

## Planning Committee Report

### London Thames Gateway Development Corporation

#### Addendum Report: Correction of a number of matters in the main report and Planning Obligations Update

|                                       |                                    |
|---------------------------------------|------------------------------------|
| <b>UDC CASE No:</b> LTGDC-07-134-FUL  | <b>DATE MADE VALID:</b> 22/06/2007 |
| <b>APPLICATION No:</b> 07/01166/LTGDC | <b>TARGET DATE:</b>                |

|                   |   |
|-------------------|---|
| <b>APPLICANT:</b> | Seapoint Development Limited and Paddington Churches Housing Association (Genesis Housing Group)  |
| <b>AGENT:</b>     | Stock Woolstencroft   |
| <b>PROPOSAL:</b>  | Demolition of existing buildings and partial demolition and extension of Warton House, the subsequent development of six new buildings of between 2 and 43 storeys (plus roof plant level) and the restoration and extension of Warton House to provide 1261 sq m of community or commercial floorspace including 27 subsidised workspace units (A1/A2/B1/D1 uses), 1017 sq m commercial floorspace (suitable for a1-A4/B1/D1 uses) a 6256 sq m 153 bedroom hotel (C1) and 655 x no. studio, one, two, three and four bedroom residential units (C3), plus associated car and cycle parking and landscaped amenity space. |
| <b>LOCATION:</b>  | 150 High Street Stratford   |

#### 1 Correction of a number of matters set out in the main report

- 1.1 The applicant is Seapoint Development Limited and Paddington Churches Housing Association (Genesis Housing Group) - as set out above.
- 1.2 The description of development amended as above to refer to buildings of between 2 and 43 storeys and a 153 bedroom hotel (rather than 137).
- 1.3 Paragraphs 1.1, 2.15.3 and 4.5 should then refer to a 153 bedroom hotel;
- 1.4 Paragraphs 4.5 should refer to a 16m reduction in height (rather than a 10m reduction);

- 1.5 The drawings referred to in Condition 2 should list : PL001A, PL002A, PL102A-PL117A, PL119A, PL121A, PL122A, PL201A-PL215A, PL401-PL408.

## 2 Planning Obligations Update

### Financial contributions and offsets

- 2.1 Since the committee report was prepared, s106 discussions have been ongoing. The applicants are seeking to comply with the Corporation's Planning Obligations Community Benefit Strategy.
- 2.2 Essentially, on this site a financial contribution would be sought from the residential units of £10,000 per unit, which for this site would be £6,550,000. The costs of strategic infrastructure could be offset against this as set out on page 9 of the strategy. The applicants have proposed that certain elements of the on site works should be classed as strategic infrastructure and should be offset, as set out in the table below.

| Number of residential units | Contribution per residential unit | Total contribution sought |
|-----------------------------|-----------------------------------|---------------------------|
| 655                         | £10,000                           | £6,550,000                |

| Developer's suggested off sets to the discounted standard charge | Developer's estimated cost of off sets | Current proposed off sets by LTGDC officers |
|--|--|---|
| Waterside walk, river wall and public landscaping                | £1,400,000                             | £1,277,000                                  |
| Pedestrian Link to Greenway                                      | £120,000                               | £120,000                                    |
| Pocket Park including pedestrian link                            | £660,000                               | £660,000                                    |
| Eco Play area  | £220,000                               | £220,000                                    |
| Public Square  | £570,000                               | £156,000                                    |
| <i>Sub total</i>   | <i>£3,063,000</i>                      | <i>£2,476,000</i>                           |
| Contingency at 5%  | £153,150.00                            | £123,800                                    |
| <b>Total Offsets</b>   | <b>£3,216,150</b>                      | <b>£2,600,000</b>                           |
| <b>Balance of financial contribution</b>                         | <b>£3,333,850</b>                      | <b>£3,950,000</b>                           |

- 2.3 Officers did not agree that all the offsets proposed by the applicants could be regarded as strategic infrastructure and should be off set against the

financial contribution payable. The offset figure as proposed by officers is considered to, overall, reflect an appropriate balance.

- 2.4 During discussions the applicants agreed that they could reduce the level of offsets to £2,600,000 and increase the financial contribution accordingly to £3,950,000 as set out in the table.

#### **Recapturing the discount – residential**

- 2.5 The applicants have also agreed to recapturing the discount arrangements set out in the strategy, with an allowance for increasing costs as well as values, and amendments to the figures in the table in Schedule 2 of the Corporation's standard agreement. The final details are still being negotiated.

#### **Recapturing the discount – hotel**

- 2.6 The applicants have also agreed to the hotel element of the commercial uses on the site being subject to a similar recapturing the discount arrangement, to reflect the fact that the discounted standard charge sought has been calculated on the basis of the residential element of the scheme. Again the final details are still being negotiated.

#### **Affordable Housing**

- 2.7 The financial viability assessment provided by the applicants demonstrates that 35% affordable housing on site with a 60:40 split between social rented and shared ownership is achievable on site with Housing Corporation funding of £16.5 million. The applicants have bid for this funding. The applicants have asked that the agreement allow variation in the mix of tenure on the site, in the event that the Housing Corporation funding is not achieved (a cascade mechanism). Officers consider on balance that this is acceptable, provided that a minimum of 45 family social rented homes proposed are guaranteed, which the applicants have agreed to, and that there are strong safeguards in the section 106 to ensure that the applicant uses best endeavours to secure grant, and comes back to the LTGDC for agreement to change the tenure mix if £16.5million in grant is not secured.

#### **Other Heads of Terms**

- 2.8 The agreement would also contain the following other heads of terms and associated schemes which are necessary:
- Green Travel Plan
  - Affordable Business Space (1 floor of Warton House to be affordable rents and if necessary to be subsidised through financial contribution if agreed by LLV Management Group. Very early discussions have indicated the cost could be in the region of £1 million)
  - Walkways agreement for new open space to be provided to allow 24 hours access and maintenance to be carried out by owners
  - Public Realm scheme
  - The retention of Warton House

- Energy Requirements to include measures to reduce carbon emissions
  - Local labour and training
  - Funding and provision of a car club with 6 spaces on site
  - Details of Eco play area (subject to agreement between BW and EA)
  - Highway works immediately around the site
- 2.9 Officers are still in discussion regarding the final wording of the above clauses in the draft agreement, but it is considered that agreement can be reached.

### **3 Summary**

- 3.1 Although ideally officers would like the level of financial contribution to be higher, to fully reflect the strategy, it is considered that on balance the proposed off sets and financial contributions are acceptable, given that overall the figure of £10,000 per unit is achieved, along with the agreement to the recapturing the discount arrangements for the residential units and hotel, and the other clauses proposed as set out above.

### **4 Recommendation**

- 4.1 That the proposed planning obligations are considered to address the impacts of the development and generally accord with the LTGDC Planning Obligations Community Benefit Strategy.
- 4.2 That the financial contribution when received is put into the 'Lower Lea Valley Pooled Fund' as set out in the Planning Obligations Community Benefit Strategy, and is managed as set out in the strategy.
- 4.3 That agreement of the final details of the 'recapturing the discount' is delegated to the Director of Planning.