald Eve and of the cost and value inputs used in the appraisal. It also provides commentary upon DVS's findings, and supports these findings where it has been demonstrated that DVS have undertaken a robust and evidenced review and have been provided with adequate supporting information by the applicant's advisers.
- 1.4 Our role has not been to critique work undertaken by DVS but to conduct our own assessment of the applicant's viability submission and to build on the work already undertaken by DVS where we feel justified in doing so.
- 1.5 In a 6th November 2013 note to Gerald Eve, we requested access to their electronic model but this access has not subsequently been provided. We later (in a 6th January 2013 note) requested that Gerald Eve create a revised version of the appraisal implementing our suggested changes, but they have since declined to do so. We have therefore recreated the scheme appraisal to model the impact of our conclusions.
- 1.6 Section 3 and Annex 1 of this report summarise the results of our appraisals which are based on a re-creation of Gerald Eve's updated (November 2013) appraisal but with certain changes made to reflect the findings of our review, including the timing and scale of specific costs and other inputs. For additional analysis, in Annex 2 we set out a 'mid-point' appraisal - taking a mid-point between our view and Gerald Eve's view on some of the key appraisal inputs, although this is not in any way intended to dilute or alter our findings as presented in Annex 1. This appraisal serves to illustrate the impact of even modest changes to core assumptions.
- 1.7 We have had discussions with DVS to clarify certain aspects of its report and to establish precisely what information and supporting evidence it was provided with by the applicant's advisers. We have also had a meeting with the applicant's advisers (Gerald Eve, DP9, and M3 Consulting) attended by Planning Officers, where we raised questions concerning the approach taken in modelling viability including the use of growth based modelling. We have subsequently focussed predominantly on those aspects of Gerald Eve's submission which we felt were either not adequately discussed by DVS or where we were of the view that alternative conclusions were potentially available (or for which it was provided with insufficient information to enable it to reach robust conclusions) - most notably in respect of the development programme.
- 1.8 Given the major impact that assumptions on the timing of costs and values has on viability, especially in the case of IRR models in which monetary inputs are time-weighted, we have looked at the possibility that alternative modelling assumptions

could be adopted that could significantly alter the overall conclusions available on viability.

- 1.9 We provided a note to Gerald Eve dated 7th November 2013 which included a number of questions regarding their approach, the answers to which were intended to feed into this review. We received a response on 15th November 2013, within the Viability Addendum, which largely referred us back to the original viability assessment Position Notes (which Gerald Eve had already provided us with) and to a number of other related documents without in general seeking to expand upon points which were raised.
- 1.10 We understand the most recent affordable housing offer is 12% as set out in a letter dated 15th October 2013 to the Councils. This offer comprises Social Rented and Intermediate units in accordance with the target tenure mix of the respective Councils.
- 1.11 However, based on changes we suggest for key appraisal assumptions, the reasons for which are summarised in Sections 2 and 3 of this report (and set out in detail in Sections 4- 11), we are of the view that significantly more affordable housing could be provided than that offered by the applicant.

2.0 EXECUTIVE SUMMARY

General Conclusions & Recommendations

- 2.1 The application has been made by the current landowner (RMG). It appears to serve the twin objectives of facilitating the consolidation of activities from other sites into this central location, thereby freeing up other sites for disposal, and to maximise land value potential from land which is currently largely undeveloped or underused. RMG has not yet brought the land to the market and no developer has been brought in to sense check the assumptions used in the appraisals including the proposed programme and cashflow. While we recognise that RMG has deployed an experienced and broad based team of professional advisers to design the scheme and assess its viability, the fact no developer has been involved must inevitably mean that any outcome must be open to significant uncertainty and change at a point when a developer is ultimately engaged.
- 2.2 In our view it is highly likely that any future developer(s) of this site will seek to make very significant alterations to assumptions on which viability is currently based. The scheme as currently modelled must be viewed as a hypothetical rather actual development, particularly in terms of its assumptions concerning the development programme and timing of land payments which will all be subject to future negotiation. We are of the view that the scheme as currently presented by Gerald Eve does not optimise overall viability and has the effect of suppressing the level of affordable housing provision the scheme can successfully deliver.
- 2.3 Our report identifies key areas of uncertainty in the assumptions informing the Gerald Eve appraisals and models the significant impact of changes to these assumptions to underline and support this conclusion.
- 2.4 Our key conclusions are that insufficient justification and evidence has been provided in support of the following aspects of the appraisal:
- Private Residential Sales Values
 - Development Programme (i.e. timing of costs and values input)
 - Affordable Housing Values
 - Application of Sales Growth (as distinct from the growth forecasts themselves)
 - Growth Rates applied to 2013
 - Growth Forecasts for 2014 onwards
- 2.5 We consider there is the potential for changes to be made to these aspects of the appraisals, together with adjustments to the level of land value which we conclude is overstated. Our findings on these specific aspects of the appraisal are summarised below (Section 3) and discussed in more detail in Sections 4 to 14.
- 2.6 In modelling scheme viability, Gerald Eve has adopted an approach whereby viability is tested by reference to output profit derived from a discounted cashflow and profit tested by reference to an Internal Rate of Return (IRR). This contrasts with the more simple approach more often used to test viability using an output Residual Value compared to a Benchmark Land Value.
- 2.7 IRR is a basis commonly used to measure the return on an investment where a net cashflow records both negative and positive cash flow positions over a period of time. It is well suited to development schemes where there is a period of significant upfront investment before the scheme starts to generate net positive revenue returns. It

effectively discounts figures the further they are in time from the start point of the development. In effect it provides a weighting to the cashflow to reflect time.

- 2.8 It is in consequence highly sensitive to the timing and scale of both costs and values and should not be confused with normal measures of profit which are generally based on a percentage of either scheme costs or revenue.
- 2.9 Gerald Eve has put forward an appraisal which assumes growth of sales revenues over time at a higher rate than cost growth. This approach would in general result in a more viable scheme which could support a higher level of affordable housing when compared to a more conventional model adopting present day costs and values. Central to this approach is the requirement that there would be no future reviews of viability to assess whether this appraisal had under or over provided affordable housing as this would be an inherent risk for the developer in proposing the initial level of growth supported affordable housing provision.
- 2.10 The alternative approach to modelling viability on a multi-phased scheme with a long delivery time is to base an initial view of viability of current day costs and values and to review this over the course of the development, reflecting actual outturn costs and values. This latter approach usually suffers from the drawback that the initial level of affordable housing provided is generally lower than would be proposed by a growth based model. However it has the distinct advantage that it eradicates uncertainty and reduces risk and can evidentially prove the scheme has maximised delivery of affordable housing in accordance with the requirements of national, regional and local planning policy.
- 2.11 The growth based approach in effect is a calculated speculation that the appraisal represents an accurate view of the future and is reliant on forecasts and projections and opinion. This is a significant step beyond how most schemes are tested where viability for planning purposes is reliant on factual evidence to support a conclusion. Our report indicates that there is strong evidence to show that a number of assumptions adopted by Gerald Eve are flawed or at least very likely to be open to alternative assumptions over time suggesting that in this instance the growth model is not providing more affordable housing than can be justified on a present day model and in consequence there should also be concern about the proposed absence of future outturn reviews of viability to verify the appraisals conclusions.
- 2.12 One of our main concerns is that we do not consider that the timings assumed by Gerald Eve maximise IRR output and in consequence have the effect of suppressing the ability of the scheme to support higher levels of affordable housing. We are of the view that alternative assumptions on timing are possible if not more likely and this leads to the conclusion that the current approach does not maximise the delivery of affordable housing.
- 2.13 We have revised Gerald Eve's appraisal to determine whether there may be scope for additional affordable housing provision to be made over the 12% currently offered. The results based entirely on present-day costs and values, and reflecting the full impact of the changes to base assumptions we have suggested, indicate that a policy compliant level of 50% affordable housing could be provided. When future growth is applied there is potential for an even a higher level of affordable housing to be provided (see Section 3 and Annex 1). Further commentary on this is provided below and at Section 7).
- 2.14 We have also created a 'mid-point' appraisal which adopts appraisal assumptions at a mid-point between Gerald Eve's view and our own. This is, however, not in any way meant to dilute or alter the findings of our appraisals which are based on the reasoned

conclusions set out in this report. Based on present-day cost and values, the 'mid-point' appraisal results in affordable housing provision of 35%.

- 2.15 Once future growth is applied to these appraisals, there is a potential for even higher affordable housing contributions to be achieved than indicated on a present day basis (see Section 3 and Annex 2). There is, however, a wide variation of opinion on levels of future growth evident from the conflicting estimates included within this report. This strengthens the case for implementing further reviews based on actual outturn costs and values rather than allowing provision to be reliant upon conjecture which is based on potentially unreliable growth forecasts.
- 2.16 In addition to our general concerns over the reliability of growth forecasts, which are prone to inaccuracy, we have specific doubts regarding the residential forecast adopted by Gerald Eve which is based on Knight Frank's Q4 2012 forecast. In summary our concerns are that it is out of date and we question whether Gerald Eve ought to have used this forecast as it applies to a different class of property and is seemingly related to an alternative geographical area. It has also been proven to be grossly inaccurate in predicting house price growth in 2013 (actual c36% per annum) compared to Knight Frank's forecast of 1%. Despite this, Gerald Eve's latest (15th November) updated model retains 2013 growth assumptions at a level of 1% per annum.
- 2.17 The relatively low levels of growth predicted by Knight Frank in the early years of the scheme (2013, 1%; 2014, 3%; and 2015, 4%), significantly constrains viability, as higher growth levels in the early years of the development years has a larger impact on viability than growth later in the development as it affects a numerically greater number of units and due to the time-weighted nature of IRR based appraisals. Therefore if a growth based approach is to be adopted it should reflect both actual growth in values and be as accurate as possible in respect of future years.
- 2.18 DVS has proposed a uniform sales growth rate of 6% per annum, while the Centre for Economics and Business Research (CEBR), commissioned specifically by the Councils to consider this issue, forecast 9.5% per annum, a figure that happens to be broadly in line with historic averages growth rates for this locality. Whilst we recognise the potential for higher growth than DVS proposes, we also recognise that if any affordable housing offer is predicated upon higher levels of growth this increases the level of risk carried by the developer and may lead to a higher profit target being legitimately required in justification for the risk. This can prove counter-productive to delivery of affordable housing and belies the considerable opportunities that exist in a multiphase scheme to adjust the level of affordable housing according to actual viability which would otherwise manage this risk.
- 2.19 While further affordable housing could potentially be viable if growth exceeds a certain level, we suggest that a conservative approach would be to base initial provision on present-day costs and values that are supplemented by further viability reviews based on outturn costs and values prior to the commencement of substantive phases.
- 2.20 From the Councils' perspective, there is some logic to accepting an offer on a present-day basis (plus a review) as this avoids having to concede to a higher profit rate as would be the case if a growth model were to be relied upon to reach the affordable housing offer, which would of itself suppress viability. Where a growth model supports a higher level of affordable housing provision the additional provision represent a degree of risk to the applicant which in turn supports the use of a higher profit level than would be the case with a present day model.

- 2.21 It is acknowledged that Gerald Eve have sought to address the possibilities of variation on core assumptions through undertaking sensitivity testing and a Monte Carlo simulation which effectively uses repeated random sampling to assess the probability of different outcomes from occurring. We are of the view however, that it is important to ensure that the base assumptions are largely correct prior to relying on sensitivity testing to endorse the accuracy of the appraisals conclusions. Gerald Eve has modelled the impact of variations in sales values +/- 10% and costs +/- 10%. Whereas since the report was undertaken sales growth of 36% has occurred this clearly far exceeds the parameters of the variations used to test sensitivity. Therefore either the parameters used for sensitivity testing should be expanded or greater reliance placed on an approach which reflects actual costs and values.
- 2.22 Both DVS and Gerald Eve have undertaken sensitivity testing which varies the costs and values within a range plus 10% to -10% of the base value of [...REDACTED....] and also a 10% to -10% range for the costs. The sensitivity is presented as a matrix which is intended to show the whole range of viability outcomes (expressed as an IRR-output).
- 2.23 In the next Section, we outline the results of Gerald Eve's latest modelling and the results of our revised versions of Gerald Eve's model. We then summarise our conclusions in respect of the specific assumptions in Gerald Eve's viability assessment including costs and values assumptions (Section 4 to 14).

3.0 SUMMARY OF APPRAISAL RESULTS & BPS APPRAISAL

Gerald Eve model

- 3.1 Gerald Eve's most recent appraisal, dated November 2013, generates a profit output (IRR) of 11.9%. This is a growth model appraisal that adopts the same growth rates as were adopted in the March 2013 assessment. It is based upon a notional affordable housing offer of 12% by floor area. Based on Gerald Eve's target profit (IRR) of 20%, this 12% offer results in a deficit in viability; and this appraisal only breaks even i.e. becomes marginally viable, we calculate, if affordable housing provision is reduced to zero.

BPS appraisal

- 3.2 We have re-created and revised the November 2013 appraisal and made the changes suggested in Annex 1. The results produce considerable variation in the level of affordable housing that can be viably provided. The principal reasons for this stem from:

- the major impacts of changes to the level and timing of the land cost owing in particular to the fact that the performance of IRR-output is highly sensitive to these inputs especially the land cost timing and level (see Section 6);
- the lower profit rates attributable to affordable housing (see Section 4);
- the major impact of updating sales values to reflect recent growth (see Section 7);
- and the impact of our adoption of an alternative interpretation of how land value will be affected by the scale of enabling works needed to bring the site forward (see Section 5).

- 3.3 The key changes we have made to Gerald Eve's assumptions are summarised later in this section and in Annex 1, and set out in further detail in Sections 4-14. Our revised model adopts Gerald Eve's growth forecast from the date of this report represented as a straight line average growth rate of 4%. The appraisal does however take into account the actual growth that has occurred since the Gerald forecast was made and the current date. Our appraisal is made purely in order to enable direct comparison between it and Gerald Eve's model. We have based our results on an approach which increases the level of affordable housing to the point where the target IRR is reached in order to determine the site specific policy requirement of achieving the 'maximum reasonable' level of provision, while also providing a consistent view of development profit. As will be seen below this exceeds the strategic planning policy target level of provision, and shows that the scheme could support 52% affordable housing provision.

- 3.4 We have then tested our appraisal with different rates of sales growth. For all the scenarios which include sales growth, we have maintained cost growth at the level in Gerald Eve's appraisal which DVS considered to be reasonable, although we recognise the potential for higher (or lower) levels of cost growth. This appraisal shows that c.51% affordable housing can be provided on the basis of present day cost and values (i.e. with nil growth). In general terms this is not surprising given that following delivery of the enabling works this is in effect a cleared site and unlike most sites there will be no extinguishment of the existing use and consequent loss of this value. In addition the

site benefits from being within an area where exceptionally high private market values can be achieved relative to London as a whole.

- 3.5 It will be seen in the table below that we have set varying target IRR's. Whilst accepting DVS's assessment of a reasonable profit target of 18% as appropriate in relation to Gerald Eve's forecast growth of an average 4% we have adjusted this target to reflect higher levels of risk associated with higher growth rates.

BPS appraisal - growth rate sensitivity testing

| | Growth rate | Target IRR | Affordable housing |
|----------------------|-------------|------------|--------------------|
| Present-day | 0% | 14% | 51% |
| BPS suggested growth | 4% | 18% | 52% |
| DVS growth forecast | 6% | 19% | 55% |
| CEBR growth forecast | 9.5% | 22% | 60% |

- 3.6 The following Table summarises the results of our appraisal using a more conventional Residual approach as an alternative to the IRR approach. It includes a *fixed* Profit on Cost as an appraisal input, and then compares the resultant Residual Value against the Benchmark Land Value.
- 3.7 A Profit on Cost of 24% is applied solely to the private market element, while a lower rate of 8% profit on Cost is applied to the affordable element. The 'blended' rate therefore changes with the level of affordable housing. In terms of affordable housing provision that can viably be provided the results are broadly the same as above.
- 3.8 It should be noted that the benchmark land value adopted in these examples is based on our approach to the treatment of the enabling costs which differs from the approach adopted by Gerald Eve. If their proposed land value of [REDACTED] is adopted, the maximum reasonable level of affordable housing falls to circa. 42%.

BPS appraisal - conventional residual valuation (Present-day)

| Affordable Housing | Blended Profit on Cost | Residual Value | Benchmark Land Value | Surplus | Revised Surplus using GE's Land Value |
|--------------------|------------------------|----------------|----------------------|------------|---------------------------------------|
| 0% | 24% | [REDACTED] | £38.4m | [REDACTED] | [REDACTED] |
| 15% | 21.6% | [REDACTED] | £38.4m | [REDACTED] | [REDACTED] |
| 30% | 19.2% | [REDACTED] | £38.4m | [REDACTED] | [REDACTED] |
| 45% | 16.8% | [REDACTED] | £38.4m | [REDACTED] | [REDACTED] |

'Mid-point' appraisal

- 3.9 For additional analysis, we have also created an appraisal that presents a 'mid-point' position between the assumptions adopted in our appraisal and those adopted by Gerald Eve (see Annex 2). This appraisal serves to illustrate the impact of even modest changes to core assumptions and exposes the apparent risks of adopting an appraisal which relies on an assumption of a single programme possibility and is otherwise reliant on the accuracy of its forecasting.
- 3.10 It is acknowledged that Gerald Eve have sought to address the possibilities of variation on core assumptions through undertaking sensitivity testing and a Monte Carlo simulation which effectively uses repeated random sampling to assess the probability of different outcomes from occurring. However we are of the view that there is a strong case for calling into question the accuracy of some core assumptions, the impact of which significantly exceeds the parameters of the sensitivity testing and probability analysis that has been undertaken to assess the likelihood of this outcome. This is evidenced by the significantly different levels of affordable housing shown to be viable between our appraisals and those of Gerald Eve.
- 3.11 To undertake the 'mid-point' appraisal, we have made the following changes to our Annex 1 appraisal:
1. Target IRR at mid-point between Gerald Eve's (20%) and DVS's (14% and 18% for present-day and growth model, respectively)
 2. Land cost mid-way between Gerald Eve's [REDACTED] and our [REDACTED]
 3. Land cost payments incurred in June 2014 and August 2015 which reflects a mid-point position between our land payment dates and the dates of sale cited M3's development programme (REDACTED).
 4. Phase 2 enabling cost timing moved in line with land payments
 5. Phase 2 enabling costs at mid-point level between Gerald Eve and DVS view
 6. Contingency and Marketing at mid-point between Gerald Eve and DVS view
- 3.12 Based on Gerald Eve's growth forecasts, this 'mid-point' appraisal results in provision of 41% affordable housing.
- 3.13 We have then tested different levels of sales growth rates. Based on present day values (i.e. 0% growth) the appraisal supports 35% affordable housing.
- 3.14 For the purposes of this appraisal we have adopted sales value growth at 36% based on Land Registry data for the period between Knight Frank's 26th February 2013 residential valuations, used by Gerald eve in their appraisal, to the end of 2013. Gerald Eve whilst acknowledging there has been significant movements in the market have not provided us with their assessment of price changes over this period, nor provided any assessment as to how this impacts their conclusions.
- 3.15 When growth is applied at 4, 6 and 9.5%, a higher level of affordable housing can be provided, at 40%, 46% and 51% respectively.

Midpoint appraisal - growth rate sensitivity testing

| | Growth rate | Target IRR (<u>mid-point</u>) | Affordable housing |
|----------------------|-------------|------------------------------------|--------------------|
| Present-day | 0% | 17% | 35% |
| BPS suggestion | 4% | 19% | 40% |
| DVS growth forecast | 6% | 19.5% | 46% |
| CEBR growth forecast | 9.5% | 22% | 51% |

3.16 We have repeated our mid-point approach using a more conventional residual value approach as an alternative to the IRR approach and this is summarised in the table below:

Midpoint appraisal - conventional residual valuation (Present-day)

| Affordable Housing | Blended Profit on Cost | Residual Value | Benchmark Land Value | Surplus | Revised Surplus using GE's Land Value |
|--------------------|------------------------|----------------|----------------------|------------|---------------------------------------|
| 0% | 24% | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 15% | 21.6% | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 30% | 19.2% | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 45% | 16.8% | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

Summary of BPS View on Key Appraisal Assumptions

Target Profit

- 3.17 DVS has suggested 18% IRR profit target for the growth model assuming Gerald Eve's assumed growth rates and 14% for the present-day model. While we are in agreement with this level of profit in principle, it is important to consider the impact that different levels of affordable housing should have on the blended profit rate given that it is standard practice to apply different rates to affordable housing compared to private housing. In other words if there is a higher level of affordable provision the overall blended profit target should be reduced.
- 3.18 To elaborate this point further: profit is a product of risk, and in providing affordable housing the end product is capable of being sold in advance of construction for a known sum and can provide substantial instalments on the sales value through the construction process. Therefore the remaining risk to the developer is the management of the construction and costs. By comparison private sales carry a much higher level of risk in that each unit is reliant on an individual purchase and this is based on an anticipated price with an unknown period required to achieve the sale.
- 3.19 Based on present-day values (nil growth), our revised (BPS View - Annex 1) appraisal suggests that 50% affordable housing could be provided. This should be reflected in the blended (i.e. overall) profit rate. Our conclusion is therefore that at higher rates of affordable housing than in Gerald Eve's appraisal, this strengthens the case for adopting target profits *no higher* than the levels suggested by DVS.

Land Cost

- 3.20 Gerald Eve has taken a Market Value approach based on an analysis of comparable land transactions. We consider that inadequate levels of detail have been provided regarding the comparable land transactions that were used to benchmark the [REDACTED] land value adopted in the appraisal.
- 3.21 We discuss this issue in more detail below (Section 5). Our general view is that it is necessary for any land value estimate to have proper regard to the cost of meeting planning obligations. It is also, in line with RICS Guidance, necessary to take account of the specific circumstances of a site when arriving at a suitable benchmark land value even if a Market Value approach is taken.
- 3.22 In this case there are two key factors which differ from the land sale comparables. The first is that once the enabling works have been completed the site is in effect a 'cleared' largely unconstrained development site. In looking at other sites it is normal to allow for the costs of demolition and site clearance. In the same way it would be expected that a developer would reflect the high cost of the enabling works in the land value proposed. Adopting this approach, the price paid of [REDACTED] would be split between the cost of the enabling works and payment for the land. The approach adopted by Gerald Eve assumes it is an additional development cost which would effectively reduce the level of affordable housing without impacting on the land payment.
- 3.23 The second factor is that the comparable sites have in the main high existing use values which underpin the value of the land for development and will be lost through redevelopment. The subject site has an operational value to RMG which will be preserved and possibly enhanced through the enabling works. In effect the enabling works simply preserve RMG's operational value, therefore it seems unreasonable for the

entire financial impact of these works to be reflected in reduced levels of affordable housing.

- 3.24 The enabling works include a substantial podium which will be constructed over the current service yard located to the rear of the main sorting office together with new RMG facilities provided within its basement. In this context, the land cost effectively represents pure ‘landowner premium’, and is well in excess of the level of premium achieved at other sites (e.g. City Forum).
- 3.25 City Forum has been used as a key comparable land transaction with both Gerald Eve and ourselves involved in the review of its viability as part of its recent planning application for large scale residential led redevelopment. We calculate that the achieved landowner premium (per Acre) is around *seven times* smaller than for Mount Pleasant as implied by Gerald Eve’s [REDACTED] figure, while the total premium secured for City Forum over existing use value is [REDACTED] compared to a proposed premium of [REDACTED] for Mount Pleasant. In terms of land value per residential unit (in our view the most reliable basis for scheme comparison), the discrepancy is more marked: City Forum’s premium is [REDACTED], while Mount Pleasant’s is [REDACTED],
- 3.26 We are aware that Gerald Eve has tabled a proposal whereby the site including the sorting office is sold on the basis of a “sale & leaseback” arrangement. This would support the notion that the site had a recognised existing value to underpin the land value proposed. This proposal was tabled as a ‘draft’ valuation for ‘discussion purposes only (and Gerald states it is “not exhaustive” and “is more of a desktop valuation which can be added to and further supported if required to do so”).
- 3.27 Whilst this approach is of course a possibility it should be recognised that given the specialised nature of the buildings and the existing planning consent - i.e. Sui Generis (Sorting Office Facilities) - there is no ready occupier market for the property in its current use other than from RMG itself. Therefore any rent payable under such an arrangement would be a largely financial based transaction exploiting RMG’s inherent covenant strength rather than the inherent value of the property. Therefore arguably the value under such an arrangement could be higher or lower dependent on the proposed annual payments made under such an arrangement. This has limited application however as a basis for determining a conventional site value.
- 3.28 We do not accept that this option represents a logical justification for viewing the proposed land values as representing a lower premium and higher existing use value, and our reasoning is further amplified below:
- The site would not be likely to get planning permission for commercial car parking so [REDACTED] valuation not valid.
 - Sale of site for commercial car parking would leave RMG with no space for service yard and staff parking, thus is incompatible with continued operation of the sorting office which clearly requires parking and yard space in order to function.
 - The capitalisation rate [REDACTED] reflects the strong covenant of RMG (as party to the sale & leaseback) but is not necessarily a realistic yield to apply to commercial car parking incomes. This raises the question that this approach is more an exercise to value an effective bond from RMG to pay a sum of money rather than a genuine open market property transaction. The length of lease and the alternative use prospects will also have a bearing on the value of this proposal.

- 3.29 Our detailed comments on the sale & leaseback valuation are included in Appendix 3. Gerald Eve's summary Table of this valuation is provided below:

[REDACTED TABLE]

- 3.30 Based on our reasoning above we are of the view that a land cost in the region of £35m-£40m is more appropriate, recognising that the total consideration funded by the developer would also include the cost of the enabling works in addition to the land payment. We have factored this reduced value in to our revised appraisal, specifically by reducing the land value by [REDACTED] which equates to the cost of re-providing RMG's services (Phase 2 and 3 Enabling Works).

Estimated Private Sales Values

- 3.31 The applicant's advisers have failed so far to provide the necessary supporting evidence (either to ourselves or to DVS) to support the estimated values applied in the appraisal. Knight Frank's report states that a schedule of comparable evidence is provided in Appendix One, but this Appendix has not been provided to either us or DVS. DVS has further confirmed that no schedule of comparables has been provided, nor has it received any supporting evidence in relation to the four 'key comparables'. Although this information has been requested it has not as yet been received.
- 3.32 DVS has not demonstrated in its report that it has undertaken an in-depth analysis of these estimates, nor have we any documented evidence that it undertook any of its own market research as none is discussed in its report.
- 3.33 We are unable to confirm that Knight Frank's estimates were, at the time of their preparation, properly supported by analysed sales evidence. This creates considerable uncertainty over the appropriate achievable present-day values. We typically expect that sales values are properly evidenced before we are able to confirm that the scheme maximises the provision of affordable housing. This is standard practice in viability assessments for planning purposes and is in accordance with RICS Guidance Note "*Financial Viability in Planning*".
- 3.34 Our own research, into the local market and into the comparable schemes cited by Knight Frank, indicates that present day values (i.e. January 2014) achievable for the proposed units should be considerably higher than the estimated average of [.....REDACTED.....]. This is no doubt at least in part due to the strong sales growth in this locality over 2013 (at 36% according to Land Registry data), which if applied to the March 2013 estimate would result in 30% growth up to the present day. We accept that there may be other (lower) figures on actual 2013 growth from other statistical sources, although we would still support a 30% increase up to the present day as we view this as necessary in order bring values in line with those indicated by recent local sales evidence as being achievable for Mount Pleasant: that is, an average of circa. £1,100 per ft². Our market research has not, however, been exhaustive, and we cannot entirely rule out the possibility of even higher values being achievable. Further details are set out in Section 9.

Development Programme

- 3.35 We have concluded that the land payment(s) ought to occur later in the programme than suggested by Gerald Eve which assumes land payments for both Phoenix Place and the Calthorpe site are made in [REDACTED], We consider it unrealistic to assume a developer would pay for the land substantially before vacant possession was provided, this being a further 18 months for Phoenix Place and 45 months for the Calthorpe Site,

particular given the highly detrimental impact such an early payment has on viability (i.e. cashflow/IRR-output). Moreover, the timing of this payment is at variance with the timings cited by M3 in its development programme.

- 3.36 We are also of the view that given the strategic nature of the occupier developers would be naturally concerned about the enforceability of any timescale for delivering vacant possession. We understand that RMG view early receipt of the land payment as necessary to fund the enabling works, however we would again expect the developer to wish to undertake these works, not only to manage the costs involved but also because the podium on the Calthorpe site is the main structure from which a majority of housing for the scheme is developed from. We take the view that the cross collateral warranties and liquidated damages provisions involved in RMG commissioning the works would be likely to prohibit this arrangement from a practical perspective.
- 3.37 We also suggest that the date at which the Phase 2 Enabling Works costs are incurred should be moved to a later time, as whilst we understand these works have largely already been completed by RMG, we consider it unrealistic to expect a developer to pay for these at such an early stage. In any case, these works largely benefit RMG and it is debatable to what extent they are necessary to 'enable' the scheme to come forward.
- 3.38 Little commentary and justification was provided by Gerald Eve in relation to the timings adopted by the development programme. The DVS report provided only the following limited commentary on the programme as shown below:
- We have adopted the application scheme's project programme, as this appears to be reasonable. We acknowledge the next stage of design will more carefully consider value engineering and opportunities to reduce the project programme in order to optimise the scheme.*
- 3.39 Our further discussion with DVS indicated that they took the view that until a developer was engaged the programme was largely hypothetical.
- 3.40 While we have sought to make some adjustments to the development programme (Annex 1), we recognise the potential for a more radical re-design of the programme to take place once a developer is involved, and it is difficult to foresee what impact this may have on scheme viability, which emphasises the high degree of uncertainty over viability at this stage of the design and planning process. This conclusion suggests that there is a real need to review viability at a point where more clarity is available.
- 3.41 The following table summarises the different dates adopted by M3, Gerald Eve and ourselves:

| | Phoenix Site | Calthorpe Site |
|--|---|---|
| M3 Vacant Possession dates | [REDACTED], | [REDACTED], |
| Gerald Eve Land Payment | [REDACTED], | |
| M3 land payments | [REDACTED], | [REDACTED], |
| “BPS View” appraisal payments (payments at VP) | October 2014 | January 2017 |
| BPS’s ‘mid-point’ appraisal payments | June 2014 (between M3 payment and BPS payment) | August 2015 (mid-point between VP and date of M3 land payment) |

Affordable Housing

- 3.42 We do not consider that Gerald Eve has provided adequate evidence and explanatory information in support of its own valuation of the affordable housing. The Gerald Eve submission identifies weekly Affordable Rent estimates for studio, 1, 2, 3 and 4 bed units and suggests that the capitalised value of these rents equates to [REDACTED], but elsewhere in its report cites a value of [REDACTED] which creates uncertainty over their final view of values. The assumptions used to arrive at these values are not explained. We have requested such information but this has not been provided.
- 3.43 Gerald Eve has clearly cited Affordable Rental estimates but also refers to social rents, and they have yet to inform us on what rental basis their capital values have been estimated. The Affordable Rents cited as significantly higher per week than current target Social Rent levels so this is a key uncertainty that needs resolving in respect of understanding Gerald Eve’s valuation.
- 3.44 Our own modelling shows that Gerald Eve’s capitalised value per ft² [REDACTED] is broadly reasonable if it is based on typical Social Rent levels. In contrast, we calculate that much higher capital values could be achieved based on the Affordable Rent levels Gerald Eve cites.
- 3.45 The affordable housing estimates have not been informed by offers from Registered Providers, contrary to what is commonly expected in order to determine suitable values for planning purposes, especially for a scheme of this magnitude. We are of the view that market testing is required so as to reach firm conclusions on achievable values.
- 3.46 Gerald Eve has also explicitly assumed there would be no RP subsidy or grant affecting the value offered by the RP. Whilst currently there is no grant available this situation could change and similarly RP’s may well choose to subsidise an offer for a scheme of this scale. Whilst both factors would be captured through a re-assessment there are

grounds to suggest that the level of RP offer is a factor that should be available upfront as this will significantly influence viability.

