

POSITION STATEMENT

DP9 on behalf of Express Newspapers – LBTH Response

In respect of Sessions 1, 2, 4, 6, 13
DM3, DM8, DM12, DM15, DM18, DM29, SA18

**London Borough of Tower Hamlets
Managing Development – Development Plan Document
Local Development Framework
11 September 2012 2012**

DP9 on behalf of Express Newspapers LBTH Response Statement

This statement provides the Council's response to the issues stated within DP9 on behalf of Express Newspaper's Position Statement for the Managing Development – Development Plan Document (MD DPD) Examination in Public. This statement does not seek to repeat information relating to the Council's position as stated elsewhere.

1. DM3

The current wording of Policy DM3 does not recognise that the level of affordable housing which can be delivered by a development is often influenced by individual, site specific circumstances. The policy also does not recognise that affordable housing delivery is subject to an assessment of development viability.

Summary

Policy DM3 does not make reference to viability in delivering affordable housing.

Response

Disagree. The Council continues to maintain that the existing policy wording and supplementary text in DM3, and references to the Core Strategy Spatial Policy 02 in DM3(1) and in paragraph 3.1, provides sufficient consideration regarding the provision of affordable housing in relation to viability. Core Strategy SP02(3) states:

“Set an overall strategic target for affordable homes of 50% until 2025. This will be achieved by:

- a. Requiring 35%-50% affordable homes on sites providing 10 new residential units or more (subject to viability).”*

Further evidence has been provided as part the Council's response to Position Statements. See “Response to Housing Issues – LBTH Response”, attachment 1 – Briefing Note on Affordable Housing, Pod (September, 2012).

2. DM29

Policy DM29 is not consistent with the NPPF and not in general conformity with the London Plan and LBTH Core Strategy.

Summary

Policy DM29 is not sufficiently flexible when compared to the NPPF and the London Plan.

Response

Disagree. The Council continues to maintain that policy DM29, paragraph 29.3 of the supplementary text, Core Strategy Spatial Policy 11(7) and London Plan policies 5.2 and 5.3 provide an effective, flexible and deliverable policy framework regarding carbon reduction targets for new development.

3. DM15

Policy DM15 is not consistent with the NPPF.

Summary

Remove the requirement for proposals to demonstrate a marketing exercise of approximately 12-months.

Response

Disagree. The Council views policy DM15 to be sufficiently flexible in accordance with the NPPF in managing employment floorspace by requiring a marketing exercise for “approximately 12 months”. This change in the marketing period required has been in response to market signals and is a significant decrease from the previous Unitary Development Plan policy of four years and Interim Planning Guidance Core Strategy and Development Control Plan of two years. It also reflects discussions with development management colleagues in light of their experiences with applications for change of use from B class.

4. DM8

Policy DM8 is unsound and undeliverable. The policy is also not consistent with the National Planning Policy Framework.

Summary

Amend DM8 to specifically relate to existing on-site community infrastructure.

Response

Disagree. The Council continues to maintain that policy DM8 is sound and in accordance with the Plan Making Chapter of the NPPF. Paragraph 8.5 provides the appropriate level of detail to inform the implementation of the policy such that it states that no unacceptable disadvantage to existing users in terms of access (within the catchment area) and that the quality and quantity of such facilities is improved.

5. DM12

Policy DM12 is unsound and undeliverable. The policy is also not in conformity with the London Plan.

Summary

Requiring development to contribute to the maintenance of water edges is unreasonable. Requiring development to improve water quality is inflexible and does not account for site specific circumstances.

Response

Disagree. The Council maintains that DM12 is sound and in general conformity with the London Plan. The impact of the policy’s requirements on the viability of a scheme is acknowledged in paragraph 12.4 and managed through paragraphs D.10, D.11 and D.12.

6. DM18

Policy DM18 is not considered to be supported by a clear and robust evidence base and is therefore unsound.

Summary

Amend policy DM18 to refer to the Core Strategy areas of search for schools.

