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planning

## **Position Statement**

On behalf of:

**Leman Joint Venture**

In respect of:

**London Borough of Tower Hamlets  
Managing Development DPD Examination**

Representor Reference:

**Issue 3/ 635735**

Date:

**September 2012**

ARP Reference:

**LR/CW/12665/S0001**

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## 1.0 Introduction

- 1.1 This statement is prepared on behalf of Leman Joint Venture (Ref: 635735) in respect of their objections to the Council's approach to employment land, in particular the extent of the Aldgate Preferred Office Location (POL) boundary and the lack of flexibility shown towards proposals that would result in a net loss in office floorspace, as defined under Policy DC16 of the emerging Development Management DPD (DM DPD).
- 1.2 Representations were originally made on behalf of our client in relation to the proposed boundary of Aldgate POL on 8<sup>th</sup> March 2012, with reference being made to Land Use Plan No. 12665/BED 02, which provides an illustration of the points made.
- 1.3 These objections were made with particular regard to our clients' land holding at No.120 Leman Street, a seven storey building located at the junction of Leman Street and Chamber Street. The current lawful use of this building is Class B1 Office Use and while it is in such use it is currently only partially occupied with floors 3-6 having been underutilised for a number of years and now being largely vacant. Despite an ongoing and proactive marketing campaign, no interest has been shown by prospective occupiers with the internal configuration of the building and its location being cited as reasons for the difficulties being experienced in letting the available floorspace.
- 1.4 These difficulties have also been experienced by the owners of a number of other former office buildings in the vicinity on Chamber Street and Prescott Street and at their junctions with Leman Street leading them to look at alternative uses. Further detail on this is included within our client's original representations. Our client considers that they will in all likelihood have no choice but to do the same, and have in this regard already embarked in pre-application discussions on this basis.
- 1.5 The Managing Development DPD proposes that properties along Chamber Street and Prescott Street, including our client's property, be included within the boundary of the Aldgate POL, wherein any net loss in office floorspace will not be supported (Policy DM16) and no residential development is permitted (Core Strategy Policy SP06). Chamber Street and Prescott Street are located to the south of the main business district within the POL, and despite the proposed designation, are likely to continue to experience difficulties in letting office space and will remain vacant. Therefore, the buildings along these streets would benefit from being removed from the POL to allow other uses, including residential, to be considered at sites where office use is not desired.
- 1.6 In May 2012 the Council produced the Submission version of the MD DPD and it is recognised that some alterations were made to the Aldgate POL boundary to exclude areas that are in existing residential use or are residential commitments, including land to the south and east of the English Martyrs Catholic Primary School and the

Goodman Fields development. Our client is supportive of these small changes to exclude land that is currently in an alternative use and therefore is unlikely to be developed for offices but considers that these changes do not go far enough to ensure that all properties are afforded the greatest opportunity available to remain occupied and are not hindered by their inclusion within the POL. The issues above therefore remain outstanding between the parties.

- 1.7 Furthermore, since our client's representations were made, the National Planning Policy Framework (NPPF) has been published in final form, the content of which we believe brings the soundness of the MD DPD into greater question. With reference to the NPPF, this statement explains why the Council's approach to safeguarding land for office development as proposed by Policy DM16 is unsound. It then sets out the amendments that are required to make Policy DM16/the Plan sound.

## 2.0 The Objections

- 2.1 The objections made on behalf of Leman Joint Venture can be summarised as follows:

- 1) The boundary of the Aldgate POL as currently drawn is arbitrary and includes a number of areas/buildings that are not in office use and are unlikely to be so in the future, a large concentration of which fall within the southern part of the POL around Prescott Street and Chamber Street.
- 2) While the northern part of the POL has a strong focus towards office use, the southern part comprises a greater mix of uses and vacancies and has become increasingly unattractive to the office market. This was noted in the 2009 Employment Land Study which referred to the poor quality of office space in the more remote areas of the City Fringe, such as the southern area of Leman Street.
- 3) Chamber Street and Prescott Street contain a large number of buildings which, despite originally being used as office accommodation, have been converted for alternative uses, including residential dwellings and hotels. They form a mixed use area (wherein office use is increasingly becoming the minority) as defined within the 2007 City Fringe Area Action Plan (AAP) and the 2009 Employment Land Study. For this reason they were not identified within the AAP as a preferred Office Location. This area does not/will not therefore make any positive contribution to the POL.
- 4) Areas/premises that do not contribute to the provision of office space should be removed from the POL boundary as they are unlikely to contribute to maintaining and enhancing the vitality and viability of the area to support the growth of existing and future businesses across the borough as Policy DM16

seeks to do.

- 5) The boundary of the POL should be moved northwards so it runs along the northern side of Prescott Street. This will ensure that the properties located within it are the most suitable and attractive office premises and will remain in such use such that the policy objectives are delivered.
  - 6) To include land that is not suitable or attractive to the market within the POL, and thereby afford it long term protection, pays little attention to the character of the area, its attraction to the market and will not achieve the purposes behind defining the POL.
  - 7) Unlike existing local plan policy and that proposed for Local Office Locations (LOLs), which will allow development resulting in a net loss of office floorpace, including residential development, subject to the provision of evidence, no similar flexibility is afforded to land/buildings within POLs by Policy DM16. The absence of such flexibility to respond to changing market conditions and enable the provision of sustainable economic growth and development is contrary to the provisions of the (then) draft NPPF.
- 2.2 All of these points, including our clients request for the Aldgate POL boundary to be amended, remain valid and relevant. The publication of the final NPPF however, which postdates the submission of our client's representations, we believe raises additional issues, not least the need for greater flexibility in the wording of Policy DM16, which are discussed below.

