planning report GLA/3780/02
28 August 2018

Ailsa Wharf, Ailsa Street
in the London Borough of Tower Hamlets
planning application no. PA/16/02692

<table>
<thead>
<tr>
<th>Strategic planning application stage II referral</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>The proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition of existing structures/buildings and the redevelopment of the site for a mixed use scheme providing 785 residential units and 2,954 sq.m GIA commercial floorspace within a series of thirteen building blocks varying between 3 and 17 storeys.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>The applicant is Ailsa Wharf Developments and the architect is Stockwool Architects.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-application: 2 December 2015, 1 June 2016, and 28 July 2016</td>
</tr>
<tr>
<td>Stage 1 report: 31 October 2016</td>
</tr>
<tr>
<td>Council’s committee meeting: 30 November 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategic issues summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Principle of development:</strong> The principle of the redevelopment of this site for residential led mixed uses is supported in this Opportunity Area and Housing Zone. Measures have been put in place to ensure that the residential development will not be adversely affected should operations recommence at the safeguarded waste site.</td>
</tr>
<tr>
<td><strong>Affordable housing:</strong> The scheme proposes 35% affordable housing by habitable room, and this has been verified as the maximum viable amount. Early implementation and late stage reviews have been secured within the s106 agreement and grant funding has been investigated in line with draft London Plan Policy H6 and the Mayor’s Affordable Housing and Viability SPG. All outstanding issues in respect of transport and climate change have been addressed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Council’s decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>In this instance, Tower Hamlets Council has resolved to grant planning permission.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>That Tower Hamlets Council 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.</td>
</tr>
</tbody>
</table>
Context

1. On 22 September 2016 the Mayor of London received documents from Tower Hamlets Council 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 1A, 1B and 1C of the Schedule to the Order 2008:

- 1A “Development which comprises or includes the provision of more than 150 houses, flats, or houses and flats.”
- 1B “Development (other than development which only comprises the provision of houses, flats, or houses and flats) which comprises or includes the erection of a building or buildings outside Central London and with a total floorspace of more than 15,000 square metres.”
- 1C “Development which comprises or includes the erection of a building (c) more than 30 metres high and is outside the City of London”

2. On 31 October 2016 the Mayor considered planning report D&P/3780/01, and subsequently advised Tower Hamlets Council that the application did not comply with the London Plan, for the reasons set out in paragraph 75 of the above-mentioned report; but that the possible remedies set out in the report could address these deficiencies. A copy of the above-mentioned report is attached.

3. On 30 November 2017 Tower Hamlets Council planning committee resolved to grant planning permission subject to conditions, obligations and informative and also subject to any referral and/or direction made by the Mayor of London and/or any referral to the Secretary of State.

4. On 15 August 2018 Tower Hamlets Council advised the Mayor of this decision. 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 or direct Tower Hamlets Council under Article 6 to refuse the application. The Mayor has until 28 August 2018 to notify Tower Hamlets Council of his decision and to issue any direction.

5. The environmental information for the purposes of the Town and Country Planning (Environmental Impact Assessment) Regulations 2011 has been taken into account in the consideration of this case.

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

Consultation stage issues summary

7. At the consultation stage, Tower Hamlets Council was advised that the application did not fully comply with the London Plan, for the reasons set out below. The resolution of these issues could, nevertheless, lead to the application becoming compliant with the London Plan.

- **Housing:** The delivery of 782 new homes across a range of unit sizes and tenures in a high density scheme with a high standard of residential quality and on-site play space is supported. The scheme would deliver 35% affordable housing by habitable room with a 70:30 affordable rent: intermediate split.

- **Climate change:** Overall a reduction of 420 tonnes of CO₂ per year in regulated emissions compared to a 2013 Building Regulations compliant development is expected; equivalent to
an overall saving of 45% is strongly supported. Further information is required to verify the savings.

- **Transport:** The proposals are broadly supported in transport terms. Revisions to cycle parking and landscaping are required. Draft delivery service plan and construction logistics plan required.