- 3.47 Our summary modelling suggests there is potential for higher Shared Ownership values to be adopted than Gerald Eve's estimate, primarily because it does not appear that they have factored in the effect of staircasing of unsold equity which is a standard assumption in affordable housing models.
- 3.48 In our work for other London boroughs a straw poll of active RP's confirmed that the majority included value attributable to staircasing in their offers with on average RP's assuming that 75% of equity would be staircased over 20 years. The inclusion of this value would again be resolved through engagement with an RP.
- 3.49 Given the high level of uncertainty and lack of information, we have not at present made any revisions to the affordable housing capital values in our reworked appraisals.

Build costs

- 3.50 We understand that DVS has largely agreed with the build cost estimate used by Gerald Eve following detailed discussions between their respective quantity surveyors. We have been provided with little information concerning these discussions, nor do we have a report from DVS's cost consultant setting out the rationale for their view that the costs are reasonable.
- 3.51 Given the limited timescale under which our report has been prepared we have not been able to undertake a detailed review of the cost estimate. However based on our discussions with DVS's cost consultant, we have no reason at present to dispute their findings.
- 3.52 Given the lack of documented evidence of the review process so far undertaken, we are unable to provide more assurance on this aspect. However should any uncertainty exist a review of viability would provide evidence of actual expenditure.

Other costs and values

- 3.53 There are a considerable number of cost and value assumptions in the appraisal which we do not dispute as they are in line with typical benchmark levels, such as for example the Professional Fees cost which is based on [REDACTED]. We have not, however, discussed these assumptions individually in this report.

Sensitivity testing

- 3.54 Gerald Eve has undertaken sensitivity testing which varies the sales values within a range plus 10% to -10% of the base value of [REDACTED], and also a 10% to -10% range for the costs. The sensitivity is presented as a matrix which is intended to show the whole range of viability outcomes (expressed as an IRR-output).
- 3.55 As summarised earlier in this report it is evident that events have made these assumptions redundant as in particular residential sales growth has far exceeded these parameters highlighting the risks associated with growth models where no further review of viability is to be considered.

4.0 FURTHER DISCUSSION - TARGET PROFIT

- 4.1 Gerald Eve has set a profit (IRR) target of 20%, whilst DVS's review concluded that an 18% IRR is more appropriate (for the growth model). These are evidently 'blended' rates, but Gerald Eve does not break its profit target down into its component parts - i.e. between private and affordable housing - despite this being common practice in development appraisals. This makes it difficult to assess the suitability of Gerald Eve's profit target.
- 4.2 DVS has proposed a lower rate of 14% for the present-day model, owing to the lower levels of risk associated with basing a scheme (including any affordable housing offers) upon present-day costs alone. We are in agreement with DVS on this point.
- 4.3 While Appeal decisions have supported certain levels of profit on *GDV*, we are not aware of target IRRs having been considered in this way by an Inspector. This creates some doubt over the suitability of Gerald Eve's target IRR, particularly given that this rate of 20% was not supported by any market evidence. DVS, on the other hand, has provided details of a number other large schemes in London which it has reviewed; DVS has analysed the target IRRs applied in these other schemes in order to arrive at its suggestion of 18%.
- 4.4 There is a tendency, based on the applicant's development programme and resulting timings of cost and values in the appraisal, for the resultant Profits on Cost and Profits on *GDV* to both be at considerably higher percentage figures than the IRR. For example, we calculate that an all-private version of Gerald Eve's appraisal (but with costs and values updated to Jan 2014 levels) generates a 19.6% IRR but a much higher rate of 28.0% and 38.8% for Profit on Cost and profit on *GDV* respectively. This compares to a typical rate of 20% on *GDV* that has been widely accepted as a suitable rate to apply to private market units, and underpinned by Appeal rulings. We remain to be convinced that there is anything particularly exceptional about this development that warrants an IRR target that results in such high profits on *GDV*. More specifically the project cashflow is extended largely due to the constraints imposed by the assumed sales rates and by the requirements for land payments at a point substantially before vacant possession is provided. If a more compact programme were devised the two bases for assessing profit are more likely to become aligned.
- 4.5 The construction period amounts to c.6 years with the scheme's 681 units anticipated to be delivered at the equivalent rate of [REDACTED]. The primary factor in determining whether an IRR should be used or a more conventional profit target hinges on the time lag between incurring costs and securing sales revenue. Apart from the assumptions around land payments which have been discussed elsewhere in this report there appears to be no exceptional reason why this scheme could not follow a more conventional valuation approach as has been adopted by other multi phased developments. Assuming our view is correct it would indicate that the profit target adopted by Gerald Eve exceeds more generally accepted norms.
- 4.6 As mentioned above, the target IRR of 20% has not been disaggregated into affordable housing and private housing components. Gerald Eve's target IRR is effectively predicated upon the notional affordable housing offer of 19% included in its March appraisal and its assumed rate of growth. We calculate that, assuming a typical present day IRR based profit of 6%, (roughly equivalent to 8% on costs) is applied to the sales value of the affordable element, a 20% blended IRR would require an IRR of c23% to be applied to the private element of the scheme, which we consider to be excessive.
- 4.7 One of the reasons given for the use of an IRR approach (and for choosing an IRR at the relatively high level of 20%) is to reflect the "front-loading" of costs - i.e. the high level of upfront costs together with the protracted development period, which raises the

level of risk involved in this development for which the 'time value of money' needs to be taken into account, as IRR-output appraisal does.

- 4.8 In respect of the front-loading of costs, the level of enabling costs, for example, while not inconsiderable, are arguably not exceptional when viewed as a proportion of the total scheme, and while the delivery of the scheme is phased and thus spread over a long period, this does include build costs also being spread over a long period - i.e. whilst the revenues are spread out, so too are the build costs. In other words, a lengthy build period/phasing period is not in itself reason to adopt a higher profit rate, nor to adopt an IRR approach over a conventional approach.
- 4.9 It is common for phased schemes to adopt a profit on GDV/Cost approach, in which these conventional profits are taken as fixed costs, and where the output of the appraisal is a residual land cost which is compared against a benchmark land value.
- 4.10 Once the timings of the Phase 2 Enabling Works and the Land Cost are moved back to what we consider to be more appropriate dates, this has the effect of reducing the discrepancy between profit on GDV and IRR. This is due to the high importance in IRR-based appraisals of the timing and value of costs.
- 4.11 In conclusion, we accept that DVS appears to have based its target profit estimate of 18% on recent evidence from other schemes which demonstrates that a robust process of review of this element has been undertaken, we have assumed that DVS in arriving at this figure has reflected upon the suggested growth rates by Gerald Eve.
- 4.12 DVS do not explicitly address the issue of the profit target being blended. We are of the view that if higher levels of affordable housing can be provided (without recourse to 'riskier' levels of sales growth expectations), in these circumstances this could potentially be reflected in a lower 'blended' profit rate than DVS suggest. We have taken this into account when opting, in line with DVS, to apply a 14% target profit in our present day model (see Annex 1) and in arriving at our view of profit in our other revised models (see Annex 1 and 2).

5.0 BENCHMARK LAND VALUE

General commentary

- 5.1 We have previously summarised some of our views concerning the land value in our Land Value Note dated 6th January 2014, and in earlier advice provided to the Councils. These set out our more general comments concerning the need for Benchmark Land Values to have full regard to planning obligations, and concerning the shortcomings of a Market Value approach.
- 5.2 Gerald Eve has taken a Market Value approach based on an analysis of comparable land transactions. We accept that sales evidence can be useful in forming a view as to what the market might reasonably pay for land but it is essential for full details of transactions to be available in order that an effective analysis can be undertaken. We do not accept that comparable sales alone should determine the basis for arbitrating on the site value of the Mount Pleasant scheme and the level of planning obligations it could support. Due regard needs to be given to the specific viability of the scheme and its need to comply with relevant planning policies.
- 5.3 In most of the comparable land sales cited by Gerald Eve there has been a clear existing use which has its own capital value. Arguably this value constitutes a large proportion of the market value of these sites, with the balance derived through a combination of hope value and development potential secured through the planning process. It is important to also note that all of the comparables land values reflect a high level of provision of affordable housing, therefore it is to be assumed that the land value also reflected this obligation.
- 5.4 In relation to the subject site there is a book value of the existing use prepared by BNP Paribas, this valuation is based on a notional land value for the land in its current use. In actuality RMG largely benefits from parking and vehicle servicing which is essential to its current activities as a sorting office for which it has a sui generis classification. Were an application to be made for these uses in isolation we are advised by planning officers it would be non-compliant with current planning policy.
- 5.5 The enabling works are estimated as totalling [REDACTED] and are specifically designed to replace and enhance the parking and servicing arrangements, therefore the value to RMG of these activities has not been lost. Importantly the enabling works do not benefit the developer of the sites but only RMG as they serve to preserve the existing use benefits for RMG. This is fundamentally different from the comparable sites where existing use value is extinguished on redevelopment. In this context, the land cost adopted by Gerald Eve effectively represents a 'landowner premium', and is well in excess of the level of premium achieved at other sites.
- 5.6 With respect to Gerald Eve's analysis of land sales, we consider that only limited levels of detail have been provided regarding the comparable land transactions that were used to arrive at the [REDACTED] land cost and this weakens this as the sole basis for determining an appropriate land value for this site.

BPS opinion of land value

- 5.7 Irrespective of the land value generated directly by the scheme it should be noted that the enabling works will allow RMG to consolidate activities on the Mount Pleasant site which will enable other sites to close, no doubt providing operational efficiencies and releasing site value. These benefits are indirect and largely incapable of quantification without more detailed information from RMG. However this aspect does suggest that

close attention needs to be paid to the nature of the enabling works as to whether they are directly required in order to release land for development or whether they simply represent operational improvements and backlog maintenance. Works funded by the proposed development that fall into these latter categories should be seen as amounting to further consideration to RMG (see Section 13).

- 5.8 To underline this point it is forecast that on site staff will increase from 1,500 to 2,000 and its vehicle movements per day rise from 2,000 to 3,000 (see Supplementary Planning Document).
- 5.9 In most instances the existing use will be extinguished when the development takes place. An example being City Forum where the value associated with the tenancies of the existing offices is lost because of the development requiring demolition and replacement of this use, therefore the proposed development has to replace this value and provide an additional return before being said to be viable. If EUV is therefore seen as a hurdle, there is no apparent hurdle to be overcome with Mount Pleasant.
- 5.10 Accepting that the market would be willing to pay circa [REDACTED] for the site we are of the view that the land consideration receivable should reflect the costs associated with the relevant enabling works. To expand this point if we assume two identical sites a) and b), both generate a residual value of [REDACTED], however site a) has [REDACTED] of abnormal cost and b) has no abnormal costs it is logical to assume that the land payment for a) will be reduced by the amount of the abnormal costs, all other factors being equal.
- 5.11 The approach taken by Gerald Eve has in effect reduced the level of affordable housing rather than the land consideration to reflect the abnormal costs, consequently we take the view that land receipt proposed for RMG should be in the region of [REDACTED] rather than [REDACTED]. We have thus factored this in to our revised appraisal, by reducing the land value by [REDACTED] which DVS estimates to be the element of total enabling works directly associated with enabling the site to come forward for development.

BPS Analysis of comparable land transactions

- 5.12 We have created the following table below of the comparable land transactions that were relied upon by Gerald Eve:

| Site | Value | | BPS comments |
|---|-------------|-------------|---|
| City Forum (4.7 Acres) Sold June 2011 | [REDACTED], | [REDACTED], | [.....REDACTED.....] |
| Silicon Tower (0.9 Acre) | [REDACTED], | [REDACTED], | Too small to be fully comparable. 36-storey tower to be developed thus high site value generated. Existing use of site one-and two-storey buildings in use as a 'district office' and depot value unknown 35% affordable housing provided. £147,000 per market residential unit, but more valuable units as many of the units are at height within the tower. |

| | | | |
|--|------------|---|---|
| Worcester Point, 89-93 Central Street, EC1V 8AL (0.9 Acres) | £19.5m | £20.53m per Acre <u>£186,000 per market unit</u> (misleading as high % of commercial in scheme) | Too small to be directly comparable. Site has two-storey office building so has EUV but may be low. Mixed use scheme providing conference facility and retail as residential so not clear comparable. 35% affordable housing provided. Purchased with benefit of mixed use consent |
| Goodmans Field (7 acre) | £60m | <u>£8.37m per Acre</u> £107,000 per market unit | Not directly comparable (c5-storey office building), so likely high EUV per Acre, dependent on letting potential. 33% affordable housing provided Lower MV than subject site, despite the high EUV. |
| Mount Pleasant estimate (6.4 Acres) | [REDACTED] | [REDACTED] | [REDACTED] |

- 5.13 It can be seen from the table above that the relationship of land price to private unit values depends on the percentage of affordable housing provided.
- 5.14 The comparables are discussed in more detail below, focussing on City Forum for which we have a higher level of information available having analysed its viability for Islington Council as part of the recent planning application. Gerald Eve also acted for the applicant on this property.
- 5.15 It should be noted that land price is fuelled by many factors, not least the developers perception of the planning consent it is likely to be able to secure and the future market it will be able to sell its development into. Therefore in a competitive situation price paid is not always a reliable indicator of current as opposed to future markets. This is exemplified by the fact that many banks continue to hold toxic land assets on their books bought in expectation of market conditions that have never arisen. This factor is a major contributor to restricting the supply of development land as banks are unwilling to crystallise losses on these assets through early sale.
- 5.16 It will also be seen that we have repeated observations and analysis originally produced by DVS which we also accept as valid in this context and representative of our own views.

City Forum

- 5.17 This site has a [REDACTED] existing use value derived directly from rental income generated from the offices currently on site, which will effectively be extinguished when the site is redeveloped. However as the development is phased vacant possession can be secured on a rolling basis which would preserve the ability to maintain some income flow until the land was required.
- 5.18 The site value for redevelopment is therefore underpinned by a substantial exiting income which as with the other sites considered, must play a part in determining its value as a redevelopment site. The price paid for the site [REDACTED], reflects a degree of hope value commonly expressed as a land owner premium equating to [REDACTED]% over EUV. This was again underpinned in part by an extant consent for mixed use development.

- 5.19 In its review of the City Forum viability assessment, DVS accepted that the purchase price of [REDACTED], was reasonable as it represented EUV plus a [REDACTED] landowner premium (i.e. a [REDACTED] premium *per Acre*). This is a commonly accepted level of landowner premium which we note has been supported in other schemes and has been evidenced letters from institutional investors stating that this is the level of uplift required to incentivise them to release their sites. Moreover, earlier iterations of GLA guidance suggest that premiums should fall in a range between 10-30%.
- 5.20 City Forum's landowner premium per acre ([REDACTED]) is around [REDACTED], times smaller than Mount Pleasant as implied by Gerald Eve's [REDACTED] figure ([REDACTED]).
- 5.21 City Forum and Mount Pleasant have been ascribed broadly similar unit values on £per ft² basis with respect to their market housing elements which suggests the economic drivers should be broadly similar between the two sites. Following our review of both schemes, we are in agreement with this view.
- 5.22 The Table above shows that the land value for Mount Pleasant is [REDACTED] per market unit while it is [REDACTED] per market unit for City Forum, which is a discrepancy we do not think is justified particular as we are of the view that the Mount Pleasant's £per unit should be lower than City Forum, not higher given the high abnormal costs represented by the enabling works.
- 5.23 In conclusion, the [REDACTED] benchmark is considerably higher per acre than City Forum's figure, whereas we think it ought to be considerably lower as it is not underpinned by any existing rental income and appears from the modelling to carry much higher development risks due to significant delays between the point of payment for the land and the point at which the developer is finally provided with vacant possession, the point at which the developer finally gets the opportunity to capitalise on its investment in the land.

Goodman's Field

- 5.24 We are of the view that this is not directly comparable to Mount Pleasant as the site accommodated a very large office building. The scheme also provided 35% affordable housing. We are unable to identify the existing use value but suggest that the land owner premium is likely to be much less than the premium implicit for Mount Pleasant.
- 5.25 DVS assess price on a per Acre basis: Goodman Fields, £8.37 per Acre; Mount Pleasant, [REDACTED]. We consider that Mount Pleasant's benchmark should be lower than Goodman's purchase price.
- 5.26 No evidence that enabling costs, abnormals etc. are comparable to Mount Pleasant's.

Silicon Tower

- 5.27 This scheme will provide 35% affordable housing. We have no information concerning the EUV of this property but suspect it is relatively low. DVS consider that although it is inappropriate to compare this on a market value per Acre basis, it is appropriate to compare on a per market unit basis. However, we understand that Silicon Tower does not have the level of enabling costs and the lengthened project length which are both factors that increase costs with Mount Pleasant. The values per unit are likely to be higher as it is a high rise development.

Worcester Point, 89-93 Central Street, EC1V 8AL

- 5.28 This is a less desirable existing development so likely to have a relatively low EUV but this is dependent to a large extent on its ability to generate an income. The scheme is unlikely to have same extent of phasing, enabling costs etc. which affect the subject site.
- 5.29 DVS have compared the subject site on a per market unit basis to both Silicon Tower and Worcester which is difficult as these two are much smaller schemes without the costs associated with the Mount Pleasant scheme including the long phasing, lots of enabling works etc. and high profit (on GDV basis). We consider it more appropriate to compare the market value per unit of the larger sites: City Forum and Goodman's Fields (although account must be had to the EUV issue). These both have lower figures (Goodman's Field, £107,000 per market unit; City Forum [REDACTED] per market unit) than Mount Pleasant's [REDACTED]. This is in spite of the high EUV element of their purchase prices.

Comments on DVS's review of land valuation

- 5.30 DVS has applied a 10% per annum growth rate to the comparable sales to reflect improving market conditions. In the case of City Forum this amounts to a 28% increase to the price paid. While we recognise that there has been an improvement in values, this is a somewhat arbitrary approach to take and has not been supported by any evidence of land value growth. We also note that DVS has not taken a consistent approach in applying actual residential sales value growth in reworking their appraisals.

Further discussion of Market Value approach

- 5.31 We have a number of concerns with this approach, as set out below:
- a) Comparing land transactions is dependent on a full knowledge and understanding of the proposed developments being used for comparison purposes. The number of development variables that comprise an appraisal which in turn generates a land value are highly numerous, some of the key items we consider below:
- Abnormal development costs
 - Timescale for delivery
 - Prospects for securing planning consent
 - Likely S106 and other planning obligations
 - Existing income generating uses on site
 - Locational variations
 - Height and massing of development
 - Scale of development i.e. large developments versus small

There is no apparent evidence that analysis of the proposed land sales comparables has been undertaken to this level. We would expect detailed residual appraisals to be prepared based on detailed knowledge of the site specific costs and values as a basis to assess resultant residual land value to ensure that values per sq m of development are truly comparable. There is also no suggestion of full knowledge in relation to most of the cited comparables.

- b) Land transactions don't necessarily reflect a sensible land price. It being that purchasers may be tempted to overbid for land based on sentiments about rising

house prices. A good example of this is City Forum where the current affordable offer is not supported by current values.

- c) By generating residual appraisals for each of the land sale comparables it would be possible to determine whether they support the price paid for the land. This is crucial to assessing whether the sales data is genuinely useful or not.

- 5.32 We are of the opinion that it is not just an issue of the amount of the premium realised over existing use value, it is also the justification for the premium that should be considered relevant when looking at land value from any perspective other than Market Value.

THE GLA Guidance AFFORDABLE HOUSING - DEVELOPMENT CONTROL TOOLKIT: GUIDANCE NOTES (2012) provides the following statement:

In understanding whether development is viable, it is important for all parties to distinguish between 'scheme viability', and 'site viability'. A scheme may 'stack up' for residential or mixed use development but if the value generated by that scheme does not exceed the value of the site in its current use, then the site will not come forward.

It is important that not only the developer makes a reasonable return, but also the land owner. The land owner is, in most circumstances (compulsory purchase as an exception) in the driving seat in so far as the decision to bring a site forward is concerned. At a site specific level, the return that the land owner requires will vary according to a range of factors including the market cycle, tax position and the long term investment potential of the site.

The allowance for land owner return needs to be considered in the context of local planning and land supply circumstances. A Borough that is pressured to deliver high volumes of housing may need to take a more flexible approach than one which has low housing delivery targets; the latter can, assuming a high affordable housing need, and a plentiful supply of potential sites, be less 'generous' in the land owner return it deems satisfactory.

- 5.33 Based on this guidance it is apparent that the GLA believe that the level of premium allowable is to an extent the product of housing numbers pressure on a local authority.

- 5.34 The GLA Guidance from 2011 made the following statement:

Local authorities may wish to ask planning applicants for information relating to the history of a site in deciding whether a specified affordable housing contribution is viable or otherwise. It is quite justifiable for land owners to require a 'return' on their land. In a situation where a planning permission adds significantly to an existing land use, then the uplift in land value serves as a return. Where the land owner is a business, then there is an additional consideration in whether the business can, or needs to re-locate. Under these circumstances the residential planning permission (with or without affordable housing) will have to provide sufficient money to allow the firm to purchase another site to carry on the business. The site may be owned and being promoted by a merchant land owner, which itself operates as a business and requires a specified return.

Local authorities should be aware of land market operators that purely seek to 'turn' land with a view to reducing or re-negotiating an affordable housing or Section 106 contribution without themselves bringing forward land for housing.

- 5.35 Arguably this guidance is now superseded but suggests the circumstances of the land owner should be taken into consideration in determining the level of premium which should be considered appropriate.

6.0 DEVELOPMENT PROGRAMME AND TIMING OF COSTS

- 6.1 We have concluded that the land payment(s) ought be modelled at a later date than that assumed by Gerald Eve [REDACTED], as we consider it to be unrealistic to assume a developer would pay for the land up-front such a long time before vacant possession is attained, particular give the detrimental impact such an early payment would have viability (i.e. cashflow/IRR-output).
- 6.2 We also moved back the date of the Phase 2 enabling works as whilst these have largely already been completed, we consider it not realistic to expect a developer to pay for these at such an early stage.
- 6.3 While we have sought to make some adjustments to the development programme, we recognise the potential for a more radical re-design of the programme once a developer is involved, and it is difficult to foresee what impact this may have on scheme viability, which emphasises the high degree of uncertainty over viability at this stage of the design process.

Timing of Land Payment

- 6.4 In Gerald Eve's latest appraisal, the land cost is incurred in [REDACTED], . As Annex 1 demonstrates, the early timing of this payment [REDACTED] before construction starts on the Phoenix site, and [REDACTED] before it starts on the Calthorpe Site - acts as a major constraint upon the IRR generated by the appraisal. The Phase 2 enabling costs are also incurred early and have a similar impact.
- 6.5 Even using a conventional appraisal approach, using a residual-output appraisal, with a fixed profit (based as a % of cost or value) as an input, the early land payment and enabling costs would still be a major constraint on viability, owing to the high level of finance costs this creates, although the effect is not as marked as in an IRR-based appraisal.
- 6.6 The site remains in the ownership of RMG. The development programme by M3 dated [REDACTED], puts the date of land sale at [REDACTED], for the Phoenix Place site and [REDACTED], for the Calthorpe Street site. M3's programme therefore supports later land payments and supports the principle of these payments being phased - i.e. split between the two sites. In contrast, the timing of Gerald Eve's land payment has not been explained anywhere to the best of our knowledge.
- 6.7 We are of the view that the land payments ought to be moved up to the time of vacant possession of each of the sites (see Annex 1).

Enabling Costs

- 6.8 In Gerald Eve's later appraisal, Phase 2 Enabling Works ([REDACTED]) are incurred between [REDACTED],
- 6.9 We suggest it would be appropriate for these costs to be incurred by the developer at the date the land payment is made - being, in our view, at the date of vacant possession. These costs are at present incurred a long time before vacant possession is achieved and construction has commenced. Even though RMG has decided for whatever reason to undertake these works at an earlier stage, it is more realistic that a developer would only pay for these works at a later stage and would, if undertaking the

works themselves, not seek to complete them any sooner than necessary, given the cashflow/viability impact this has.

Affordable Housing Revenues

- 6.10 In our revised appraisal, we have split the affordable housing revenues into three and timed the payments as follows: payment one at start of construction of each phase; payment 2 at earliest PC date for the phase; and payment 3 at latest PC date. At the moment the value of the affordable is paid in a lump sum at end of each phase, which does not reflect the typical payment basis adopted by RP's.

7.0 SALES VALUE GROWTH

Introduction

- 7.1 It is generally accepted practice that all valuations whether for the purpose of planning viability or for more conventional valuations are based on current day costs and values. This is because the valuation can then be grounded purely in fact rather than conjecture. It is, however, often useful to predicate up-front affordable housing offers upon expectations of growth, provided that this growth is realistic and based on appropriate forecasts.
- 7.2 The following Table summarises the different growth forecasts that have been considered in relation to the proposed scheme, together with Knight Frank's Q4 2013 forecast which has not but applied but which shows how it has revised substantially its Q4 2012 forecast:

| | 2013 | 2014 | 2015 | 2016 onwards |
|--|------|------|------|--------------|
| Knight Frank Q4 2012 forecast (used in Gerald Eve's November 2013 appraisal) | 1% | 3% | 4% | 5% |
| Knight Frank Q4 2013 forecast for Prime Outer London | 9.3% | 7% | 2% | 4% |
| DVS forecast (Sep 13) | 6% | 6% | 6% | 6% |
| CEBR forecast (November 2013) | 9.5% | 9.5% | 9.5% | 9.5% |
| 2013 growth based on <u>actual</u> EC1 growth (2012-13) as shown by Land Registry data | 36% | | | |

- 7.3 As shown above, Gerald Eve's modelled growth is especially low for 2013, 2014 and 2015 (at 1%, 3% and 4% respectively), and it is these early years' growth which have a proportionately greater impact on viability the later years' growth - because all the units are subject to this growth and due to the appraisal being 'time-weighted' which means that later growth has a lesser impact on the profit IRR-output. The growth in these years is therefore of great significance to scheme viability.

- 7.4 Based on our review we are able to conclude that:

- a) There is a wide variance between the three different forecasts which of itself highlights the inherent risks associated with using growth forecasts as a reliable and certain basis for assessing the economic viability of schemes with long development periods.
- b) Of the three forecasts that prepared by CeBr is the most focussed on long terms trends relating to new build development in the relevant locality. If adopted, its forecast for growth would indicate that the development is significantly more viable than either Gerald Eve or DVS have so far concluded.

- 7.5 We summarise our concerns with the Knight Frank's growth forecast below:
- a) Out of date (Q4 2012)
 - b) Predictions contradicted by actual growth realised since the forecasts were made
 - c) Not specific to the locality of Mount Pleasant
 - d) Gerald Eve has applied Knight Frank's Outer London rather than Central London estimate
 - e) The forecast relates to prime properties, i.e. over £2m and so are also not applicable.
 - f) Contradicted by Knight Frank's own forecast for the locality of Mount Pleasant (i.e. the Farringdon area)
- 7.6 In the context of Mount Pleasant CeBr's review has in our view a number of advantages over Knight Frank's:
- a) It is specific to Mount Pleasant area rather than London wide
 - b) It focusses on the right property sector rather than Prime market
 - c) It is more up-to-date so reflects the recent improvement in market
 - d) It has not already been proven to be incorrect
- 7.7 We set out below our detail comments on the Knight Frank's forecast, and on the other forecasts.

Knight Frank forecast

- 7.8 Knight Frank's Q4 2012 forecast (4.5% p.a. growth) is now out of date. It provides forecasts for prime outer London property which may not be entirely appropriate for Mount Pleasant as Knight Frank's definition of Outer London does not include Islington.
- 7.9 So far Knight Frank's predictions for growth in 2013 have been shown to be significantly below actual growth experienced in 2013. Arguably it is easier to predict with more accuracy the year ahead rather than 10 years ahead, therefore this underestimate of the last 12 months should raise questions about the accuracy of its assumptions for later years as well. Furthermore the projections are not specific to the Mount Pleasant locality and reflect growth assumptions considerably below historic growth rates.
- 7.10 Knight Frank predicted 1% for 2013 growth; the actual figure (based on land registry) is 36% for EC1 (Mount Pleasant straddles the border of EC1 and WC1).
- 7.11 Knight Frank's more recent forecast shows that their Q4 2012 forecast was overcautious. They have still, however, actually reduced their 2015 to 2016 forecast "due to market uncertainty in the run up to the UK general election". No evidence is provided in support of this view concerning the likely impact of the run up to the general election, and seems a somewhat arbitrary basis for revising down forecast growth.
- 7.12 Knight Frank's Q4 2012 estimate for 2013 was 1.0% growth for Prime Outer London and 0.0% for Prime Central London. Gerald Eve applied the Prime Outer London rate although the Mount Pleasant locality would typically be categorised as being in Central London. Knight Frank does not provide a definition of these areas in its report. Knight Frank's "Sales Index" does indeed state that Islington is included as part of its

definition of Prime Central London. This is important as the Central London forecast showed higher growth (6%) post 2016 than Outer London (5%) in the Q4 2012 report.

- 7.13 Knight Frank's later Q4 2013 forecast for 2013 identifies growth of 6.5% for Prime Central London and 9.3% for Prime Outer London. It is not clear why this is called a forecast given that it took place near the end of 2013. We presume this estimate is based largely on actual growth. Assuming these new growth rates for 2013 are reliable, it shows that even on Knight Frank's own figures, their Q4 2012 forecasts were incorrect showing under estimates of between 6.5-8.3%. Significantly underestimating sales values at the outset of this development means that even though growth is applied throughout the development, all sales values start at a lower base than is actually achievable in the current market which has the effect of depressing actual viability on all phases.
- 7.14 It is important to note that Knight Frank's report is a general market overview and is not specific to this locality or specifically to the Mount Pleasant site which is in an area widely viewed as having exceptional growth potential over the coming years owing to its regeneration.
- 7.15 The Knight Frank forecast adopted by Gerald Eve contrast with the more local forecast - also by Knight Frank - in relation to the Farringdon Area, in which Mount Pleasant is location (the site is c.600 yards from Farringdon Overground). As DVS state:
- Having regard to recent comments both Jones Lang LaSalle and Knight Frank research are forecasting uplift in residential capital values of c. 40% for residential schemes that are within a 10 minute walk time of Farringdon Station over the period to 2018 due to Crossrail. Clearly both LB Camden and LB Islington residential values will benefit from improved infrastructure at Farringdon Station*
- 7.16 Knight Frank's Prime Central London forecast appears to relate to exclusively to properties selling for over £2m. Knight Franks Q4 2012 report notes that its definition of "prime" properties in Central London, which is referred to as being inclusive of Islington, includes all properties worth over £2m. In contrast, the vast majority of the proposed units are valued at under £1m. Therefore "prime" property growth forecasts may lose their relevance in relation to the lower value stock in Mount Pleasant. This is a key issue given that Knight Frank's pessimistic 2013 forecast and its later forecasts, especially 2014 and 2015, are predicated largely on the perceived negative impact that the government's proposed increase in stamp duty on units over £2m will have on sales values. The proposed increase is from 5% to 7-15%, the 15% rate only applying to purchases secured through a 'company structure'. This shows that Knight Frank's forecast is highly specific to this class of property and the Central London forecast also cannot be relied upon in terms of indicating accurate trends for the development which consists of lower valued property.
- 7.17 Knight Frank's Q4 2012 report does mention that "price growth in the £2-5m band slowed in the wake of the introduction of the new stamp duty rules in March 2012, while price growth and market activity in the sub-£2m band flourished.". This suggests that it is inappropriate for Gerald Eve to base their growth model on forecasts that relate to a category of property which includes £2m-plus housing instead of the better performing lower-valued category of housing.

