

planning report PDU/0296/03

30 September 2004

Stratford City

in the London Borough of Newham

planning application no. P/03/0607

Town & Country Planning Act 1990 (as amended); Greater London Authority Act 1999; Town & Country Planning (Mayor of London) Order 2000 – strategic planning application stage II referral

Comprehensive mixed use development of rail lands comprising B1 offices, residential, retail, commercial leisure uses, hotels and conference facilities, community, health and education facilities, open space, landscaping, parking, transport interchanges, associated infrastructure and a town centre link

Context

1 On 30 April 2003 Newham Council consulted the Mayor of London on an application for planning permission for the above uses at the above site. This was referred to the Mayor under Categories 1A (a) “Development which includes the provision for more than 500 houses and flats”, 1B (c) “Development which comprises the erection of a building or buildings outside Central London and with a total floorspace of more than 15,000 square metres”, 1C(c) “Development which comprises or includes the erection of a building more than 30metres high and outside of the City of London”, and 3F “Development for a use, other than residential use, which includes the provision of more than 200 car parking spaces in connection with that use”, of the Schedule of the Town & Country Planning (Mayor of London) Order 2000.

2 On 17 December 2003 the Mayor considered planning report PDU/0296/01, and Newham Council were subsequently advised that,

“The proposal for Stratford City is in general a positive and imaginative (within the constraints of an outline application) response to the key draft London Plan elements envisaged for the Stratford Opportunity Area. The proposals have the potential to deliver a dramatic new urban quarter predicated on mixed-use, sustainable, high-density development within a high quality environment, and would deliver a fundamental change to the economy and environment of this key part of the Thames Gateway. In this context, one of the key strategic challenges for the applicant, the Council and the GLA is to continue to work together to ensure that quality of space and sense of place identified in the Design Strategy and illustrative masterplan is delivered.

Given the strategic importance of the site, the development proposed should represent an exemplary response to the policy objectives of draft London Plan. Whilst the scheme goes

some way in meeting such objectives, there are key strategic planning issues which should be addressed before the Mayor can fully endorse this proposal. These issues include:

- *The maximisation of affordable housing provision in response to the Mayor's policies on affordable housing and his strategic target of 50%.*
- *Meeting the draft London Plan and Energy Strategy objectives for reducing carbon emissions and generation of energy from renewable sources.*
- *Ensuring that the development is suitably integrated with the adjoining area, particularly the fixed link to the town centre.*
- *Ensuring appropriate contributions towards improvements to the regional station, bus routes and bus priority measures to appropriately mitigate the impact of the development. Ensuring that provision for car parking appropriately responds to the standards and sustainable development objectives in the draft London Plan.*
- *That the density of development proposed appropriately responds to public transport accessibility and that a genuine mix of uses is delivered for each development zone."*

3 On 24 May 2004 the Mayor considered a further report on the progress of the application (PDU/0296/02), following which he updated his position as follows:

- *In relation to affordable housing, the Mayor accepts the revised position, acknowledging the results of the open book financial appraisal, which clearly demonstrates that his strategic target of 50% is not financially viable within the context of the available resources and values for this development. The Mayor seeks a flexible section 106 agreement that would enable more affordable housing to be provided if additional funding were to become available.*
- *The Mayor welcomes the revised energy proposals, which show the potential for Stratford City to be an exemplar demonstration project. However, the key to achieving this is to ensure that the necessary commitments and mechanisms are embedded within any outline permission to deliver the necessary baseline commitments and establish a process for achieving the future aspirational targets. Further discussions with GLA officers on the necessary commitments are required, and in relation to increasing the initial renewables commitment. Again, the Mayor will be seeking a flexible section 106 agreement that would enable the development partners to provide a higher initial commitment to renewables in the event that additional government funding were to become available.*
- *The commitments provided within the draft access statement, combined with an empowered Access Consultative Group, represent a positive and robust process for ensuring that Stratford City will fulfil the inclusive design policies of the London Plan. Appropriate conditions/s106 measures will need to be incorporated with any outline permission to implement the approach and commitments set out with the access statement. It is a little disappointing that the development partners have not committed at this stage to the London Plan policy position of 10% wheelchair housing for the market housing, given that they have confirmed that the market housing units will be large enough to accommodate wheelchair housing standards. However, the approach proposed by the development partners remains consistent with the London Plan, which does provide for variation from the 10% target whereby a recent*

assessment of need is carried out which demonstrates that a different proportion would be appropriate.

There remain key areas of strategic planning concern in relation to transport that require resolution before the development will be acceptable in strategic planning terms. These relate to:

- *A firm commitment to reduce retail car parking from 5,000 spaces over time to meet the London Plan standard of 3,600 spaces. The Mayor does not fully accept the legal opinion put forward by the development partners on this matter. He is seeking additional commercial advice on this issue.*
- *There remains a significant shortfall in the funding to provide the bus network sufficient to meet the demands from this development.*
- *An appropriate contribution towards a comprehensive improvement scheme for the Regional Station is yet to be agreed. I understand that the development partners have proposed to deliver an agreed scope of works themselves rather than sign up to a contribution figure. Any arrangement will need to indemnify Transport for London and the other rail bodies against any future risk.*
- *An adequate bus link from the south into the development is yet to be agreed. The Mayor's view is that such a link is essential to serve the development adequately by bus. At the very least, the development partners should provide passive provision i.e. construction of a town centre bridge link that is of sufficient width and strength to accommodate buses in the future.*

4 A copy of the above-mentioned reports are attached as appendices to this report. 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.

5 On 8 September 2004 Newham Council decided that it was minded to grant planning permission for the revised application, and on 21 September 2004 it advised the Mayor of this decision. Under the provisions of the Town & Country Planning (Mayor of London) Order 2000 the Mayor may direct Newham Council to refuse planning permission, and has until 4 October 2004 to notify the Council of such a direction. This report sets out the information needed by the Mayor in deciding whether to direct refusal.

6 The environmental information for the purposes of the Town and Country Planning (Environmental Impact Assessment) (England and Wales) Regulations 1999 has been taken into account in the consideration of this case.

7 The Mayor of London's decision this case, and his reasons, will be made available on the GLA website www.london.gov.uk.

