

25 January 2011

Sugar Quay, Lower Thames Street, London EC3

in the City of London

planning application no. 10/00459/FULMA

Strategic planning application stage II referral (new powers)

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

The proposal

A full planning application for demolition of the existing building and construction of a 9-storey (43.5 metres in height) office building with ground floor retail floor space, roof-top and basement plant.

The applicant

The applicant is **Pace Investments Ltd**, and the architect is **David Walker Architects**.

Strategic issues

The City of London Corporation has resolved to approve permission for the application. Having regard to the details of the application, the matters set out in the committee report and the Council's draft decision notices, the proposals are **broadly consistent with the London Plan** and there are **no sound planning reasons for the Mayor to intervene** in this particular case and no basis to direct the Council to refuse the application.

The Council's decision

In this instance the City of London Corporation has resolved to grant permission.

Recommendation

That the City of London Corporation be advised that the Mayor is content for it to determine the case itself, subject to any action that the Secretary of State may take, and does not therefore wish to direct refusal or direct that he is to be the local planning authority.

Context

1 On 19 July 2010 the Mayor of London received documents from the City of London Corporation notifying him of a planning application of potential strategic importance to develop the above site for the above uses. This was referred to the Mayor under Category 1C of the Schedule to the Order 2008:

"Development which comprises or includes the erection of a building of one or more of the following descriptions— (a) the building is more than 25 metres high and is adjacent to the River Thames";

2 On 25 August 2010 the Mayor considered planning report PDU/2662/01, and subsequently advised the City of London Corporation that application did not comply with the London Plan, for the reasons set out in paragraph 65 of the above-mentioned report; but that the possible remedies set out in paragraph 67 of that report could address these deficiencies.

3 A copy of the above-mentioned report is attached. 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. Since then, the application has been revised in response to the Mayor's concerns (see below). On 14 December 2010 the City of London Corporation decided that it was minded to grant planning permission and on 11 January 2011 it advised the Mayor of this decision and on the 14 January 2011 the referral was validated. Under the provisions of Article 5 of the Town & Country Planning (Mayor of London) Order 2008 the Mayor may allow the draft decision to proceed unchanged, direct the City of London Corporation under Article 6 to refuse the application or issue a direction to the City of London Corporation under Article 7 that he is to act as the Local Planning Authority for the purposes of determining the application and any connected application. The Mayor has until 27 January 2011 to notify the Corporation of his decision and to issue any direction.

4 The decision on this case, and the reasons will be made available on the GLA's website www.london.gov.uk.

Update

5 At the consultation stage the City of London Corporation was advised that the application did not comply with the London Plan in relation to employment, urban design, inclusive design, climate change and transport and that further information and detailed assessment were required in order to make the application comply with London Plan Policy. The applicant and the City of London Corporation have subsequently provided further information on these matters. Addressing each of these points in turn, the following is noted:

Employment

6 Whilst the proposal was generally acceptable in strategic employment terms, the applicant was required to commitment to providing job opportunities for local people both throughout the construction and operation stage to comply with London Plan Policy 3B.1, 3B.11 and draft replacement London Plan Policy 4.12.

7 The draft Section 106 has now been altered to reflect this requirement and the applicant must submit details of a local training and skills job brokerage scheme to the City of London Corporation. Therefore, the application now complies with London Plan Policy 3B.1, 3B.11 and draft replacement London Plan Policy 4.12

Urban Design

8 At the consultation stage, by virtue of its height, scale and massing, and the detailed design of the roof top plant, the proposal did not comply with London Plan design policies. The applicant was required to amend the scheme to reduce the visual dominance of the building and roof plant.

9 In response to these comments, the applicant has reduced the height of the overall building and plant by one metre, set back the top of the roof plant by 0.75 metres and improved the treatment of the roof plant.

10 The combination of these amendments has reduced the visual dominance of the proposal and it now broadly complies with London Plan design policy.

Inclusive design

11 The consultation report raised concerns regarding the level changes surrounding the site and requested detailed plans showing the level changes and accessibility along the riverside walk from Water Lane.

12 To address the concerns raised regarding the level changes around the site and the impact on accessibility, a condition has been attached to the permission stating that *"provision shall be made for disabled people to obtain access to the offices and to each retail unit via their respective entrances without the need to negotiate steps."* Consequently, the proposal now broadly complies with London Plan inclusive design policy.

Climate change

13 At consultation stage, the applicant was required to submit additional further information regarding cooling and green roofs.

14 The applicant has now provided information on how cooling energy will be distributed throughout the building as well as details of how the cooling will be generated and through ground source cooling. Furthermore, the use of green roofs in the development has been secured by condition. Therefore, the application now complies with London Plan climate change policy.

Transport

15 At consultation stage, the proposed car-free arrangement, and the proposed dedicated space for blue-badge holders was supported and is consistent with the standards contained in London Plan Policy 3C.23 'Parking Strategy' and draft replacement London Plan Policy 6.13 'Parking'. The provision of 128 cycle parking spaces for employees was also supported, as this meets TfL's minimum standards.