DVS review of growth

- 7.18 DVS's report provides its own estimate of growth, of 6% per annum.

- 7.19 DVS's September 2013 appraisal does not factor in growth since the original value estimate was undertaken in March 2013 or earlier, thus the 6% rate it applies to 2013 is almost certainly understated.
- 7.20 Our general view is that DVS's review of the growth forecasting ought to have limited itself to assessing the general usefulness and limitations of forecasts and to considering to what extent the Knight Frank forecast (irrespective of whether it is reliable or not) is actually applicable to the area and the property class in question.
- 7.21 DVS appears to have based its growth estimate largely on the Knight Frank's forecast for the Farringdon area. It is worth noting the disparity between Knight Frank's growth for the Farringdon area (40% up to 2019) and the much lower growth applied by Gerald Eve (based on Knight Frank's Outer London figures). This suggests that Gerald Eve have not used Knight Frank's most suitable forecast.
- 7.22 We accept that DVS's reliance on this forecast for the Farringdon area has some merit, particularly in comparison to Gerald Eve's reliance on what appear to be an inappropriate forecast.

CeBr forecast

- 7.23 The Council commissioned further research on house price growth from CeBr and their report is dated November 2013. CeBr is a leading authority on generating forecasts of future economic trends. This report considers long term historic growth trends and forecasts an average growth of 9.5% per annum. It is based on growth rates in WC1 and the locality of Mount Pleasant.
- 7.24 We endorse CeBr's approach of focussing its forecast specifically on Land Registry data for new build properties. Land Registry data for Islington reflecting all housing stock includes sales of former Council owned units from within Islington's many housing estates which significantly underperform values that can be achieved in new build properties, particularly in the south of the Borough.
- 7.25 CeBr's key forecast is that the Mount Pleasant area's growth will rise 9.5% year-on-year. The average growth rate is expected to be 8.4% for Islington and 7.3% for London.
- 7.26 We consider that if the applicant is seeking to rely on growth projections as a basis for justifying the absence of a review then the growth adopted must be credible. Accepting that CeBr's review is specific to the area, new build property and the property types that will be delivered by City Forum it shows that reliance on Knight Frank's 2012 forecasts, which are shown to be out of date and have so far proven to be significantly inaccurate is flawed.

8 COST GROWTH

- 8.15 One other important issue to consider in growth forecasting is the potential for build cost growth which will have the effect of netting down any positive impact on viability that arises from house price growth. DVS concluded that Gerald Eve's adopted cost inflation rates were "not unreasonable" based on DVS's view that these rates are below the trend from 2000 to 2008. Little further commentary is given by DVS. As DVS state:

In preparing the FVA the applicant has adopted cost inflation forecasts prepared by Davis Langdon, the costs consultants to the project, and in having regard to the forecast I am of the opinion they are reasonable after having regard to the BCIS forecast over a similar period.

- 8.16 Gerald Eve state that their inflation rates were based [REDACTED], but no further details are provided. We have no reason to dispute the robustness of these forecasts, although we are the view they are prone to the same inherent weakness that apply to the forecasts of sales value growth.
- 8.17 In our present day version of our revised appraisals, we have updated the March 2013 cost estimates up to January 2014 by applying a 3% increase up to January 2014, broadly based on the "On-year" increase of 3.4% shown by the BCIS All-in Tender Price Index.
- 8.18 For the growth models we have added an additional 1% growth to account for the higher cost growth than the [REDACTED] shown for 2013 in Gerald Eve's model.

9 PRIVATE RESIDENTIAL VALUES

- 9.1 We have sought to establish whether the original average estimate of [REDACTED] per ft² ([REDACTED] per m²) is reasonable, based on the evidence provided by Knight Frank in its 26th February 2013 valuation report. Secondly, we have considered the impact of sales value growth since the date of the appraisal.
- 9.2 One of our concerns is that Knight Frank's valuation has not been adequately supported by comparable evidence. The report includes four 'key comparables' with a single average value per ft² for each but no supporting evidence to show how these average values were arrived at, such as, for example, a schedule of achieved (or asking) prices for individual units.
- 9.3 Knight Frank's report states that a schedule of comparable evidence is provided in Appendix One, but this Appendix has not been provided. DVS has recently informed us that it never received a copy of this schedule of comparables, nor did it receive any supporting evidence in relation to the four 'key comparables'. We have asked Gerald Eve to provide us with this information but have not done so to date.
- 9.4 Given the lack of supporting information provided to ourselves and to DVS, we are not able to determine whether or not Knight Frank's sales values are based on verifiable market evidence.
- 9.5 In respect of DVS's report, it does not provide any of its own comparable evidence with which to support its view that Knight Frank's estimate is reasonable, so we have no way of verifying whether this view is based on substantive evidence.
- 9.6 Given the lack of supporting evidence in both Knight Frank's report and DVS's review of this report, we conclude that there remains a considerable amount of uncertainty over values and we are not able to validate the robustness of the valuation (and DVS's review of it). This strengthens the case for implementing a review of viability (based on outturn values and costs) so as to deal with this uncertainty.
- 9.7 We understand that the proposed development will be relatively high specification. Knight Frank's marketing report and valuation is based on the assumption [REDACTED],, which we have taken into account when considering achievable values.
- 9.8 We have compiled our own research which we consider that the locality is indeed an 'established' residential area with high values achievable and a considerable amount of recent new-build sales evidence - contrary to what it suggested by both Knight Frank and DVS.
- 9.9 We discuss Knight Frank's valuation in more detail below, followed by an outline of DVS's review of these values, and we then consider estimated values in the context of local sales transactions that we have collected.

Analysis of Knight Frank sales value estimate

- 9.10 As noted above (Para 9.3), the only sales value information provided to us (and, we understand, to DVS) in support of Knight Frank's estimate are for average scheme values per ft², which relate to each of four 'key comparable' schemes (Art House, Canaletto, Eagle House and Central Square), with no supporting evidence provided for these averages. Our assessment of sales values has thus necessarily needed to focus upon sales evidence that we ourselves have acquired, including sales transactions we have attempted to obtain for the four schemes cited by Knight Frank.

9.11 Concerning their approach to arriving at a sales value estimate, Knight Frank state the following:

“When considering the values of the proposed units we have had regard to the opinion of the Knight Frank New Homes Team....as well as the sales evidence that was average at the time.

While the site is located in a desirable area there are few developments of a similar scale or quality and therefore there is relatively little in the way of direct new build evidence. This lack of new build evidence makes it difficult to compare like for like and while we have focussed on Kings Cross [Art House] and Canaletto, we have also relied to a certain extent on our own opinion.”

9.12 The above are the only comments concerning how Knight Frank arrived at its overall estimate, other than its statement that, *“using our local expertise and knowledge Knight Frank thorough studied the local market comparables both second hand and new build..”*

9.13 We question the (somewhat imprecise) claim that there is ‘relatively little direct new build evidence’. We have found transactional evidence from local new-build and recently-built schemes which are highly suitable comparables and are located very close to the subject site. We are not clear as to the meaning of ‘similar scale and quality’, as the scheme will essentially be provided in a number of smaller blocks for which there exist similar comparable schemes nearby e.g. 28-30 Theobald’s Road.

9.14 As Knight Frank states, it focussed on Art House and Canaletto, both of which are a considerable distance from the subject site (1.3km and 1.1 km away respectively) and are highly different types of development than the subject scheme, with Canaletto being a high-rise apartment block. We question the suitability of these schemes; indeed, Knight Frank does seem to have acknowledged the limited value of these schemes as comparators, despite having used them as its key comparables.

9.15 Knight Frank states that it has ‘to a certain extent’ relied on its own opinion when formulating its estimate. We are unclear of the precise extent of this reliance, especially given the lack of comparable sales evidence we have been provided with, and the lack of analysis of comparable evidence in Knight Frank’s report.

9.16 In conclusion, the evidence provided falls far short of what we or another reviewer might usually expect to be provided with for the purposes of reviewing sales value estimates, especially in the case of such a large scheme.

Analysis of Knight Frank’s key comparables

9.17 In the case of all four comparable schemes, Knight Frank includes a very limited commentary on their suitability as comparators to the subject scheme.

9.18 We unable to validate the average estimated values given for each of the key comparable, owing to the lack of supporting evidence.

9.19 Our analysis of these comparables does, however, indicate (based on our alternative view on these schemes, and on recent sales growth and recent transactions) that considerably higher values could be achieved at the proposed scheme. Thus even based on Knight Frank’s own key comparables, its estimated values appear to be understated.

Art House

- 9.20 The estimated average value provided is £930 per ft², and was considered along with Canaletto by Knight Frank to be the two most suitable comparables. This scheme is located near King's Cross and is due for completion in Q4 2013.
- 9.21 Knight Frank has applied a discount of [REDACTED] per ft² ([REDACTED] m²) to reach its Mount Pleasant estimate of [REDACTED] per ft², ([REDACTED] m²) the first reason given being that Art House is a better quality development, although no evidence is provided in support this view, which is at variance with Knight Frank's comment that Mount Pleasant's unit specification will equal or 'exceed' that of nearby pipeline developments. The second reason given is the superior transport links.
- 9.22 We consider that the subject site is sufficiently near Tube Stations to not be significantly disadvantaged, and that in fact Art House is arguably dis-advantaged because of its close proximity to the busy King's Cross station and its less desirable environment. Art House is in the midst of a busy transport hub, in a wider regeneration area, which is indeed cited by Knight Frank as one of its weaknesses.
- 9.23 Mount Pleasant is only a ¼ mile from Holborn Station and also has easy access to King's Cross. And it is 650 yards from Farringdon which provides Underground and National Rail services and will soon provide Crossrail, so we do not consider that any discounts at all should be made for supposedly inferior access to transport.
- 9.24 As Heatmap data shows (Appendix One), the locality of the subject site is at least on a par with (and arguably higher than) values in the vicinity of Art House. Our own view is that Mount Pleasant is in a marginally superior residential location.
- 9.25 We have obtained the following information on recent asking prices at Art House. Although this is not a comprehensive list (this being the only asking prices at Art House that are available to us) this does indicate that average values per ft² are considerably possibly higher £1,284 per ft² (£13,815 m²) than Knight Frank suggest £930 per ft² (£10,000 m²), probably in part due to strong value growth since their analysis was undertaken (February 2013 or before).

| Unit | Value | |
|-------------------|---------------|----------------|
| | per sq ft | per sq m |
| 2 bed (5th Floor) | £1,283 | £13,805 |
| 3 bed | £1,048 | £11,276 |
| 1 bed (3rd Floor) | £1,149 | £12,363 |
| 1 bed (4th floor) | £1,297 | £13,956 |
| 1 bed (3rd Floor) | £1,449 | £15,591 |
| 2 bed | £1,478 | £15,903 |
| | £1,284 | £13,816 |

- 9.26 Even assuming for the sake of argument that Knight Frank' suggested [REDACTED] per ft² ([REDACTED]m²) reduction from £930 (£10,000 m²)to [REDACTED] per ft² ([REDACTED] per m²) is justified, based on the most recent pricing evidence - at an average of £1,284 per ft² (£13,815 m²)- this would give an updated Mount Pleasant

value of £1,218 per ft² (£13,105 m²) suggesting that Knight Frank's original estimate [REDACTED] per ft² ([REDACTED] per m²) is now understated by c40%.

- 9.27 In conclusion, we remain to be convinced that Mount Pleasant will achieve values lower than Art House, and based solely on the above Art House values, the implication is that an average values of at least £1,280 per ft² (£13,772 m²) ought to be applied.

Canaletto

- 9.28 The estimated average value provided by Knight Frank is £1,000 per ft² (£10,760 m²) This scheme is opposite City Forum, and is due for completion in Spring/summer 2015. The units are currently being marketed for sale off plan.
- 9.29 As Canaletto is a high rise scheme we accept that higher values would be achievable overall than for an equivalent low-rise scheme. The difficulty is that Canaletto is a very different type of scheme to Mount Pleasant both in design and location and therefore requires much more adjustment to the figures to derive a comparable sales value. Inevitably each adjustment is based on opinion and the more adjustments that are made reduce the value of the comparable as direct evidence. This is especially true of this scheme as very little commentary has been provided by Canaletto.
- 9.30 Canaletto is in a significantly differently type of location, being close to the busy City Road, and is not we consider directly comparable to the Mount Pleasant. It is moreover, 1.1 km away which is a long distance for a scheme which is being used as key comparable, particularly for Central London where values change rapidly by location.
- 9.31 We have collated recent pricing information for Canaletto. For example, the agents for the scheme informed us that 1-bed flats are on the market at c.£725,000 which equates to £1,104 per ft² (£11,879 m²) with typical studios at £500,000 £1,450 per ft² (£15,600 m²) and 2-beds typically priced at £810,000 £875 per ft² (£9,415 m²). The average value of these units is £1,143 per ft² (£12,298 m²) In contrast, Knight Frank quotes an average price of £1,000 per ft² (£10,760 m²) but we do not know how this has been calculated and whether it reflects sold values rather than asking prices.

Central Square, Seward Street

- 9.32 Average values cited are £800 per ft² (£8,608 m²) Knight Frank considers this scheme to be inferior to the Mount Pleasant scheme. This scheme is 1.4 km away, so is of limited use as comparable evidence.
- 9.33 Knight Frank state that this average is based on sales completed from September 2011 to June 2012 (thus reflecting prices potentially agreed at an even earlier date), so this could represent sales evidence that is effectively 2 years old on average.
- 9.34 Price rises have been recorded at around 10% per annum in this area (EC1) year on year from 1995-2013. We understand growth was c36% in 2012-2013, and 6% for 2011-12. Applying a conservative price increase of 40% to the Central Square values gives £1,120 per ft² (£12,051 m²) in present day values.
- 9.35 We note a 1-bed at Central Square was sold more recently (January 2013) at £485,000 £1,021 per ft² (£10,985 m²) which may better reflect the current values. Applying Knight Frank's level adjustment to reflect Mount Pleasant's superiority would give (based on the average of £1,120 per ft² (£12,051 m²)) an updated estimate of £1,184 per ft² (£12,739 m²) for Mount Pleasant.

Eagle House

- 9.36 Knight Frank cites average price £900 per ft² (£9,684 m²) No evidence has been provided in support of this estimate. This scheme is due for completion in Q1 2015. Knight Frank considers Eagle House to be of similar quality to Mount Pleasant. We note that Eagle House is arguably in an inferior location as it is adjacent to the busy City Road. It is 2.6km away from the subject site so is of limited use as comparable evidence.
- 9.37 We do not consider that any firm conclusions can be drawn based on Eagle House given its distance from the subject site and the lack of supporting evidence of values.

DVS review of sales values

- 9.38 DVS's viability review does not provide any analysis of Knight Frank's comparable evidence. Its conclusion (with reference to the four key comparables) is that "*..the residential values assessed by Knight Frank do not appear to be unreasonable at present in comparison to the comparables referred to by the applicant in N1 and EC1*". No justification has been provided for this view, and no transactional evidence provided. No analysis is provided concerning the suitability of Knight Frank's comparable schemes. DVS does not demonstrate that it has verified that the average values per ft² provided by Knight Frank for its four 'key comparables' are accurate and supported by documented evidence. Proceeding the above comment, DVS state:

However [sic], there is currently no comparable evidence within the immediate locality to fully support the values adopted for the scheme, due to the location of the subject site as it is not considered at present to be an established residential location.

As a result, the residential market in this locality is relatively un-tested and therefore the proposed scheme will generate its own market and capital values.

- 9.39 We highly question the assertion that the local residential market is "relatively untested"; the site is almost entirely surrounded by residential uses, located in close proximity - streets like Calthorpe Street and Pakenham Street, for example. And the site is surrounded by residential Conservation Areas, which demonstrates it is an established residential area. The northern section of the proposed development on the Calthorpe Site will form an integrated neighbourhood with the established residential streets to the north which provide high value, high quality housing.
- 9.40 We also question the statement that there is "*no comparable evidence within the immediate locality fully support the values*" - see the evidence above.
- 9.41 DVS's review of the estimated values focusses on Knight Frank's 'key comparables': Art House, Central Square, Eagle House and Canaletto. However, DVS's report gives no commentary at all on these schemes such as in respect of their similarities to the subject scheme. DVS simply conclude that it thinks the values are "not unreasonable" without giving any justification for, or evidence to support, this view.
- 9.42 We note that nearby established residential areas such as immediately to the west, near Gray's Inn Road, achieve relatively high values, so we would expect the proposed scheme to be able to create housing on a par with these areas.
- 9.43 DVS's is of the view that values are difficult to gauge given that the development will improve the area and "create its own market". We suggest, however, that it is possible to get a good idea of the 'tone' of the area once the proposed dwellings are developed, particularly based on the character and achievable values on the nearby residential

streets which give a strong indication that Mount Pleasant can become one of the more desirable residential locations in the wider area.

Updating values up to present day (Jan 2014)

- 9.44 We have undertaken our own research into the local residential market to enable us to form a view of what values could be achieved at Mount Pleasant. This includes analysis of more recent sales, thus clearly there is the potential for Knight Frank's estimates to be understated simply due to sales growth since its estimate (February) was made.
- 9.45 In our revised appraisal (Annex 1), we have sought to increase values up to present day (1st January 2014) levels based on evidence of actual growth in this locality. The resulting revised estimate can then be compared against present day market values.
- 9.46 We have adopted a rate of 36% per annum in our revised model (Annex 1) for 2013 in order to update the appraisal to present-day values, based on Land Registry data for EC1 (Mount Pleasant straddles the border of EC1 and WC1).
- 9.47 In contrast, Land Registry growth for Sep 12 to Sept 13 is 8.75% for the whole of Islington LB. Land Registry growth for Sep 12 to Sept 13 is 11.0% for the whole of Camden LB. This demonstrates the higher growth rates in the EC1-WC1 areas of these Boroughs.
- 9.48 Based on 36% p.a. growth for 2013 (which is conservative) the [REDACTED] per ft² present day value in Gerald Eve's report increases 30% up to present day (end of Nov), to [REDACTED] per ft² ([REDACTED] per m²) - say, [REDACTED] per ft² ([REDACTED] per m²).

BPS Market Commentary

- 9.49 Putting the Mount Pleasant site in context, Heatmap data, for example, demonstrates that areas nearby to the subject site achieve relatively high residential values for this area of London (see Appendix 1). There are especially high values in the nearby areas centred on Gray's Inn Road, Calthorpe Street and Rosebery Avenue. In consequence we would expect the proposed scheme to have the capability of generating a high value as it has the scale to create its own environment and provide facilities commensurate with a large scheme that will also boost values. The development will importantly provide quality open space, as well as having access to Gray's Inn Gardens and Coram's Fields.
- 9.50 The delivery of the scheme will in itself help to improve the local area significantly. Most notably, high values are achievable immediately to the north and west of the site, such as Calthorpe Street, Doughty Street, Gray's Inn Road and Gough Street which are predominantly comprised of attractive terraced townhouses. The proposed housing will become connected with these streets, forming an expanded residential area. To the south, Rosebery Avenue is an attractive street with some high-value residential uses.
- 9.51 We note that the site is largely surrounded by the Bloomsbury, Hatton Garden and Rosebery Avenue Conservation Areas, reflecting the fact that this is an established residential location with quality period architecture.
- 9.52 We outline below some nearby recently built schemes in the immediate vicinity of the subject site.

28-30 Theobald's Road

- 9.53 This recently built (2009) scheme is located less than 250 yards to the south west of the subject site. It is an office conversion to flats which was then refurbished recently. It is next to an unattractive office occupied by the Citizen's Advice Bureaux. Although a 'period' conversion it appears to not be of exceptional architectural merit.
- 9.54 Theobald's Road is a relatively busy road and we do not consider it to be superior to those streets adjoining the subject site - nor to the proposed streets which will be of a similar nature to the nearby streets such as Calthorpe Street.
- 9.55 The close proximity of this site is important, especially considering that the closest of Knight Frank's 'key comparable' sites (Canaletto) is 1.1 km away. Given how markedly Central London values can change within short distances, we consider it vital to have an understanding of values in the immediate area.
- 9.56 As can be seen in the Table below, values considerably higher than [REDACTED] per ft² ([REDACTED] per m²) have been achieved at this scheme. Once growth in values since the sales of these units is taken into account, using a 35% per annum growth rate (as indicated by Land Registry data for 2012 to 2013), the values per ft² are all in excess of £1,000 per ft². (£10,760 m²) The time elapsed since these completed understates it as the sales prices probably agreed a while before the sales completion.

| Address | Last sale price | Last sale date | Property type | Year built | Bedrooms | Floor area | £ per sq m | £ per sq ft | months sold before | | |
|---------------------------------------|-----------------|----------------|---------------|------------|----------|------------|------------|-------------|--------------------|--------------------|--------------------|
| | | | | | | | | | present | with 35% pa growth | with 35% pa growth |
| Flat 14 28-30 Theobalds Road WC1X 8NX | £1,460,000 | 15 May 2012 | Flat | 2009 | 2 | 93 | £15,698.92 | £1,458.48 | 6 | £1,715,500 | £1,713.71 |
| Flat 3 28-30 Theobalds Road WC1X 8NX | £1,000,000 | 02-May-12 | Flat | | 3 | 102 | £9,803.92 | £910.81 | 6 | £1,175,000 | £1,070.21 |
| Flat 2 28-30 Theobalds Road WC1X 8NX | £495,000 | 25 Jul 2013 | Flat | | 1 | 48 | £10,312.50 | £958.06 | 4 | £552,750 | £1,069.84 |
| Flat 6 28-30 Theobalds Road WC1X 8NX | £895,000 | 17 Oct 2012 | Flat | | 2 | 102 | £8,774.51 | £815.18 | 13 | £1,234,354 | £1,124.27 |
| Flat 5 28-30 Theobalds Road WC1X 8NX | £865,000 | 02-May-12 | Flat | | 2 | 78 | £11,089.74 | £1,030.27 | 18 | £1,319,125 | £1,571.16 |
| Flat 1 28-30 Theobalds Road WC1X 8NX | £485,000 | 21 May 2012 | Flat | | 1 | 48 | £10,104.17 | £938.71 | 18 | £739,625 | £1,431.53 |

- 9.57 Based on 2013 actual growth, the equivalent present-day average value for these Theobald's scheme is £1,330 per ft² (£14,310 m²). The most recent sales achieved £1,069 per ft² (£11,502 m²).

28 Amwell Street

- 9.58 This is a new-build in close proximity to the subject site (350 yards away). We have obtained the following achieved values:

| Address | Last sale price | Last sale date | Property type | Year built | Bedrooms | Floor area | Price per ft |
|---|-----------------|----------------|---------------|------------|----------|------------|--------------|
| Flat 13 Charles Allen House 28 Amwell Street EC1R 1XU | £832,500 | 28 Mar 2013 | Flat | 2013 | 2 | 80 | £966.77 |
| Flat 5 Charles Allen House 28 Amwell Street EC1R 1XU | £802,000 | 20 Dec 2012 | Flat | 2013 | 2 | 80 | £931.35 |
| Flat 9 Charles Allen House 28 Amwell Street EC1R 1XU | £765,000 | 14 Mar 2013 | Flat | 2013 | 2 | 80 | £888.39 |
| Flat 7 Charles Allen House 28 Amwell Street EC1R 1XU | £756,000 | 26 Mar 2013 | Flat | 2013 | 2 | 80 | £877.93 |
| Flat 10 Charles Allen House 28 Amwell Street EC1R 1XU | £780,000 | 28 Mar 2013 | Flat | 2013 | 2 | 83 | £873.06 |

- 9.59 The values achieved are all in excess of the average of [REDACTED] per ft² ([REDACTED] per m²). Usefully, most of these sales date from March - near the date of Knight Frank's valuation.

General new-build transactions

- 9.60 We have compiled the following tables showing recently transacted new-build units situated within 1 mile and a quarter mile of the subject site respectively. We do not

possess information concerning values broken down by floor area for most of these units, but these tables do demonstrate that there is indeed a good level of highly local new-build stock, which should have been used as evidence when valuing the proposed units.

| Address | Last sale price | Last sale date | Property type | Year built | Bedrooms |
|--|-----------------|----------------|---------------|------------|----------|
| Flat2 Charles Allen House28 Amwell Street EC1R1XU | £650,000 | 24-Jun-13 | Flat | 2013 | 2 |
| Flat10 Charles Allen House28 Amwell Street EC1R1XU | £780,000 | 28-Mar-13 | Flat | 2013 | 2 |
| Flat15 Albany House41 Judd Street WC1H9QS | £335,000 | 10-Apr-13 | Flat | 2013 | 0 |
| Flat24A Cubitt Street WC1X0LR | £815,000 | 11-Apr-13 | Flat | 2013 | 2 |
| Flat9 Charles Allen House28 Amwell Street EC1R1XU | £765,000 | 14-Mar-13 | Flat | 2013 | 2 |
| Flat144-7 Red Lion Court EC4A3EB | £1,042,750 | 11-Jan-13 | Flat | 2013 | 2 |
| Flat74-7 Red Lion Court EC4A3EB | £994,375 | 11-Jan-13 | Flat | 2013 | 2 |
| 4 Ingle Mews EC1R1XG | £695,000 | 22-May-13 | Flat | 2013 | 2 |
| Flat14-7 Red Lion Court EC4A3EB | £600,000 | 14-May-13 | Flat | 2013 | 2 |
| 5 Ingle Mews EC1R1XG | £695,000 | 12-Apr-13 | Flat | 2013 | 2 |
| 1 Ingle Mews EC1R1XG | £695,000 | 15-Mar-13 | Flat | 2013 | 2 |
| 801 Frobisher Crescent EC2Y8HD | £1,590,000 | 10-Apr-13 | Flat | 2013 | 3 |
| 701 Frobisher Crescent EC2Y8HD | £1,490,000 | 22-Mar-13 | Flat | 2013 | 3 |
| 901 Frobisher Crescent EC2Y8HD | £1,840,000 | 11-Mar-13 | Flat | 2013 | |
| Flat104-7 Red Lion Court EC4A3EB | £997,660 | 07-Jan-13 | Flat | 2013 | |
| Flat44-7 Red Lion Court EC4A3EB | £980,000 | 11-Jan-13 | Flat | 2013 | |
| Flat34-7 Red Lion Court EC4A3EB | £902,000 | 09-Jan-13 | Flat | 2013 | |
| Flat94-7 Red Lion Court EC4A3EB | £633,800 | 21-Jan-13 | Flat | 2013 | |
| Flat84-7 Red Lion Court EC4A3EB | £610,000 | 11-Jan-13 | Flat | 2013 | |
| Flat54-7 Red Lion Court EC4A3EB | £610,000 | 15-Jan-13 | Flat | 2013 | |
| Flat114-7 Red Lion Court EC4A3EB | £600,000 | 11-Jan-13 | Flat | 2013 | |
| Flat3 Doltan House51 Werrington Street NW11QN | £525,000 | 11-Jan-13 | Flat | 2013 | |
| Flat274 Newman Street W1T3DB | £499,999 | 05-Feb-13 | Flat | 2013 | |
| Flat174 Newman Street W1T3DB | £489,000 | 07-Mar-13 | Flat | 2013 | |
| Flat4 Doltan House51 Werrington Street NW11QN | £390,000 | 21-Jan-13 | Flat | 2013 | |
| Flat11 Albany House41 Judd Street WC1H9QS | £318,600 | 05-Apr-13 | Flat | 2013 | |
| Flat13 Albany House41 Judd Street WC1H9QS | £280,000 | 22-Mar-13 | Flat | 2013 | |
| Flat10 Albany House41 Judd Street WC1H9QS | £265,000 | 09-Apr-13 | Flat | 2013 | |
| Flat2 Charles Allen House28 Amwell Street EC1R1XU | £650,000 | 24-Jun-13 | Flat | 2013 | 2 |
| Flat10 Charles Allen House28 Amwell Street EC1R1XU | £780,000 | 28-Mar-13 | Flat | 2013 | 2 |
| Flat24A Cubitt Street WC1X0LR | £815,000 | 11-Apr-13 | Flat | 2013 | 2 |
| Flat9 Charles Allen House28 Amwell Street EC1R1XU | £765,000 | 14-Mar-13 | Flat | 2013 | 2 |
| Flat144-7 Red Lion Court EC4A3EB | £1,042,750 | 11-Jan-13 | Flat | 2013 | 2 |
| Flat74-7 Red Lion Court EC4A3EB | £994,375 | 11-Jan-13 | Flat | 2013 | 2 |
| 4 Ingle Mews EC1R1XG | £695,000 | 22-May-13 | Flat | 2013 | 2 |
| Flat14-7 Red Lion Court EC4A3EB | £600,000 | 14-May-13 | Flat | 2013 | 2 |
| 5 Ingle Mews EC1R1XG | £695,000 | 12-Apr-13 | Flat | 2013 | 2 |
| 1 Ingle Mews EC1R1XG | £695,000 | 15-Mar-13 | Flat | 2013 | 3 |
| 801 Frobisher Crescent EC2Y8HD | £1,590,000 | 10-Apr-13 | Flat | 2013 | 3 |
| 701 Frobisher Crescent EC2Y8HD | £1,490,000 | 22-Mar-13 | Flat | 2013 | 3 |

NEW BUILD UNITS WITHIN A 1/4 MILE OF SUBJECT SITE (WC1X)

| Address | Last sale price | Last sale date | Property type | Year built | Bedrooms |
|--|-----------------|----------------|---------------|------------|----------|
| 10 Wakefield Street WC1N1PF | £2,350,000 | 18-Jul-13 | Terrace | 2013 | |
| 8 Wakefield Street WC1N1PF | £2,200,000 | 10-Jun-13 | Terrace | 2013 | 2 |
| Flat24A Cubitt Street WC1X0LR | £815,000 | 11-Apr-13 | Flat | 2013 | 2 |
| Flat9 Charles Allen House28 Amwell Street EC1R1XU | £765,000 | 14-Mar-13 | Flat | 2013 | 2 |
| 2 Ingle Mews EC1R1XG | £695,000 | 01-Mar-13 | Terrace | 2013 | |
| 9 Ingle Mews EC1R1XG | £650,000 | 22-Aug-13 | Flat | 2013 | 2 |
| Flat2 Charles Allen House28 Amwell Street EC1R1XU | £650,000 | 24-Jun-13 | Flat | 2013 | 0 |
| Flat15 Albany House41 Judd Street WC1H9QS | £335,000 | 10-Apr-13 | Flat | 2013 | |
| Flat11 Albany House41 Judd Street WC1H9QS | £318,600 | 05-Apr-13 | Flat | 2013 | |
| Flat13 Albany House41 Judd Street WC1H9QS | £280,000 | 22-Mar-13 | Flat | 2013 | |
| Flat10 Albany House41 Judd Street WC1H9QS | £265,000 | 09-Apr-13 | Flat | 2013 | 2 |
| Flat10 Charles Allen House28 Amwell Street EC1R1XU | £780,000 | 28-Mar-13 | Flat | 2013 | 2 |
| 4 Ingle Mews EC1R1XG | £695,000 | 22-May-13 | Flat | 2013 | 2 |
| 5 Ingle Mews EC1R1XG | £695,000 | 12-Apr-13 | Flat | 2013 | 2 |
| 7 Ingle Mews EC1R1XG | £650,000 | 14-Aug-13 | Flat | 2013 | 2 |
| 1 Ingle Mews EC1R1XG | £695,000 | 15-Mar-13 | Flat | 2013 | 2 |
| 6 Ingle Mews EC1R1XG | £695,000 | 20-Dec-12 | Flat | 2012 | |

Second-hand market

9.61 The Table below demonstrates that high values have been achieved for second-hand apartments in the local area (within mile), and also contradicts the view that this is not

an “established residential area”. The next Table shows that a considerable number of recently-built secondhand units (built/comprehensively refurbished since 2009) which we consider could have been used as comparable evidence.