Update

8 Newham Council has resolved to grant outline planning permission subject to an extensive number of conditions and heads of terms for the s106 agreement. Part of the conclusion of the committee report considered by the Newham Development Control Committee stated the following:

“The development proposed within the main outline application is considered broadly acceptable in principle as it accords with the Councils’ aspirations as expressed in the Adopted UDP and the Stratford Rail Lands Framework Plan. If implemented, the development would result in the transformation of this part of the Borough, the upgrading of Stratford Town centre to a Metropolitan scale centre, the provision of nearly 5000 homes, a significant amount of business space, a considerable number of new jobs together with new open spaces and supporting leisure, social, educational, community and health facilities. The development as a whole will provide a significant kick start to the regeneration of this part of the Thames Gateway particularly as the site lies at the confluence of the Cambridge/Stanstead/Lea Valley corridor with the Thames Gateway corridor.”

9 The proposed outline permission comprises a Development Specification and a number of parameter plans which define the principal components of the development and their locations. Design and open space strategies also form part of the proposed outline permission. The proposed permission includes the following elements:

- 460,000 sq.m residential (approximately 4,500 units).
- 150,500 sq.m retail (use class A1-A3).
- 465,000 sq.m B1/office.
- 121,000 sq.m hotel.
- 36,500 sq.m leisure.
- 7,536 sq.m community and health care.
- School campus for primary and secondary provision.
- 13.95 hectares of open space.

10 Various triggers have been agreed to ensure that vital facilities, infrastructure or benefits are brought on stream as they are required. For example, all the accesses to the site, the station improvements, the bus stations, the link to Meridian Square are required before the core shopping centre opens, and the open spaces, play areas, and community and health facilities are to be provided as the relevant employees, resident or visitors to the site arrive.

11 The key strategic issues raised by the Mayor in his previous responses to the Council and the applicant (the Stratford City Development Partners or SCDP), related to:

- The level and mix of affordable housing to be provided.
- Density of residential development.
- Retail and regeneration impact.
- Meeting the London Plan energy objectives.
- Ensuring the highest standards of accessibility and inclusion.
- Relationship with London’s bid to host the 2012 Olympic Games.
- Transport matters, including level of retail car parking; ensuring an adequate bus network and integration to meet the demands from this development; and reaching agreement on a comprehensive improvement scheme for the Regional Station.

Affordable housing

12 The proposed level and mix of affordable housing remains as set out in the previous report to the Mayor dated 24 May 2004 - 30% affordable housing provision, with 60% social rented and 40% intermediate accommodation. This tenure and mix of affordable housing represents an improved offer from the original submission with a higher proportion of social rented units, and in particular, more three and four bed units. This option was preferred by

Newham Council as it better reflects the size of units for which the Council is most in need (as identified in the Housing Needs Survey). This offer was assessed in detail in the previous report to the Mayor, paragraph 13 of which stated,

“It is apparent from the financial appraisal that 50% affordable housing is not financially viable within this development, within the context of the available resources and values. A deviation from the London Plan affordable housing target is therefore justifiable in this instance, taking into account the results of the financial appraisal. A level of affordable housing above 30% could be achievable if additional Housing Corporation resources were available. However, even with additional grant, increasing such provision at the expense of market provision would have a significant negative impact on the viability of the overall scheme, which could only be mitigated by the provision of additional direct public sector funding for transport and other project infrastructure.”

13 The level and mix of affordable housing has been determined following extensive negotiations between the GLA, the Housing Corporation, the London Borough of Newham, and the applicant, to identify the maximum provision in the context of an independent financial appraisal of the financial viability of the whole scheme. The final proportion of affordable housing takes account of the extraordinary infrastructure costs, the contribution to the CTRL, and the need to mitigate the negative aspects of the development and to ensure the provision of an appropriate level of transport and social infrastructure. Given the findings of the open book appraisal it is recognised that the development cannot deliver a higher percentage of affordable housing without the scheme being rendered economically unviable without substantial additional public sector subsidy or the deletion of other essential planning gains required to make the scheme acceptable.

14 The approach to assessing the appropriate level of affordable housing within this development is entirely consistent with Policy 3A.8 of the London Plan which requires boroughs to seek the maximum reasonable amount of affordable housing having regard to individual characteristics of a particular site, including viability and availability of subsidy, and also the need to create mixed and balanced communities.

15 In his letter to Newham Council, following his consideration of the 24 May report, the Mayor sought a flexible S106 agreement that would enable more affordable housing to be provided if additional funding were to become available. This has been included in the proposed legal agreement, which allows for additional affordable housing up to 35% if further public subsidy becomes available.

Density of residential development

16 The December 2003 report to the Mayor raised a concern that there was potential for the density of residential development to be increased taking into account public transport accessibility levels across the site. Since then the overall net site density has been increased from 545 to 644 habitable rooms per hectare. This increase in density should achieve closer to 5,000 units across the site rather than 4,500 units initially proposed. Assurances in relation to the quality of the built environment to be delivered have been provided through the Housing Density Report, Open Space Strategy, Design Strategy and the establishment of an independent Design Review Panel.

Retail and regeneration

17 As previously reported to the Mayor, the cumulative impact of Stratford City and other known significant retail developments in the pipeline in London will not undermine the vitality and viability of any of London's network of town centres or the West End below accepted benchmarks, taking into account the anticipated scale of growth in consumer expenditure to 2016. Since the time of writing the previous report to the Mayor there has been continued testing by the GLA's consultants as part of the GLA's pan-London assessment study of retail need and capacity. This study is yet to be fully completed, however, the ongoing testing has not revealed any significant variations from the information contained within the previous report to the Mayor (refer to paragraphs 15 – 20 of 24 May report).

18 Stratford City is expected to create up to 34,000 new jobs, the majority of which are expected to be in the financial and business sector arising from the new 465,000 square metre office quarter. The proposals are also expected to provide the full time equivalent of 4,000 construction jobs over a 15 to 20 year period.