### **3.0 Soundness of the Plan**

- 3.1 With regard to Paragraph 182 of the NPPF, the Council's approach towards the Aldgate POL and land falling within it, under Policy DM16, is unsound so far as it is not justified, effective or consistent with national policy. We explain our reasoning for this below.

#### **Justification**

- 3.2 The policy is not reflective of the most up-to-date evidence base. Indeed, the Council's adopted Core Strategy and emerging Development Management DPD are based upon an assumption of increasing demand for office floorspace, an assumption that conflicts with the current market position which is seeing a period of contraction, especially in fringe office locations such as Aldgate. The Spatial Economy Study (June 2011), which provides the latest position on office supply, identifies that the pipeline of new office floorspace already exceeds the projected increase in demand of between 29% (low growth scenario) and 39% (high growth scenario). However, due to current economic circumstances committed floorspace is not being delivered.

- 3.3 There is however no recognition in the policy or the supporting text of the changing economic circumstances with paragraph 16.3 actually referring to a 'growing demand for offices' within the POLs. This is despite the challenges in delivery, particularly in the Aldgate area, and the fact that current office market supply outstrips demand.

#### **Effectiveness**

- 3.4 The POL boundary as currently defined includes a large number of properties which are currently vacant or partially vacant or are in alternative uses, including those in the southern part of the POL around Prescott Street and Chamber Street. The restrictive nature of the POL policies will only serve to increase the difficulty in utilising properties in the future that are not currently attractive to the market.
- 3.5 To include these within the boundary, and thereby afford them long term protection, pays no regard to the character of the area, their limited appeal to the market and the limited contribution they will make towards increasing the supply of office floorspace within the area. The policy does not engender sufficient flexibility to deal with changing market circumstances and the prohibition towards residential use within the POLs is likely to result in the sterilisation of accessible previously developed land. For these reasons it is unlikely that the plan will deliver the stated objectives.
- 3.6 To ensure the POL maintains its primary focus and that the majority of buildings within the boundary are not only used, but are considered attractive by the market for continued office use, the boundary should be altered so that it fully reflects the area favoured by office occupiers.

#### **Consistency with National Policy**

- 3.7 The land included within the POL together with the inflexibility of the policy towards alternative uses, especially residential use, is not consistent with the National Planning Policy Framework (NPPF) published in March 2011, which emphasises the need for the planning system to support and not impede sustainable economic growth. It places significant emphasis on the need to significantly boost the supply of housing and encourages proposals for mixed use developments and the creation of thriving sustainable places.
- 3.8 Of particular relevance is paragraph 21 which states that "*Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances*". Building on this, paragraph 22 highlights the need to have regard to market signals and the need for flexibility in order to deliver sustainable local communities. It states that "*Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose*". Policies in this regard need to be flexible enough to respond to changing economic circumstances and the relative need for different land uses so that plans are deliverable and policies do not impede viability and delivery.

- 3.9 With particular reference to the paragraphs referenced above, the DM DPD, in particular Policy DM16 and the proposed POL boundary, is not consistent with the NPPF's requirements for plan policies to:
- Take account of market signals.
  - Avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose.
  - Encourage the creation of successful vibrant places through mixed use development and a significant boost the supply of housing.
- 3.9 Within both the Managing Development DPD and also the Core Strategy, policies which relate to development within POLs do not allow any net loss of office space and prohibit residential development represent the sort of restrictive policies which the NPPF specifically advises against. While it is accepted that the Core Strategy has been adopted, the opportunity should be taken to review it and to bring it in line with the provisions of the NPPF. For the time being the DM DPD needs to be amended to ensure policies are reflective of the most up-to-date evidence base and the NPPF guidance on flexibility.

## 4.0 Proposed Amendments

- 4.1 For the reasons set out above the Inspector is respectfully requested to recommend the following changes:
1. Amendment to the extent of the Aldgate POL boundary so that the southern boundary of the proposed POL should be moved northwards so that it runs along the northern side of Prescott Street as indicated on Land Use Plan 12665/BED 02; and/or
  2. Revise the text to Policy DM16 as it relates to POLs so that it adopts a more flexible approach to proposals for alternative uses, including an allowance for residential use.
- 4.2 While it is accepted that the focus within POLs, so long as they are appropriately defined, should be on office-led development, flexibility needs to be introduced to respond to changing circumstances and to ensure that sustainable development occurs in line with the NPPF. To achieve this we propose that the wording of Policy DM16 so far as it relates to POLs should be amended as follows:
1. Development resulting in the net loss of office floor space in Preferred Office Locations (POLs) will not be supported. Subject to this, and as part of any redevelopment or change of use proposals, residential use can be appropriate to

enable the creation of sustainable places. Any such proposals within POLs should comply with the policy requirements for Local Office Locations (LOLs).