

6 March 2017

Leadenhall Court

in the City of London

planning application no. 16/00859/FULEIA

Strategic planning application stage II referral

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

The proposal

Demolition of the existing building and redevelopment to provide a 36 storey building with 28 floors for office use (Class B1) with retail floorspace (Class A1-A4), office lobby and loading bay at ground floor, 2 levels of retail floorspace (Class A1-A4) at first and second floors, a publicly accessible terrace at second floor, 5 floors of plant and ancillary basement cycle parking, cycle facilities and plant (63,273sq.m GIA) (182.7m AOD).

The applicant

The applicant is **Brookfield**, the architect is **Make** and the agent is **DP9**.

Key Dates:

Pre-application meetings: 28 June 2016

Application submitted to Borough: 6 September 2016

Stage 1 reported to Mayor of London: 31 October 2016

Planning Committee: 25 January 2017

Strategic issues summary

Comments with respect to mixed use (affordable housing contribution), energy and transport have been appropriately addressed. The proposal is compliant with the London Plan and is strongly welcomed.

The Corporation's decision

City of London Corporation has resolved to grant permission, subject to conditions and a section 106 agreement.

Recommendation

That 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 29 September 2016, 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 under Category 1C(b) of the Schedule to the Order 2008:

- 1C 1.(b) *“Development which comprises or includes the erection of a building of more than 150 metres high and is in the City of London”.*

2 On 31 October 2016, the Mayor considered planning report D&P/4018/01, and subsequently advised the City of London Corporation that the application was strongly supported in strategic planning terms but did not comply with the London Plan for the reasons set out in paragraph 64 of this report; but the resolution of those issues could lead to the application becoming compliant with the London Plan.

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. On 25 January 2017, the City of London Corporation decided that it was minded to grant planning permission, subject to conditions and agreement of a section 106 agreement, and on 21 February 2017 it 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, direct the Corporation under Article 6 to refuse the application, or issue a direction to the 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 6 March 2017 to notify the Corporation of his decision and to issue any direction.

4 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.

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

Update

6 At the consultation stage, the City of London Corporation was advised that the application was strongly supported, although some strategic concerns were raised:

- **Mix of uses:** The proposed mix of on-site uses is appropriate given the characteristics of this scheme in terms of supporting an important cluster of CAZ business activity and the CAZ retail frontage. However, an affordable housing contribution should be made as per the tariff established within the City of London Corporation Planning Obligations SPD to ensure the requirements of London Plan policy 4.3 are met.
- **Sustainable development:** The proposed energy strategy falls short of the 35% target within London Plan policy 5.2. The applicant should consider scope for additional measures aimed at achieving further carbon reductions.
- **Transport:** TfL’s main concerns related to the proposed changes to the building line on the corner of Gracechurch Street and Leadenhall Street and the resultant impacts on pedestrians and further clarifications are sought. Otherwise, the proposal is broadly

acceptable in strategic transport terms; however, the applicant should address the matters discussed in this report and the detailed TfL response in respect to the kerblines on Gracechurch Street, the travel plan, trip generation and short term cycle parking in order to ensure accordance with London Plan policies 6.3, 6.5, 6.9, 6.10, 6.13 and 6.14.

7 These outstanding issues have subsequently been addressed as detailed below.

Mix of uses

Affordable housing contribution.

8 At Stage One, in relation to the CAZ mixed-use policies in the London Plan (policies 2.11 and 4.3) it was accepted that the provision of on-site housing was not appropriate in this case, however, in order to address the requirements of London Plan policy 4.3 an affordable housing contribution should be made as per the tariff established within the City of London Corporation Planning Obligations SPD. As per the City's tariff, a financial contribution of £959,920 is to be secured within the section 106 towards affordable housing provision. The application complies with London Plan policy 4.3.

Publically accessible viewing gallery

9 At Stage One, the proposals for a publicly accessible viewing gallery on the second floor terrace, overlooking Leadenhall Market were welcomed, and further details were requested on the details of this provision. A management plan for the terrace is to be secured through the s106, and access will be free to the public. Full details of opening hours are not yet known, and will be confirmed once further details on the adjoining retail uses of the first and second floors are known.

Climate Change

10 At Stage One, the applicant was advised that the carbon emissions fell short of the target with London Plan policy 5.2 and was asked to look at additional measures aimed at achieving further carbon reductions, including renewable energy to comply with London Plan policy 5.7. The applicant has proactively looked at further measures for carbon reductions, and is now proposing 25.2 sq.m of photovoltaic (PV) panels. It is agreed that this provision is the maximum reasonable reduction which can be made on-site and the remaining shortfall of 206 tonnes will be met via an offsetting agreement within the s106. The scheme is considered to comply with London Plan policies 5.2 and 5.7.