19 The provision for a substantial amount of new office development within Stratford City is essential to fulfil the above regeneration potential of this location in terms of job creation, and also to ensure that the strategic policy aspirations for this location to develop as a new Metropolitan centre for East London are met. These policy aspirations are discussed in more detail in both previous reports to the Mayor. These reports also recognise the sensitivity of the current office market in this location and hence the need for any planning permission to contain a variety of initiatives to promote Stratford City as an office location. The proposed permission has responded to this issue with the following measures:

- The applicants' are committing £9m towards employment and training provisions including a jobs and business strategy, construction training and recruitment, job brokerage services, employment enterprise and learning bureau, end user training, business support and development, small business space (a total of 4646 square metres, of which 1860 square metres is to comprise subsidised incubator units) and school and post 16 skills and development training.
- An implementation panel is to be established to oversee the implementation and co-ordination of a jobs and business strategy and allocation of funds will also be established and an employment and business manager employed. The panel will comprise the Council and the applicants and adjoining boroughs and other key bodies. It will be chaired by the Council and the Council shall have the final decision on matters reviewed by the Panel which, as mentioned above, will include the allocation of funding.
- During construction, the applicants will provide on-site job brokerage and training provision. Land is also to be offered to a training provider for practical training for example in the operation of plant and equipment training.
- As part of the commitment to secure a balanced mixed of uses across the site, an office marketing strategy is to be prepared, approved and implemented for a period of 5 years following completion of the office element of the development.

Energy

20 The Mayor previously welcomed the energy proposals for Stratford City, but sought the necessary commitments to be embedded within any outline permission, including a

flexible section 106 agreement that would enable the development partners to provide a higher initial commitment to renewables in the event that additional government funding were to become available. The proposed heads of terms for the legal agreement requires the following:

- Sustainable energy - prior to implementation, the applicants shall establish a sustainable energy partnership, which will operate as the Energy Service Company (ESCo) for Stratford City, with the principle objective of delivering the CCHP plant. The sustainable energy partnership shall promote sustainable energy strategies for all energy related activities at Stratford City through the promotion of energy efficiency, efficiency of energy supply and renewable energy. Wherever practicable the sustainable energy partnership shall seek to align its commercial objectives with carbon emissions reductions.
- CCHP - the applicants shall use reasonable endeavours, including competitive pricing, to ensure that a minimum of 70% of the electrical power requirements of the development are met by the CCHP; and all buildings in Zone 1 and 2 are connected to the district heating infrastructure associated with the CCHP plant. The applicants shall procure that district heating will be provided to development to the north of the CTRL Box, through appropriate systems. The applicants shall use reasonable endeavours to ensure that all buildings in Zones 3, 4, 5 and 6 are connected to the northern district heating systems.
- Carbon emission targets - by using all reasonable endeavours through the use of district energy systems and renewable energy, the applicant shall procure a 15% reduction in carbon emissions against a baseline of ECON 19 or equivalent energy consumption at the time of commencing the relevant part of the development. All buildings shall be designed to achieve carbon emissions of an additional 10% below Building Regulation requirements over and above the CCHP carbon reductions referred above.
- Future carbon emission reductions - the applicants and the sustainable energy partnership will work with Newham and the GLA to seek to reduce carbon emissions across the development taking advantage of, for example, refurbishment of buildings and replacement of plant in an effort to achieve the targets of 50% reduction by 2020 or the date 12 years from implementation (whichever is earlier); and 80% reductions by 2050 or the date 45 years from implementation (whichever is the earlier).
- Renewable energy targets and fund - the applicants shall use reasonable endeavours to achieve a minimum of 2% of the energy requirements of the development to be provided from locally resourced renewable energy either on or off-site. The applicants shall make available a renewable energy fund (up to a maximum cost of £3m) to be directed towards the delivery of renewable energy generation within the development or in the local vicinity of Stratford City. Prior to implementation, the applicant shall submit to the environmental review panel for consideration and thereafter to the Council for approval, a strategy for the use of the renewable energy fund referred to above. The applicants shall use reasonable endeavours to use the fund to leverage grant funding. Street infrastructure powered by renewable energy will form part of the submitted strategy for the use of the renewable energy fund unless alternative means to deliver a higher level of renewable energy of equivalent cost are found.
- Exemplar Buildings - the applicant will use reasonable endeavours to deliver an 'exemplar building' within Zone 1 of the development that includes 10% of its predicted power requirement from on-site renewable energy generation and would achieve a CO₂ reduction of 40% with a minimum size of 2000 square metres. Notwithstanding the provision of an exemplar building in Zone 1, the applicant shall procure the delivery of two 2,000 square metre or one

4,000 square metre exemplar building(s) across the remainder of the development, and shall work with the Council with the objective that the school in Zone 6 is provided as a low carbon building.

21 The above commitments combined with the Energy Strategy for Stratford City represents a successful outcome to the energy discussions. The proposed permission secures the necessary infrastructure and mechanisms from the outset to enable the Mayor's Energy Strategy to be realised at Stratford City, in a pragmatic and commercially viable way, over the Strategy's 50-year time horizon.

22 Appropriate conditions have also been imposed on the consent to ensure that the required mitigation is put in place in response to the Mayor's previous comments regarding air quality.

Accessibility and inclusion

23 As reported to the Mayor in paragraphs 34 to 38 of the 24 May 2004 report, the commitments provided within the Access Statement, combined with an empowered Consultative Access Group, represent a positive and robust process for ensuring that Stratford City will fulfil the inclusive design policies of the London Plan. There are, however, a couple of detailed points within the heads of terms that do not fully reflect the previous agreement reached between GLA officers and SCDP. These relate to the need for the inclusion of consultation with the Consultative Access Group in clauses 4.6.2 and 13.4.4, regarding the market research to be undertaken to identify demand for wheelchair housing, and the deletion of the last sentence of 13.4.4, which states the obligation to provide such housing falls away in the event that the units are not sold as wheelchair housing. The SCDP has accepted these as omissions which can be resolved in the detailed drafting of the s106.

Olympics

24 Stratford City will assist in supporting London's bid to host the 2012 Olympic Games. The masterplans have been designed to complement one another. Part of the Stratford City site will be used for temporary facilities for the Games e.g. the athletes village will use some of the residential area and the school will be used for athletes facilities; the new retail core would provide additional attractions for competitors, supporters and spectators; the transport network will have already been enhanced as a result of the Stratford City development; and the connection between the Olympic precinct and either the International or Regional Stations will be through the Stratford City development. Given the importance of this development to London's bid for the 2012 Olympics, the initial reports to the Mayor sought relevant clauses within the Stratford City s106 relating to the Olympic masterplan should the Olympic bid be successful.