Second-hand sales within mile of subject site, within last year

| Address | Last sale price | Last sale date | Property type | Year built | Bedrooms | Floor area | Price per sq m | Price per sq ft |
|---|-----------------|----------------|---------------|------------|----------|------------|----------------|-----------------|
| Flat1095 Fetter Lane EC4A1EP | £355,000 | 29-May-13 | Flat | 1967 | 1 | 37 | £9,594.59 | £891.69 |
| Flat5 Jenner House Hunter Street WC1N1BL | £515,000 | 12-Jul-13 | Flat | 1908 | 1 | 53 | £9,716.98 | £903.07 |
| Flat114 Russell Court Woburn Place WC1H0LP | £255,000 | 23-Nov-12 | Flat | | 1 | 26 | £9,807.69 | £911.50 |
| Flat26 Cranfield House97-107 Southampton Row WC1B4H | £790,000 | 18-Jun-13 | Flat | | 2 | 80 | £9,875.00 | £917.75 |
| Flat8 Betterton House Betterton Street WC2H9BT | £500,000 | 25-Feb-13 | Flat | 1900 | 1 | 50 | £10,000.00 | £929.37 |
| Flat210 Gilbert Place WC1A2JD | £310,000 | 04-Jun-13 | Flat | 1860 | 1 | 29 | £10,689.66 | £993.46 |
| Flat367 Russell Court Woburn Place WC1H0NH | £248,500 | 20-Dec-12 | Flat | | 1 | 23 | £10,804.35 | £1,004.12 |
| Flat64 Defoe House Barbican EC2Y8DN | £750,000 | 15-May-13 | Flat | 1960 | 2 | 69 | £10,869.57 | £1,010.18 |
| Flat B34 Wilmington Square WC1X0EG | £364,000 | 05-Feb-13 | Flat | 1873 | 1 | 33 | £11,030.30 | £1,025.12 |
| Flat8 Three Cups Yard Sandland Street WC1R4PZ | £823,000 | 02-May-13 | Flat | | 2 | 74 | £11,121.62 | £1,033.61 |
| Flat24 The Factory1 Nile Street N17LX | £1,330,000 | 14-Dec-12 | Flat | 1998 | 3 | 118 | £11,271.19 | £1,047.51 |
| 58B Colebrooke Row N18AF | £755,000 | 19-Dec-12 | Flat | 1860 | 2 | 66 | £11,439.39 | £1,063.14 |
| Flat18 Aria House5-15 Newton Street WC2B5EN | £850,000 | 07-Dec-12 | Flat | 1990 | 2 | 74 | £11,486.49 | £1,067.52 |
| Apartment114 New River Head173 Rosebery Avenue EC1 | £2,875,000 | 12-Nov-12 | Flat | 1998 | 4 | 250 | £11,500.00 | £1,068.77 |
| Flat5 The Lab Building177 Rosebery Avenue EC1R4TW | £390,000 | 26-Nov-12 | Flat | 1999 | 1 | 32 | £12,187.50 | £1,132.67 |
| Flat15 Dingley Place EC1V8BP | £610,000 | 18-Jan-13 | Flat | 2001 | 1 | 48 | £12,708.33 | £1,181.07 |
| Flat344-46 Kingsway WC2B6EL | £800,000 | 24-May-13 | Flat | | 2 | 62 | £12,903.23 | £1,199.18 |
| Flat15 Brunswick Mansions8 Handel Street WC1N1PE | £410,000 | 01-Feb-13 | Flat | 1904 | 1 | 31 | £13,225.81 | £1,229.16 |
| Flat397 Huntley Street WC1E6AJ | £816,000 | 20-Feb-13 | Flat | 2008 | 2 | 60 | £13,600.00 | £1,263.94 |
| Flat265 Huntley Street WC1E6AJ | £840,000 | 12-Feb-13 | Flat | 2008 | 2 | 58 | £14,482.76 | £1,345.98 |
| Flat921 Barter Street WC1A2ED | £950,000 | 16-May-13 | Flat | 2008 | 2 | 60 | £15,833.33 | £1,471.50 |

| SECOND-HAND (RECENTLY BUILT) APARTMENTS | | | | | | | | |
|---|------------|-----------|------|------|--|--|--|---|
| Flat20 Carpenter Court37-41 Pratt Street NW10BJ | £620,000 | 21-Dec-12 | Flat | 2012 | | | | 3 |
| Unit210 Providence Place N10NT | £390,000 | 05-Nov-12 | Flat | 2012 | | | | 2 |
| Flat7242-244 St John Street EC1V4PG | £727,500 | 16-Nov-12 | Flat | 2012 | | | | 2 |
| Flat17 Carpenter Court37-41 Pratt Street NW10BJ | £525,000 | 21-Dec-12 | Flat | 2012 | | | | 2 |
| 6 Ingle Mews EC1R1XG | £695,000 | 20-Dec-12 | Flat | 2012 | | | | 2 |
| Flat610 Providence Place N10NT | £390,000 | 31-Oct-12 | Flat | 2012 | | | | 2 |
| Flat239-40 Bartholomew Close EC1A7JN | £750,000 | 25-Apr-13 | Flat | 2012 | | | | 3 |
| Flat1023 Newman Street W1T1PN | £1,635,000 | 04-Apr-13 | Flat | 2012 | | | | |
| Flat1223 Newman Street W1T1PN | £1,590,000 | 07-May-13 | Flat | 2012 | | | | |
| 262 Dance Square EC1V3AN | £1,500,000 | 27-Nov-12 | Flat | 2012 | | | | |
| Flat423 Newman Street W1T1PN | £800,000 | 01-Mar-13 | Flat | 2012 | | | | |
| 205 Dance Square EC1V3AN | £480,000 | 15-Nov-12 | Flat | 2012 | | | | |
| Unit210 Providence Place N10NT | £390,000 | 05-Nov-12 | Flat | 2012 | | | | 2 |
| Flat20 Carpenter Court37-41 Pratt Street NW10BJ | £620,000 | 21-Dec-12 | Flat | 2012 | | | | 2 |
| Flat7242-244 St John Street EC1V4PG | £727,500 | 16-Nov-12 | Flat | 2012 | | | | 2 |
| Flat17 Carpenter Court37-41 Pratt Street NW10BJ | £525,000 | 21-Dec-12 | Flat | 2012 | | | | 2 |
| 6 Ingle Mews EC1R1XG | £695,000 | 20-Dec-12 | Flat | 2012 | | | | 2 |
| Flat610 Providence Place N10NT | £390,000 | 31-Oct-12 | Flat | 2012 | | | | 2 |
| Flat239-40 Bartholomew Close EC1A7JN | £750,000 | 25-Apr-13 | Flat | 2012 | | | | 3 |
| Flat2 Shackleton House Chalton Street NW11RX | £425,000 | 18-Jan-13 | Flat | 2011 | | | | 2 |
| Apartment21 Crabtree Place W1T2AT | £1,170,000 | 12-Jul-13 | Flat | 2011 | | | | |
| Flat129 Bastwick Street EC1V3PN | £425,000 | 02-Aug-13 | Flat | 2009 | | | | 1 |
| Flat1351 Goswell Road EC1V7JP | £383,000 | 30-Nov-12 | Flat | 2009 | | | | 1 |
| Apartment27 Island Apartments33 Basire Street N18PN | £342,500 | 06-Nov-12 | Flat | 2009 | | | | 1 |
| Apartment2-05 St Pancras Chambers Euston Road NW12 | £1,170,000 | 17-Jan-13 | Flat | 2009 | | | | 2 |
| Apartment5-21 St Pancras Chambers Euston Road NW12 | £1,200,000 | 15-Mar-13 | Flat | 2009 | | | | 3 |

AFFORDABLE HOUSING VALUES

- 9.62 Given that the affordable values based on 12% affordable provision creates of £[REDACTED] of revenue, any increase in values could have a potentially significant impact on viability. But clearly this impact will rise if a greater percentage of affordable housing is provided.
- 9.63 Gerald Eve has undertaken its own valuation rather than base the valuation on offers from Registered Providers. This is, they state, to avoid any ‘internal cross-subsidy’ or ‘competitive considerations’ in the RPs’ offers. We do not agree with this view as the possibility of such factors should not be discounted. A large scheme with a significant element of affordable is likely to prove attractive to RPs and the possibility that they will bid higher than generally accepted models should not in consequence be discounted. Engagement with RP’s at an early stage also conforms with GLA guidance.
- 9.64 Although we acknowledge that it is currently accepted that public subsidy and/or housing grant should be assumed to not be available when determining viability, this does not apply to internal cross-subsidy and competitive considerations of RPs themselves. There also remains the possibility of grant becoming available at some point in the future.
- 9.65 Put simply, if RP’s put in high bids that is their concern and it is not for the developer to disregard or discount these high bids so as to dismiss the internal, corporate strategies of the RP’s themselves. Moreover, we fail to see how and why ‘competitive considerations’ should be disregarded, and such ‘considerations’ would in any case be very difficult to evidence and quantify. To dismiss ‘competitive considerations’ is to overlook the reality that RP’s competitively bid for housing in the open market, especially in a grant free environment.
- 9.66 Where affordable housing values are based directly on offers from RP’s, it is not necessary to scrutinise the assumptions behind these offers as they should, by definition, represent Market Value. In this case, Gerald Eve has not provided any evidence of market testing.
- 9.67 It is common for RP offers to exceed the value estimates that are calculated using models. This is often due to the assumptions that are in reality made by RP’s regarding assumptions such as capitalisation rates and levels of equity ‘staircasing’ when arriving at a suitable bid price. It is therefore important that RP testing is provided, especially given that Gerald Eve has not yet provided adequate support for its own valuation.
- 9.68 We have not received any supporting information concerning Gerald Eve’s valuation of the affordable housing despite having requested it. The viability assessment only provides weekly rental estimate per units, and then a final result in the form of a capital value per sq ft. We have not received details of the assumptions used in the model, nor any capital values per unit. This is insufficient information for the purposes of scrutinising the approach taken.

DVS view of affordable housing values

- 9.69 DVS provide no commentary on the proposed affordable values other than to repeat almost verbatim GE’s description of their valuation approach. Regarding the capital value estimates, DVS conclude that they “are of the opinion they are reasonable” without any justification or evidencing of this position. It has not been demonstrated that an adequate and robust review has been undertaken by DVS.

BPS comments- rented units

- 9.70 Gerald Eve's valuation is stated as being [REDACTED] per ft² ([REDACTED] m²) for the rented units, but elsewhere in their report it is stated as being [REDACTED] ([REDACTED] per m²) per ft² which creates uncertainty over what their final view is. No supporting evidence is provided for the rental estimates provided (which are 40-80% of market rent), and we haven't been provided with the assumptions used in the appraisal of these value rates including yields management costs.
- 9.71 It is still not entirely clear whether the model assumes Affordable Rents or Social Rents, and Gerald Eve has yet to clarify this point. Both 'social rent' and 'affordable rent' are referred to in its report. The weekly rents cited are clearly based on Affordable Rents. We do not have details of unit sizes which makes it difficult to assess through our own modelling as Gerald Eve's values estimates which are provided on a £per ft² basis.
- 9.72 For the reasons mentioned above, we are not in a position to reach any firm conclusion regarding the capital values of the rented units.

BPS comments - Intermediate units

- 9.73 Gerald Eve's valuation is based on a [REDACTED], which are realistic assumptions. It generates a capital value per ft² of [REDACTED] per ft² ([REDACTED] per m²).
- 9.74 While we are unable to give a definitive view in the absence of any RP offers, our summary modelling suggests that higher values could potentially be achievable if staircasing is taken into account together with 2013 actual growth in private market sales values which would impact on the value of the initial equity sold.

10 APPLICATION OF GROWTH RATES

- 10.1 In Annex 1 we have altered the way in which growth has been applied to the private residential units.
- 10.2 The majority of the units in the scheme are assumed to be pre-sold, which is a not unreasonable assumption particularly given the high demand for apartments in this location. We note recent research show that c80% of units in the City are being sold 'off-plan', while under construction. However, the selling of units pre-construction is less common.
- 10.3 Gerald Eve has assumed 30% of units sold pre-construction, while another large proportion will be sold during construction. The sales growth is only continued up to the date of sale, which for some of the units is over three years before the date of practical completion at which point the payment for the units is made. In other words, Gerald Eve's values are based on the present-day values at the date of sale, which we consider to understate the level of growth that should be applied.
- 10.4 In our experience, and based on recent discussions we have had with agents who actively pre-sell units, the pricing is predicated upon a 'sharing' of growth between purchaser and vendor, such that, for example, if a unit is sold today that will be completed in January 2017, the price will be based on present day value plus, say, 2 years of forecast sales growth, with the final year's growth not factored in - this acting as an incentive to buyers to commit to purchase prior to completion.
- 10.5 We have re-modelled the growth by applying growth to two-thirds of the time between date of sale and date of completion of all the units. Based on Gerald Eve's growth rates, this increases sales revenues by £16m, and this figure would increase if higher growth rates were to be applied.
- 10.6 The effect is most marked in the case of Phoenix Phase 1 which has in Gerald Eve's model a total growth of 8.6% due to the combined effect of low growth rates in the early years, and not applying growth after the date of pre-sale. To put this in context, this compares to our estimate of 30% growth in 2013 alone.
- 10.7 In general, we suggest that it is unlikely that a developer will choose to sell such large proportions of the units at such an early stage if this results in a complete loss of any future growth in value between sale and completion. This view of course depends on whether the developer considers the market to be rising or whether units are difficult to sell.
- 10.8 Viability assessments for a number of large schemes we have reviewed in Camden (but which for confidentiality reasons we cannot disclose) have applied growth for a period after the date of sales. One scheme assumed 50% of units sold during construction (with none prior to construction). Similarly a recent scheme in Islington assumed 50% sold during construction and we understand the values were increased up to close to the time of practical completion of the units rather than terminating at the date of pre-sale.
- 10.9 We have also seen a typical approach being to apply a 5%-7.5% discount to estimated values at date of completion in order to reach a pre-sell value - this discount acting as an incentive to buyers. If this approach were to be applied to, for example, the 30% sold pre-construction in Gerald Eve's model, this would amount to the equivalent of 1 year's growth being discounted, and is in line with the approach we have taken in our revised model.

11 ENABLING WORKS

- 11.1 The issues are whether, firstly, these enabling works are costed at a level that is consistent with BCIS rates and other cost indices. The second issue is whether it is appropriate in any cases for the cost of these works to be treated as an abnormal development cost or regarded as additional consideration payable to RMG.
- 11.2 DVS has reduced the level of Phase 2 Enabling Costs from £[REDACTED]to £8.5m primarily to strip out costs that it considered were not directly necessary to 'enable' the proposed development and which appeared to solely benefit RMG. This included, for example, certain refurbishment works and improvements to the sorting office building. We agree with this view, and consequently we are in principle in agreement with the reductions suggested by DVS's cost consultant.
- 11.3 DVS are in agreement with the estimate of [REDACTED] for the Phase 3 Enabling Works.
- 11.4 We have not undertaken our own detailed review of the itemised enabling costs. On request, DVS have justified the conclusions they reached concerning the Enabling Costs, and has provided us with a brief commentary from their quantity surveyors. In conclusion we have no reason to dispute the findings DVS reached, and have adopted their conclusions in our revised appraisal (Annex 1).

12 COMMERCIAL VALUES

- 12.1 We have undertaken a headline review of the commercial values and have no reason to dispute the estimate values applied in the appraisal.

13 RESIDENTIAL BUILD COSTS

- 13.1 DVS concluded that the build costs were at a reasonable level for a scheme of this nature.
- 13.2 Our Cost Consultant has not undertaken a detailed review of the Cost Plan, largely due to the time constraints upon our instruction.
- 13.3 We have no reason to dispute the conclusions of DVS, which we arrived at following, we understand, detailed discussion between the respective cost consultant of DVS and Gerald Eve.

Appendix One

Heatmap with location of comparable schemes



1= Mount Pleasant

2= Eagle House

3= Art House

4= Central Square

5= Canaletto

Annex One

Mount Pleasant

BPS re-modelling of Gerald Eve's appraisal

January 2014

We have recreated Gerald Eve's model using the version included in Gerald Eve's [REDACTED], . We have based our IRR cashflow on the costs, revenues and development programme (including timings of key costs) on those detailed in the [REDACTED],

Based solely on Gerald Eve's assumptions (and prior to any changes made by us) our model generates an IRR of 11.6%. This compares to 11.9% shown in Gerald Eve's model. This demonstrates that our appraisal is sufficiently close the version created Gerald Eve, and we consider it satisfactory for the purposes of testing the impact of viability of the changes we intend to make.

Our 20th December 2013 note to Gerald Eve set out a number of changes which we requested they make to their model. We had previously requested access to the model but this was not provided, therefore this prompted us to make the requests for Gerald Eve to revise the model.

Table A summarises the changes that we requested be made by Gerald Eve, and details how these changes impacted on the viability results in our version of the model. The IRR results below show the cumulative impact of these changes upon scheme viability. This Table includes future (2014 onwards) sales growth at the levels adopted by Gerald Eve.

We have also (in right hand column) kept the target profit "fixed" while adjusting the level of affordable housing to the point where the profit target is just met and the scheme can be said to "break even". In line with the Councils' affordable housing policies we show the maximum reasonable affordable housing that the scheme can viably provide as a result of the cumulative changes to the model, even where this exceeds the strategic policy target.

Table B tests the sensitivity of this model to variations in future sales growth, beginning with a present day scenario. We have adopted a 14% profit target (IRR) for the present-day scenario, and have then increased this target as the applied growth rates are increased, up to a target rate of 22% for the last scenario which uses CeBr's growth of 9.5% per annum.

**Table A: cumulative impact upon viability of changes to appraisal
(WITH GERALD EVE GROWTH)**

| BPS suggested changes | IRR Output (at 12% affordable housing) | Development surplus at 12% affordable housing (assuming 20%* profit on GDV deducted) i.e. residual value minus land cost | Level of affordable housing (by area) that can viably be provided based on target profit (IRR) of 18% |
|---|--|--|---|
| Base appraisal (based on Gerald Eve's 20th November version of model, 12% affordable housing) | 11.6% | -£62m | nil (100% private scheme generates 15% IRR) |
| <u>changes to cost assumptions:</u> | | | |
| Reduce land payment by £[REDACTED] | 17.1% | | 9% |
| Split land payment between two sites and moves each payment to date of vacant possession of each site | 21.2% | | 19% |
| Phase 2 Enabling Costs (at level suggested by DVS: £[REDACTED]) split in two, and each half moved to the date of vacant possession of the Phoenix and Calthorpe site respectively. | 23.2% | | 23% |
| Reduce the Marketing Costs and Contingency as suggested by DVS. | 25.5% | | 28% |
| Growth of sales values continued for longer (for example, up to 1 year before practical completion for the earlier pre-sales). | 27.17% | | 31% |
| Split the affordable housing revenues into three and time the payments as follows: payment one at start of construction of each phase; payment 2 at earliest PC date for the phase; and payment 3 at latest PC date. (At the moment paid in lump sum at very end of each phase) | 27.9% | £60m | 33% |
| Increase private residential sales values by 30% up to present day | 41.1% | | 53% |
| Increased build cost inflation for 2013 to reflect actual growth | 40.1% | | 52% |

*This 20% profit on GDV is for illustration purposes only and is not necessarily suitable, particularly given that the 'blended' profit rate will vary according to the level of affordable housing provided.

Table B: Sensitivity of “BPS View” appraisal to variations in residential sales growth

| | Growth rate | Target IRR | Affordable housing |
|----------------------|-------------|------------|--------------------|
| Present-day | 0% | 14% | 51% |
| BPS suggestion | 4% | 18% | 52% |
| DVS growth forecast | 6% | 19% | 55% |
| CEBR growth forecast | 9.5% | 22% | 60% |

The following Table summarises our residual valuation of the scheme. It included a fixed Profit on GDV as an appraisal input, then compares the resultant Residual Value against the Benchmark Land Value.

A profit on Cost of 24% is applied solely to the private market element, while a lower rate of 8% profit on Cost is applied to the affordable element. The ‘blended’ rate therefore changes with the level of affordable housing. It should be noted that these rates are distinct from an IRR target.

It is the same in all other respects to the appraisal outlined in Table B.

Table C: Conventional Residual Valuation of ‘BPS View’ appraisal (PRESENT DAY - nil growth)

| Affordable Housing | Blended Profit on Cost | Residual Value | Benchmark Land Value | Surplus |
|--------------------|------------------------|----------------|----------------------|------------|
| 0% | 24% | [REDACTED] | £38.4m | [REDACTED] |
| 15% | 21.6% | [REDACTED] | £38.4m | [REDACTED] |
| 30% | 19.2% | [REDACTED] | £38.4m | [REDACTED] |
| 45% | 16.8% | [REDACTED] | £38.4m | [REDACTED] |

Annex Two

Re-modelling of Gerald Eve’s appraisal ‘Mid-point’ appraisal

This Annex provides a summary of the final version of the appraisal which shows a ‘mid-point between our view of the costs, values and development programme, and Gerald Eve’s view. (Please see Table A of Annex 1 for details of our view). This additional analysis is not in any way intended to dilute or alter our findings as are presented in Annex 1 appraisal. Rather, this appraisal serves to illustrate the impact of even modest changes to core assumptions and exposes the apparent risks of adopting an appraisal which relies on an assumption of a single programme possibility and is otherwise reliant on the accuracy of its forecasting.

Table D: Mid-point appraisal (WITH GERALD EVE GROWTH)

| | |
|---|------------|
| Target IRR of 19% (mid-point between DVS growth model IRR and Gerald Eve IRR) | |
| Land payment of [REDACTED], (mid-point between [REDACTED]and [REDACTED]) | |
| Land payment split between June 2014 and August 2015 | |
| Phase 2 Enabling Costs [REDACTED] (mid-point) Payments made at revised dates of land payments | |
| Marketing Costs and Contingency at mid-point between DVS and Gerald Eve figures | |
| Application of sales growth: same as in Annex 1 (Table A) | |
| Timing of affordable housing revenue: same as in Annex 1 | |
| Increase private residential sales values by 30% up to present day (same as in Annex 1) | |
| Increased build cost inflation for 2013 to reflect actual growth (same as in Annex 1) | |
| Level of affordable housing (by area) that can viably be provided | 41% |

**Table E: Sensitivity of “Midpoint” appraisal to variations in residential sales growth
Target profit: mid-point between Gerald Eve (20%) and BPS targets in Table B (form 14%)**

| | Growth rate | Target IRR (mid-point) | Affordable housing |
|---------------------|-------------|----------------------------------|--------------------|
| Present-day | 0% | 17% | 35% |
| BPS suggestion | 4% | 19% | 40% |
| DVS growth forecast | 6% | 19.5% | 46% |

| | | | |
|----------------------|------|-----|-----|
| CeBr growth forecast | 9.5% | 22% | 51% |
|----------------------|------|-----|-----|

Table F: Conventional Residual Valuation of 'Mid-point' appraisal (PRESENT DAY - nil growth)

| Affordable Housing | Blended Profit on Cost | Residual Value | Benchmark Land Value | Surplus |
|--------------------|------------------------|----------------|----------------------|------------|
| 0% | 24% | [REDACTED] | [REDACTED] | [REDACTED] |
| 15% | 21.6% | [REDACTED] | [REDACTED] | [REDACTED] |
| 30% | 19.2% | [REDACTED] | [REDACTED] | [REDACTED] |
| 45% | 16.8% | [REDACTED] | [REDACTED] | [REDACTED] |

ANNEX 3

DISCUSSION OF SALE AND LEASEBACK VALUATION

- 1.1 Following the initial viability assessment, Gerald Eve subsequently provided a note (date June 2013) to DVS in September 2013 which set out the details of a sale & leaseback valuation. This is a supplementary valuation which has been used to provide additional support to the Market Value of [REDACTED],
- 1.2 This valuation assumes that the improvement works to the sorting office are undertaken, then RMG agree a sale & leaseback whereby the freehold/long leasehold of site is sold underpinned by a lease to RMG. The rents assumed are based on rents for equivalent 'non-sui generis' uses, such as B1 and B8 open market rents.
- 1.3 Given that this is undoubtedly an unusual approach in the context of site valuation for planning purposes, we would have expected DVS to explain in detail its reasoning for its acceptance of this approach. Instead, there appears to have been no analysis of this option undertaken by DVS.
- 1.4 Our comments on this are summarised below:
 - The site would not be likely to get planning permission for commercial car parking so [REDACTED] valuation not valid.
 - Sale of site for commercial car parking would leave RMG with no space for service yard and staff parking, thus is incompatible with continued operation of the sorting office which clearly requires parking and yard space in order to function.
 - Capitalisation ([REDACTED]) reflects strong covenant of RMG (as party to the sales & leaseback) not necessarily a realistic yield to apply to commercial car parking incomes. This raises the question that this approach is more an exercise to value a financial arrangement rather than a genuine open market property transaction. The length of lease and the alternative use prospects will also have a bearing on the value of this proposal.
 - The rent per annum of [REDACTED] per space is not supported by relevant comparable evidence
 - Value ascribed to sorting office building based on other use classes and not directly applicable to sui generis and the likely absence of alternative occupiers in the market.
 - Valuation incorrectly assumes 1,000 spaces can be accommodated on Calthorpe Site without the necessary capping works
 - A higher valuation of [REDACTED] assumes a break clause so that purchaser can develop the site but it is not clear what this development would be. We understand this reflects 'hope value' of future residential development.
- 1.5 Gerald Eve's paper is a "draft for discussion only", and given that it appears to contain some flawed arguments in relation to its use as a supporting basis for determining site value, we question how much weight should be given to it. However, DVS have given it considerable weight in their review, despite it being for discussion only and in our

opinion being a largely unjustified valuation, the logic of which we would be inclined to dispute.

- 1.6 Gerald Eve state that the valuation is “not exhaustive” and “is more of a desktop valuation which can be added to and further supported if required to do so”. In spite of this, DVS has relied on this valuation to support its conclusion regarding the site’s Market Value while not apparently investigating the valuation approach taken.

Detailed comments

- 1.7 No evidence has been provided in support of the estimated rent of [REDACTED] per car space.
- 1.8 The yield of [REDACTED] applied to the sites’ income reflects the corporate ‘covenant strength’ of RMG in what is essentially a financial arrangement or bond rather than a property deal as such. This yield does not reflect the likely yield for typical car storage depots which is likely to be considerably higher. RMG will remain liable for paying the ‘rent’ pertaining to the site, even though it is let to a rent-a-car company. This would put them in position effectively of ‘guarantor’, and it will be RMG that is bolstering the capital value via this guarantee/leaseback, not the car rental firms.
- 1.9 Clearly even the most unsecure of rental streams would be able to drive low yields if it was secured by a major PLC ‘guaranteeing’ its payment. The security of the income received directly from the car rental firms would be dependent on the lease terms (including lease length) that is agreed with them. This hasn’t been discussed by Gerald Eve.
- 1.10 We accept that the existing site has significant value to RMG. This is reflected in the Existing Use Valuation of the site by BNP at [REDACTED]. We have not fully verified this EUV, although we accept that it can be broadly justified by reference to the ‘opportunity cost’ to RMG of losing this space that is the cost involved in finding alternative yard and parking facilities, albeit finding alternative yard space may be unfeasible as obviously needs to be in close proximity to the sorting office that it serves).
- 1.11 DVS’s comments are confined to the following statement:

Under these scenarios the paper indicates a net site value ranging between [..REDACTED.....],and it is reasonable for the applicant to seek to rely upon this value range albeit they are currently seeking to rely upon a site value of [REDACTED] which is below the lower end of range identified in the draft sale & leaseback paper.
- 1.12 DVS also state that the Sales & Leaseback approach “allows the full market value of a property to be utilised, rather than the restricted value from an Existing Use Value.” This is a confusion of two separate concepts: the Sale and Leaseback proposed by Gerald Eve involves a sale and a change of use to commercial car parking of the entire site.
- 1.13 DVS have failed to explore whether this change of use to commercial car parking/car storage would be likely to gain planning permission. The Council have informed us that such a use of the Calthorpe Site (now the service yard) and the Phoenix Site (now a cleared site used for staff car parking) as car storage by, for example, a rent-a-car company would not gain consent. This invalidates this entire approach.

- 1.14 There is a logical flaw in this valuation, in that, while the valuation of the two sites assumes RMG vacates these sites to make way for their use by a car rental firm, it would not be operationally possible for RMG to vacate this space as this space is required in order for their operations at the site to continue. It is only by providing a basement service yard/car parking that the proposed scheme is able (at significant cost) to re-provide RMG's apparently essential services, yet in the sale & leaseback valuation these works would not take place so RMG would not be able to make the land available for rent.
- 1.15 We have no evidence to suggest that a car rental company is likely to require such a large number of cars all in one place.
- 1.16 Gerald Eve state in respect of the valuation of the two sites as car parking: "These rental levels are for commercial activities in respect of car parking/storage (where presumably planning permission would be required for such a use)". Thus Gerald Eve has not established that the use would gain consent. DVS do not discuss this issue.
- 1.17 The valuation assumes that the site is complete up to end of Phase 2. Therefore the Calthorpe Street enabling works are not complete, but the operational works for the business rationalisation are.
- 1.18 Although not described as such, the valuation is an Alternative Use Valuation of the two sites based on a change of use to commercial car parking.
- 1.19 The valuation totals [REDACTED] per annum, based on 1,375 parking spaces at [REDACTED] per space, with 375 spaces on Phoenix and 1,000 on Calthorpe. Gerald Eve state that "Calthorpe Street could hold approximately 1,000 cars, only if the works to cap the open storage yard are undertaken." But the cost of such works is not factored into the valuation.
- 1.20 Gerald Eve don't say how much parking that the site could hold without the capping works taking place, which would need to be established if the capping works cost was to be omitted as suggested.
- 1.21 The value of [REDACTED] is ascribed to the two sites as "Car Parks". No costs are included for realising this capital value. In reality, RMG would not be able to let these sites out to commercial car rental companies without re-providing themselves with staff parking and yard space. We cannot see how RMG's operations at the sorting office building could continue without doing so. We fail to see the logic of renting this space only to have to have it re-provided. RMG could undertake the capping works themselves, and provide commercial car parking above and maintain their yard in the basement, although this would require the [REDACTED] capping cost to be netted from the capital value. The proposal would in all likelihood fail to receive planning consent.
- 1.22 The buildings themselves are valued at [REDACTED] in the sale & leaseback. This is following the expenditure on 'business rationalisation' works that are instead defined as enabling works in the proposed scheme's appraisal. This value is dependent on rental levels which are at a much higher level than the VOA's rating valuations of this space.
- 1.23 For RMG the value of the car parking can also be expressed as the opportunity cost of the space used in connection with the sorting office i.e. the impact to the operation of Mount Pleasant if these facilities were not available. The lack of suitable alternative sites within a close proximity of Mount Pleasant to accommodate this amount of car

parking also suggests this approach is not practical. Therefore this space potentially reflects a unique value to the RMG business given the location within the urban area.

- 1.24 As above, the 'opportunity cost' argument is mentioned but it is not clear what the relevance of this is to the sale & leaseback which is in effect an alternative use valuation involving change of use and occupation by a third party.
- 1.25 The opportunity cost argument is debatable in respect of the sorting office space (i.e. that the value of, say the 'office' space should be on a par with the cost of obtaining comparable B1 office space as replacement) given that RMG has a surplus of space and is selling off sites and 'rationalising'.
- 1.26 The valuation of sorting office buildings based on comparable rents for these uses e.g. for office space in the wider market (B1) at [REDACTED]per ft² ([REDACTED] per m²) which has been applied to the offices within the building. This is a misleading approach as clearly this is a sui generis use and cannot be compared to other uses without an assessment of the prospects of securing consent for a change of use.
- 1.27 Gerald Eve do raise an important point, that RMG's considerable covenant strength means that their existing facilities can be considered of high value when assessed on a sale & leaseback basis.
- 1.28 A higher figure of [REDACTED] is estimated which assumes the purchaser will be given a break option so it can redevelop the site at a later date. This may be an artificial assumption given the ongoing operational importance of the site to RMG.