Response

The Council continues to maintain that the site allocations are required to meet the elevated levels of need for schools in the borough that has arisen since the adoption of the Core Strategy. This has required additional sites to be identified outside of the Core Strategy “areas of search”. This process is supported by evidence including the Infrastructure Delivery Plan (2009 Update), Site Selection Methodology Note (2011), Site Viability Testing Report (2012), and additional evidence in the “Planning for school places 2012–2022” Report noted by Cabinet on 5th September 2012.

7. Site Allocation 18

Site allocation 18 is unjustified and considered to be unsound.

Summary

Secondary school allocation is not deliverable; District heating facility allocation is not sufficiently flexible; Site allocation boundary should only reflect the land ownership of Express Newspapers and the Canal and River Trust; The design principles are insufficiently flexible; and infrastructure allocations have a negative impact on the viability of a development.

Response

Disagree. The Council continues to consider the site allocation is fully compliant with national policy guidance, Core Strategy Spatial Policies and Development Management Policies.

The Council continues to maintain that the site allocations are required to meet the elevated levels of need for schools in the borough that has arisen since the adoption of the Core Strategy. This has required additional sites to be identified outside of the Core Strategy “areas of search”. This process is supported by evidence including the Infrastructure Delivery Plan (2009 Update), Site Selection Methodology Note (2011), Site Viability Testing Report (2012), and additional evidence in the “Planning for school places 2012–2022” Report noted by Cabinet on 5th September 2012.

Through the development management process the detailed design and delivery of the site will be fully explored and developed with stakeholders.

The delivery of a district heating facility is supported by the LBTH London Heat Map Study (2010) and will be required to accord with London Plan policies, Core Strategy Spatial Policies, Development Management Policies, any supplementary guidance. This will be agreed through the development management process.

To ensure a placemaking approach, the site allocation boundary seeks to integrate surrounding infrastructure uses and therefore goes beyond the land ownerships of Express Newspapers and the Canal and River Trust.

The Sites Viability Testing Report (2012) identifies the site would be viable with the provision of land for a primary school, local park, district heating facility and expanded leisure facility; or a secondary school, open space, district heating facility and expanded leisure facility.

BNP Paribas respond as follows:

DP9 indicates that “BNP Paribas have only been able to assess a hypothetical scheme” and “it is not appropriate that at such an early stage in the redevelopment of the site, the viability of a hypothetical scheme is being used to determine what the site can or cannot deliver”. We acknowledge that we have tested a hypothetical development, as there is not currently a live scheme to test. However, this does not mean that the Council should simply not test the viability of the site incorporating its planning requirements. In the absence of testing, landowners are likely to assert that the Council had not followed the requirements of the NPPF (i.e. testing the cumulative impact of its proposed policies before they are adopted). In the absence of a clear signal as to the Council’s future planning policy requirements, potential purchasers of the site will not be well placed to formulate their offers for the land. Some form of viability testing to inform the DPD is essential. Clearly, when a scheme comes forward through the Development Management system, viability will be a key test at that time. The Council’s affordable housing requirements are applied flexibly; having regards to viability.

With regards to the requirement for a District Heating system, this is likely to be the most cost effective option for delivering the energy requirements of Code for Sustainable Homes level 4. It is therefore unlikely to have any significant impact on viability of any scheme coming forward.

Appendix B to the DP9 representation

This asserts that the approach we have taken is “very generic” and produces “over inflated land or residual values”. They go on to note the following issues:

1. Removal of existing buildings required, including removal of large machinery and potential contamination;
2. Fees, finance costs underestimated; appraisals do not reflect the time and risks involved; development likely to be undertaken in phases;
3. No account taken of “negative impact” of a school adjacent to residential uses;
4. Land values “completely unrealistic” against comparable land values of this scale in the vicinity.

Point 1: £6 million included to account for abnormal costs. We acknowledge that this is a provisional amount, estimated in the absence of detailed costings at this stage.

Point 2: Fees and finance costs have been included at market reflective rates, as noted in the Appendix to our report. We disagree that our appraisals fail to reflect the time over which development will take place. Our appraisals assume a sales rate of 6 per month, resulting in a total period of 131 months (or 11 years), which is reflective of assumptions made by developers on similar sites.

Point 3: No evidence is presented in support of this assertion. The concept of a school having a negative impact on residential sales values has never been advanced by a developer in our experience.

Point 4: No evidence has been presented to support this assertion.