25 Appropriate controls have been imposed on both proposals to ensure that phasing issues are addressed. In particular, the Olympic consent is subject to an obligation that the development cannot proceed until an Integration Strategy with Stratford City has been agreed with the Borough Council. Complementary obligations are also contained in Part 14 of the Stratford City Heads of Terms for the S106 agreement. In addition, the LDA and the applicant's have been working closely together to ensure through a land agreement that, should the Olympics come forward, the Stratford City proposals will not prejudice their implementation (and vice-versa).

Transport for London

Background and key issues

26 An assessment of the full anticipated transport impacts from Stratford City has been undertaken. In assessing the application, Transport for London's principal transport objectives for the Stratford City planning application are to ensure that:

- The proposed development is supported by appropriate levels of transport infrastructure and services and that financial risk for TfL is minimised.
- Specifically that the Stratford Domestic Station rail, underground and bus interchanges and network have the capacity to handle anticipated demand.
- The proposals do not compromise any future transport plans for the area, including plans for a comprehensive improvement scheme for Stratford Regional Station, and safeguard TfL's proposal to convert the North London Line to DLR operation including an extension to a new DLR station at Stratford International
- The proposals include appropriate levels of car parking, in line with policies in the London Plan; the additional traffic can be accommodated on the strategic highway network and protection is afforded to key bus routes into the site.
- There is a satisfactory connection to the existing town centre, and specifically that buses can adequately access the site from the south.

27 In previous reports to the Mayor, TfL stated that its recommendations to the Mayor would be based on how these objectives were met. TfL's approach was in two stages: the first stage was a validation of the proposed travel demand, and the second stage is an understanding of how the networks will cope with any significant increase in usage.

28 The assessment of trip generation resulted in a revised central case and high and low trip generation scenarios, which were used to test the networks. TfL still hold some minor concerns regarding how this test data has been compiled but considers the developer's aggregate trip numbers as broadly robust. It is anticipated that in total around 16,600 people will access the site in the morning peak hour and 22,900 people in the evening peak hour.

29 In relation to work on the second stage of the process (network impact assessment), there remain significant gaps on a number of issues between TfL requirements and what the developer is willing to deliver. The key issues are as follows:

30 Works to Stratford Regional Station - TfL has reached agreement with the developer on the broad scope of improvement works required to mitigate the impact of the Stratford City development. A mechanism (the appointment of an independent quantity surveyor) has also been agreed to calculate the costs of the work if SCDP are to make a financial contribution towards a more comprehensive station scheme rather than carry out their own works themselves. TfL is also seeking a condition which links the opening of the retail zone with the completion of the agreed station improvements.

31 Car parking - TfL has serious concerns about the number of car parking spaces associated with the retail and leisure elements of the development. The proposal is for 5,000 spaces, which is 40% above the London Plan standard of 3,600. The additional parking will increase trips on the local highway network which causes TfL concerns about the effects of the subsequent congestion on bus journeys, particularly as TfL's request for a Section106

contribution for £4m for bus priority to protect bus movements on borough roads has been met with a guaranteed sum of only £2m.

32 Bus services and bus priority - For bus revenue support the total requested by TfL is £17.8m, the developers base offer is £12.9m, a shortfall of around £4.9 m. This shortfall could reduce in the longer term with the reassignment from other funds. On bus priority the TfL request is for £4m, the developer's offer is for £2m which also could be supplemented by developer reserve funds but only if certain car parking levels are triggered.

33 Bus access from the south of the site - SCDP's rejection of TfL's recommendation that the pedestrian link bridge is built to a strength whereby it can also support buses means that there is no direct bus link into Stratford City from the south. The developer's alternative of access route to the east and west are circuitous and will be more expensive to provide, a factor which is not compensated for in SCDP's bus revenue support package.

34 These four points are dealt with in more detail below, together with the other major transport issues: the travelator, rail schemes, rail safeguarding, highways matters, taxi provision, pedestrian and cycle provision, travel plan, and the Section 106 agreement.

Stratford Regional Station

Scope of improvement works

35 After prolonged negotiations with Stratford City Development Partnership (SCDP), to which LB Newham, the SRA and Network Rail have also been party, SCDP has proposed an outline scope of works which broadly comprises the following (this outline scope of works are detailed in the "Without Prejudice" letter of 9th June 2004 from Stanhope):

- Delivery of a ticket hall to the north of the station and link into both the existing central and western subways.
- Undertake platform de-cluttering works to a defined scope of works.
- Provision of a staircase from platforms 3/5 and from platforms 6/8 to the western subway subject to a contribution of £1 million from TfL.
- Provide latent provision for a link to a future subway (link and subway to be provided by others).

36 TfL is broadly satisfied that these improvements to the station would be sufficient to accommodate the increase in the passenger use of the station resulting from the Stratford City development and specifically the opening of the 150,000 sq. m. retail development which is programmed for 2009. To date the developers have not undertaken any detailed design work which would need to comply with railway industry standards and relevant safety requirements.

37 TfL have consistently maintained that any planning permission must be subject to a condition that no part of Zone 1 (retail) of SCDP's development opens prior to station works being in place and in a condition to operate safely and efficiently.

Comprehensive improvement scheme and funding

38 TfL has allocated specific resources and is working with Network Rail and the SRA on a joint strategy to examine how Stratford Regional Station will cope with a number of planned developments in the area, including Stratford City, the redevelopment of the Lower Lea Valley and the Olympic bid. A conclusion to this study is expected in June 2005 and an indication of the likely public funding available is expected later in 2005 after the result of the Olympic bid.

This study could result in a more comprehensive station improvement scheme than the improvements included within SCDP's scope of works.