MAYOR OF LONDON

Oliver Sheppard

Dp9
100 Pall Mall
London
SW1Y 5NQ

Our ref: D&P/3032a&b/02

Your ref: OBS/jr/DP3089/3090

Date: 21 January 2014

Dear Mr Sheppard,

Town & Country Planning Act 1990 (as amended); Greater London Authority Acts 1999 and 2007; Town & Country Planning (Mayor of London) Order 2008

**Mount Pleasant Sorting Office, London EC1V 2PU
Local planning authority references: 2013/3807 and P2013/1423/FUL**

Direction under Section 2A of the 1990 Act

I refer to your letter of 10 January 2014 setting out your request that the Mayor become the local planning authority, pursuant to section 7 of the Town and Country Planning (Mayor of London) Order 2008, in respect of the planning applications relating to the above site, known as the Mount Pleasant Sorting Office.

Having now considered a report on this case, reference D&P/3032a&b/02 (copy enclosed), I hereby direct (under article 7 of the above Order and the powers conferred by Section 2A of the 1990 Act) that I will act as the local planning authority for the purposes of determining the above planning applications. My reasons are as follows:

- a) The development would have a significant impact on the implementation of the London Plan, as set out in the in the attached report.
- b) There are sound planning reasons for my intervention as set out in the attached report.

I must also have regard to targets identified in development plans. As set out in the report, I recognise that both boroughs have performed well in recent years in terms of housing and affordable housing delivery and have a healthy pipeline of permissions.

The application represents EIA development for the purposes of the Town and Country Planning (Environmental Impact Assessment) Regulations 2011. I have taken the environmental information made available to date into consideration in formulating my decision.

I would be grateful if you provide me, as soon as reasonably practicable, any information relevant to the application and to any connected application which has not already been provided. In due course my officers will liaise with yourself and the Council officers in relation to the date of the Representation Hearing, outstanding matters that require resolution and any draft planning obligation and/or conditions.

Yours sincerely



Boris Johnson
Mayor of London

cc Jennette Arnold, London Assembly Constituency Member
Andrew Dismore, London Assembly Constituency Member
Nicky Gavron, Chair of London Assembly Planning Committee
National Planning Casework Unit, DCLG
Alex Williams, TfL
Karen Sullivan, Islington Council, 4th Floor Municipal Offices, 222 Upper Street, N1 1XR
Ed Watson, Camden Council, Town Hall, Argyle Street, WC1H 8ND

21 January 2014

Mount Pleasant, Farringdon

in the London Boroughs of Islington and Camden

planning application no. 2013/3807/P & P2013/1423/FUL

Strategic planning application: Request that the Mayor become the Local Planning Authority

Town & Country Planning Act 1990 (as amended); Greater London Authority Acts 1999 and 2007; Town & Country Planning (Mayor of London) Order 2008.

The proposal

Comprehensive redevelopment across two application sites in buildings up to 12 storeys comprising 681 residential units, 4,260 sq.m. of office space, 2,250 sq.m. retail and community space, with parking, landscaping and public realm works.

The applicant

The applicant is **Royal Mail Group** and the architects are **AHMM, Fielden Clegg Bradley, Allies and Morrison**, and **Wilkinson Eyre Architects**.

Strategic issues

Mount Pleasant is one of Islington and Camden's key development sites and the creation of a new neighbourhood that provides jobs and homes on an identified development site within Central London and an Area of Intensification is strongly supported in principle. The Mayor's Stage 1 report of 3 September 2013 set out that the scheme was broadly acceptable in strategic planning terms, but that there were some outstanding issues in relation to affordable housing, climate change, access, and transport in particular that needed to be addressed.

The statutory 16 week determination period for both applications expired on 1 October 2013 without a determination by Camden or Islington Council. The applicant wrote to the GLA on 10 January 2014 requesting he take over determination of the applications from the two Councils.

Recommendation

That the Mayor take over determination of the applications and become the local planning authority.

Context

1 On 10 January 2013, DP9 on behalf of the applicant, Royal Mail Group, wrote to Assistant Director of Planning (copy of letter attached as Appendix 1) requesting, pursuant to Article 7(6) of the Town and Country Planning (Mayor of London) Order 2008, that the Mayor become the local planning authority for the applications.

Case history

2 On 10 July 2013 the Mayor of London received documents from Islington Council and Camden Council notifying him of two planning applications of potential strategic importance to develop the above site for the above uses and the Mayor considered the applications on 3 September 2013. The applications were referable under Categories 1A, 1B and 1C of the Schedule to the Order 2008:

1A *Development which comprises or includes the provision of more than 150 houses, flats, or houses and flats;*

1B *Development which comprises or includes the erection of a building in Central London (other than the City of London) and with a total floorspace of more than 20,000 square metres;*

1C *Development which comprises the erection of a building that is more than 30 metres high and is outside the City of London.*

3 A copy of the above-mentioned report is attached at Appendix 2. The essentials of the case with regard to the proposal, the site, case history, strategic planning issues and relevant policies and guidance are as set out therein, unless otherwise stated in this report.

Article 7: Direction that the Mayor is to be the local planning authority

4 This report informs the Mayor of the test to be applied in considering whether to become the local planning authority. The initial policy test regarding the Mayor's power to take over and determine applications referred under categories 1 and 2 of the schedule to the 2008 Order is a decision about who should have jurisdiction over the application, rather than whether planning permission should ultimately be granted or refused. Article 7 sets out the criteria which must be satisfied before the Mayor may direct that he is to be the local planning authority in respect of a particular planning application: The policy test consists of the following three parts, all of which must be met in order for the Mayor to take over planning applications:

- (a) the development or any of the issues raised by the development to which the PSI application relates is of such a nature or scale that it would have a significant impact on the implementation of the spatial development strategy;
- (b) the development or any of the issues raised by the development to which the application relates has significant effects that are likely to affect more than one London Borough; and
- (c) there are sound planning reasons for issuing a direction.

5 Article 7(1)(a) relates to whether the development has a significant impact upon the London Plan and (b) relates to the geographical extent of the impact, whilst part (c) deals with the planning reasons for the Mayor's intervention. These criteria are intended to ensure that the Mayor only intervenes in important and exceptional cases.

6 This report considers the extent to which the criteria under Article 7(1) apply in this case and whether, therefore, the Mayor should direct that he is to be the local planning authority, applying the criteria set out under Article 7(3) of the 2008 Order. This report does not consider the merits of the applications, although regard has been given to the key planning issues in respect of assessing the policy test in Article 7(1) c, as set out below.

Article 7(1) (a): Significant impact on the implementation of the London Plan

7 The development is of such a nature or scale that it would have a significant impact on the implementation of the London Plan (the spatial development strategy) for the reasons set out below:

London's economy

8 The scheme includes the provision of 4,260 sq.m. (GIA) of office floorspace, together with 2,250 sq.m. of retail and community floor space. The applicant has undertaken a calculation of the likely number of jobs to be generated by the scheme, using the DCLG Employment Densities Guide (2010), confirming that approximately 309 full time equivalent jobs (FTE) would be created as a result of the development, in addition to jobs during the demolition and construction programme.

9 The application site lies within the Central Activities Zone (CAZ). This area covers London's geographic, economic and administrative core and includes the southern part of Islington. London Plan policies 2.10 and 2.11 identify, among other policy considerations, that the Mayor will enhance and promote the unique international, national and London-wide roles of the CAZ, supporting the distinct offer of the zone based on a rich mix of local as well as strategic uses, forming the globally iconic core of one of the world's most attractive and competitive business locations. The strategic priorities and functions focus on bringing forward development capacity, delivering high quality design and providing for a range of occupiers and mix of uses. Paragraph 2.46 of the London Plan makes clear that *"It will be important to ensure an adequate supply of office accommodation and other workspaces in the CAZ/Isle of Dogs suitable to meet the needs of a growing and changing economy"*.

10 The site is also within the Farringdon/Smithfield Area for Intensification, as identified in London Plan policy 2.13. The Crossrail and Thameslink programme at Farringdon Station supports the potential for intensification on a number of sites, including Mount Pleasant, together with and broader improvement to the public realm and mix of uses. London Plan Appendix 1 sets out an employment capacity of 2,500 new jobs and seeks to deliver a minimum of 850 new homes. The proposed scheme would make up 80% of the housing targets for the intensification area and 12% of the new jobs sought.

11 The increase in job numbers compared to the existing site would contribute to the London Plan targets for job creation. London's success as a world city is based around its global business location and also its ability to plan for continued growth and changing circumstances. In accordance with policies for the CAZ, this proposal brings forward a large development site with a mixed use scheme that includes office accommodation, with jobs also being generated by the retail floor space, thereby catering for a range of occupiers in accordance with London Plan policy 2.10 and contributing towards the London Plan targets for employment growth.

London's housing delivery

12 The Mayor has identified through his 2011 London Plan (and 2014 Further Alterations [FALP]), and accompanying SPGs and vision documents, the acute need for more homes to be built in London. Recent census figures reveal that London has grown by 12% since 2001, with an increase of approximately one million people above that which was projected. The population is also expected to grow by a further one million people up to 2020.

13 London Plan policy 3.3 confirms the pressing need for more homes in order to promote opportunity and provide a real choice for all Londoners in ways that meet their needs at a price they can afford. Part B of this policy states that the Mayor will seek to ensure that the housing need identified in paragraphs 3.17 and 3.18 of the London Plan is met, particularly through provision consistent with at least an annual average of 32,210 net additional homes across London. The FALP increases this projection to 42,000. London Plan Table 3.1 sets a target for Islington Council to deliver a minimum of 1,170 new residential units a year until 2021. Table A4.1 sets out that of the 1,170, 922 net completion of conventional supply is expected. Camden has a target of a minimum of 665 homes, of which 500 are conventional supply. The FALP sets out new targets for the period to 2025 with Islington Council's annual monitoring target increasing to 1,264 homes (of which 1,023 is conventional supply¹), and Camden Council's increasing to 889 additional homes (743 conventional supply¹).

14 The delivery of up to 681 new housing units on this site would be a clear benefit not only to housing delivery at the borough level, but also that of London as a whole. The 336 residential units within the Calthorpe Street site would contribute 29% to Islington Council's annual average target and 2.9% of its 10 year minimum target. The 345 units within the Phoenix Place site would contribute 52% towards Camden's annual housing target, and 5.2% of its 10 year minimum target.

15 In relation to affordable housing, London Plan Policy 3.11 states that the Mayor will, and boroughs and other relevant agencies and partners should, seek to maximise affordable housing provision and ensure an average of at least 13,200 more affordable homes per year in London over the term of the Plan. The FALP increases this to an average of 17,000 more affordable homes per year.

16 Whilst it is noted that the final affordable housing provision is still to be confirmed due to on-going viability testing, the indicative figures supplied by the applicant in the Environmental Statement, and as reviewed at Stage 1, suggested a provision of 132 affordable units (20%). A provision at this level would make up 1% of the annual affordable homes target set out in the London Plan. Subsequent to the Stage 1, the applicant clarified its affordable housing offer in a letter dated 15 October 2013, with two alternative offers – one of 12% based on a policy compliant scheme, and 16.3% based on an affordable rent/intermediate split (with a 60% Full Market Rental Value rental cap), which would make a lesser contribution.

17 Depending on the final negotiated affordable housing offer, these planning applications could impact on the two Councils' ability to meet and exceed London Plan affordable housing targets. The London Plan Annual Monitoring Report 9 (2011-12) indicates that there were 8,087 completions of new affordable homes in London in 2011/12, and prior to that 7,319 in 2010/11 and 9,188 in 2009/10. These affordable housing targets are challenging, particularly given the recent economic climate. Large development sites such as this, which look to maximise affordable housing delivery are strategically important in terms of meeting and exceeding the London Plan affordable housing targets set out in policy 3.11.

18 The two Councils' housing delivery performance over recent years, including affordable housing delivery is set out in paragraphs 37 and 38 below. It is acknowledged that the Councils have provided a good output over the past five years in light of the recession, with Islington on track to achieve its targets, whilst Camden is falling short. Given that the London Plan sets out the average annual housing targets for each borough until 2021 as a minimum level for delivery, the mixed use development of this site in the form proposed supports the strategic objectives of policy 3.3 in particular.

¹ As set out in Table 3.20 of London Strategic Housing Land Availability Assessment (SHLAA) 2013 (Average annual conventional capacity identified in the 2013 SHLAA compared to average annual conventional delivery and average annual conventional approvals).

Conclusion

19 In summary, the proposal could make an important contribution to the strategic objectives of the London Plan through delivering high quality, mixed development including modern office floorspace within the CAZ. In addition to contributing towards meeting London Plan projections for office space demand and employment growth, the proposed development would provide much needed housing for which there is an identified and well-documented need. The regeneration of this site as proposed would also make a significant contribution towards providing jobs and homes. The development of this site supports the strategic objectives of the London Plan and because of its scale makes a sizeable contribution to housing and jobs targets therein. Therefore, the development and the issues raised by it are of such a nature or scale that it would have a significant impact on the implementation of the spatial development strategy.

Article 7(1) (b): development likely to affect any other boroughs

20 As set out above, the application is for up 681 homes. Article 7(4) of the Order sets out that where a development falls within Category 1A of the Schedule, namely that over 150 homes will be delivered, this criterion does not apply.

Article 7(1) (c): Sound planning reasons for intervening

21 In addition to Article 7(1) (a) above, paragraph (c) requires the Mayor to consider whether there are sound planning reasons for issuing a direction that he become the planning authority for the purpose of determining the application.

Principle of development

22 The principle of the development is clearly supported by the London Plan, as set out in the Mayor's Stage 1 report of 3 September 2013 – by way of realising the aspirations for the CAZ and Area of Intensification, delivering a new neighbourhood, with high quality office space and contributing towards meeting London Plan projections for office space demand and employment growth, with over 300 new jobs created.

23 The principle of the development is supported by Islington Council's Local Plan, specifically the Finsbury Local Plan, which is the Area Action Plan (AAP) for Bunhill and Clerkenwell and was adopted in June 2013. Site allocations contained within the plan cover over 53 hectares in total, and these allocations provide for the development of over 2,300 homes, and office development that would create over 8,500 jobs. The document identifies a number of important sites in the area that have significant potential for redevelopment, including Mount Pleasant and North Clerkenwell, which is adjacent to it.

24 Under policy BC6, the AAP states that North Clerkenwell, including Mount Pleasant, will be enhanced as a focal point for the wider community, through the comprehensive redevelopment/refurbishment of the sorting office for a range of uses, and improvement of the area's community facilities. The Finsbury Local Plan sets out an estimated development quantum for the North Clerkenwell area, comprising around 700 new homes, of which 245 should be social rented; a net increase in business floorspace of approximately 22,500 sq.m.; approximately 3,500 sq.m. of additional retail space; and at least 4,000 sq.m. of additional open space.

25 The proposed development includes a range of uses envisaged by the Finsbury Local Plan, making a contribution of over 4,000 sq.m. towards the business floor space sought for the policy area, with the Calthorpe Road element within Islington providing 274 jobs, that would in

turn make up over 3% of the jobs envisaged for the wider Bunhill and Clerkenwell area. The retail, community and open space provision that are proposed all make a significant contribution to the quantum sought in the Local Plan. In total, approximately 7,000 sq.m. of publically accessible open space is proposed across the site, with approximately 5,000 sq.m. of this within the Calthorpe Road (Islington) part of the site, far exceeding the 4,000 sq.m. sought for the wider North Clerkenwell area (that includes other sites).

26 In relation to housing, the Calthorpe Road site also provides approximately half of the homes envisaged for the site allocation. The site would make up approximately 15% of the homes envisaged for the Bunhill and Clerkenwell area. Furthermore, of the 1,615 homes expected to be delivered in the Bunhill and Clerkenwell area in the first five years of the Core Strategy, this scheme would make up 20% of the projected delivery. By virtue of this site specific designation, it is clear that the Council is reliant on this site for regeneration, and to meet a significant part of its core objectives in terms of job creation and provision of new homes.

27 In relation to the portion of the site within Camden Council, the Site Allocation Development Planning Document (DPD) seeks a mixed use development, primarily residential, which could include other uses such as business, community and retail uses, which makes efficient use of this highly accessible Central London location and also helps to meet the operational needs of Royal Mail. It does not set out specific housing or job targets as Islington Council has in its policy documents. The planning application proposes a mixed use development in accordance with Camden's Site Allocation DPD.

Decision making timescales

28 The National Planning Policy Framework sets out a presumption in favour of sustainable development, and under paragraph 14 states that in relation to decision-taking, this "*means approving development proposals that accord with the development plan without delay*".

29 The statutory 16 week timeframe for determining the applications was 1 October 2013, and Camden Council, in its website consultation, states that the two Councils would determine the applications by Autumn 2013.

30 The site has been in the pipeline for redevelopment for some years, with a site specific supplementary planning document being adopted by both Councils in 2011 and extensive pre-application discussions having taken place with the Councils in the lead up to the submission of the applications. The key stalling factor in the processing of these applications has been a difference of opinion on the way in which the affordable housing viability of the site has been assessed. There has been a series of exchanges between the Councils and the applicant, which GLA officers have been copied into, and the Councils have employed the services of two different independent viability consultants in this respect. Most recently, detailed queries regarding the applicant's toolkit have been raised, requesting remodelling, phasing rearrangements and a review of inputs. With this outstanding, the ability to report to a planning committee in early 2014, as more recently suggested by the Councils, appears unlikely.

31 Whilst, as set out above, criterion 7(1)(b) does not apply in the present case, the site straddles two boroughs and the regeneration of this site has an effect on more than one borough. The timely decision of this application is impacted by the fact that two Councils are required to make concurrent decisions regarding the acceptability of the scheme, including its viability and in terms of reporting to their respective planning committees. The site is a key regeneration site for the two Councils, referred to specifically in their Site Allocation DPDs and also is important in terms of delivering the jobs and homes sought for the wider Area of Intensification, as set out in the London Plan.

32 The site is also strategically important for the applicant in respect of maintaining its postal infrastructure. Mount Pleasant is one of the largest operational units in the Royal Mail network, and is the sole delivery office for the City of London and the West End. In continuing to operate from the site in the longer term, substantial investment in the site is required to create modern facilities which met the requirements of a 21st Century mail operation. The proposal allows Royal Mail to vacate parts of the site to allow a wider regeneration scheme, which in turn allows additional enabling works to be carried out to ensure Royal Mail's operations can continue on the site.

33 In considering the details of the proposal, and issues raised to date, there are sound planning reasons to take over this application.

Matters the Mayor must take into account

34 As the application relates to development falling within Category 1A of the Schedule to the Order, Paragraph 7(3) of the 2008 Order requires the Mayor to take account of (a) the Councils' current and past performance against applicable development plan targets for new housing, including affordable housing and (b) the extent to which the Councils are achieving and have achieved any other targets set out in the development plan which are relevant to the subject matter of the application. In this instance therefore, housing and employment targets within the London Plan and within Islington and Camden Council policy documents are relevant

35 Paragraph 7(3)(b) of the 2008 Order indicates that the Mayor must take account of the Council's current and past performance against development plan targets. In this instance, housing and employment targets within the London Plan and within Islington and Camden Council policy documents are relevant.

Achievement of development plan targets for housing, including affordable housing

36 London Plan policy 3.3 specifically relates to increasing housing supply in London, stating that the Mayor will seek to ensure the housing needs identified in paragraphs 3.17 and 3.18 are met, particularly through provision consistent with at least an annual average of 32,210 net additional homes across London. The policy sets out that through LDF preparation, boroughs should seek to achieve and exceed the relevant minimum borough average housing target in Table 3.1, which for Islington Council is a minimum of 1,170 new residential units a year until 2021, of which 922 units in conventional supply is expected. For Camden Council, a minimum of 665 homes, with 500 conventional units are targeted. As noted previously, the FALP sets out targets for the period to 2025 with Islington Council's annual monitoring target increasing to 1,264 homes (1,023 conventional units), and Camden Council's to 889 additional homes (743 conventional units).

37 Both Councils' Core Strategies incorporate the housing targets set out the London Plan. In relation to affordable housing, both boroughs seek to maximise affordable housing, and that 50% of additional housing to be built in the borough over the plan period should be affordable. Specific targets are set in the Bunhill and Clerkenwell AAP for Islington, with an estimated development quantum of around 700 units set for North Clerkenwell and Mount Pleasant, of which 245 should be social rented, and 80% of social rented units should be family sized units of 3 bedrooms or more. Camden Council does not set specific affordable housing targets for the area.

38 The table below sets out the performance of Islington Council in housing delivery over the past 5 years. It can be seen that during 2008 and 2009, the Council exceeded its targets, but this dropped significantly in 2010, increasing in 2011 and dropping again in 2012. The number of conventional completions over the past years five years is 6,357 units, which equates

to 138% of the 5 year target (i.e. half of 10 year target of 9,220 conventional completions expected). Overall Islington Council appears to be on target to deliver its conventional housing requirements.

| | Net Completions (units) | | | |
|----------------|-------------------------|--------------|-------------|-------|
| Financial Year | Market | Intermediate | Social Rent | Total |
| 2008 | 1,892 | 55 | 276 | 2,223 |
| 2009 | 1,021 | 46 | 410 | 1,477 |
| 2010 | 528 | 3 | -69 | 462 |
| 2011 | 778 | 194 | 265 | 1,237 |
| 2012 | 648 | 139 | 171 | 958 |
| Total | 4,867 | 437 | 1,053 | 6,357 |

Source: London Plan Annual Monitoring Report 9 and London Development Database

39 For Camden Council, its housing delivery for the past five years is set out below. This indicates that has come close to or exceeded its targets, except for in 2009 and 2011. Overall, the number of conventional completions over the five years is 2,789 units, which equates to 111% of the target (i.e. half of the 10 year target of 5,000 conventional completions).

| | Net Completions (units) | | | |
|----------------|-------------------------|--------------|-------------|-------|
| Financial Year | Market | Intermediate | Social Rent | Total |
| 2008 | 484 | 254 | 148 | 886 |
| 2009 | 204 | 105 | 111 | 420 |
| 2010 | 411 | 32 | 110 | 553 |
| 2011 | 304 | 25 | 37 | 366 |
| 2012 | 265 | 105 | 194 | 564 |
| Total | 1668 | 521 | 600 | 2789 |

Source: London Plan Annual Monitoring Report 9 and London Development Database

40 It is acknowledged that both boroughs are making good contributions towards London Plan housing targets being met, but it is noted that the recent recession has affected the housing delivery in the two boroughs as well as across London and these are minimum targets. Large schemes such as that proposed would contribute significantly towards ensuring that London Plan and local targets are met and exceeded over the next five years.

41 In relation to affordable housing, delivery by Islington Council of 1,490 affordable units over the five years equates to a rate of 23% affordable housing in that period. For Camden Council the delivery of 1,121 affordable units, equates to a rate of 40% provision. The approvals for 2011/12 as shown in table HPM7 of the AMR indicate that 217 affordable units have been approved in Islington, equating to 18% of overall provision. In Camden, it states that 328 affordable units have been approved, equating to 30%.

42 Figure 2.1 from AMR9 indicates that Islington falls below the 3 year average of affordable housing performance across London, and sits within the lower quartile of affordable housing performance for all boroughs, albeit its numerical affordable housing output overall is high, and greater than Camden's overall delivery. Camden Council's output is below the London average, but with a slightly better performance - with a third of units completed in the last three years being made up of affordable units. Whilst at present, the final affordable housing numbers that would be secured in this scheme have yet to be finalised, the indicative figures set out in the Environmental Statement indicate a provision of 20%, with a lesser amount (12% or 16%) set out in subsequent correspondence from the applicant. The provision of affordable housing on this site would make a contribution towards affordable housing delivery in the boroughs, albeit in the absence of negotiations having been completed, the precise contribution towards meeting London Plan targets is not clear.

Achievement of development plan employment targets

43 London Plan Table 1.1 projects a 25.2% growth in employment within Islington by 2031, and provides an adjusted triangulated forecast benchmark for 2011 of 205,000 jobs and 220,000 for 2016. For Camden, 24.5% growth is projected, with 307,000 jobs forecast for 2011 and 326,000 for 2016.

44 The London Plan does not have specific targets for office floor space, although broad employment and floor space projections are set out in Table 4.1, with demand for office based employment and floorspace in the CAZ and the north of the Isle of Dogs of relevance in this instance. This indicates that office based employment may grow by some 177,000 over the plan period and that this would give rise to demand for an additional 2.3 million sq.m. (net) or 2.7-3 million sq.m. (gross) office floorspace by 2031. These projections are not disaggregated by borough.

45 In terms of borough policies, the Core Strategies do not set out any particular targets in relation to employment numbers or floorspace. Islington Council notes that the Bunhill and Clerkenwell area may need to accommodate an additional 14,000 B-use jobs by 2025. Under paragraph 3.4.4 of the Core Strategy, Bunhill and Clerkenwell is expected to account for around 70% of the Council's new B-use floorspace.

46 Islington Council's Annual Monitoring Report for 2012 states that there was a net decrease of almost 23,000 sq.m. "B-use" floorspace during the reporting period. This compares to a 6,000 sq.m. increase in the previous year, and for the year prior to that, there was a net gain of 39,094 sq.m. of B- class floorspace. In Camden, 31,065 sq.m. was lost through redevelopment leaving a net loss of 29,696 sq. m. This is a change in trend from the previous three years in which a gain in B1 floorspace was recorded.

47 Both councils have sought to maintain and improve employment opportunities within their respective boroughs and were supportive of the GLA's recent CAZ exemption bid for office to residential conversion rights. The increase in employment floor space proposed in the scheme would help deliver Islington Council targets that seek to safeguard existing business space and increase B-use floorspace and would result in over 300 FTE jobs being created, making a contribution to the 14,000 B-use job target set by Islington Council for the Bunhill and Clerkenwell Area, and that of the Area for Intensification, as set out in the London Plan.

Outstanding issues from Stage 1

48 Notwithstanding the above, the Mayor should also have regard to the strategic planning issues raised at the initial consultation stage. Since the Mayor's initial representations were made, there has been further work undertaken in order to address the points raised in relation to transport matters in particular. Transport for London has sought further junction modelling work and clarification on a number of points, which still require resolution.

49 As noted above, there is on-going work being carried out in relation to affordable housing in order to demonstrate that the scheme would deliver the maximum reasonable amount in accordance with London Plan policy 3.12 in particular. This remains outstanding at the time of writing. Other strategic matters relating to inclusive design and climate change also require resolution.

50 Should the Mayor decide to become the local planning authority, he will have to satisfy himself that these strategic matters, as well as a range of local matters under consideration by Camden and Islington Council, are addressed.

Local planning authority's position

51 The two councils have prepared a joint letter to GLA officers in response to the applicant's request (attached as Appendix 3 and 4), setting out why the Mayor should not take over the planning applications. The Councils consider that the call-in request is premature and unjustified, and the prompt conclusion of the borough's detailed assessment of the applications, prior to Stage 2 referral to the GLA, is the most efficient and effective way forward.

52 The boroughs note that the principle of a mixed use development is supported, but note that there are a range of outstanding matters, including impact upon amenity, quality of accommodation, detailed massing issues, and unresolved objection relating to subterranean impact and detailed highway concerns that remain outstanding. They also note that further work is required to reach a conclusion in relation to affordable housing and viability, noting that there have been delays in this respect, which they state are due largely to the failure of the applicant to respond to detailed queries raised by the boroughs and external consultants. The boroughs have however, given a commitment to report the applications to scheduled committee meetings on 27 February 2014 (Camden) and 10 March 2014 (Islington).

53 Notwithstanding the two Councils stated positions, if the Mayor were to become the local planning authority, officers would recommend a close working relationship with Camden and Islington officers in determining the applications. This is so as to ensure that local issues are fully considered, to ensure that the Mayor benefits from the background knowledge and expertise of Council officers in respect of this site and its surrounding neighbourhoods, and relationships that have been built up with consultees, so as to secure significant local benefits through conditions and s106 obligations attached to any planning permission (should it be granted).

Assembly Member comments

54 The Assembly Members for Camden and Islington have written to the Mayor urging him to allow the boroughs to determine the applications in view of the fact that it is only a matter of weeks between now and the Council committee dates.

Legal considerations

55 Under the arrangements set out in Article 5 of the 2008 Order the Mayor has the power to issue a direction under Article 7 that he is to act as the local planning authority for the purpose of determining the application and any connected application. The Mayor may also leave the decision to the local authority. If the Mayor decides to direct that he is to be the local planning authority, he must have regard to the matters set out in Article 7(3) and set out his reasons in the direction.

Financial considerations

56 Should the Mayor take over the application he would be responsible for holding a representation hearing and negotiating any planning obligation. He would also be responsible for determining any reserved matters applications (unless he directs the Council to do so) and determining any approval of details (unless the Council agrees to do so). The Mayor should be aware that determining the application will require a reasonable level of resource within the GLA Planning team and TfL. Should the Mayor decide to act as the local planning authority, officers would seek to sign an appropriate Planning Performance Agreement with the applicant, part of which could be the provision of funds to meet the costs of the Mayor and GLA/TfL to

undertake detailed technical assessments and workstreams in order to properly determine the application.

Conclusion

57 This report sets out the range of issues that the Mayor must consider in coming to his decision as to whether to become the local planning authority for this application.

58 Having regard to the details of the applications, the development is of such a nature and scale that it would have a significant impact on the implementation of the London Plan and there are sound planning reasons for the Mayor to intervene in this case and issue a direction under Article 7 of the 2008 Order.

59 The two Councils have written to the Mayor giving reasons why they should be left to determine the applications through their natural course, with a commitment to report the applications in February/March 2014. Given the scale of the outstanding issues and the lack of any clear path on how these would be addressed, it is unclear as to how outstanding issues can be resolved within a timely fashion, thereby jeopardising delivery of a strategically significant mixed use development site. The points raised by the Councils have been fully considered.

60 Therefore this report recommends that the Mayor becomes the local planning authority.

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Date 17 January 2014
Our Ref 2013/3807/P (Camden) &
 P2013/1423/FUL (Islington)
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Mr Murray,

**TOWN AND COUNTRY PLANNING ACT 1990
 TOWN AND COUNTRY PLANNING (MAYOR OF LONDON) ORDER 2008**

Re: Mount Pleasant Planning Applications (Section 2A Direction request)

Camden Planning Application (2013/3807/P)

| | |
|-----------------|---|
| Site | Land to west of Royal Mail Sorting office bounded by Phoenix Place, Mount Pleasant, Gough Street & Calthorpe St. Camden WC1 |
| Proposal | Comprehensive redevelopment, following the demolition of existing buildings, to construct four new buildings ranging from 5 to 15 storeys (above basement level) in height, to provide 38,724sqm (GIA) of residential floorspace (345 dwellings) (Class C3), 823sqm (GIA) of flexible retail and community floorspace (Use Classes A1, A2, A3, D1 or D2), with associated energy centre, waste and storage areas, basement level residential car parking (54 spaces), the re-provision of Royal Mail staff car parking (approx 196 spaces) cycle parking, residential cycle parking (431 residential spaces) hard and soft landscaping to provide public and private areas of open space, alterations to the public highway and all other necessary excavation and enabling works |

Islington Planning Application (P2013/1423/FUL)

| | |
|-----------------|--|
| Site | Mount Pleasant Sorting Office |
| Proposal | Comprehensive redevelopment of the site following the demolition of existing buildings and structures to construct six new buildings ranging from 3 to 12 storeys in height to provide 38,015sqm (GIA) of residential floorspace (336 dwellings) (Class C3), 4,260sqm (GIA) of office floorspace (Class B1), 1,428sqm (GIA) of flexible retail and community floorspace, (Classes A1, A2, A3, D1 and D2) with associated energy centre, waste and storage areas, vehicle (65 spaces) and cycle parking (523 spaces), hard and soft landscaping to provide public (approx 5,124sqm) and private areas open space, alterations to the public highway and construction of a new dedicated vehicle ramp to basement level to service Royal Mail operations, construction of an acoustic roof deck over the existing service yard (encloses 14,150sqm at basement and ground floor levels) and all other necessary excavation and enabling works. |

* The Camden and Islington applications are accompanied by an Environmental Statement.