16 TfL is satisfied that the proposed development does not necessitate any enhanced capacity of the TfL London Buses network. The capped contribution of £20,000, as identified in the draft heads of terms of the section 106 agreement, to upgrade two bus stops within 400 metres of the site is welcomed. This ensures consistency with London Plan Policy 3C.20 'Improving conditions for buses'.

17 At the consultation stage, the applicant was required to improve the submitted travel plan to ensure consistency with TfL's 'Guidance on Workplace Travel Planning for Development' (March 2008). Importantly, it should include guidance on how and when full travel plans will be developed by each occupier of the site. The applicant has not submitted a revised framework travel plan. These improvements can be addressed, however, when interim and full travel plans, as specified in the draft heads of terms, are developed.

18 The committee report states that a construction method statement and a delivery and servicing management plan will both be secured through the planning permission, which is acceptable.

19 The Mayor's consultation report set out that a contribution of £1,332,336 towards the funding of Crossrail was required. This was based on the expected net additional impact of the new development, taking into account the theoretical charge that would be paid by the existing uses. Further discussions with the applicant revealed that the floorspace of the proposed development was not correctly calculated in line with the Mayor's Supplementary Planning Guidance 'Use of Planning Obligations in the funding of Crossrail' (July 2010). Having recalculated the floorspace of the proposed development correctly (29,107sqm GEA of office and 120sqm GEA of retail floorspace) the total contribution required is £1,235,888. The applicant has committed to paying

the full Crossrail contribution, which should be paid, in full, on commencement of the development. This has been reflected in the draft heads of terms of the section 106 agreement.

20 The proposal now broadly complies with London Plan transport policy.

Response to consultation

21 There were no responses to this application from members of the public.

22 Comments of statutory consultees are as follows:

23 Environment Agency: Initially the Environment Agency objected to the proposal on the following grounds: no sequential flood risk test had been applied; the flood risk assessment provided was inadequate; insufficient information had been provided regarding the management of groundwater; and the proposed building was considered too close to the tidal flood defence, restricting maintenance and access to the tidal defences and the proposal should be set back ten metres from the tidal flood defence wall.

24 The applicant subsequently revised the application to address the concerns of the Environment Agency and it has now withdrawn its objection, subject to a number of conditions being attached to the planning permission.

25 Natural England: requested a condition securing the ecological mitigation and enhancement measures outline by the applicant. A suitable condition has now been attached to draft planning permission.

26 Southwark Council: objects to the development on the following grounds: the scale, height, and massing of the proposal, made particularly evident by its broad western flank and by the plant room at roof level, would appear dominant and result in a harmful impact on the setting and views of the Grade I listed Customs House; and the proposal would provide poor quality public space, particularly on the river frontage and Sugar Quay Walk.

27 The first point is similar to the design concerns raised by GLA officers previously and, as discussed above, the applicant has amended the proposal to reduce its visual dominance. In terms of the quality of public space, the proposal will increase the riverwalk from two metres to approximately four metres in width. The condition secured regarding access will ensure the environment is accessible to all and the proposed retail at ground floor should provide active frontage which improve the building relationship with the public realm.

28 Port of London Authority, Thames Water, English Heritage and Historic Royal Palaces did not raise any objections.

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

29 Under Article 7 of the Order the Mayor could take over this application provided the policy tests set out in that Article are met. In this instance the Council has resolved to grant permission with conditions and a planning obligation, which satisfactorily addresses the matters raised at the consultation stage, therefore there is no sound planning reason for the Mayor to take over this application.

Legal considerations

30 Under the arrangements set out in Article 5 of the Town and Country Planning (Mayor of London) Order 2008 the Mayor has the power under Article 6 to direct the local planning authority to refuse permission for a planning application referred to him under Article 4 of the Order. He also 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. In directing refusal the Mayor must have regard to the matters set out in Article 6(2) of the Order, including the principal 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. 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. The Mayor must also have regard to the guidance set out in GOL circular 1/2008 when deciding whether or not to issue a direction under Articles 6 or 7.

Financial considerations

31 Should the Mayor direct refusal, he would be the principal party at any subsequent appeal hearing or public inquiry. Government guidance in Circular 03/2009 (*'Costs Awards in Appeals and Other Planning Proceedings'*) emphasises that parties usually pay their own expenses arising from an appeal.

32 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.

33 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).

Conclusion

34 At consultation stage, outstanding issues were raised in relation to employment, urban design, inclusive design, climate change and transport. These issues have been satisfactorily addressed by the applicant as described in this report. The application now complies with the London Plan.

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Sugar Quay, Lower Thames Street, London EC3

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planning application no. 10/00459/FULMA

Strategic planning application stage 1 referral (new powers)

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

The proposal

A full planning application for demolition of the existing building and construction of a 9-storey (43.5 metres in height) office building with ground floor retail floor space, roof-top and basement plant.

The applicant

The applicant is **Pace Investments Ltd**, and the architect is **David Walker Architects**.

Strategic issues

This **office** and **retail** proposal within the **Central Activities Zone** promotes London's **world city** role and **economic** function. The scheme would not unduly impact upon any **strategic views**, as defined in the **London View Management Framework**.