39 SCDP have stated that they could implement their station improvements themselves at their own financial risks. This is acceptable in principle but in order to safeguard the public sector's position if a more comprehensive improvement scheme is necessary and funded (which may differ from the SCDP proposals), it is necessary to place a monetary value on the SCDP proposals so that the developer can contribute a fair sum, commensurate with Stratford City's trip generation, to a comprehensive improvement scheme. The lack of detail in SCDP's scope of works has meant that there is a very significant difference in TfL's estimate for the works (£68m, which could increase to £140m if risks and contingencies are added) and SCDP's estimate (£27.5m). The solution proposed by SCDP is for an independent quantity surveyor to be appointed to make a binding estimate after detailed design work has been undertaken (to GRIP level 5, which will take at least 2 years). TfL is satisfied with this proposal as at this detailed level of design the risk of cost differences should be minimised. The financial arrangement is critical as the Department for Transport have stated that they have no funds available for Stratford Regional Station improvements and there is no provision in TfL budgets (including allowance for prudential borrowing).

Planning condition relating to station improvements

40 Agreement has been reached with SCDP on a satisfactory form of words which allows the cost of the SCDP works to be determined at a later date when detailed design is complete (therefore safeguarding the public sector's position if a comprehensive improvement scheme is to be implemented). Agreement has also been reached with regard to an appropriate 'Grampian' condition which will ensure that the Zone 1 development (retail) shall not open until the station works are complete and in a form to operate safely and effectively.

Car parking

Residential and office uses

41 Parking provision for residential use has been reduced to 0.7 spaces per unit, which is within the London Plan standard. Parking provision for the office element of the scheme has been reduced to 1 space per 600 sq. m., which is at the more relaxed end of the range allowed in the London Plan (Appendix 4) for office development in an inner London Borough.

Retail and leisure uses.

42 5,000 car parking spaces are proposed for the retail and leisure elements of the scheme. This is well above standards in the London Plan, and a reduction to 3,600 spaces had been sought by TfL, taking into account parking provision for both retail and leisure floor space. It is important to note that applying a strict interpretation of the London Plan would allow only 3,010 spaces (the retail and leisure spaces would be shared).

43 SCDP maintain that they require 5,000 spaces because key anchor retailers would not consider this site economically viable with fewer spaces. The developer has stated a reduction in parking will seriously impede the economic viability of the site. It is the applicant's case that just under 60% of daily spend will be generated by people arriving by car; furthermore the proposal for 5,000 spaces means Stratford City has a comparable floor space to parking ratio with other existing metropolitan centres. TfL's case is that Stratford City should not seek to duplicate existing car-based retail centres in London and that the retailers' stated dependency on car based trade is over-estimated (TfL's Town Centre Survey 2003-04 shows that bus customer and

car driver spending levels are very similar, while those who walk visit more frequently and spend considerably more).

44 TfL has sought a reduction to be secured over time with agreed triggers for the reduction in parking. The triggers could be dependent on modal split targets and the implementation of key transport improvements (such as the conversion of the NLL to DLR, more frequent services on the NLL and Crossrail). SCDP's only compromise is to propose to construct an 800 space car park in a manner which allows conversion to a residential block at a later date if it were found the parking was not required. However, the developer maintains that any reduction would have to be agreed with the retailers. The mechanism proposed for delivering a reduction in the s106 Heads of Terms does not provide any firm commitment to a reduction over time from 5,000 to meet the London Plan Standard of 3,600 spaces.

Car Parking: TfL conclusions

45 TfL has serious concerns regarding the level of retail car parking which is 40% above the recommended standards in the London Plan. The additional parking will only encourage more people to access the development by car as opposed to better utilisation of more sustainable modes. The additional parking will increase the number of car trips on the local highway network in the surrounding area. A comprehensive set of bus priority measure on key corridors to and from the site, is essential to ensure bus operations are not impeded by the increase in traffic and potential congestion. However, of the £4m requested by TfL towards bus priority in the s106 agreement, only £2m has been guaranteed by SCDP. SCDP are proposing that additional funds (out of a reserve fund of £5m) could be triggered if monitoring of car use exposes problems at junctions.

Bus service planning and bus priority

Bus service planning

46 TfL has carried out its assessment of the impact of the demand on the network and the necessary service enhancements. TfL's package is indicative of the likely quantum increase in bus provision and is limited to the services required as a result of the Stratford City development only. In summary, ten route extensions and eleven service frequency enhancements will be required with an estimated cost of £17.8m. This would provide services into the site on key corridors at a frequency which should meet demand and give adequate direct linkages from the surrounding areas. The package is the largest contribution sought from a developer by TfL to date. This is due to the scale of the retail development and the fact that no buses currently serve the site.

47 After negotiation, SCDP's response has been to ring-fence a maximum of £12.916m for bus revenue support, with potentially an additional sum of between £2m and £6m available from funds at present set aside for rail schemes (the Hall Farm Curve and North London Line platform lengthening). The guaranteed sum is insufficient to pay for the package TfL regards as necessary for the development.

Bus Priority Measures (non-TLRN)

48 Assessment has been undertaken of key corridors where bus priority measures will be required to mitigate against delay caused by congestion from the development. Key corridors so far identified where TfL has sought bus protection include Romford Road, West Ham Lane /Plaistow Road, Stratford Gyrotory, Leytonstone Road, Temple Mills, Homerton High Street and Eastway/Chapham Road. TfL estimate that if all works were to be implemented they could cost

in the region of £4m (excluding contingencies for services and utilities) and has sought a capped contribution at this level, with any funds unspent returned to the developer. The developer have agreed to ring-fence £2m only towards bus priority measures. They have not included works on a number of key corridors including: Leytonstone Road and High Road Leytonstone, to the north; Greengate Street to the south; Hackney Central and Hackney Wick to the east; or on A11 Mile End Road / Bow Road to the south-east. All these corridors are anticipated to experience significant increases in traffic, and carry key routes serving the areas and the development itself. Within the Section 106 Heads of Terms there is another potential sources from which bus priority funding could be increased: the £5m set aside for additional junction mitigation works. However this funding is only triggered after specific car parking levels are reached and is not guaranteed.

49 TfL also require a condition to be applied to future detailed planning permissions which requires bus priority measures on all key site accesses and key routes through the site, where buses will operate, unless demonstrated by the developer not to be required and agreed with TfL. Detail design of bus priority and bus infrastructure must be agreed with TfL. It should be noted that any terms in the s106 agreement should reflect that estimates are excluding costs of utilities and services. This condition has been applied to the highway applications which provide access to the site which have been considered by LB Newham. Further applications will be considered by LB Hackney, LB Waltham Forest and LB Tower Hamlets.