I write in response to the current call in request under consideration by the GLA. The letter setting out the request, made under Article 7 of the Town & Country Planning (Mayor of London) Order 2008, was submitted to the GLA on 10th January and forwarded to officers at Camden & Islington Councils on the 13th January, alongside an invitation to comment upon the request. For the avoidance of doubt this letter comprises the joint response of the London Boroughs of Camden & Islington, though please note that same response will also be sent out separately from Islington Council. We are both strongly of the view that the call in request is premature and unjustified, and that the prompt conclusion of the borough's detailed assessment of the applications, prior to Stage 2 referral to the GLA, is in reality the most efficient and effective way forward.

Significant Impact (Art 7(1)a)

The applications taken together are considered to be liable to have a significant impact on the implementation of the Spatial Development Strategy, both in regard to the quantum of development that may come forward, but also in regard to the harm upon delivery of Affordable Housing that would arise, where artificially low levels cited as being the maximum deliverable by the applicant are not sufficiently scrutinised in order to determine actual viable levels of provision.

Sound Planning Reasons (Art 7(1)c)

Background

Both borough sites have, as you are aware been used in their current capacity for a significant period of time, and have also been subject of site specific allocations aimed at encouraging residential led mixed use redevelopment that took account of the operational needs of Royal Mail. The Boroughs are firmly committed to encouraging, enabling and supporting the proper development of the sites. The considerable effort expended by the Boroughs in developing and jointly adopting a Supplementary Planning Document for such a small, operational site is testament to that desire.

The same positive approach has been employed throughout the pre-application submissions of 2012 and the planning applications, regarding which this request has been made. In regard to the schemes within both boroughs, significant progress has been achieved in shaping and refining development which could, with limited modifications, be seen to accord with the relevant planning policy considerations. Where this has occurred, it has been as a result of the open exchange of ideas and considered and evidenced conclusions leading to either the form of development proposed, or to subsequent modifications deemed necessary to that form.

Development Principles

The statements in this regard as set out within the call-in request letter are correct that the principle of a mixed use development at this site is supported by way of:

- The comments within the Mayor's Stage 1 response to this application;
- Farringdon / Smithfield Area for Intensification objectives;
- Islington Finsbury Local Plan (Site Allocations and Area specific policies); and
- Mount Pleasant SPD (jointly adopted by Camden and Islington in Feb 2012).

The applicant contends that the proposals broadly comply with the adopted SPD, and while this is not disputed, there are a range of outstanding matters, including impacts upon amenity, quality of accommodation, detailed massing issues, an unresolved objection relating to

subterranean impact and detailed highways concerns that have been largely disregarded by the applicant, or acted upon in an unusually drawn out manner which have prevented their prior resolution. The boroughs consider these matters to be most effectively and efficiently considered at a local level.

Financial Viability

It is evident however, that the same approach from the boroughs has not been reciprocated from the applicant in regard to the financial viability of the developments. I make specific reference to this matter as it is considered to have contributed overwhelmingly to the time taken for the boroughs to reach a conclusive view of the application.

In the interests of identifying the appropriate range of inputs and considerations, as well as the outstanding areas (where substantial deficiencies in the range and quality of supporting information); the borough's views were provided to the applicant at the earliest possible stage in early meetings in 2013. A summary of views from the boroughs provided in a letter dated 31st May to the applicant's viability advisor, Robert Fourt (Gerald Eve). This letter and subsequent advice and input (provided in the following months) aimed at identifying what additional work was considered to be required, in order to arrive at a place where an accurate picture could be provided of the viability of the development. The letter, which has previously been provided to the GLA, specifically set out the already identified (and significant) concerns regarding the approach to matters including:

- Enabling costs;
- Site Value;{
- Existing Use Value;
- Gerald Eve interpretation and lack of application of affordable housing policies considered incorrect by both boroughs;
- Market transactions "comparable sites". The sites identified were not thoroughly reviewed considered by the two LPAs to have very limited significance to the emerging development.

Responses referring mainly to the work that had already been identified as lacking in robustness and evidence were provided, along with pleas to not prejudge the outcome of the work then being undertaken by DVS, as independent viability assessor. The responses to our letter of 31st May included a statement that 'We will deal more fully with these and other points as necessary at the appropriate time' (letter from Oliver Sheppard, dated 5th July 2013). This response was prepared by DP9, to date Gerald Eve have not provided a detailed response to that letter.

Following the receipt of a summary preview of the DVS expected conclusions on 31st July, it became apparent that no meaningful response nor provision of further evidence or justification in response to – and in the space of 2 months following - the 31st May letter had been carried out. At this point it was considered to be necessary for additional resources to contribute to the assessment of development viability matters. The need for such work, in order to provide full confidence in the outcome of the viability assessment was clearly conveyed at this point, as was the short turnaround period for the additional work and the overall benefit it would have to the conclusion of the boroughs assessment of the applications.

Following an attempt to explain this matter to the applicant at the meeting of 13th August, a prompt refusal to cooperate with the engaging of additional resources was provided on 16th August. The decision to independently engage said additional resources, in the form of BPS, was then only able to be made following the receipt of external advice.

It is important to note that the decision to engage BPS (15th October) was only reached after the receipt of the first draft DVS report on 9th September, and following a number of meetings between DVS and council officers, where the failure of either the applicant or DVS to provide a meaningful response to the issues raised prior to and within the May 31st letter was apparent.

Therefore, following the engagement of BPS, which had been in large part necessitated by the failure to provide said meaningful response, and delayed through the applicant's refusal to cooperate by some 2 months, a prompt and focussed range of matters not fully addressed by the applicant or DVS was identified. A list of 44 specific questions was thereafter identified and provided to the applicant some 3 weeks (on 7th November) later. A response providing a handful of the basic corrections and first evidence of any reply to other minor points, having been outstanding since the May 31st letter was then provided on 15th November.

Disappointingly, despite the BPS list having been drawn together following the review of the applicant's Position Notes and of the DVS report, no meaningful response was provided on the substantial issues, with reference generally only given to those same Position Notes and DVS report, the shortcomings of which had prompted those 44 questions.

Following this further refusal to cooperate, a meeting was held with representatives of the applicant, the boroughs and the GLA. Despite the boroughs grave misgivings regarding the approach having recently been displayed by the applicant, as a commitment was then made to enter into a meaningful dialogue regarding viability matters, including addressing the queries raised by BPS. The boroughs then sought to refine the scope of outstanding areas of investigation and worked with DVS and BPS prior to meeting and agreeing a way forward at the meeting of the applicant, the boroughs and BPS on 4th December.

At this meeting a further commitment was made by the applicant to where appropriate consider, test and investigate the matters raised within a more focussed and specific set of queries that would be provided by BPS. Upon receipt of these queries, on 6th January, given the protracted nature of recent exchanges, the applicant was clearly advised that:

'We continue to work towards taking reports to early February meetings, and this would require a response by mid-January at the latest. Please note that we will, at that point, need to make a judgement as to whether your response raises the genuine prospect of arriving at an agreement in relation to viability matters, and will take the applications forward on this basis'

Although a commitment to respond to those queries had been made at the 4th December meeting, and I understand the applicant had conveyed to the GLA an ability to respond to those queries in only a marginally longer timeframe than was sought, indirect confirmation has now informed us that no response is intended to be provided.

Essentially, the greater part of the borough's efforts in recent months have been dominated by viability matters. No meaningful response has been provided to issues raised as far back as May 2013 and earlier. The applicant's refusal to cooperate with the borough's desire to ensure that the proper degree of scrutiny of the actual viability of the development is achieved has allowed very limited progress to be achieved in this area since August 2013. The goodwill shown to the applicant in allowing for additional time for them to cooperate with BPS in order for all parties to arrive at an up to date, accurate and well evidenced picture of development viability, has been sadly disregarded.

Although there can be no doubt that there are always going to be differences in interpretation and the weight afforded to the multitude of considerations necessary within a viability appraisal of a development of this site, it is imperative that sufficient information be provided in order to, 'evaluate (the) proposals rigorously' (London Plan, para 3.71). The applicant has failed to cooperate with the boroughs in their attempt to discharge that responsibility, and the extra time afforded by us, in response to clearly given assurances of cooperation, has caused us to find ourselves beyond the period set out at Article 7(5)a, thus allowing for a call in request to be made.

It is important to highlight the preliminary conclusions of the BPS work, which have focussed on the following areas:

- Private residential sales values and growth rates (for example, postcode analysis shows growth of 36% occurred in 2013, as opposed to 1% growth forecast in material submitted by the applicant)
- Development programme (i.e. timings of costs and values input);
- Affordable housing values;
- Application of sales (including pre-sales) growth (as distinct from the growth forecasts themselves);

BPS have adjusted the above inputs put forward by the applicant, using their own model (as Gerald Eve despite positive written assurances, has failed to provide BPS access to their model). The results of the adjusted inputs show that a significantly increased and potentially target compliant affordable housing provision could potentially be delivered on site. The refusal of the applicant to enter into this process has prevented further analysis of this outcome and refinement of the conclusions.

Development Plan Housing & Affordable Housing Delivery (Art 7(3)b)

The Camden Monitoring Bulletin 1: Housing & Employment Space (2012/13) sets out (page 6) that the London Plan housing target has been met for the preceding 5 years, and for the reporting year the self-contained target for housing (500 units) was met (566 units provided). Bulletin 1 also sets out that Camden's 5 year supply (2014/15 – 2018/19) of deliverable sites will provide 7,072 homes (1,414 homes per year) which significantly (more than double) exceeds the total annual housing target of 665 self and non-self contained homes per year. A contribution from the Phoenix Place site of 290 homes within this total does not significantly impact upon this total.

The DP9 letter states that the London Plan targets for housing delivery for Islington is 1,170 residential units per year. Actually the targets are:

| | Conventional housing | Non-self contained |
|---------------|----------------------|--------------------|
| Annual Target | 992 | 250 |

The application proposals offer a total of 336 residential units within Islington. With the above in mind, these proposals account for: 33.9% of the conventional housing target 28% of the total target. This is different to the figures set out in the applicant's request for call-in.

City Forum:

The DP9 letter makes reference to Islington failing to achieve its housing delivery targets (as set out within the GLA Stage II report for City Forum, paragraph 43 specifically) and states that this is also the case for Camden. This is in fact incorrect and a detailed summary response to this issue is appended to this letter. The DP9 letter went on to state that those proposals (City Forum) not only represented a significant housing offer but also a significant affordable housing offer. The City Forum proposals are clearly very different to the Mount Pleasant proposals. City Forum offered 30% affordable housing units (by habitable rooms) and the Mount Pleasant application now offers just 12%.

The City Forum affordable housing offer was accepted by Islington Council (subject to a viability review mechanism due to the understated growth forecasts), equating to approximately 300 affordable housing units. However this Mount Pleasant 12% affordable housing offer is not accepted by either borough as having demonstrated to be the maximum reasonable amount that the site can afford to deliver. It should be noted that this view is informed by independent financial viability consultants BPS. The 12% affordable housing offer does not constitute a significant contribution towards affordable housing targets within the boroughs, delivering a total of 71 affordable housing units across the two boroughs (35 in Islington and 36 in Camden). Whilst we are aware that schemes offering similar, extremely low levels of affordable housing have, in recent years been proposed and accepted, the view of BPS is that such a level is significantly less than the current schemes are capable of providing. As is referred to in greater detail below, the applicant has been provided every opportunity to provide an evidenced rebuttal of the specific areas of their assessment identified to be deficient, but has again refused to even provide a response in the most instance to these issues.

Summary Housing delivery:

Both Camden and Islington Council have exceeded and have identified capacity to continue to exceed the London Plan Housing delivery targets and it must be noted that Islington in particular contributes a disproportionately high number of affordable and non-affordable dwellings given the size of the borough and the scarcity of land supply. Whilst an anomaly occurred in Islington in 2010/11 the overall trend is for significant over delivery of the Mayor's target.

The Mayor has recently called in the Islington City Forum application. The granting of that application would deliver 100.1% of Islington's annual conventional housing target. Islington did not ultimately raise objections to the inputs to and conclusions from the financial viability of that scheme (with the exception of seeking a review mechanism in the event that forecast growth levels not accounted for in the applicant's appraisal were to come to fruition). This is very different to these Mount Pleasant applications as both Islington and Camden Council's hold significant concerns regarding the financial viability evidence submitted by Gerald Eve, and the refusal to even engage into meaningful dialogue regarding its shortcomings is particularly disturbing.

Additionally, Islington continues to consider a high number of planning applications for new dwellings; is in the top quartile for delivering its own new housing delivery projects and has a very high number of schemes that sit below the 10 unit on-site delivery threshold (that contributes towards lowering the percentage affordable housing delivery against total new housing schemes). The detailed performance of Islington is set out within Appendix 1 to this letter.

This planning application therefore may represent an opportunity to deliver 33.9% of Islington's annual conventional housing target, however its level of affordable housing units against the backdrop of a contested financial viability approach would significantly harm the boroughs capacity to achieve its strategic affordable housing delivery targets.

In housing delivery terms, it is the view of both boroughs that there are no housing delivery reasons for the Mayor to call in this application.

Employment

The boroughs consider that the intensification of the Royal Mail operations at this site, which has already occurred, and would subsist in the absence of further works relating to the proposed development sit separate to these planning applications. Thus whilst the number of jobs at Mount Pleasant Royal Mail has recently increased, this is entirely separate to the consideration of the current planning applications.

Employment Creation:

The planning applications (taken together) would comprise office (B1 use class) of 4,260sqm delivering some 355 jobs and retail / community uses (A1/A2/A3/D1 use classes) of some 2,250sqm delivering between 113 and 133 jobs.

The total employment capacity of the proposed commercial uses (including community) would be between 468 and 488 jobs. The proposal would therefore contribute towards the London Plan employment capacity target of 2,500 jobs for the Farringdon /Smithfield Intensification Area by between 18 and 19.5%. The Islington proposal (office floorspace) would contribute 19% provision of the Finsbury Local Plan (North Clerkenwell and Mount Pleasant) business floorspace target (22,000sqm).

Whilst these additional jobs are a benefit of the proposals, they do not overly affect the delivery of strategic targets within the London Plan to warrant the calling in of this application.

Other issues impacting on reporting timeframe:

As is referred to above, reflective of the delay in providing comprehensive or prompt engagement with outstanding issues in regard to viability, unusual delays to, on occasion, wholly straightforward queries have characterised both borough's interaction with the applicant's representatives. These, though certainly secondary in scale and impact to outstanding viability issues, have prevented prompt conclusion of matters identified at various stages in the assessment of the applications.

Of greater significance has been the inability to produce evidence to support the applicant's contention that s106 linkages between the latest parts of the Camden scheme and later Islington phases would be fatal to the disposal and redevelopment of the site. Officers have most recently been advised that such information (in the form of a note prepared by Gerald Eve) would be 'issued following the outcome of tomorrow's meeting' (email from Hugh Sowerby (DP9) of 3rd December). Given the apparent confidence held by the applicant of the impact that such a linkage would have, the ongoing inability or unwillingness to disclose the evidence behind this belief is curious.

Decision Making Timescales & Outstanding Issues

As is set out above, the principle cause for the delay in reaching a conclusion in their assessment of the applications has arisen through the failure of the applicant to respond to detailed queries from the boroughs, from the external consultants engaged to provide additional viability expertise, and the more recent delays incurred as the boroughs delayed our conclusions to allow the applicant further opportunities (explicitly sought by the applicant) to correct this approach.

Despite this repeated willingness to continue to engage in constructive dialogue, the applicant, in again failing to meet given commitments are now refusing to provide sufficient information to enable the rigorous evaluation of the application. They have provided a clear indication that further attempts to engage with the applicant on viability matters will bear little chance of enabling a positive outcome to be reached.

Whilst it is unfortunate that despite the significant efforts made by the boroughs, the applicant has now effectively removed any possible path to completing our assessment, by denying the ability to complete the assessment that as the local planning authority, we are required to make.

I note that a request was made to set out the range of outstanding issues within this response. The standard path of progress for such an application is for a full and proper conclusion to be reached on all relevant matters relating to the application at the appropriate identified decision level. This level has been agreed by the boroughs to be the main Planning (Islington), or Development Control (Camden) Committees. In addition to completing a thorough and complete report and recommendation on the subject developments, the resolution reached through the democratically elected bodies is considered to be the necessary manner through which the borough's views are summarised. This is certainly the case in regard to significant applications where an appeal against non-determination has been lodged.

To attempt to provide a truncated, officer level summary of issues affecting applications of this complexity, particularly in regard to conclusions where committed to responses will now not be delivered, is not considered to be an acceptable manner in which to relay the boroughs views regarding the applications. To require or subsequently rely upon such a compromised output would be to unfairly impair the boroughs ability to fully set out their views. The Boroughs would thus have our patience and good intentions in regard to our approach to the application penalised through being prevented from reaching this proper view by the actions of the applicant.

The boroughs therefore wish to commit to reaching a recommendation based upon the information as submitted to date. Despite the comments of Mr Sheppard on behalf of the applicant, a 'firm commitment' was in fact made to determine the applications 'within a reasonable timescale' (page 3 of call in letter). The commitment was made in an email from the boroughs to Mr Sheppard on 6th January (and has already been forwarded to the GLA). It is thus unclear why the call in letter (dated 10th January) makes a contrary allegation.

An officer's recommendation will therefore be taken to the next available committee date (subject to the delay in reporting period arising through the need to respond to the call in request and to overcome the applicant's failure to undertake the outstanding work including in particular the necessary testing of modified and updated viability model inputs. The applications will therefore be taken to scheduled committees on 27th February (Camden) and 10th March (Islington).

As is set out within this call-in request, the applicant's representative clearly states that the principle reason for making the request is to achieve the 'prompt determination of the applications on the basis of the proposal as it stands' (page 3). I think it is of crucial importance to note the last 3 words of that statement, 'as it stands'. Such a determination of the schemes as they stand can and will now be undertaken by the boroughs, now that the applicant has definitively abandoned real cooperation with the boroughs.

The prompt conclusion of the assessment and the presentation of the boroughs - fully considered - views of the schemes in the form of committee resolutions will thus now be undertaken. The subsequent resolution will be then be referred promptly to the GLA (we are happy to commit to providing the Stage 2 referral within 3 working days of the committee resolution). Such a conclusion is considered to be the most appropriate, democratic and time efficient manner to set out our views and provide a comprehensive conclusion on the boroughs views of the scheme, the identification of issues in the following 14 day call in period will be significantly simplified. Should the resolutions be to refuse planning permissions, the GLA will then already be furnished with a properly considered, conclusive and exhaustive review of the scheme, already subject to the very significant degree of local community interest in the development.

Borough officers are well aware that even schemes called in by the GLA following local resolutions can be significantly protracted, with the 2 years taken to determine the Eileen House scheme being a case in point. As the boroughs, despite the unproductive approach now being adopted by the applicant, retain a strong desire to bring forward a positive redevelopment of the sites and would be disappointed if a significantly extended period of time passed before the outstanding issues could be resolved and an acceptable scheme brought forward at Mount Pleasant.

Yours sincerely,



Ed Watson
Assistant Director Regeneration and Planning
London Borough of Camden

Cc: Samantha Wells, GLA
Karen Sullivan, LB Islington

OBS/jr/DP3089/3090

10 January 2014

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Dear Sir

**TOWN & COUNTRY PLANNING ACT 1990 (AS AMENDED)
 GREATER LONDON AUTHORITY ACTS 1999 AND 2007
 TOWN AND COUNTRY PLANNING (MAYOR OF LONDON) ORDER 2008**

**MOUNT PLEASANT SORTING OFFICE – LONDON BOROUGHS OF CAMDEN AND
 ISLINGTON (LOCAL PLANNING AUTHORITY REFERENCES: - 2013/3807
 (CAMDEN) AND P2013/1423/FUL (ISLINGTON))**

We refer to the above planning applications which were submitted simultaneously to the London Boroughs of Camden and Islington on 1st May 2013 by DP9 on behalf of Royal Mail Estates Ltd (“the applicant”). The applications are both planning application of Potential Strategic Importance (“PSI”) as defined in the Schedule to the Town and Country Planning (Mayor of London) Order 2008 (“the 2008 Order”) and as such have been the subject of consultation with the Greater London Authority (“GLA”).

The applications seek the following development:

Phoenix Place – LB Camden

‘Comprehensive redevelopment of the site following the demolition of existing buildings to construct four new buildings ranging from 4 to 15 storeys in height to provide 38,723 sqm (GIA) of residential floorspace (Class C3), 822 sqm (GIA) of flexible retail and community floorspace (Use Classes A1, A2, A3, D1 and D2), with associated energy centre, waste and storage areas, vehicle and cycle parking (including the re-provision of Royal Mail staff parking), hard and soft landscaping to provide public and private areas of open space, alterations to the public highway and all other necessary excavation and enabling works’.

Calthorpe Street – LB Islington

‘Comprehensive redevelopment of the site following the demolition of existing buildings and structures to construct six new buildings ranging from 3 to 12 storeys in height to provide 38,015 sqm (GIA) of residential floorspace (Class C3), 4,260 sqm (GIA) of office floorspace (Class B1),



1,428 sqm (GIA) of flexible retail and community floorspace, (Classes A1, A2, A3, D1 and D2), with associated energy centre, waste and storage areas, vehicle and cycle parking, hard and soft landscaping to provide public and private areas of open space, alterations to the public highway and construction of a new dedicated vehicle ramp to basement level to service Royal Mail operations, construction of an acoustic roof deck over the existing servicing yard and all other necessary excavation and enabling works'.

This letter constitutes a request to the Mayor to take over these applications under Article 7 of the 2008 Order and to act as local planning authority for both applications.

This letter sets out the background to both applications, the importance of the proposed development, the way in which the applications meet the criteria set out in Article 7 of the 2008 Order and the reasons we consider it is entirely appropriate for the Mayor now to exercise his discretion and to issue a direction that he is to be the local planning authority for the purpose of determining the applications.

Background

The project at Mount Pleasant straddles the borough boundaries of Camden and Islington. The Phoenix Place site is situated in Camden and the Calthorpe Street site in Islington. Accordingly, a separate planning application was submitted to each borough in respect of the land within each respective borough. Although the applications are submitted separately they reflect a holistic approach to the development of a site in single ownership. The project is promoted by Royal Mail as an integral part of its London Property Strategy and follows a strategic decision in 2011 to continue mail sorting and distribution activities at Mount Pleasant for the long term. Considerable investment has and continues to be made in the postal infrastructure at the site and to safeguard employment levels. Through an intensification of activities on the site following the relocation of Royal Mail's central London delivery operations, this has led to a significant increase in employment levels to approximately 3,200 employees.

Taken as a whole, the project comprises the comprehensive redevelopment in buildings up to 12 storeys comprising 681 residential units, 4,260 sqm of office space and 2,250 sqm of retail and community space with parking, landscaping and public realm works.

It will be noted that the enabling works form part of the applications in each borough.

The applications were submitted following a lengthy and thorough period of pre-application discussions with the boroughs, the GLA and others and were founded on Joint Supplementary Planning Guidance ("the SPG") that was jointly adopted by the boroughs in February 2012. The SPG recognised the merits of a holistic approach to the development. The proposals have been subject to two pre-application public consultation exhibitions and more recently the subject of statutory publicity following the submission of the applications in May 2013.

At the time of submission, it was generally agreed with the officers of the boroughs and the GLA that the proposals enjoyed broad support from the authorities and that continues to be the case. The principal outstanding matter was and remains the affordable housing component in terms of the maximum reasonable amount of affordable housing that the project is able to sustain in the context of viability testing. The overall approach agreed at the outset (i.e. in the SPG) is that affordable housing and viability is to be considered holistically across the two borough



jurisdictions despite the fact that there are two planning applications. This allows the very considerable enabling works costs incurred in the Islington portion to be shared across the entire project. This principle appears to be supported by the boroughs.

Since October 2012, we, together with Gerald Eve who have prepared a detailed Financial Viability Assessment (FVA) on behalf of the applicant, have been in discussions with the boroughs and their jointly appointed independent viability consultant, the DVS. This is to assess the FVA to determine the maximum reasonable amount of affordable housing that the scheme could sustain in the context of the holistic approach across the two sites.

From the outset of the viability process, it was agreed between LBC and LBI that the most appropriate approach would be for the borough's to jointly appoint an independent viability consultant to assess the submitted FVA for the two applications as a whole. This is consistent with the approach set out in the SPG. The District Valuation Service (DVS), who had previously advised both boroughs on scheme specific and other viability matters, were subsequently appointed to act as independent advisers.

By April 2013, differences of opinion between the boroughs and the Applicant began to emerge about the approach being taken on viability related matters. This principally concerned interpretation of policy and the agreed viability methodology and approach to Site Value being adopted by both the DVS and Gerald Eve.

The DVS reported to the Borough and after a considerable delay of some three or so months this was finally released to the applicant suggesting a clear failure of the boroughs to accept the conclusions of their independent viability consultant, the DVS. Prior to the release it had become apparent that the boroughs had already instructed a second viability consultant to review matters and we can only assume that this was on the basis that the conclusions of the independent viability consultant were not acceptable to the boroughs.

At the time of writing, the applicant has very significant concerns about the likelihood of obtaining a decision on these applications within a reasonable timescale. No firm commitment has been given by the boroughs to determine the applications within such a timescale and when past promises have been given these deadlines have been consistently missed. It appears to us that it is highly unlikely that the applications will be promptly determined on a reasonable basis.

The applicant has committed very significant resources to these planning applications including a comprehensive pre-application process and extensive discussions with both Councils following submission of the applications. Royal Mail considers that it is now reasonable to request a prompt determination of the applications on the basis of the proposal as it stands.

Royal Mail is fully committed to delivering the site for development as soon as is practicably possible following the grant of planning permission.

Confirmation of applications as PSI applications

The applications are both PSI applications in their own right under a number of Categories, and both applications individually fall within Category 1A

**Category 1A:**

Both applications individually fall within Category 1A (more than 150 houses and/or flats). The Phoenix Place application in Camden comprises 345 flats and the Calthorpe Street application comprises 336 flats. Taken together the project comprises 681 flats.

Category 1B:

Both applications individually fall within Category 1B (mixed development of over 20,000 square metres). The Phoenix Place application in Camden comprises 59,000 square metres of floorspace and the Calthorpe Street application in Islington comprises 68,000 square metres of floorspace; taken as a whole the project comprises 127,000 square metres of floorspace.

Category 1C:

Both applications individually fall within Category 1C (buildings more than 30 metres high outside the City of London). Both the Phoenix Place application in Camden and the Calthorpe Street application in Islington contain buildings in excess of 30m in height.

Category 3F:

Both applications individually fall within Category 3F (non-residential uses provided with more than 200 car parking spaces). The Phoenix Place application in Camden contains car parking for 196 vehicles in connection with the retained Royal Mail operations in Islington and the Calthorpe Street application in Islington contains car parking for 254 vehicles in connection with the retained Royal Mail operations.

Criteria to be met for the Mayor to make a direction that he is to be the Local Planning Authority

The 2008 Order sets out the criteria that must be met for the Mayor to exercise his discretion and become the local planning authority. These are set out in Article 7 (1) of the Order as follows:

- (a) the development or any of the issues raised by the development to which the PSI application relates is of such a nature or scale that it would have a significant impact on the implementation of the spatial development strategy;
- (b) the development or any of the issues raised by the development to which the application relates has significant effects that are likely to effect more than one London Borough; and
- (c) there are sound planning reasons for issuing a direction.

Where, as in the case of both these applications, the application falls within Category 1A then by virtue of paragraph 7(4) paragraph 1(b) does not apply.

We have also had regard to the London Planning Statement Draft SPG December 2012 ("the draft SPG") which sets out more guidance on the circumstances where the Mayor's powers may be used to become the local planning authority.

We deal with each of the criteria in turn as follows.



(a): Significant impact on the implementation of the London Plan

The developments to which the PSI applications relate are of such a nature or scale that they would have significant impacts on the implementation of the London Plan. These are:

a) The need for regeneration

The site lies within the Central Activities Zone (“CAZ”) and the Farringdon/Smithfield Area of Intensification. As identified in policy 2.13 of the London Plan this location is expected to accommodate a significant intensification of development. Appendix 1 of the London Plan indicates that the Area for Intensification has the capacity to support 2,500 jobs and 850 new homes. The development potential of Mount Pleasant is specifically identified in Appendix 1 and the boroughs are urged to work collaboratively to identify the capacity of the area. The submitted schemes, taken as a whole would deliver 681 homes which represents 80% of the target for the entire intensification area. The proposals are also connected to safeguarding more than 3,200 existing jobs at the Mount Pleasant mail centre site. The submitted schemes would deliver directly in excess of 300 jobs specific to the development proposals.

b) The delivery of housing

The submitted proposals would deliver 681 new housing units which is a clear benefit to both boroughs and to London as a whole. The London Plan requires Camden to provide 665 units per year and Islington to provide 1,170 units per year through to 2021. The proposal represents 28% of Islington’s annual provision and 52% of Camden’s annual provision.

We note from the City Road Stage II report that Islington are failing to achieve their housing targets and this is also the case for Camden. The application proposals represent significant housing and affordable housing delivery and will be required by both boroughs to achieve their growth targets.

c) Employment

As stated above, the London Plan expects the Farringdon/Smithfield Area for Intensification to provide at least 2,500 jobs. The submitted schemes are associated with the safeguarding of 3,200 existing jobs at the Royal Mail facility. The submitted schemes are designed around the retained facility and include significant enabling works that will be funded by the mixed use development. This approach reflects Royal Mail’s clear commitment to Mount Pleasant. The associated mixed use development comprises a range of employment generating uses including B1 office (4,260 sq metres) and retail/community uses (2,250 sq metres).

(b): Development likely to affect other boroughs

We note that Article 7(4) of the 2008 Order states that where a development falls into Category 1A of the Schedule (i.e. more than 150 residential units) then this test does not apply. Nevertheless, the Mayor will note that the project straddles the boundary of two boroughs, that



both applications are promoted on a holistic basis and that this is a fundamental principle of the Mount Pleasant SPD jointly adopted by the two boroughs in February 2012.

(c): Sound planning reasons for issuing a direction

We have identified a number of reasons why it would be appropriate for the Mayor to issue a direction in this case as follows: -

a) Development principles

The principle of development is supported by the London Plan and the Mayor's Stage I reports issued to each of the boroughs on 3rd September 2013. The objectives for the development of this site as part of the Farringdon/Smithfield Area for Intensification are particularly important. The site is identified for development by both boroughs in their respective Site Allocations DPDs and the Bunhill Local Plan in Islington and this is further supported in the Mount Pleasant SPD which was jointly adopted by the two boroughs in February 2012. The applications broadly comply with the adopted SPD.

b) Decision making timescales

The National Planning Policy Framework ("NPPF") is clear at paragraph 14 that *"presumption in favour of sustainable development...means approving development proposals that accord with the development plan without delay..."*

The 16 weeks statutory determination period in both boroughs expired on 1st October. Islington Council indicated that it would report its application to committee in December 2013 – this did not happen.,. Camden has not given any recent indication about committee timescales for the reporting of its application.

In its letter of 31st May 2013, Islington Council wrote to the applicant setting out concerns relating to the viability issues associated with the scheme. All these matters were addressed by the applicant and reported on by the boroughs independent viability consultant, the DVS.

It was not until 18th October 2013 that Islington wrote again to the applicant on viability matters. In that letter the Council also set out more general concerns about the application including daylight/sunlight matters.