However, there are a number of planning issues that will need to be resolved before this application can be considered to fully comply with London Plan policy, including **design**, **accessibility** and **inclusive design**, **energy** and **climate change** measures, and **transport**.

Recommendation

That the City of London Corporation be advised that the application does not comply with the London Plan, for the reasons set out in paragraph 65 of this report; but that the possible remedies set out in paragraph 67 of this report could address these deficiencies.

Context

39 On 19 July 2010 the Mayor of London received documents from the City of London Corporation notifying him of a planning application of potential strategic importance to develop the above site for the above uses. Under the provisions of The Town & Country Planning (Mayor of London) Order 2008 the Mayor has until 27 August 2010 to provide the City Corporation with a statement setting out whether he considers that the application complies with the London Plan, and his reasons for taking that view. The Mayor may also provide other comments. This report sets out information for the Mayor's use in deciding what decision to make.

40 The application is referable under Category 1C of the Schedule to the Order 2008: *“Development which comprises or includes the erection of a building of one or more of the following descriptions— (a) the building is more than 25 metres high and is adjacent to the River Thames”*;

41 Once the City Corporation has resolved to determine the application, it is required to refer it back to the Mayor for his decision as to whether to direct refusal; take it over for his own determination; or allow the City Corporation to determine it itself.

42 The Mayor of London’s statement on this case will be made available on the GLA website www.london.gov.uk.

Site description

43 This rectangular site is located on the north side of the River Thames, adjacent to Sugar Quay Jetty, midway between London Bridge and Tower Bridge. The site is bound by Water Lane to the west, Lower Thames Street to the north and the under-construction Three Quays to the east. The Thames riverside walk fronts the site.

44 The existing Sugar Quay is 7-storeys with a plant level above, with an overall height of 37 metres. It was built for Tate and Lyle in the mid-1970’s, and provides approximately 20,000 sq.m. (GEA) of office accommodation.

45 The area is characterised by a variety of uses and architectural styles. To the west, beyond Water Lane is the Grade 1 listed Custom House and to the north, beyond Lower Thames Street is Tower Place, completed in 2002. Beyond Three Quays is the enhanced Tower Hill public space and amenities associated with the Tower of London.

46 The A3211 ‘Lower Thames Street/Byward Street/Tower Hill’ which lies 100m to the west of the site, forms part of the Transport for London Road Network (TLRN). Tower Gateway (Docklands Light Railway), Tower Hill (London Underground Circle and District Lines) and Fenchurch Street (national rail) stations are all 400m to the north-east. Numerous bus services can be accessed along Lower Thames Street, and from Tower Hill/Tower Bridge Road, within 300m of the site. Tower Millennium Pier (Thames Clipper services) is 150m to the east. The public transport accessibility level (PTAL) of the site is 6, out of a range of between 1 and 6, where 6 is the most accessible.

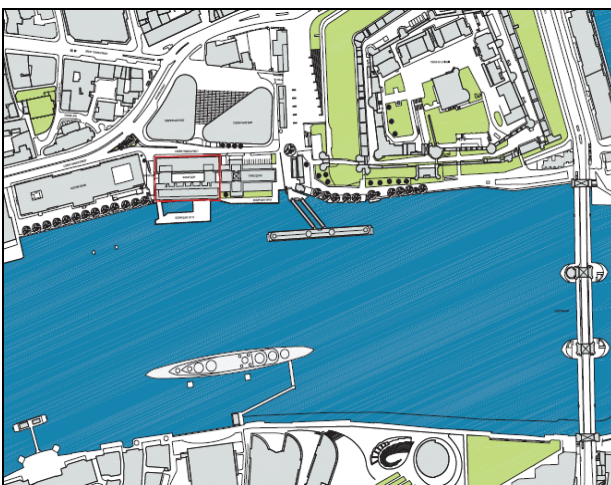


Figure 1 & 2: Site location plan and view of site from The Queen's Walk (Source: D&A Statement)

Details of the proposal

47 The scheme comprises demolition of the existing building and construction of a 9-storey (43.5 metres high) office building with ground floor retail floor space and basement plant.

48 The building would contain 3,040 sq.m. of retail space at ground floor level, and 28,364 sq.m. of office space above.

49 A loading bay with a disabled parking space would be provided within the building, fronting Lower Thames Street. The reception area would be in the south-west corner fronting Water Lane. A walkway would be provided along the riverside frontage to the building. The basement would contain plant and cycle parking.