Bus services and bus priority: TfL's conclusions

50 TfL remain concerned that the sum guaranteed in the Section 106 for bus revenue support (£12.9m) will not deliver the adequate bus capacity required for Stratford City. Only with support from SCDP's other reserve funds to the value of £17.8m could TfL develop a network which would be sure to meet the demand from the Stratford City development, but these funds are not guaranteed.

51 The shortfall of £2m for the bus priority measures recommended by TfL will lead to a risk that the local highway network will not be capable of delivering effectively the bus network in the vicinity of Stratford City. There is particular concern because of the pressure which could be placed on the local road network as a result of the quantity of retail parking provision.

Town centre link and bus access from the south

52 The London Plan confirms the need to ensure that the redevelopment of the Stratford Rail Lands is suitably integrated with the existing town centre (paragraph 2A.5). In response to this strategic issue, and the policy aspirations of the borough, the applicant has confirmed that a pedestrian link bridge over the Great Eastern rail lines, stepping down into Meridian Square (next to the regional station) would be provided as part of their Zone 1 works and is identified as one of the fixed items on the parameter plans.

53 It has been a TfL recommendation from the outset that a direct north/south bus access link for buses into the site should be provided. This would be the most effective way of linking the existing residential areas to the south with Stratford City and the new and existing residential areas to the north. Throughout the process TfL has been clear that its preferred bus link would be a bridge capable of supporting bus services. The developer is proposing bus access into the site from the north, east or west of the site but not to the south. Routes which approach from the south would have to either terminate at the bus station to the south of Stratford City or run on circuitous routes from the town centre into the site from the east.

54 As the developer has not tabled any options or fully demonstrated why this link cannot be delivered, TfL undertook a review of 3 options, outlining the access principles and the business cases to deliver these options. The three options include the following: a ramp from the developer bridge to join with Great Eastern Road, requiring shifting of the existing bus station (Option A); a link running parallel to the developer bridge and into the existing town centre, sloping down to a junction at the Broadway (Option B); and a link via Angel Lane Bridge, south of the international box and linking into the access roads within Stratford City (Option C). All business cases are positive indicating significant benefits to bus passengers and access in Stratford. Options A and B offer the best solution for bus service and access to the town centre and Stratford City.

55 SCDP maintain that any widening of the bridge, and allowing bus access through the site, would adversely affect the environment around the station. In response TfL have carried out further work on this matter to investigate alternative methods of delivering a link to the south, which minimises the impact on Meridian Square and the town centre. This work suggests that a link to the south could be delivered which minimises the environmental impact on this area and would not significantly reduce retail floor space of a redeveloped shopping centre. TfL maintain that these options have not been sufficiently investigated by the developers and that there are a number of ways a link to the south could be delivered and still maintain a quality environment for the development and the town centre.

Town centre link and bus access from the south – TfL’s conclusions

56 The lack of a direct bus link from the south will result in: a lack of direct north-south routes linking Stratford City, the existing town centre and residential areas; key bus connections to the site will not be provided effectively; complex bus routings, which will make the bus network more complex and therefore less attractive; and an increase in operational costs to LBSL in perpetuity. The latter point will not be compensated for by SCDP’s bus revenue support package.

Travelator

57 As part of the planning permission for Stratford International Station a planning condition was placed on Union Railways to provide a travelator (or other mechanised link). This was to provide for passengers a direct, mechanised walkway between the International and Domestic Stations. In order for the travelator to be delivered, SCDP have to provide an underground concrete tube as part of their development.

58 The Heads of Terms agreed by LB Newham require the developer to provide an enclosed concrete tube which is capable of accommodating a travelator, providing a date of manufacture of the travelator has been obtained from Union Rail by the Council by 1st January 2006, after which the facility will not be provided by the developers on behalf of Union Railways.

59 LB Newham is the planning authority with responsibility for enforcing the condition requiring the travelator and with the Heads of Terms they have set a date by which time a commitment by Union Railways to provide a travelator is required. TfL will place a high priority on the provision of the travelator and will support Newham in seeking this commitment.

Rail safeguarding

60 TfL have sought to safeguard the following in the outline application:

- A zone around the Stratford Regional station for station expansion (including Crossrail and DLR extension);
- A corridor through the development which could accommodate a travelator between the Regional and CTRL stations;
- DLR alignment along the North London Line and provision for a station north of the Stratford International Station and relocation North London Line facilities;
- To ensure that a bridge link from the south is capable of taking buses and its location does not prejudice future station growth.

61 These requirements have been outlined in the LB Newham's Committee Report. TfL is satisfied with the safeguarding arrangement. The Heads of Terms make it clear that prior to completion of the S106 agreement that the Parties will use their best endeavours to define the necessary land for reservation to meet DLR's operational and construction requirements.

Other Rail Schemes

62 TfL has not supported contributions towards the Hall Farm Curve (a proposal for a reinstated rail link to Chingford to the north) as currently proposed by the developer and requested by LB Waltham Forest (LBWF). So far there is no business case produced for this proposal and it is not a priority for SRA or Network Rail. TfL therefore welcomes the ability within the package to swap funds from this project to delivery of other transport measures.

63 TfL proposes to convert the North London Line south of Stratford to DLR operation and is planning to progress this scheme through an application for statutory powers in 2005. This scheme would include a new DLR link to Stratford International and improve accessibility to the northern part of the rail lands. This would also provide a light rail connection between the two Stratford Stations. The scheme has recently been given public backing by the DfT. TfL is seeking safeguarding this alignment which includes a station north of the International station for DLR, the track bed and land for replacement network rail station to the north of the existing Stratford Station.