The October letter focussed on viability and requested that a senior meeting be held to discuss differences between the applicant and the boroughs. The letter made no reference to that fact that it had already appointed a further external consultant to review the viability case before the first consultant had reported to the boroughs. Given that the first viability consultant had taken more than nine months to report to the boroughs, the hearing at the December Committee was clearly unachievable. Further matters may now emerge through the analysis of two viability reports that will need to be addressed.

At the same time, the Mayor will note the statements made in the Islington letter of May 31st where it is stated that *"[T]his scheme must therefore deliver a level of affordable*



housing provision at or very close to 50% for the Council to be able to meet its affordable housing delivery target.” This statement and the subsequent actions of Islington raise serious doubts about the likelihood of the applicant and the Councils being able to agree on affordable housing position based upon the “maximum reasonable” principle established in policy 3.12 of the London Plan. In this regard we are cognizant of the proposed changes to Islington DPD policy on this matter which was only withdrawn following intervention by the Mayor.

c) Key Planning Issues

The Mayor’s Stage 1 report concludes that the submitted proposals broadly comply with the London Plan and identifies that the issues that need to be resolved relate to the provision of the maximum reasonable proportion of affordable housing and securing sustainability and transport contributions as part of the Section 106 Agreements. It would appear that the boroughs do not share this view. In addition, as stated above, the boroughs have now instructed another consultant to examine the viability case. This does indicate to us that the affordable housing issue is unlikely to be resolved with the boroughs, notwithstanding other matters referred to above.

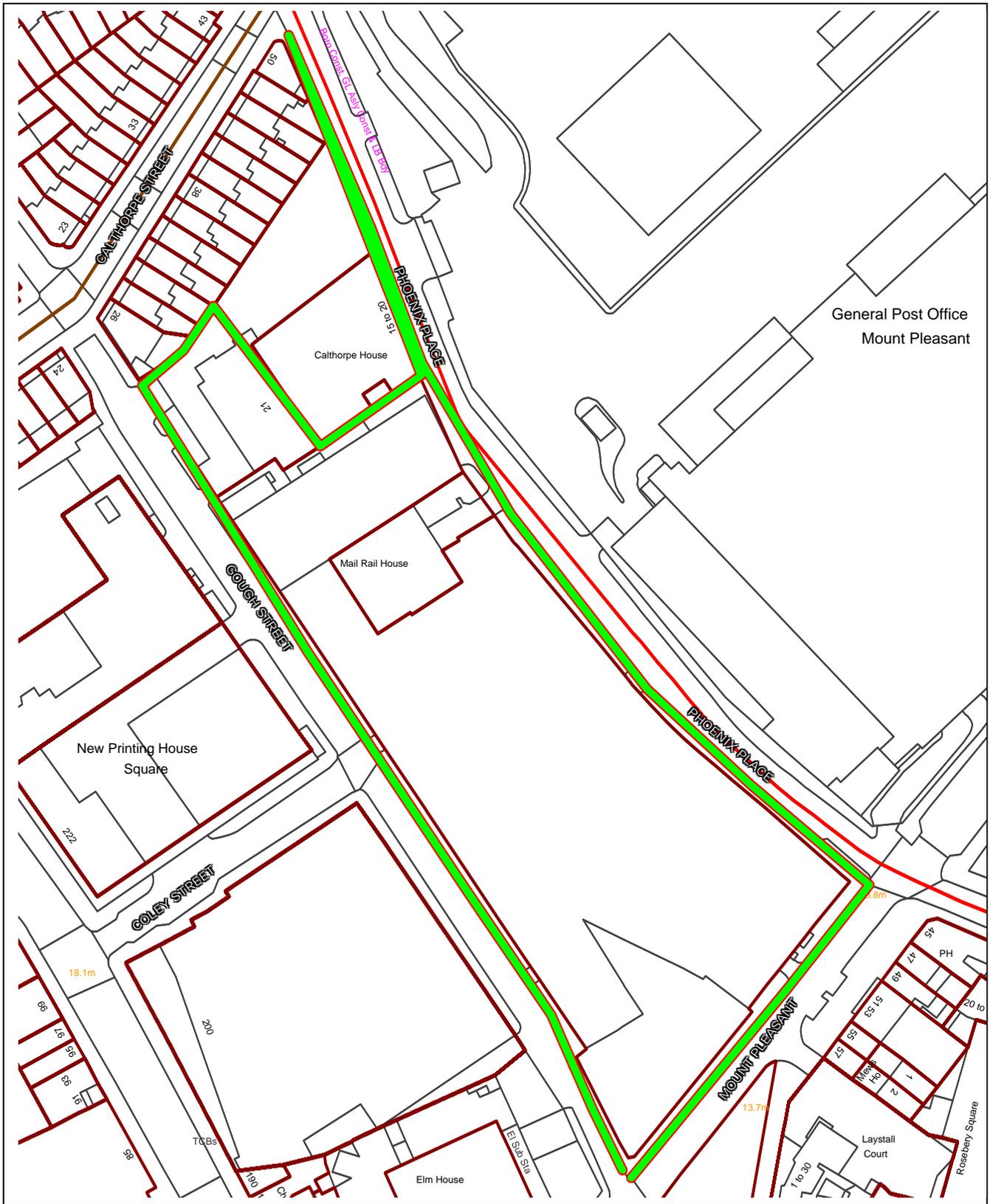
Summary

The applicant is requesting the Mayor to intervene in this case and take over the related applications in Camden and Islington for the Mount Pleasant project. This letter has demonstrated that the applications are both applications of Potential Strategic Importance within the terms of the 2008 Order. It has also demonstrated that the criteria set out in Article 7(1) of the 2008 Order are satisfied, such that it is entirely appropriate for the Mayor to issue a direction under Section 2A of the Town and Country Planning Act 1990. The applications straddle two boroughs but are promoted as a single project. The applications have a significant impact on the implementation of the London Plan in terms of regeneration, housing delivery and job creation. They are linked to strategically important investment in postal infrastructure. There is a very longstanding and unresolved concern about viability and affordable housing provision in the scheme with no immediate prospect of resolution and therefore no realistic prospect of decisions being taken on the applications within a reasonable timescale or within the timescale indicated in the most recent correspondence from Islington.

For these reasons, we ask the Mayor to exercise his powers under Article 7 of the 2008 Order and to direct that the Mayor should become the local planning authority for the applications.

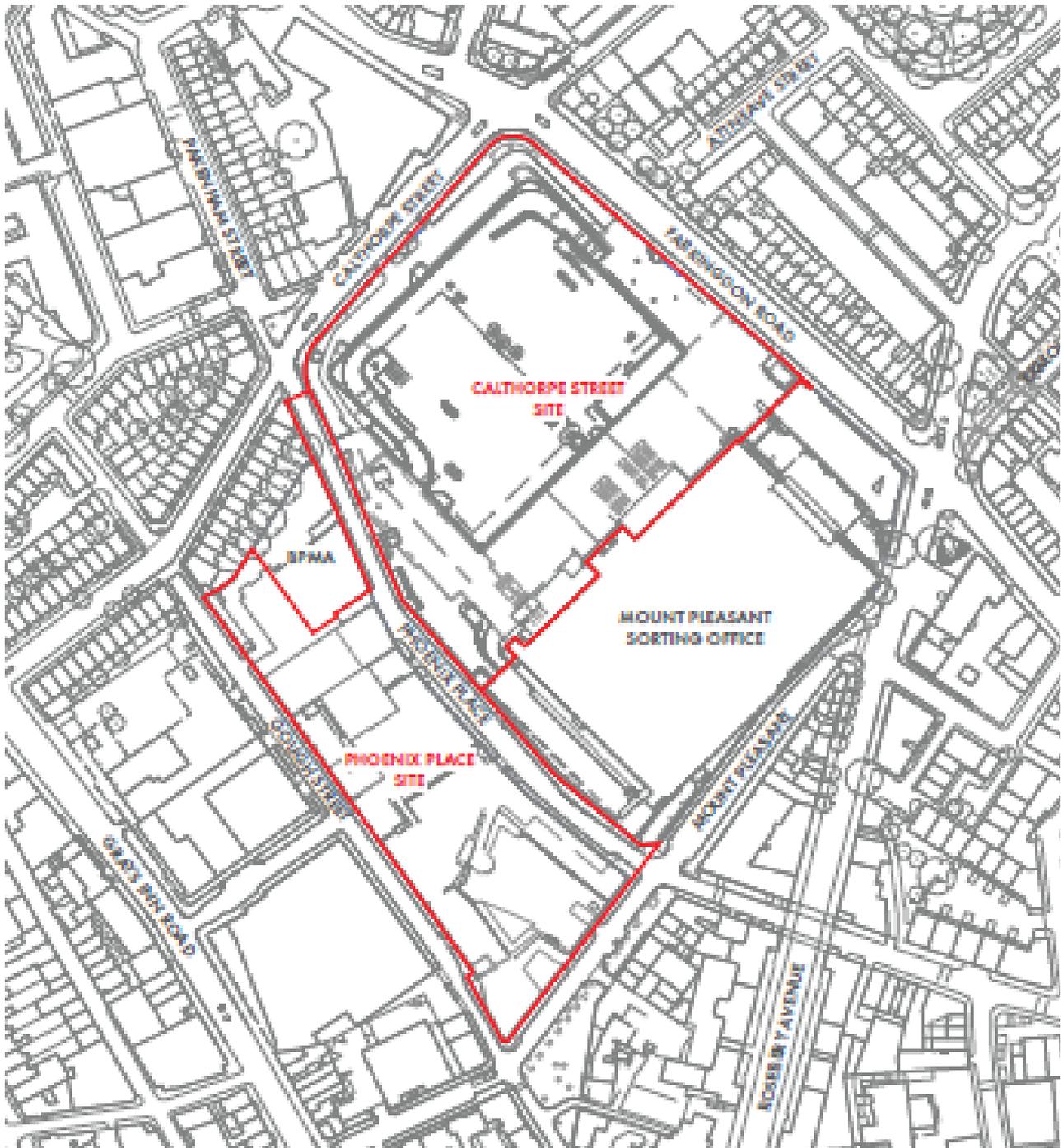
Yours faithfully

DP9



| | | | |
|---|--|---|--|
| | <p>Application No: 2013/3807/P</p> <p>Land to west of Royal Mail Sorting office bounded by Phoenix Place, Mount Pleasant, Gough Street & Calthorpe St. Camden WC1.</p> | <p>Scale: 1:1250</p> <p>Date: 14-Feb-14</p> | <p>N</p>  |
| <p>This map is reproduced from Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office, © Crown Copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings.</p> | | | |

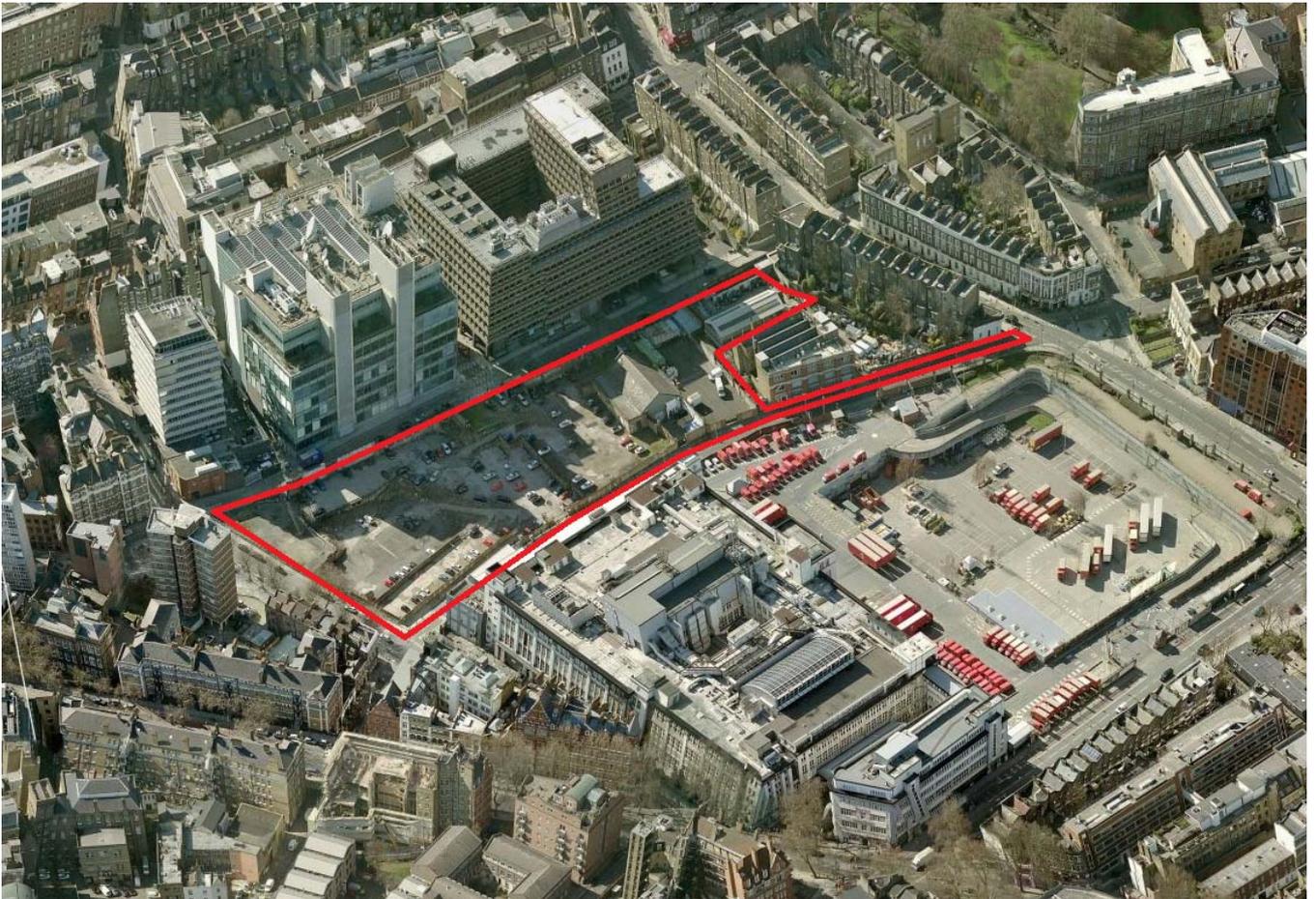
Site Location Plan



Aerial View – Camden site outlined in red



Birds eye aerial view (facing west) – Camden site marked in red



Rear of neighbouring Calthorpe Terrace (from roof of proposed Postal Museum building), facing NW with Gough Street beyond



Rear of neighbouring Calthorpe Terrace (from roof of proposed Postal Museum building), facing North with Phoenix Place and Holiday Inn to right hand side



View southwards across site, showing upper levels of Laystall Court, Mullen Tower, ITN building from left to right



Laystall Court & south west 'corner' (from Elm House)



Junction of Mount Pleasant and Phoenix Place / Warner Street,
including listed terrace from Apple Tree & to no.57 Mount
Pleasant

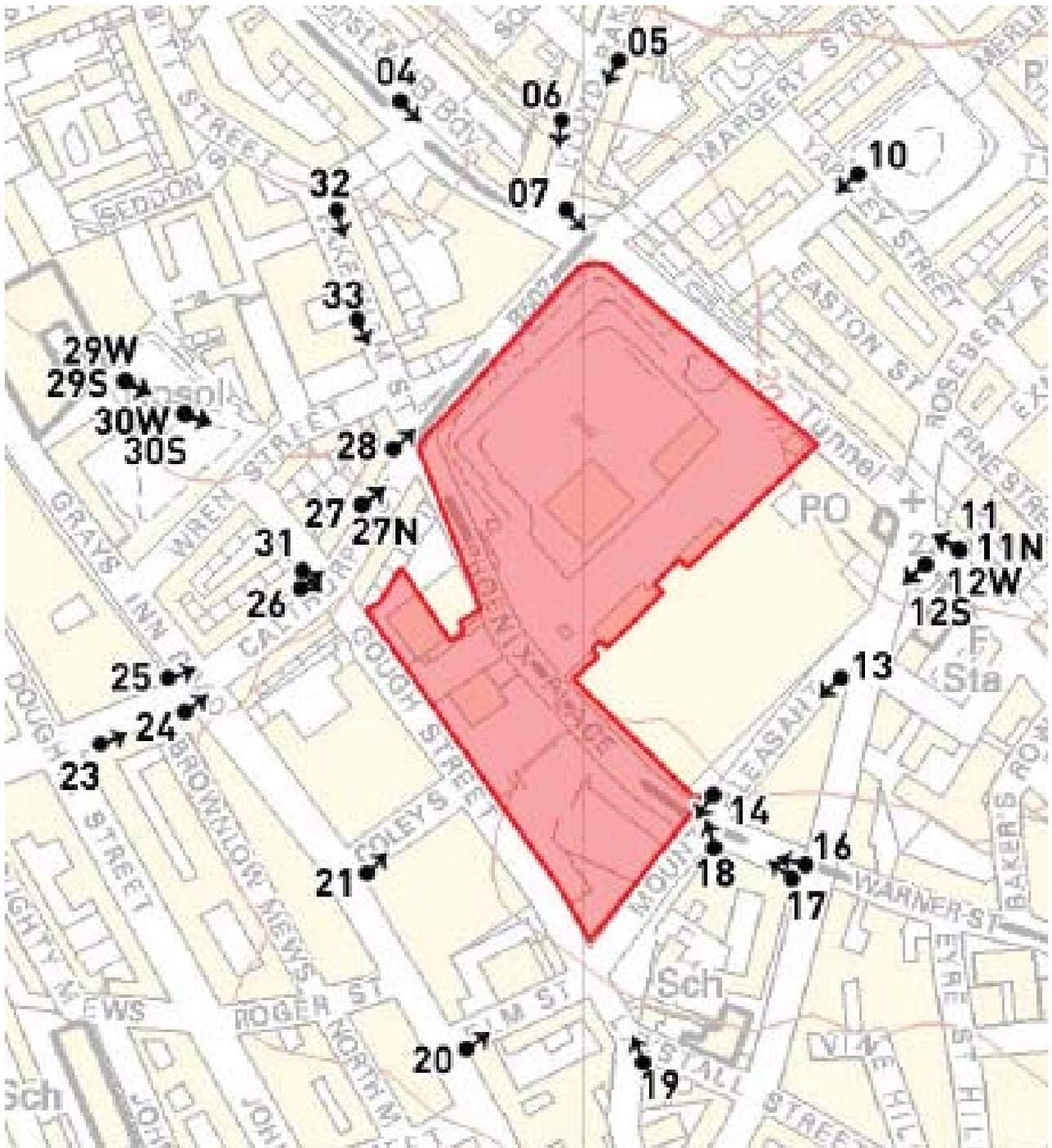


View across wider Sorting Office site, showing urban context and changes in ground level within southern half of Camden site



Selection of Existing & Proposed verified views

(from Environmental Statement, volume 4)



Mount Pleasant at junction with Phoenix Place (view 14)



Rosebery Avenue Viaduct along Warner Street (view 16)



Mount Pleasant junction with Laystall Street (facing northwards)



Guilford Street at Junction with Doughty Street – Existing & Proposed (view 23)



Calthorpe Street west of Phoenix Place (shows northern section of Islington scheme)(view 27)



St Andrews Gardens / Wren Street terrace (view 29W)



St Andrews's Gardens / Wren Street terrace (view 30W)



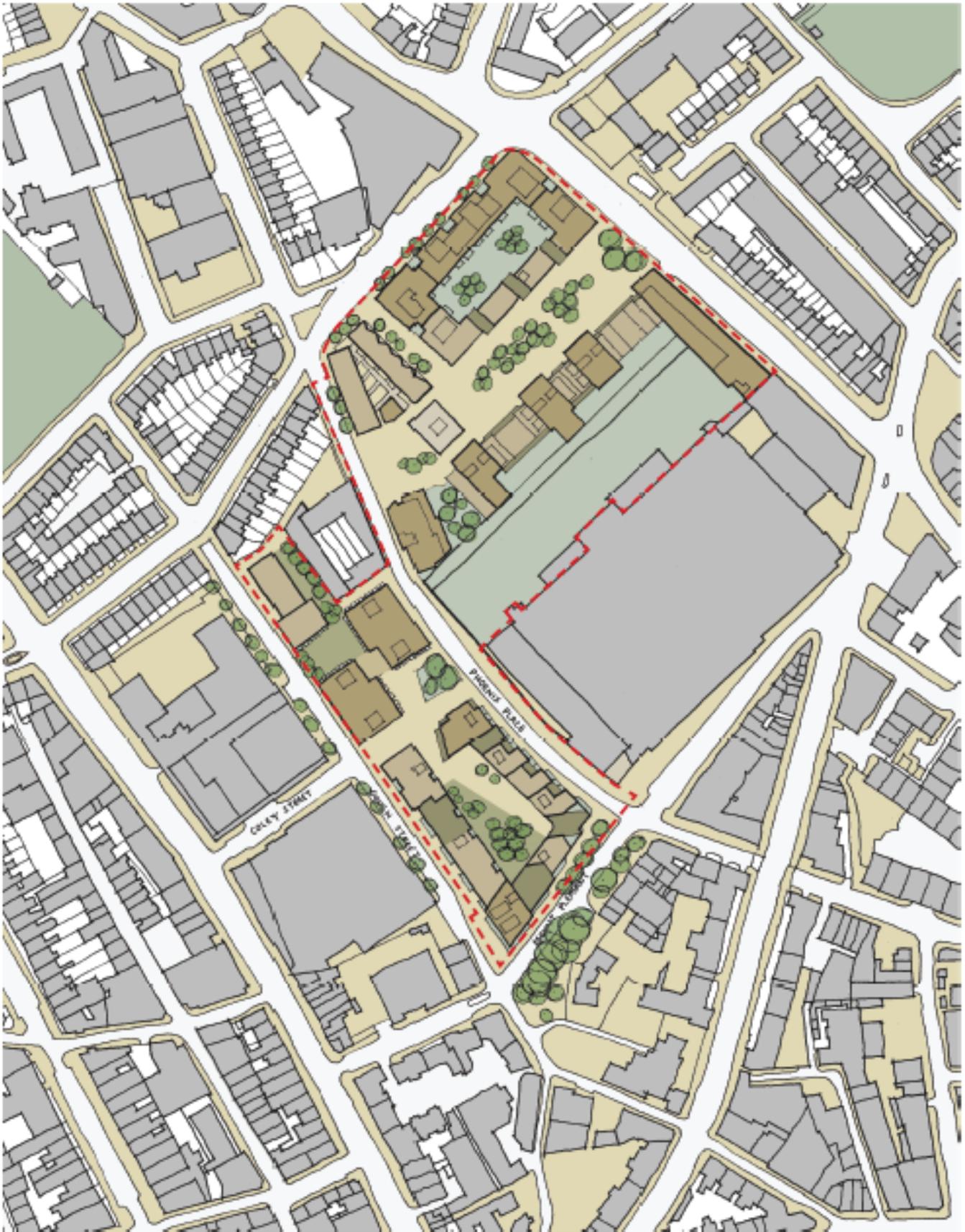
Calthorpe Street junction with Gough Street (view 31)



Mount Pleasant SPD indicative layout



Proposed Site Layout



Proposed uses (ground floor levels)

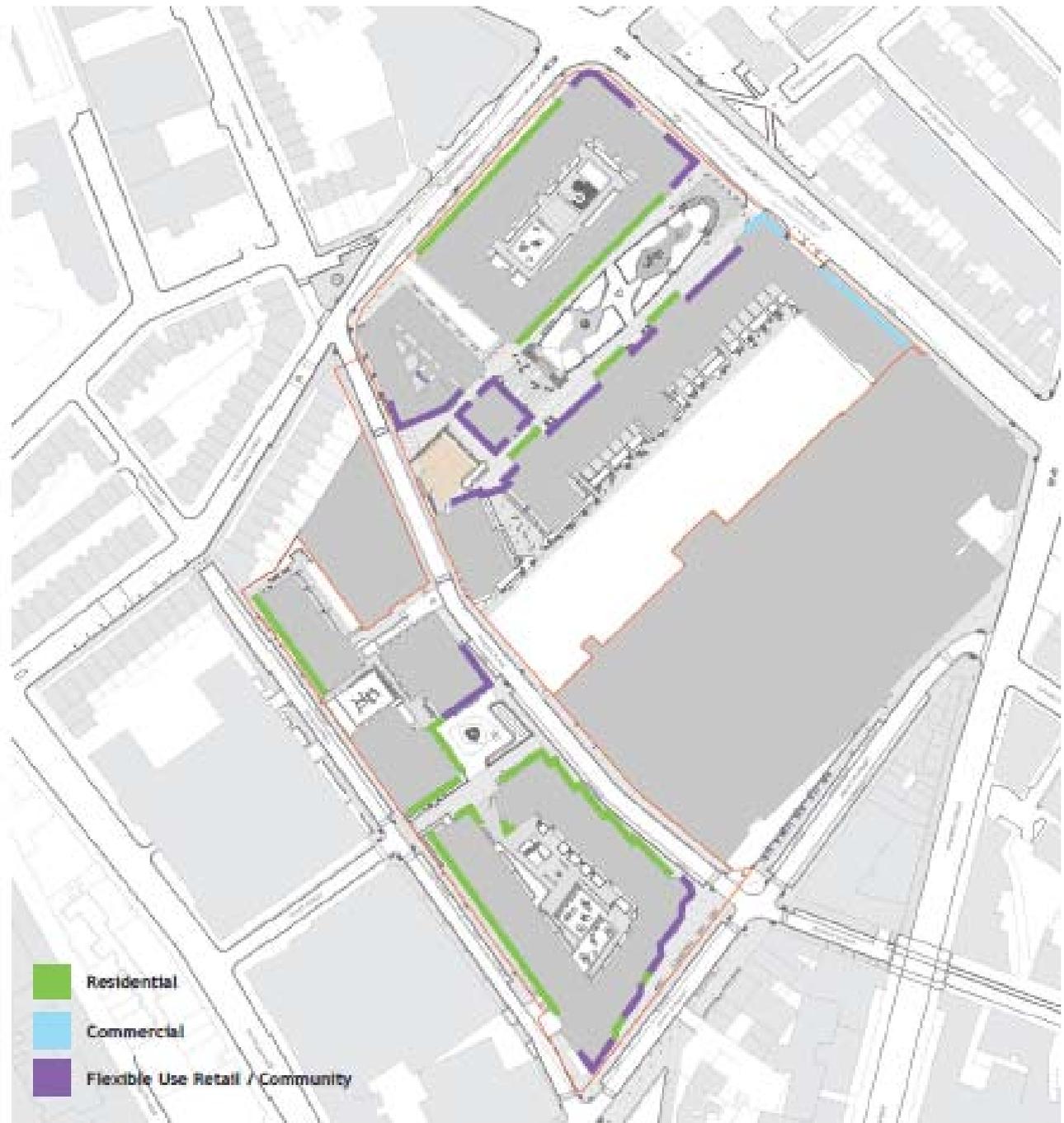
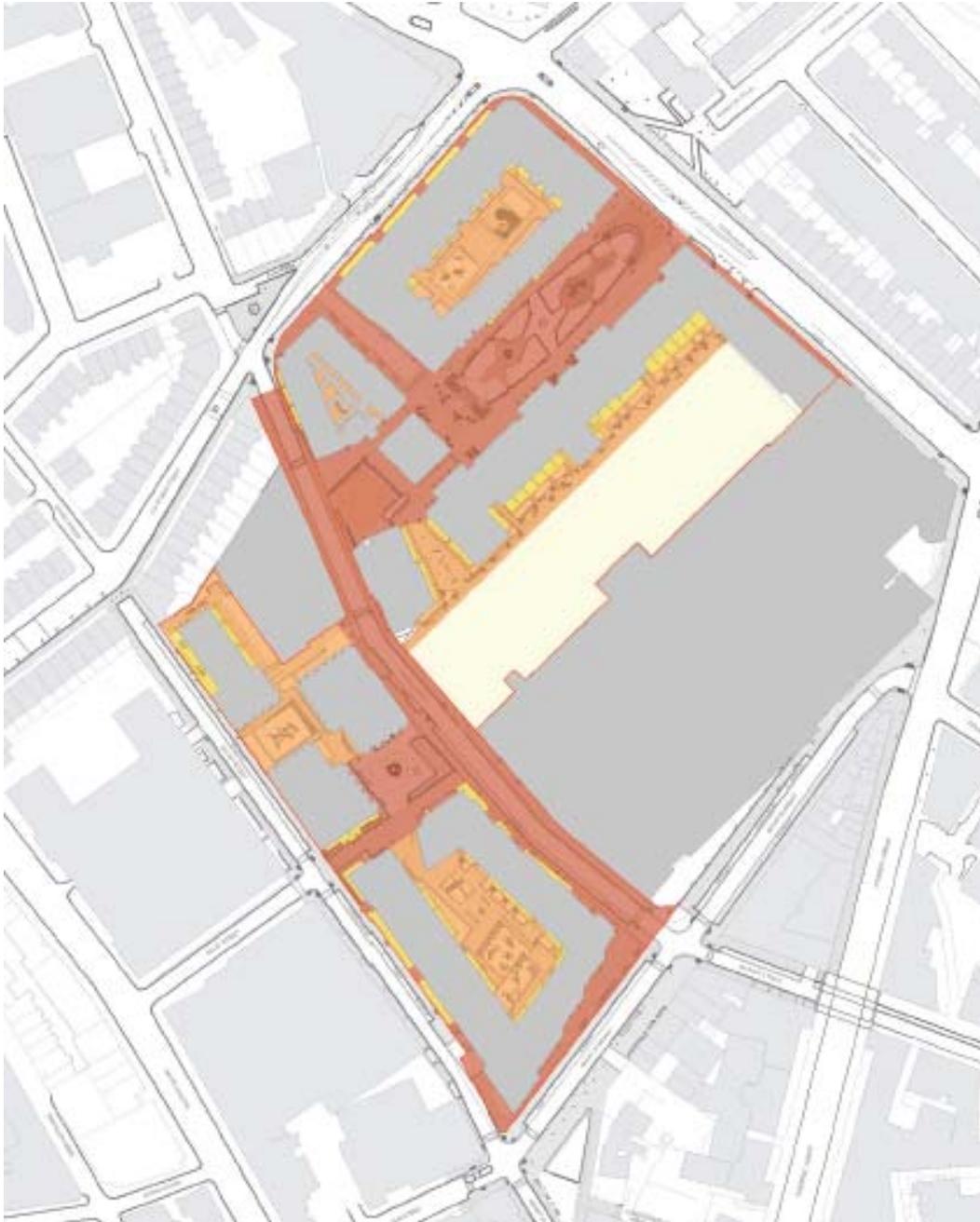