Fig 3: View of proposed building from The Queen's Walk (Source: submitted Townscape Appraisal)

Case history

50 There is no planning history of a strategic nature.

Strategic planning issues and relevant policies and guidance

51 The relevant issues and corresponding policies are as follows:

- Principle of use *London Plan; the Mayor's Economic Development Strategy*
- World city role/economic Development *London Plan*
- Retail/mix of uses *London Plan; PPG13, PPS4*
- Employment *London Plan; PPS4; Industrial Capacity SPG*
- Tall buildings/views *London Plan; RPG3A, Revised View Management Framework SPG*
- Urban design *London Plan; PPS1*
- Historic Environment *London Plan; PPS5*
- Accessibility *London Plan; PPS1; Accessible London: achieving an inclusive environment SPG; Planning and Access for Disabled People: a good practice guide (ODPM)*
- Sustainable development *London Plan; PPS1, PPS1 supplement; PPS3; PPG13; PPS22; draft PPS Planning for a Low Carbon Future in a Changing*

- Transport/parking *Climate; the Mayor's Energy Strategy; Mayor's draft Climate Change Mitigation and Adaptation Strategies; Mayor's draft Water Strategy; Sustainable Design and Construction SPG London Plan; the Mayor's Transport Strategy; PPG13*
- Crossrail *London Plan Alteration; Crossrail SPG*
- River Thames/flooding *London Plan; Mayor's draft Water Strategy; PPS25, RPG3B*

52 For the purposes of Section 38(6) of the Planning and Compulsory Purchase Act 2004, the development plan in force for the area comprises the saved policies of the City of London Unitary Development Plan (2002) and the London Plan (Consolidated with Alterations since 2004).

53 The following are also relevant material considerations:

- The draft replacement London Plan (October 2009).
- The City of London Draft Core Strategy (November 2009).

Principle of the use

World city role and office provision

54 The London Plan recognises and supports London's role as a world city and Chapter 1 identifies the need to facilitate London's continued attractiveness to international business activities through the supply of appropriate floorspace, especially in the Central Activity Zone. Policy 5G.2 of the London Plan recognises that the Central Activities Zone (CAZ) is the heart of London's world city offer and seeks to promote and coordinate their development so that together they provide a competitive, integrated and varied business location. London Plan Policy 5G.3 recognises CAZ as "...the country's most important strategic office location" and within CAZ seeks to "...ensure adequate capacity to meet future demand". London Plan policies 3B.1 and 3B.2 seek to support this aspect of London's world city role and London's continued economic development by seeking the provision of a variety of type, size and cost of business premises and office space to meet the needs of all sectors. Draft replacement London Plan policies 2.10, 2.11 and 4.2 reflect these policies.

55 Accordingly, renovation and renewal of existing stock contributes towards increasing and enhancing the quality and flexibility of London's office market offer. Therefore, the principle of an office development in this location, as well as an increase in quantum over that provided by the existing buildings on-site, complies with the London Plan.

Mix of uses

56 The proposed scheme will provide an increase in office floorspace on the site of 9,768 sq.m (GEA). Policy 3B.3 of the London Plan requires that, within the Central Activity Zone, where an increase in office floorspace is proposed, it should provide for a mix of uses, including housing, unless such a mix would demonstrably conflict with other policies in the London Plan. The need to provide office floorspace in locations such as this to support London's economic development and world city role is recognised by both the Mayor and the City Corporation. Consequently the off-site provision of other uses, notably affordable housing, either directly or through planning obligation, is acceptable in this instance.

57 The City of London Supplementary Guidance requires a contribution of a minimum of £70 per sq.m of additional floorspace, in order to meet its priorities. The proposed increase in office

floorspace of 9,768 sq.m. gives a planning obligation sum of £683,760. London Plan policies 6A.4 and 6A.5 set out the Mayor's priorities and expectations regarding planning obligations. Planning 6A.4 promotes the pooling of contributions for the provision of facilities related to proposed developments and states that affordable housing and public transport improvements should generally be given the highest priority. It is understood that the City Corporation would allocate the greatest sum for community and environment, to be pooled with that arising from neighbouring developments to fund improvements to the public realm in the vicinity, especially the riverside walk. However, the next greatest allocations should be allocated for affordable housing and transportation. It may also be necessary to increase the level of contribution to accommodate the allocation for transport improvements for the reasons set in the transport section below.

58 London Plan Policy 5G.4 and draft replacement London Plan policy 2.11 state that within the CAZ the Mayor will and boroughs should "...*identify, enhance and expand retail capacity to meet strategic and local need.*" The provision of retail at ground floor, and the benefits of an active frontage that this brings, particularly to the Thames riverside walk, is welcomed.

Employment

59 In accordance with London Plan policies 3B.1 and 3B.11 and draft replacement policy 4.12, it is important to ensure that local residents and businesses benefit from jobs created by these proposals. Initiatives to create training opportunities for local people and to address other barriers to employment should be formalised through the section 106 agreement between the City Corporation and the applicant. The applicant's draft heads of terms includes an allocation of funds to local training and skills provision. The Section 106 agreement should expand on this to include provision to enable local people to access the jobs to be created during construction and in the commercial and retail components of the development once completed.

Tall buildings / views

60 London Plan policies 4B.8 and 4B.9, which relate to the specific design issues associated with tall and large-scale buildings, are of particular relevance to the proposed scheme. These policies set out specific additional design requirements for tall and large-scale buildings, which are defined as buildings that are significantly taller than their surroundings and/or have a significant impact on the skyline and are larger than the threshold sizes set for the referral of planning applications to the Mayor.