Highway matters

64 TfL's Thames Gateway Crossing model was released to the developers and has been modified by them to understand the impacts of the development on the strategic road network. The assessments indicated that the impacts on the Transport for London Network (TLRN) are primarily constrained to the three major TLRN junctions at Bow Interchange, the Lea Interchange and the routes on Wick Road and Ruckholt Road. An analysis of the rest of the network it is confirmed that these are the only locations where there are material impacts which might impact on the TLRN. The basic principles of the mitigation measures have been agreed between TfL and SCDP, although the details have yet to be approved. The works are estimated to cost approximately £390,000 (excluding contingencies for utility diversions). The Heads of terms require these measures to be delivered prior to the opening of Zone 1 (retail).

Bus Infrastructure

65 TfL welcomes the provision of a new bus interchange at the north side of the Regional Station. However, the exact size and design of the facility is not defined at this stage. It is anticipated to be around the same size as the current bus station to the south of the Regional Station (7,000 sqm). The size will be defined by the number of bus routes and their frequency serving the facility.

66 As part of the development a second new bus interchange facility needs to be provided by the developer, designed and agreed with TfL, to the north of the International Station, as well as standing facilities in the northern part of the site. TfL requires that all new bus stops which are provided as part of this development meet TfL accessibility requirements, and the detailed design should be subject to agreement by TfL. This has been met in the Heads of Terms and LB Newham have undertaken to ensure a condition is added to require that TfL's agreement is sort to the detailed plans particularly relating to matters concerning public transport, pedestrians and cyclists and taxi facilities.

Taxi Provision

67 The trip generation assessment shows a similar profile in taxi arrivals and departures as at key terminals in Central London. This will require an extensive taxi rank and routing system within Stratford City. The developers have a variety of taxi ranks proposed within the key zones of the development. LB Newham have agreed to amend the planning conditions to require TfL agreement to the detailed design.

Pedestrian and Cycle Provision

68 TfL has encouraged SCDP to provide good cycle and pedestrian linkages through the area and develop effective, safe and accessible linkages with surrounding areas. Improving accessibility for those on foot by designing out barriers (steps, the need to cross busy roads, location of parking etc) and creating a convivial and connected street environment would do much to encourage more journeys by foot. Such an approach would also be in line with the requirements of the Disability Discrimination Act.

69 The proposed pedestrian link between Stratford City and the existing town centre is significant. Although the details of the link are not part of outline planning application, the link appears to be a stepped structure. Lifts should be provided for those with mobility problems (including wheelchairs), those with prams/buggies, those with heavy bags etc or those who are elderly. There is also the question of cycle use of the proposed link. Whether this is permitted or not, it will happen as it is the only direct access into the site from the south. Given this inevitability it is recommended that the link is designed with adequate cycle access that does not compromise safety and access for other users.

70 Most of the existing cycle network external to the site has been identified; a more complete picture can be drawn from London Cycle Guide no.6 (published by TfL / LCC). It is encouraging to see that potential has been identified to update existing on-street and off-road routes. Detailed proposals should be worked up with the boroughs and TfL's Cycling Centre of Excellence.

71 Provision for cycle parking is consistent with the London Plan and the London Cycle Network Design Manual. Cycle parking for residential units is close to one space per unit and is therefore acceptable.

Travel Plan

72 The Travel Plan and how it is developed and delivered will be key to ensuring the site can operate effectively. The proposal for a travel co-ordinator and a joint transport group between the developers, boroughs and TfL is in principle welcomed although the mechanisms for how these will operate still need to be resolved.

73 The developer is required to provide a travel plan prior to the site opening and a number of measures such as a car club, cycle pool and information centre are stipulated, and are welcomed, although there is no commitment to firm targets or penalties if targets are not

achieved. The terms provide a guarantee that the Travel Co-ordinator will be funded for 9 years which include 2 years after retail opening.

Section 106

74 LB Newham and the developers have agreed that TfL can be a joint signatory of the Section 106 (S106), provided agreement of the details can be finalised by the end of October this year. TfL welcome this, however, providing that the necessary documents is produced to TfL within a reasonable time to meet this deadline. The principal reasons for this are that: TfL will be responsible for delivering a number of the transport mitigation measures as well as transport improvements and a direct legal relationship with the S106 funds is necessary; signing the S106 will mean that TfL have clarity in its long-term relationships with LB Newham and the developer over the long period of S106 implementation.

Summary

75 Although progress has been made on the improvements to Stratford Station, there are still major outstanding transport concerns with the outline planning application. These are: the amount of retail car parking, the shortfalls in the guaranteed funds for bus priority and bus services, and the lack of a direct link into the site for buses from the south. It is TfL's view that in these areas there remain significant deficiencies in the transport measures (physical and financial support for services) proposed by the developers to compensate for the impact of Stratford City.

GLA comment on outstanding transport concerns

76 The acceptability of the scheme in relation to these outstanding concerns needs to be considered in the context of the overall strategic benefits of this major regeneration project; the flexibility provided by the London Plan policies in respect of regeneration objectives; and taking into account other urban design and financial viability considerations, as explained in the following paragraphs.

Car parking

77 The applicant's case for the proposed level of retail car parking was put in full to the Mayor in the previous report of 24 May 2004. Following this time there has been ongoing discussions between the developers, and GLA/TfL and Newham Council officers. It is unfortunate that these discussions have not led to a firm mechanism for the reduction of car parking over time. The proposed heads of terms does include an undertaking from the developers that they will endeavour to agree a car parking reduction mechanism. This will keep the opportunity for dialogue open and the opportunity to reach a workable solution for reduction over time.

78 In assessing the acceptability of the proposed level of retail car parking at Stratford City it is important to take into account Policy 3C.23 of the London Plan which separates out parking in town centres and provides for flexibility to enable boroughs to take account of local circumstances in balancing the desirability of reducing car use with the need to provide for attractive viable development. In particular, the policy requires account to be taken of "*regeneration and town centre management objectives*".

79 SCDP is convinced that a reduction in town centre parking would prevent the development proceeding and has produced evidence from various major retailers to support this conviction. The independent consultants who reviewed the open book financial appraisal on

behalf of the GLA and Newham Council have confirmed this assertion and the general conservative attitude of retailers towards such matters. Taking into account the case put forward by the applicant, that a lower level of provision would put the development's commercial viability in doubt; the flexibility contained within the London Plan with regard to the application of parking standards according to the individual circumstances of a proposed development, particularly in relation to regeneration and town centre management objectives; and finally the opportunity for dialogue to remain open to reach a workable solution for reduction over time as set out in the heads of terms, it is concluded that the proposed level of retail and leisure car parking for Stratford City can be accepted in this instance in the interests of good strategic planning for London, as insistence on a lower level of car parking consistent with London Plan standards would jeopardize a major new town centre extension of fundamental importance to the regeneration objectives of the London Plan for the Thames Gateway.