Fig. 5.7: Active Frontages

Open Space hierarchy



Open Space: Public, Communal, Private

Public Space 

Accessible by the public at all times

Communal Space 

Accessible to all residents of relevant blocks but secured from public access

Private Space 

Accessible only from single private dwellings by residents of those dwellings

Comparison of SPD indicative heights & proposed heights

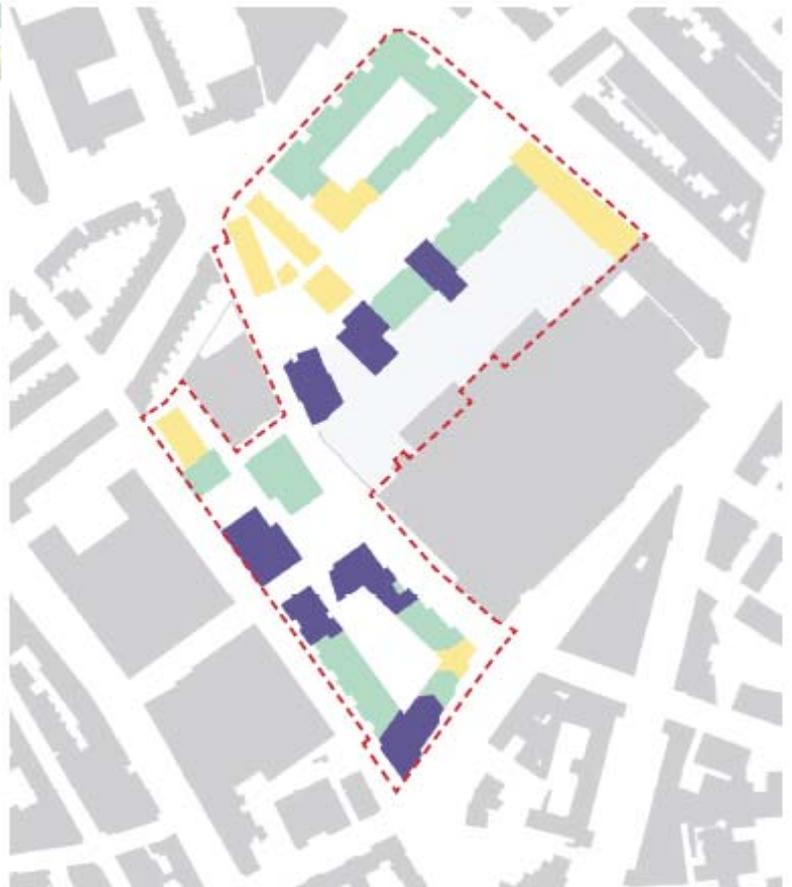
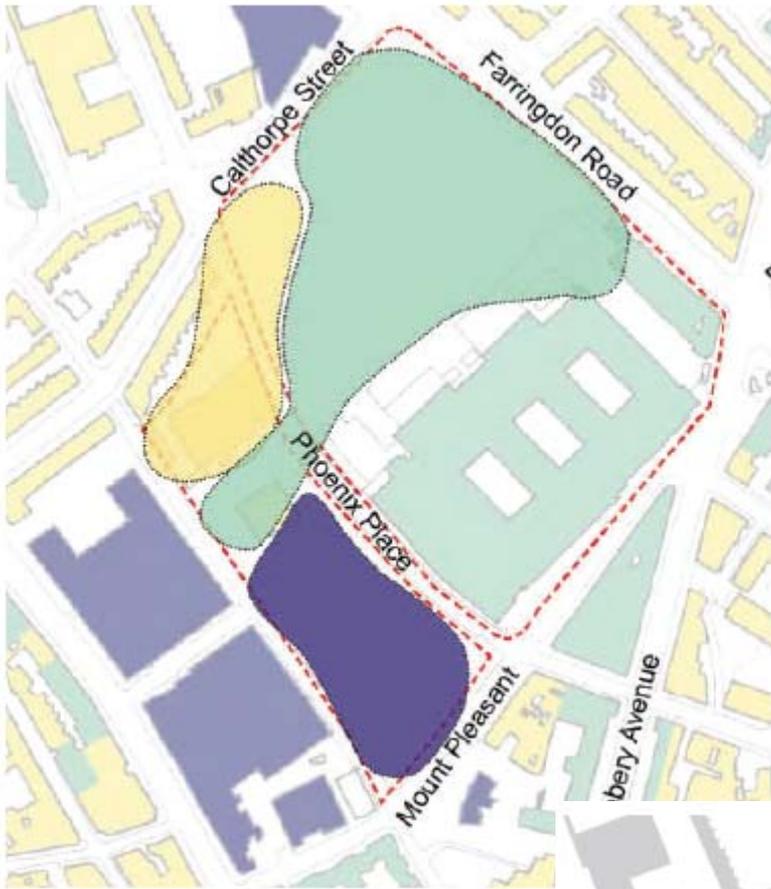


Fig.5.22: Proposed masterplan showing proposed building heights for comparison with the SPD

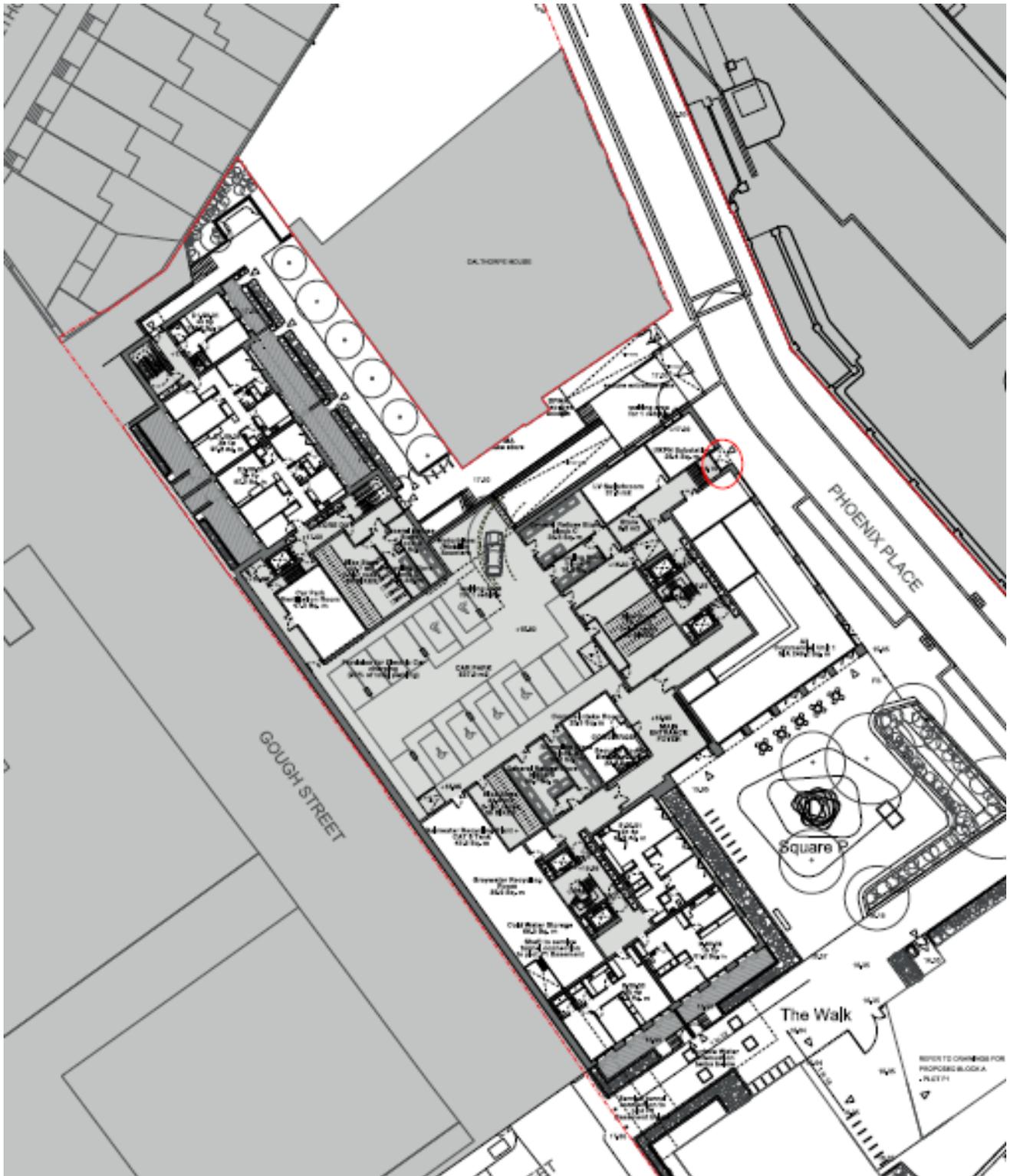
P1 building - showing southern Mount Pleasant commercial units



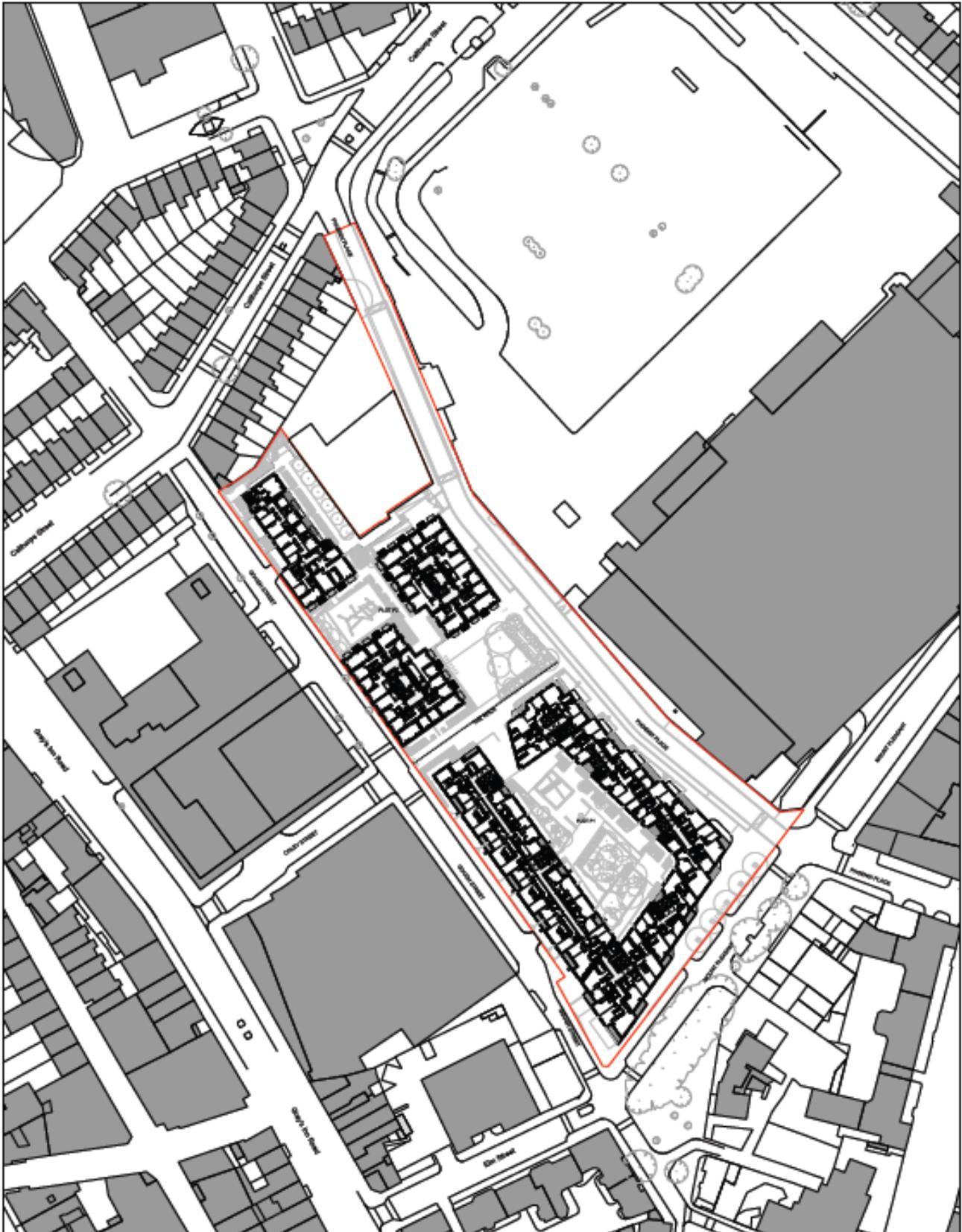
Full Camden site plan showing basement (north), ground floor (south west) and first floor (south east & east) levels, reflecting site topography



P2 buildings – Ground / basement level



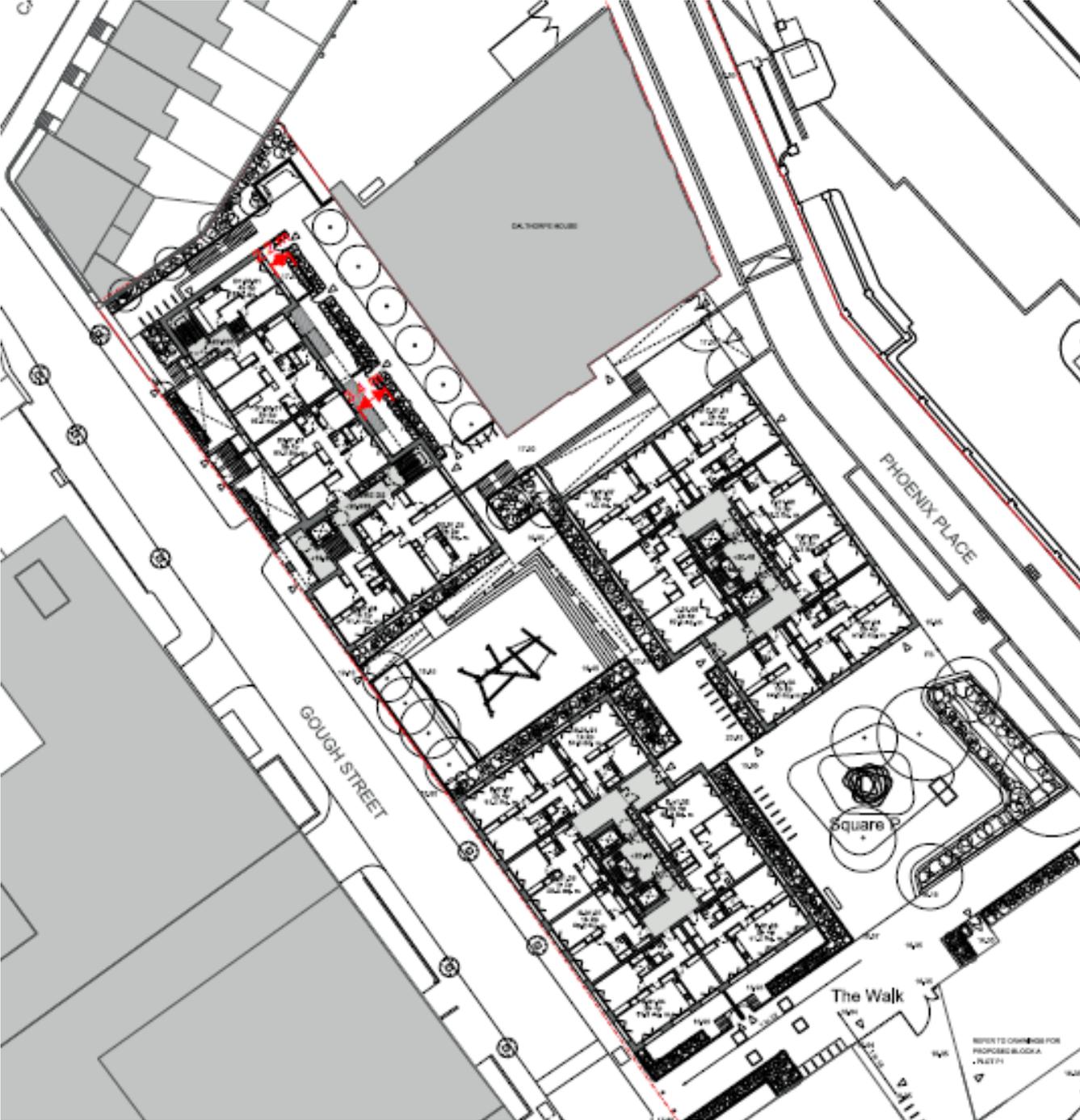
Typical Main upper floor plan



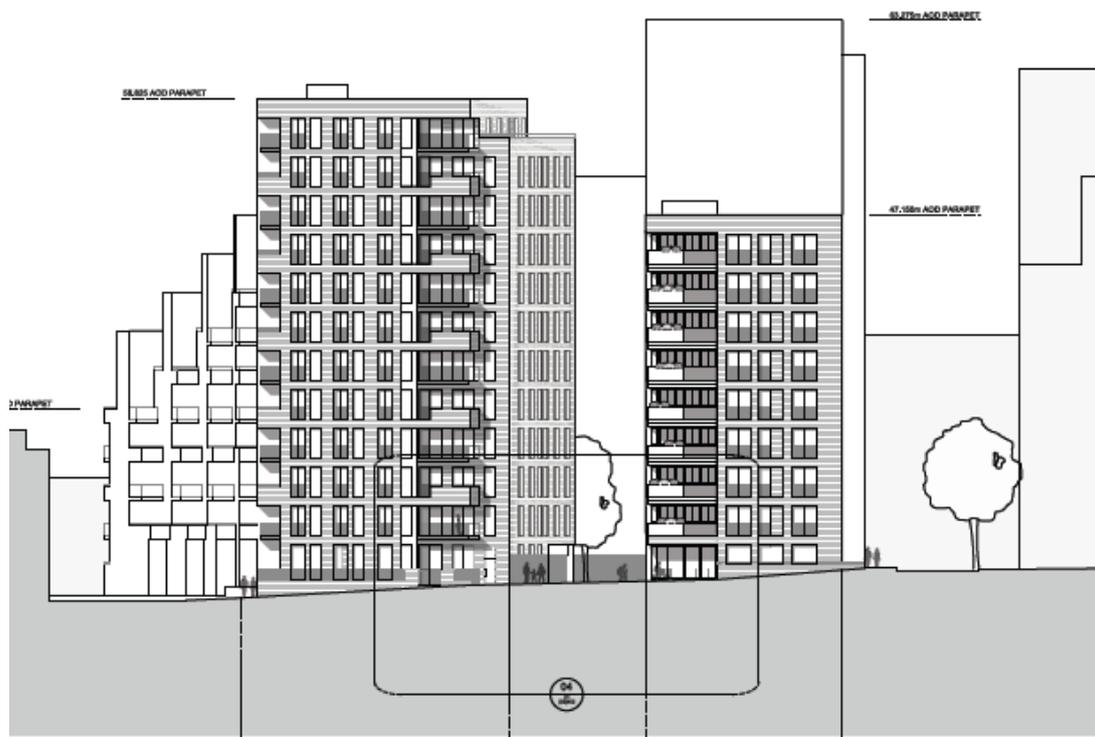
P1 – 1st / 2nd floor levels, showing flat layouts in western limb facing ITN building (left hand side)



P2 Buildings – 1st floor level



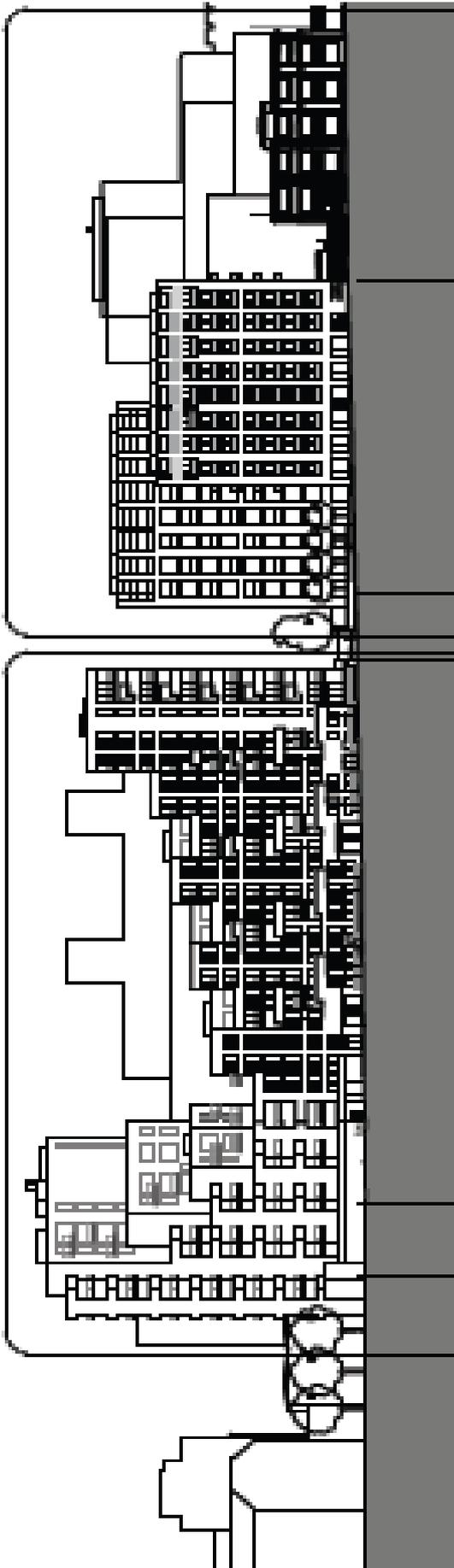
P1 building – South (Mount Pleasant) elevation & north elevation to proposed Coley Walk



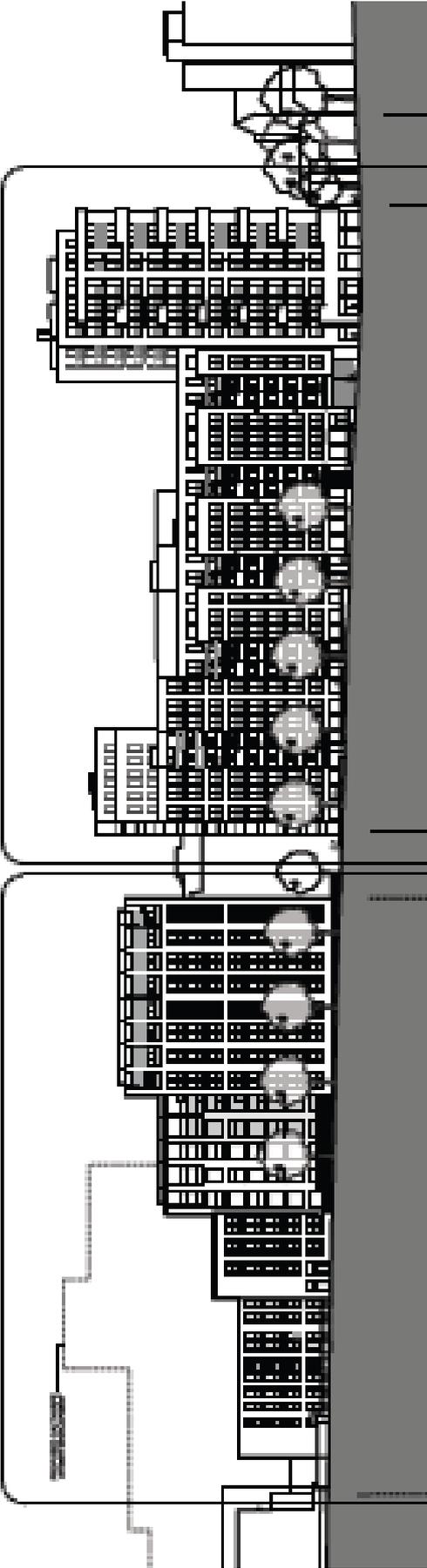
P2 Elevations (south) facing proposed Coley Walk



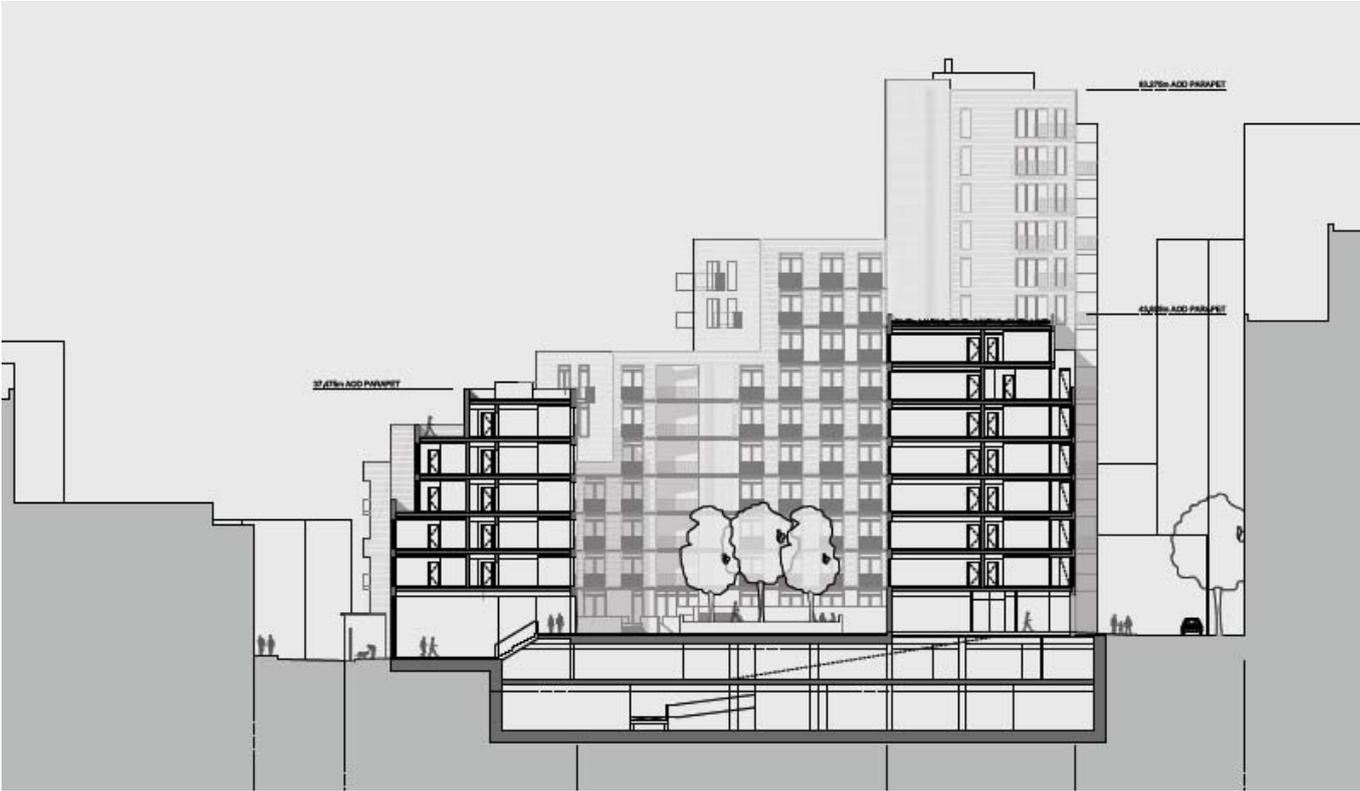
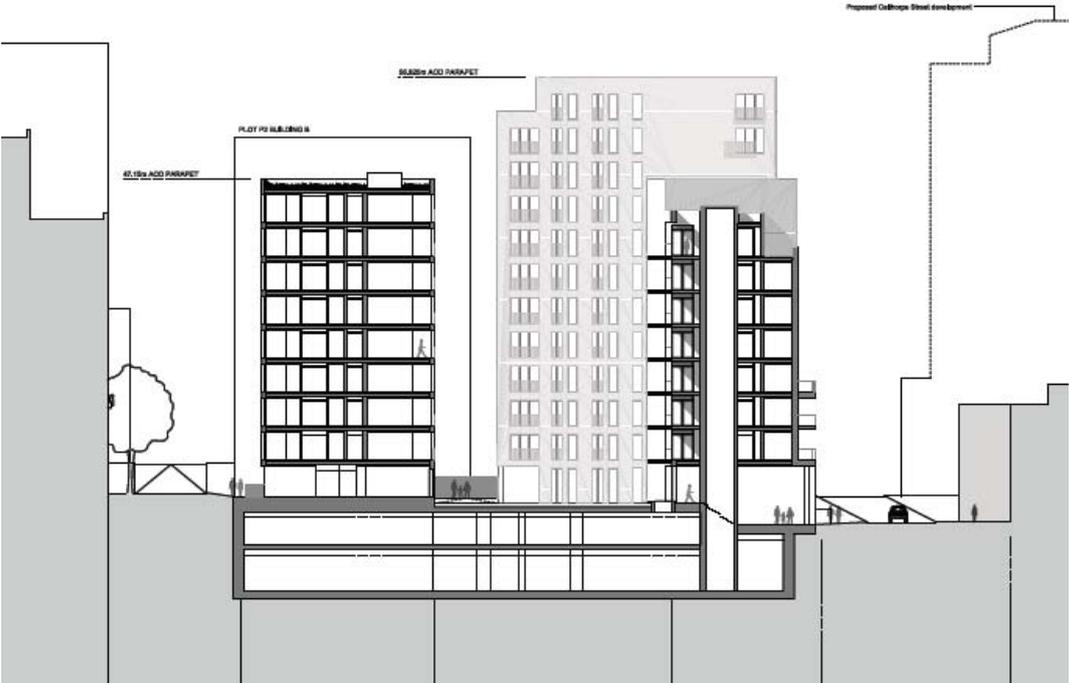
Phoenix Place elevation

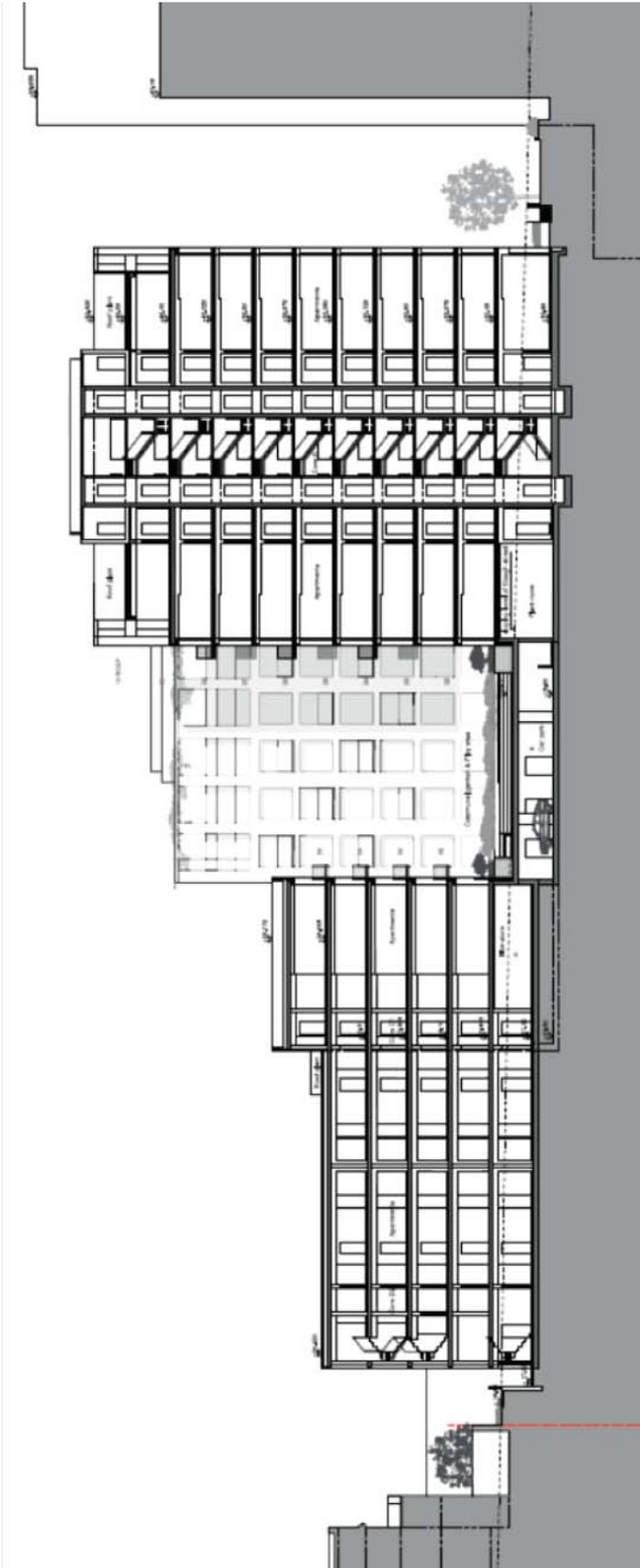


Gough Street elevation



Lateral sections through centre of P1 building (ITN building to left hand side on upper image, right hand on lower)





Section through western part of P2 buildings, showing basement levels relative to Calthorpe Terrace (to left hand / bottom of image)