**Strategic planning policy and guidance update**

8 On 1 December 2017, the Mayor published his draft London Plan for public consultation and on 13 August 2018 the minor amendments to this draft.

9 On the 24 July 2018 the government published its revised National Planning Policy Framework (NPPF), which replaces the March 2012 NPPF.

10 In August 2017 the Mayor published his Affordable Housing and Viability SPG. This must now be read subject to the decision in R (McCarthy & Stone) v. Mayor of London, in which the High Court granted a declaration that references in the SPG to late stage review were unlawful, to the extent that late stage review is recommended in all cases, irrespective of the time which is likely to be taken before a scheme is built out.

**Update**

11 Since consultation stage, GLA officers have engaged in joint discussions with Tower Hamlets Council, the applicant team, and Transport for London officers with a view to addressing the above matters. The applicant has revised the scheme since Stage 1 to increase the number of residential units from 782 to 785 and increased the commercial floorspace at the site from 1,941 sq.m to 2,954 sq.m. The original scheme ranged in height from 3 to 16-storeys the proposed scheme now ranges between 3-17-storeys. The response to the various issues raised at consultation stage on this application are considered under the corresponding sections below. Furthermore, as part of Tower Hamlets Council’s decision on the case, various planning conditions and obligations have been proposed to address the above concerns and to ensure that the development is acceptable in strategic planning terms.

**Principle of development**

12 Currently occupied by open storage areas and a number of small commercial sheds, this site is allocated within the adopted Tower Hamlets Managing Development Document for residential-led mixed use development, including employment floorspace. It is also within the Lower Lea Valley Opportunity Area and Poplar Riverside Housing Zone. Therefore, the residential led mixed use redevelopment of the site (to include a 2,954 sq.m provision of new high quality commercial employment floorspace) is strongly supported under London Plan Policy 2.13 and draft London Plan Policy SD1.

**Waste**

13 A safeguarded waste site lies to the north of the application site but has not been operational since 2012. Notwithstanding this, at consultation stage, the applicant was required to demonstrate that the development would not prohibit the waste site from becoming operational again in the future. In this regard, the applicant has confirmed that separate vehicular access to the waste site will be maintained to ensure that there was no conflict between lorries for the waste site and residential traffic. Furthermore, traffic and noise impacts have been assessed as part of the submission on the basis of the previous use of the site as a waste transfer site (with a throughput of circa 40,000 tonnes per annum) and confirmed that this use would not have a significant impact on the operation of the
local highway network or increase ambient noise levels at receptors within the new residential development. Mature landscaping has been proposed along the northern edge of the residential site to provide screening and to limit the visual impact of the waste site when seen from the residential units and the residential units are set back from the boundary with the waste site and separated from it by a path. As such, the proposals are considered acceptable in respect of Policy 5.17 of the London Plan and draft London Plan Policies S18 and S19.

Housing

Affordable housing

14 The number and mix of residential units has changed slightly since consultation stage. Originally, the scheme proposed 782 units with slightly more 1 beds and fewer 3 beds. The mix is now as follows:

<table>
<thead>
<tr>
<th>Market</th>
<th>Affordable rent</th>
<th>Affordable Rent benchmark per week</th>
<th>Intermediate (income threshold £90,000)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>72</td>
<td>0</td>
<td>0</td>
<td>72 (9%)</td>
</tr>
<tr>
<td>1 Bed</td>
<td>212</td>
<td>39 LBTH - £204 LAR - £144.26</td>
<td>39</td>
<td>290 (37%)</td>
</tr>
<tr>
<td>2 Bed</td>
<td>189</td>
<td>58 LBTH - £214 LAR - £152.73</td>
<td>22</td>
<td>269 (34%)</td>
</tr>
<tr>
<td>3 Bed</td>
<td>75</td>
<td>39 LBTH - £227 LAR - £161.22</td>
<td>19</td>
<td>133 (14%)</td>
</tr>
<tr>
<td>4 Bed</td>
<td>4</td>
<td>16 LBTH - £249.48 LAR - £169.70</td>
<td>1</td>
<td>21 (3%)</td>
</tr>
<tr>
<td>Total</td>
<td>552</td>
<td>152 (19%)</td>
<td>81 (10%)</td>
<td>785</td>
</tr>
</tbody>
</table>

15 Since consultation stage, the Mayor has published the Affordable Housing and Viability SPG and the draft London Plan. Policy H6 of the draft London Plan, and the Mayor’s Affordable Housing and Viability SPG establishes a minimum pan-London threshold level of 35% affordable housing (without grant) with a strategic target of 50%.