Transport for London Comments

Walking and public realm

11 At Stage One, TfL's main concern related to the pedestrian impact of the proposals, and in particular the proposed changes to the building line in the north-western corner of the site. The applicant has provided further information on pedestrian impacts and whilst the proposals will result in reduced levels of pedestrian comfort, they will remain at an acceptable level. The City of London has also confirmed that further improvements to the pedestrian network can be considered through the Section 278 agreement secured as part of the proposals, including changes to the kerblines and crossing widths on Gracechurch Street and pedestrian improvements at the entrance to Leadenhall Market, with the works carried out by the applicant if feasible. It has also been confirmed that the footway beneath the colonnades on Gracechurch Street will be

formally adopted as highway in order to regularise its current status. As such, the application is considered compliant with London Plan Policy 6.10.

Access and parking

12 Good quality long stay cycle parking in excess of London Plan standards has been secured at basement level, which is welcomed. Whilst London Plan compliant short stay cycle parking has not been proposed, it is acknowledged that there is limited opportunity to provide this at surface level around this particular site, adjacent to Leadenhall Market. As such, a contribution of £71,000 towards cycle hire capacity has also been secured and the scheme is considered to comply with London Plan policy 6.9.

Other transport mitigation

13 A draft framework travel plan, construction logistics plan and delivery and servicing plan have all been secured as part of the consent. Other planning obligations have been secured in tandem with the delivery and servicing plan to ensure that servicing will be consolidated off site and potentially opened up to neighbouring uses including those within Leadenhall Market. This is welcomed and considered to be in accordance with London Plan Policy 6.14.

14 A Crossrail contribution of £6,508,040 has also been secured in accordance with the 'Use of planning obligations in the funding of Crossrail' Supplementary Planning Guidance.

Response to consultation

15 The Corporation notified local amenity groups and statutory consultees:

Responses:

- **Historic England (HE):** Reviewed the application and did not wish to make any comments.
- **Historic Royal Palaces (HRP):** Whilst not objecting to the proposal, HRP have provided general commentary on the increase in spread and density of the 'Eastern Cluster' and the potential for a detrimental impact on the Outstanding Universal Value of the Tower of London World Heritage Site.
- **The Victorian Society:** Object to the proposals for a tall building in this location adjacent to a number of listed buildings include St Peter's Cornhill (Grade I), Lloyd's Building (Grade I) and Leadenhall Market (Grade II*). Also object to the proposed design of the building.
- **Environment Agency:** No comments.
- **Thames Water:** No objection, subject to conditions on piling and impact study.
- **Natural England:** No comments.
- **Network Rail:** No objection.
- **Crossrail:** No comments
- **NATS Safeguarding:** No objection.

- **Heathrow Airport:** No objection, subject to conditions requiring the submission of a Construction Management Strategy.
- **London City Airport:** No objection.
- **London Borough of Islington:** No comments.
- **London Borough of Lambeth:** No comments.
- **City of Westminster:** No objection.
- **London Borough of Camden:** No objection.
- **London Borough of Haringey:** No objection.
- **London Borough of Tower Hamlets:** No comments.

Analysis

16 The objections raised by The Victorian Society have been considered in the Corporation's Committee Report of 25 January 2017 and where they affect strategic policies, the Mayor's Stage One report.

17 The comments raised by Historic Royal Palaces in relation to the increase in spread and density of the 'Eastern Cluster', and its potential to endanger the Outstanding Universal Value of the Tower of London World Heritage Site are noted by GLA officers. This issue was considered at Stage One and it was considered the development would not compromise the Outstanding Universal value of the World Heritage Site.

Draft Section 106 agreement

18 The following are to be included within the draft Section 106 agreement:

- £6,508,040 Mayoral CIL/Crossrail contribution
- £3,599,700 Local CIL contribution
- £959,920 Affordable Housing contribution
- £143,988 Local, training and skills contribution
- Public access to the proposed second floor terrace
- Highway obligations
- Off-site Cycle Hire Contribution
- Local Procurement Strategy
- Local Training Skills and Job Brokerage Strategy
- Carbon off-setting

- Travel Plan
- Delivery Service Management Plan
- Freight Consolidation
- Start-up Incubator Space
- Counter terrorism
- S106 monitoring costs.

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

19 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 Corporation has resolved to grant permission with conditions and planning obligations, which satisfactorily addresses the matters raised at Stage One, therefore there is no sound planning reason for the Mayor to take over this application.

Legal considerations

20 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 5 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. 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

21 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.

22 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.

23 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 Corporation to do so) and determining any approval of details (unless the Corporation agrees to do so).

Conclusion

24 The scheme, with the suggested conditions and proposed section 106 obligations, is compliant with the London Plan and is supported. Comments regarding affordable housing, the public terrace, energy and transport have been appropriately addressed.

for further information, contact GLA Planning Unit (Development & Projects Team):

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