61 The proposal would be clearly visible within several strategic views, as defined within the London View Management Framework (LVMF). The first of these is the townscape view of the Tower of London, from the south side of the Thames outside City Hall (LVMF 25A.1). The proposed building would appear some way to the left of the view of the Tower, and would not unduly draw the eye from the World Heritage Site.

62 The second affected view is the river prospect looking downstream from London Bridge (as defined from two viewing points on the bridge). The LVMF identifies the outline of Tower Bridge as being the most important element within this view, and the proposed building does not detrimentally affect the view of the bridge. With regard to the view of the Tower of London, the guidance expects proposals to defer to the Tower, and to ensure that its four individual towers remain visible. The proposal would enable the towers to remain visible, although its roof level – which would appear immediately adjacent to the towers, when viewed from the more northern of the two identified London Bridge viewing locations – would be significantly higher. However, the adjacent Three Quays development, which is presently under construction between the proposal site and the Tower, would already block the view of two northernmost towers.

63 Other affected strategic views include the view from Tower Bridge and panoramic views from Queens Walk on the south side of the Thames. With regard to the view from Tower Bridge, the development would be largely hidden by Three Quays, and the outline of The Monument would remain unobstructed. Other views from Queens Walk, as identified within the LVMF have not been assessed, but the development is likely to have a similar impact to the townscape view from outside City Hall (LVMF 25A.1).

64 The height of the building presents a potential issue within panoramic views from the above stated locations. The LVMF recommends that new development within a panorama acts in harmony with surrounding development to form a coherent whole, and to not appear unduly prominent. Given the context of the site, in close proximity to a Grade 1 listed building and a World Heritage Site, both of which are identified in the LVMF as points of reference in river views, development on this site should respond positively to the existing context rather than attempt to form a separate statement. The height of the building is discussed further in the section below.

65 The City Corporation will provide an opinion on local townscape views when the proposal is referred back to the Mayor for determination.

Urban design

66 Good design is central to all objectives of the London Plan and is specifically promoted by the policies contained within Chapter 4B which address both general design principles and specific design issues. London Plan Policy 4B.1 sets out a series of overarching design principles for development in London. Other design policies in this chapter and elsewhere in the London Plan include specific design requirements relating to maximising the potential of sites, the quality of new housing provision, tall and large-scale buildings, built heritage, views, and the Blue Ribbon Network. The draft replacement London Plan reinforces these principles, with new development required to have regard to its context, and reinforce or enhance the character, legibility and permeability of the neighbourhood (policy 7.1).

Massing and scale (including height)

67 The proposal should be considered cumulatively with Three Quays, which is presently under construction. The proposed building is slightly taller than Three Quays, although its massing responds well to that proposal. The bulkier element of the building is placed towards the rear of the site, fronting Lower Thames Street, mimicking the cascading effect of other buildings along the northern foreshore. It is this effect that provides depth to most of the views of the City from the southern side of the river and its bridges. However, this effect tends only to be successful when the progression in building height positively corresponds with the distance of buildings from the river.

68 In this case, the difference in height occurs within the site, and the resulting effect would make the proposed building appear dominant when compared with other buildings in the views of the northern foreshore. While this is currently the case with the existing building on the site, the proportions of the current building work far more successfully, continuing the roofline of Custom House (a Grade-I listed building) towards the Tower. The higher portion of the proposed building, fronting Lower Thames Street, is especially obvious as it does not share the same detail of appearance as, and appears bulkier than, its river-facing counterpart.

69 The impact of the development would be such that it would project above the buildings to the east, west and north of the site. The building would therefore command a dominance that is not necessarily warranted, given the Grade-1 listed building and World Heritage sites in the immediate vicinity. It is likely that this impact would be lessened with a reduction in height,

although it would be useful to see options that would demonstrate whether this would improve the development. A reduction in height of at least one storey, to correspond with the approved height of Three Quays, would resolve this issue.

Layout, materials and landscaping

70 The proposal is well laid out within the site and uses it to its full advantage. Importantly, it improves the quality of the riverside pathway and retains open public access to this space. The overhanging elements of the building are of an acceptable scale and subject to suitable water collection arrangements will not compromise the quality of the pathway for users. Although further details are required in relation to inclusive access along the riverside walk (see next section), the widening of the pathway is welcomed.

71 The elevational treatment of taller rear element fronting the road ties it to the riverside frontage, which has a similar treatment, although the taller element has fewer flourishes and appears slightly more utilitarian as a result. The plant area on the roof is some 3.4 metres in height and extends across much of the width of the building. In this context, its location and bulk is unacceptable in principle. It is likely to be unduly prominent and heavy, and given the site's important location, the design is expected to be more progressive in solving the problem of the plant's location.

72 The elevation of the building fronting the Thames would respond well to its setting, and the active frontages around the building are welcomed. There is an obvious challenge in placing service areas at ground floor levels on buildings with a continuous frontage, and the service area / area of inactive frontage is in the most appropriate location. It is expected that the highest quality of materials will be secured, given the site's prominence.