16 Under the ‘Fast Track Route’, as set out in draft Policy H6 and the Mayor’s Affordable Housing and Viability SPG, a viability assessment does not need be provided if the affordable housing offer is at least 35% (without grant) by habitable room; and meets all of the other relevant policy requirements and obligations. Whilst draft Policy H6 increases the ‘Fast Track Route’ threshold to 50% for industrial sites suitable for release, it is noted that at the time the application was made and Stage 1 consultation response issued the draft London Plan was not available to the applicant.

17 The scheme proposes 35% affordable housing by habitable room split 65:35 in favour of affordable rent. From the affordable rent offer of 152 units 50% will comprise Town Hamlets Living Rent whilst the remaining 50% will comprise London Affordable Rent. The remaining 35% of the total affordable offer will be provided as an intermediate product in the form of shared ownership units (as defined in the Mayor’s Affordable housing and Viability SPG) with a maximum income threshold of £90,000 per annum. This offer is wholly supported and appropriately acknowledges the Mayor’s commitment to deliver genuinely affordable homes.
The applicant’s viability assessment has been reviewed by an independent viability consultant instructed by the Council which concluded that the amount of affordable housing proposed would be over and above the maximum reasonable amount that could viably be supported by the development. However, the applicant has taken a commercial decision to commit to the 35% affordable housing. The applicant has also tested the possibility of the inclusion of grant funding for the affordable units in order to increase the overall affordable housing offer from 35% to 40%. This testing however concluded that even with the inclusion of grant funding, a 40% affordable housing scheme would result in a greater deficit and therefore would not be viable to pursue at this time, although there is a commitment in the S.106 to review this at commencement. The findings of the viability assessment have also been scrutinised by GLA officers and concur that 35% affordable housing by habitable room is the maximum achievable.

In line with the draft London Plan and Affordable Housing and Viability SPG an early implementation review is proposed to be included within the s106 agreement requiring a viability report to be provided should an agreed level of progress not be made within 2 years of planning permission being granted. A late stage review to be triggered once 75% of the units are sold is also proposed to be secured, which is welcomed.

Climate change

At Stage I further information and clarifications were required regarding connection to the district heating network, the site heat network, the proposed combined heat and power (CHP) unit, and maximising the provision of photovoltaic cells. Detailed information and clarifications were provided by the applicant, and full compliance with London Plan and draft London Plan energy policies. It was reported at Stage 1 that the 45% improvement against Part L 2013 exceeded the target set within Policy 5.2 of the London Plan as the application was submitted prior to October 2016 when the target was increased to zero carbon for all residential schemes. Therefore, a carbon offset contribution to make up the shortfall in this instance is not deemed necessary. However, the 45% improvement against Part L has been secured by planning condition.

Finally, the applicant has confirmed that the site energy centre has been designed flexibly to allow future connection to a district heating network should one become available. This has also been secured by way of planning condition.

Transport

Since the consultation stage, further details of the number, design and location of cycle parking has been provided which demonstrates compliance with the London Plan and Cycling Design Standards. Furthermore, the applicant has demonstrated that the walking and cycle routes to the proposed bridge landing area will be direct, legible, pass active frontages, connect to the proposed TfL cycle hire docking station and link to the underpass of the A12 Blackwall Tunnel Northern Approach. The routes have also been put in context of wider walking and cycling networks and are therefore satisfactory.

The provision of a 20 point cycle docking station within a pocket park has been secured by condition to be delivered along with hard landscape works. A Delivery and Servicing Plan and Car Park Management Plan have also been secured by condition as required.