80 This deviation from the London Plan standards is only acceptable taking into account the overwhelming regeneration benefits of this major scheme for East London and the Thames Gateway. These benefits represent exceptional circumstances, which enable the London Plan standards to be applied flexibly in this instance. The degree of flexibility allowed in this case represents a one-off situation reflecting the scale of regeneration associated with this development – one of the largest, if not the largest, urban regeneration projects in London. The social, economic and environmental benefits associated with the transformation of this derelict site and its catalytic effect in the ongoing regeneration of East London and the Thames Gateway are unprecedented. The exceptional circumstances associated with this case cannot, therefore, be compared to the regeneration benefits associated with other East London developments, and hence the same exceptional circumstances cannot necessarily be attributed to other schemes to allow flexible application of the London Plan's car parking standards.

Link for buses from the south

81 Whilst from a transport perspective there is a strong case as set out by TfL in the above paragraphs for the proposed pedestrian bridge link to be widened in order to make passive provision for buses, there remains substantial opposition to this concept from Newham Council, the applicants, and Land Securities (who represent the major landowners for the existing town centre, and whom have advanced redevelopment plans of its own for the centre alongside Stratford City). These parties are all opposed to the principle of a bridge link capable of carrying buses for a variety of reasons including the impact of pedestrians, the design implications, the impact on the environment and the impact of the existing shopping centre.

82 GLA officers share the concerns of Newham Council and Land Securities regarding the impact of the bridge link in urban design terms. It is difficult to see how a road/bridge link either starting in the Broadway and going through the middle of the existing shopping centre over Great Eastern Rd and into the rail lands or ramping up along Great Eastern Road and over to the site in order to run buses over the link could be achieved without having an extremely poor visual impact on the public realm, particularly the proposed 'Meridian Square' which is to be the new gateway to Stratford. This particular issue was debated in length at a design charette with some of London's leading architects, who almost unanimously reached the same conclusion that any form of ramp would have an unacceptable impact on the urban environment.

Funding for buses

83 Whilst TfL are not satisfied with the funds that have been secured for bus priority and bus services, the applicant has demonstrated through the independently assessed open book exercise that the viability of the scheme will be prejudiced if the planning gains package is increased. Transfer of monies to buses from other essential planning gains is not an option, as these are also required to make the scheme acceptable.

Legal considerations

84 Under the arrangements set out in article 5 of the Town and Country Planning (Mayor of London) Order 2000 the Mayor has the power to direct the local planning authority to refuse permission for a planning application referred to him under article 3 of the Order. In doing so the Mayor must have regard to the matters set out in article 5(2) of the Order, including the principle purposes of the Greater London Authority, the effect on health and sustainable development, national policies and international obligations, regional planning guidance, and the use of the River Thames. The Mayor may direct refusal if he considers that to grant permission would be contrary to good strategic planning in Greater London. If he decides to direct refusal, the Mayor must set out his reasons, and the local planning authority must issue these with the refusal notice.

Financial considerations

85 Should the Mayor direct refusal, he would be the principal party at any subsequent appeal hearing or public inquiry. Government guidance in Circular 8/93 (*'Award of Costs in Planning and Other (including Compulsory Purchase Order) Proceedings'*) emphasises that parties usually pay their own expenses arising from an appeal. In the present case it is anticipated that a public inquiry would last for approximately one month. The Mayor's own costs may exceed over £500,000 for counsel and specialist research, advice and expert witnesses. Following an inquiry caused by a direction to refuse, costs may be awarded against the Mayor if he has either directed refusal unreasonably; handled a referral from a planning authority unreasonably; or behaved unreasonably during the appeal. A major factor in deciding whether the Mayor has acted unreasonably will be the extent to which he has taken account of established planning policy.

Conclusion

86 The proposed outline permission represents the successful resolution to years of consultation and negotiation regarding the regeneration of the Stratford rail lands. It will deliver the strategic aspirations set out in the London Plan for this opportunity area – the replacement of derelict rail lands with a major new Metropolitan town centre that will provide a new Gateway to Europe and a driver for change to the economy and environment of this key part of the Thames Gateway. The development will also play an important role in supporting London's bid to host the 2012 Olympics Games.

87 The proposed permission has responded to the majority of the issues previously raised by the Mayor. The housing negotiations have been carried out in a transparent manner via an open book appraisal which full accords with the approach set out in the London Plan for assessing the appropriate affordable housing provision for individual schemes. A full range of housing needs will be met at Stratford City, including a significant number of affordable homes for families, as well as a proportion of accessible homes. Stratford City is fully consistent with the Mayor's policies to promote more mixed and balanced communities.

88 The proposed permission encompasses the necessary commitments and mechanisms to ensure that the development partners will deliver on their promises that Stratford City will exemplify the key principles of sustainable development. Ongoing communication and collaboration with the GLA is built into the proposed permission through the establishment of Design and Environmental Review Panels and a Consultative Access Group, which will ensure that the highest standards of design and accessibility and inclusion are met through the detailed development stages, and that the Mayor's Energy Strategy objectives will be realised at Stratford City.

89 Whilst there remain some transport issues that are not fully satisfactory to Transport for London, these need to be considered in the context of the overall strategic benefits resulting from this major scheme. Hence, taking into account the overwhelming regeneration benefits for East London and the Thames Gateway, and that the vast majority of the Mayor's previous issues have been satisfactorily addressed within the proposed outline permission, the development is on the whole, in the interests of good strategic planning for London.

for further information, contact Planning Decisions Unit:

Giles Dolphin, Head of Planning Decisions

020 7983 4271 email giles.dolphin@london.gov.uk

Colin Wilson, Strategic Planning Manager (Development Decisions)

020 7983 4783 email colin.wilson@london.gov.uk

Tim Johnstone, Case Officer

020 7983 4095 email tim.johnstone@london.gov.uk