73 On balance, the scheme fails to comply with London Plan design principles, by virtue of its scale and massing, and the location and appearance of the plant. Amendments and further information would be expected before the application is reported back at Stage 2, in order for the scheme to be policy compliant.

Inclusive design

74 London Plan Policy 4B.5 and draft replacement policy 3.1 require development to meet the highest standards of accessibility and inclusion. This, together with the Mayor's Supplementary Planning Guidance 'Accessible London: achieving an inclusive environment', underpins the principles of inclusive design and the aim to achieve an accessible and inclusive environment consistently across London.

75 The applicant has submitted a detailed access statement, which sets how the development will be designed to be accessible by all. The applicant has identified key principles on which the designs are based, which focuses on ensuring that inclusive access between Water Lane, Sugar Quay, Upper Thames Street and the building is fully integrated, with priority given to pedestrians. The principal entrance would be from Water Lane, and step free access and horizontal circulation, automated doors, passenger lifts, accessible WC's, and way-finding have all being considered.

76 In terms of work to the public realm, improvements to the footways and riverside walk which front the site are proposed, including upgrading of existing paving materials and rationalisation of servicing arrangements. It is unclear from the plans as to the level changes from Water Lane to, and along, the Thames riverside walk, and given the existing steep level changes, detailed plans (at a scale of at least 1:20) should be provided before the application is reported back at Stage 2 to show that level access is being provided. If it is anticipated that public access to

Sugar Quay jetty itself is intended, then the scheme should ensure that level access to it can also be achieved. The proposed external works will need to be secured as part of any planning permission that is granted.

Climate change mitigation and adaptation

77 The London Plan climate change policies as set out in chapter 4A collectively require developments to make the fullest contribution to tackling climate change by minimising carbon dioxide emissions, adopting sustainable design and construction measures, prioritising decentralised energy supply, and incorporating renewable energy technologies with a target of 20% carbon reductions from on-site renewable energy. The policies set out ways in which developers must address mitigation of, and adaptation to, the effects of climate change. Policies 4A.2 to 4A.8 of the London Plan focus on how to mitigate climate change, and the carbon dioxide emissions reduction targets that are necessary across London to achieve this. Corresponding policies are set out in Chapter 5 of the draft replacement London Plan.

Energy

78 London Plan policies 4A.4-11 focus on mitigation of climate change and require a reduction in a development's carbon dioxide emissions through the use of passive design, energy efficiency and renewable energy measures. The London Plan requires developments to make the fullest contribution to tackling climate change by minimising carbon dioxide emissions, adopting sustainable design and construction measures and prioritising decentralised energy, including renewables.

Baseline carbon emissions

79 The regulated carbon dioxide emissions of the proposed development, based on a 2006 Building Regulations compliant development, have been estimated to be 663 tonnes of carbon dioxide per annum. Unregulated emissions are estimated to be 511 tonnes of carbon dioxide per annum. Combined regulated and unregulated carbon dioxide emissions are, thus, 1,174 tonnes of carbon dioxide per annum.

Energy efficiency standards

80 A range of passive design features and demand reduction measures are proposed to reduce the carbon emissions of the proposed development. Both air permeability and heat loss parameters will be improved beyond the minimum requirements set by building regulations. Other features include automated lighting controls, heat recovery from office extracts and high efficiency chillers for air conditioning.

81 The development is estimated to emit 464 tonnes of regulated carbon dioxide emissions per annum after the application of passive design and energy efficiency measures. A reduction in regulated carbon dioxide emissions of 30% compared to the Target Emissions Rate of a 2006 Building Regulations compliant development will be achieved through this first element of the energy hierarchy. On a whole energy basis, i.e. including regulated and unregulated, a reduction of 16.8% from energy efficiency is proposed.

Combined Heat and Power

82 The applicant has discounted the use of onsite combined heat and power (CHP). Given the type of development and low operational hours, it is accepted that CHP and CCHP will not be appropriate in this case.

Cooling

83 Passive design measures have been incorporated into the scheme, including use of thermal mass, which will contribute to reducing the anticipated cooling demand for the building.

84 Closed loop vertical borehole ground source heat pumps are also proposed to meet a percentage of cooling requirements.

85 The applicant should provide further information identifying which areas will require active cooling, as well as providing further details on how this will be provided.

Renewable energy technologies

86 A total of 24 boreholes (each circa 70m deep) coupled to ground source heat pumps with a heating capacity of 102kW and cooling capacity of 108kW are proposed. A total of 21 sq.m. (9 solar panel) of solar thermal panels are also proposed to meet the hot water demand of the proposed development.

87 The development is estimated to emit 442 tonnes of regulated carbon dioxide emissions per annum after the application of renewable energy. A reduction in regulated carbon emissions of 5% will be achieved through this third element of the energy hierarchy. On a whole energy basis, a reduction of 2% from renewable energy is proposed.

88 To summarise, the scheme proposes a reduction of 33% compared to a 2006 Building Regulations compliant building. The applicant has broadly followed the energy hierarchy in Policy 4A.1. Sufficient information has been provided to understand the proposals as a whole. However, further information is required before the carbon savings can be fully verified.