All necessary planning obligations have been secured including an appropriate contribution towards wayfinding, the securement of the bridge landing area and public access routes through the site, and off-site improvement works to TfL land have been secured by s.278 agreement.

Draft section 106 agreement
The heads of terms to be included within the section 106 agreement are as follows:

- Employment, skills, training and enterprise contribution of £215,005 during the construction phase and £69,382 for the final development;
- 40 construction phase apprenticeships;
- Access to employment and construction – 20% local good/service procurement and 20% local jobs at construction phase;
- Wayfinding contribution - £28,000;
- Monitoring contribution - £6,500;
- Delivery of 35% affordable housing comprising of 81 intermediate units and 152 rented units;
- Viability review mechanism (pre-commencement and late stage) with reasonable endeavours being made to secure grant;
- Permit free agreement restricting future residents from applying for parking permits;
- Travel Plan;
- Code of Construction practice;
- S.278 highways and public realm improvements works including tree planting on the A12;
- Additional highways to be adopted by Tower Hamlets Council;
- The securement of public access routes and areas of public realm on site including maintenance of these areas; and
- Safeguarded bridge landing area.

Response to consultation

Consultation letters were sent to 1,853 properties in the vicinity of the site; in addition, site notices were displayed. In total, 7 consultation responses were received, 4 in support and 3 in objection as follows:

- The area around Bromley Hall School and land to the west should be cleared up;
- Abbott Road should be resurfaced;
- Not enough affordable housing, more affordable homes required for local people;
- Building construction noise and dust should be considered;
- The quality of accommodation should be a good standard with adequate unit sizes;
- The proposed buildings are too tall;
- The area needs more cafes, bars and restaurants; and
- Would have preferred the waste site to be developed to avoid noise and smell.

The following statutory consultation responses were received:

Environment Agency

- No objections to the principle of the scheme subject to conditions.

Natural England

- No objection subject to measures being taken to improve biodiversity and standing advice on protected species in respect of the adjacent Thames Pathway National Trail.

Historic England

- No objection.

Historic England – GLAAS
• No objection subject to conditions.

**Canal and River Trust**

• No objections subject to conditions.

**Crime prevention officer**

• No objections subject to conditions.

**Thames Water**

• The existing water supply infrastructure has insufficient capacity to meet the demands of the development, conditions recommended. A significant reduction from current peak discharge rates required and all surface water to be discharged to the river Lea.

**London City Airport**

• No objection subject to the inclusion of a condition.

**London Fire and Emergency Planning Authority**

• No objection.

**National Air Traffic Services Ltd.**

• No objections.

**Port of London Authority**

• No in principle objection subject to the construction works and lighting to be mitigated to ensure that the impact on ecology is kept to a minimum; further consideration given to the use of the river bus; consideration of the river being used for the transportation of construction and waste materials; and likelihood of repairs to the river wall and intertidal terraces noted.

No responses received from the Lea Valley Regional Park Authority, the London Borough of Newham, London Bus Services Ltd, and the London Legacy Development Corporation.

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

28 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 stage I, therefore there is no sound planning reason for the Mayor to take over this application.

**Legal considerations**

29 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.

Financial considerations

30 Should the Mayor direct refusal, he would be the principal party at any subsequent appeal
hearing or public inquiry. Government Planning Practice Guidance emphasises that parties usually
pay their own expenses arising from an appeal.

31 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.

32 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

33 The strategic issues raised at consultation stage regarding waste, affordable housing, climate
change and transport have been satisfactorily addressed, and appropriate planning conditions and
obligations have been secured. As such the application complies with the London Plan and draft
London Plan, and there are no sound reasons for the Mayor to intervene in this case.

for further information, contact GLA Planning Unit:
Juliemma McLoughlin, Chief Planner
020 7983 4271 email Juliemma.McLoughlin@london.gov.uk
John Finlayson, Head of Development Management
020 7084 2632 email John.Finlayson@london.gov.uk
Nick Ray, Principal Planner
020 7983 4178 email Nick.Ray@London.gov.uk
Connaire O’Sullivan, Strategic Planner, Case Officer
020 7983 6589 email Connaire.OSullivan@london.gov.uk