Sustainable design and construction

89 Policy 4A.3 of the London Plan requires all development proposals to include a sustainability statement. Further guidance on this policy is given in the London Plan Sustainable Design and Construction SPG. In addition, London Plan policies 4A.3, 4A.11, 4A.14 and 4A.16 require the inclusion of sustainability measures within developments. The corresponding policies within the draft London Plan also include specific requirements in terms of sustainable design and construction, green roofs and sustainable drainage, as well as overheating and cooling. In particular, policy 5.10 is noted which states that the amount of urban greening in CAZ should be increased.

90 The applicant has followed the Mayor's SPG and is proposing a series of measures which would together assist in achieving a BREEAM 'excellent' rating. In line with policy 4A.10 of the London Plan, the proposal includes a double skin facade cladding system to minimise heat loss, minimise summer solar heat gain and maximise daylight. Natural ventilation would be provided through use of trickle vents and openable windows, and water conservation measures are proposed in the form of metering and high efficiency fixtures and fittings. A sustainable urban drainage system would be implemented, comprising of a green roof, which would cover 20% of the roof area. This would also assist in satisfying urban greening policies, however further details of the green roof system should be provided before the application is reported back at Stage 2, and the details and commitments secured by way of condition.

Comments from Transport for London

91 The scheme proposes a main pedestrian access from Water Lane, with improvements proposed to footways surrounding the site and to the Thames riverside walk. Servicing would be

within the building, with a loading bay proposed in the north-east corner of the site, fronting Lower Thames Street. The proposed development does not include any provision for employee car parking, except for one dedicated space for blue-badge holders. This is considered appropriate, and within the standards contained in London Plan Policy 3C.23 'Parking Strategy' and draft replacement London Plan Policy 6.13 'Parking'. The proposed 128 cycle parking spaces for employees will be located within the basement of the proposed development, and this is consistent with TfL's cycle parking standards, and those contained within draft replacement London Plan Policy 6.13 'Parking'.

92 TfL does not consider that the development, in isolation, is likely to have any significant impact on the capacity of the surrounding public transport network. TfL recognises, however, that the cumulative impact of this and other local developments may need mitigation. TfL therefore welcomes further discussions with the applicant and the City Corporation to agree the need for mitigation measures arising from the cumulative impact of developments on the capacity of the local bus network.

93 TfL welcomes the applicant's commitment to making improvements to the footways around the site as part of the redevelopment, including the widening of the river path, provision of step free access and improved lighting.

94 Two bus stops within 400 metres of the site require upgrading to accessibility standards. In order to encourage the use of buses to and from the site, and to promote inclusive accessibility to all users of the proposed development, TfL requests that these bus stops be upgraded, for which the developer should make a total capped contribution of £20,000. This will ensure consistency with London Plan Policy 3C.20 'Improving conditions for buses'.

95 In line with London Plan Policy 3C.2, the applicant has provided a framework travel plan, although TfL considers that further work is required to bring it in line with TfL guidance. The travel plan should serve as an 'umbrella' travel plan for the development, detailing how the travel plan will be managed on a site-wide scale. It should therefore include site-wide travel plan objectives, targets and measures. It should include details on how and when full travel plans will be developed by each occupier of the site. As the site is in close proximity to the Tower Millennium Pier, further consideration should be made within the travel plan to encouraging the use of water-based transport, including Thames Clipper services.

96 A construction logistics plan should be prepared and secured through condition. This should identify efficient and sustainable measures to be undertaken during the construction of the proposed development. Outline proposals for managing deliveries and servicing trips have been included within the applicant's Transport Assessment, which are generally supported. A delivery and servicing plan, however, should be prepared and secured through condition. This should make clear how peak time deliveries could be managed so as to minimise the impact of servicing trips on the highway network.

Crossrail

97 In view of the strategic regional importance of Crossrail to London's economic regeneration and development, and in order to bring the project to fruition in suitably timely and economic manner, contributions will be sought from development likely to add to or create congestion on central London's rail network that Crossrail is intended to mitigate. This will be through planning obligations, arrangements for the use of which will be established at strategic level in accordance with relevant legislation and policy guidance (Policy 3C.12A of the proposed London Plan Alterations).

98 The approach for collecting contributions towards Crossrail is set out in the Mayor's Supplementary Planning Guidance (SPG) 'Use of Planning Obligations in the funding of Crossrail' (July 2010). The SPG states that contributions should be sought in respect of retail, hotel and office development in Central London that involve a net increase in floorspace of more than 500sqm (GEA). As the proposed development falls within the Central London contribution area, the proposed indicative level of charge is £137 per sq.m. for new office floorspace, £88 per sq.m. for new retail floorspace and £60 per sq.m. for new hotel floorspace.

99 A requirement for a Crossrail contribution from this development will therefore relate to the net additional impact from the new development, taking into account the theoretical charge that would be paid by the existing uses. Applying this approach to floorspace figures confirmed by the applicant, the current uses on site would produce a theoretical contribution of £2,758,221 (based on 20,133 sq.m. GEA of office). This amount is deducted from the total theoretical charge of the new development, which is £4,090,557 (based on 29,781sqm GEA of office and 120 sq.m. GEA of retail). Based on this approach, therefore, a contribution of £1,332,336 is required towards Crossrail, to reflect the proposed uplift in retail and office floorspace.

100 The applicant has committed to paying the full Crossrail contribution of £1,332,336, which is included in the draft Heads of Terms submitted to the City and should be paid, in full, on commencement of the development.

River Thames and flooding

101 Policies 4A.12 and 4A.13 of the London Plan seek to manage the risk of flooding, reduce the increased risk of flooding and the consequences of flooding. The site is located within Flood Zone 1 and is at low risk of flooding. Whilst the applicant is not required to prepare a flood risk assessment due to the size of the site, it is proposed to undertake one at detailed design stage, in order to achieve BREEAM assessment credits.

102 Surface water management and sustainable urban drainage are proposed in order to ensure the sewer system servicing the site is able to accommodate runoff and will not lead to localised flooding. London Plan policy 4A.14 provides a drainage hierarchy, which places clean surface water discharge at the top and combined sewer at the bottom of the hierarchy. The River Thames offers a nearby route for clean surface water arising from the development and to comply with policy 4A.14 clean water should be discharged directly into the River Thames. Drainage from other parking and servicing areas should be discharged into the combined sewer.

Local planning authority's position

103 The City Corporation has been engaged in pre-application discussions with the application and will be reporting the application to its Planning Committee in October 2010. Subject to no new issues arising, it is understood that officers intend to give a positive recommendation.

Legal considerations

104 Under the arrangements set out in Article 4 of the Town and Country Planning (Mayor of London) Order 2008 the Mayor is required to provide the local planning authority with a statement setting out whether he considers that the application complies with the London Plan, and his reasons for taking that view. Unless notified otherwise by the Mayor, the Council must consult the Mayor again under Article 5 of the Order if it subsequently resolves to make a draft decision on the application, in order that the Mayor may decide whether to allow the draft decision to proceed unchanged, or direct the Council under Article 6 of the Order to refuse the application, or issue a direction under Article 7 of the Order that he is to act as the local planning authority for the

purpose of determining the application and any connected application. There is no obligation at this present stage for the Mayor to indicate his intentions regarding a possible direction, and no such decision should be inferred from the Mayor's statement and comments.

Financial considerations

105 There are no financial considerations at this stage.

Conclusion

106 London Plan policies relating to the Central Activities Zone, mixed-use development, urban design, tall buildings, heritage, inclusive access, climate change mitigation and adaptation, transport, Crossrail and the River Thames are relevant to this application. The application comply with some of these policies but not with others, for the following reasons:

- **Principle of use:** the principle of an office development in this location, as well as an increase in quantum over that provided by the existing buildings on-site, complies with the London Plan.
- **Employment:** The proposal is generally acceptable in strategic employment terms, subject to a commitment to providing job opportunities for local people both throughout the construction and operation stage.
- **Tall buildings and views:** The scheme would not unduly affect strategic views of the Tower of London or Tower Bridge when viewed from the river, in accordance with policies 4B.8, 4B.9 and the London View Management Framework, however panoramic views may be unduly affected, due to the height of the building and design of the plant.
- **Urban design:** By virtue of its height, scale and massing, and detailed design of the roof top plant, the scheme fails to comply with London Plan design policies.
- **Inclusive design and accessibility:** The proposal is broadly acceptable, and consideration has been given to inclusive design and accessibility within and around the proposed building. However, the proposal lacks detail in relation to level changes and accessibility from Water Lane, along the riverside walk.
- **Climate change mitigation and adaptation:** The applicant has broadly followed the energy hierarchy in Policy 4A.1. Sufficient information has been provided to understand the proposals as a whole. However, further information is required before the carbon savings can be verified.
- **Transport:** The proposal is acceptable in principle, and its car-free status is welcomed. The level of Crossrail contribution is in accordance with the draft SPG *Use of Planning Obligations in the Funding of Crossrail*, which should be secured by any section 106 agreement. More information is required in order to ensure that the scheme complies with London Plan transport policies, with respect to mitigation measures.

107 On balance, the application does not comply with the London Plan.

108 The following changes might, however, remedy the above-mentioned deficiencies, and could possibly lead to the applications becoming compliant with the London Plan:

- **Employment:** There should be a benefit to the local community through access to construction and operational jobs, which should be secured by way of condition.

- **Urban design:** Amendments are required to the proposal before the application is reported back at Stage 2, in order to reduce the visual dominance of the building and roof top plant.
- **Inclusive design and accessibility:** Further information, including detailed plans, are required in relation to the level changes and accessibility along the riverside walk from Water Lane, before the application is reported back at Stage 2.
- **Climate change mitigation and adaptation:** Further information is required in relation to district heating, cooling, and green roofs before the application is reported back at Stage 2.
- **Transport:** Measures are required in order to mitigate the transport impacts of the development. These include a detailed travel plan, a construction logistics and delivery and servicing plan, and contributions towards the bus network and bus stop upgrades.

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