

# Examination of the Tower Hamlets Local Plan

## London Borough of Tower Hamlets

### Response to Main Matter 10

#### Matter 10: Site Allocations

**Issue 10 - Are the site allocations justified by the evidence base and of sufficient detail so as to be effective in delivery?**

**10.1 In relation to all of the proposed site allocations contained within City Fringe, Central, Lower Lea Valley, Isle of Dogs and South Poplar:**

- **Are the criteria in the allocations policies necessary, relevant and deliverable?**
- **Is the allocation justified by the evidence base?**
- **Is the extent of each site correctly identified?**
- **Are the detailed requirements for each site clear and justified?**
- **Are the allocated sites deliverable?**
- **Are the allocations justified and effective? Have all of the site constraints/aspirations been taken into account?**
- **What has informed the figures and layouts provided for each site allocation? To what degree do they accurately reflect any extant planning permission?**
- **Is the overall scale and mix of development proposed for each site justified?**

**In order to provide a comprehensive response for each of the site allocations, it is requested that the Council respond to each of these bullet points above individually for each site allocation. All responses should be supported by reference to the evidence base as appropriate.**

10.1.1 In order to respond to this question, we first provide a general response, relating to the overarching methodology and approach, to address all of the bullet points listed in the question (set out in paragraphs 10.1.1–10.6.1.) and provide a comprehensive response in respect of each site allocation in appendix 10.1.

**Are the site allocations justified by the evidence base and of sufficient detail so as to be effective in delivery?**

10.1.2 Yes, the London Borough of Tower Hamlets considers the site allocations to be justified by the evidence base and include sufficient detail to enable development on the sites to be effectively delivered. A number of evidence base documents (which are set out in paragraph 10.1.16) have informed the requirements of the site allocations. The site allocations also seek to deliver the overarching principles set out in the plan objectives and the thematic policy areas and therefore should be read in conjunction with the relevant policies and the Policies Map (SD2).

10.1.3 In addition to the evidence base, the sites have been assessed and informed by national, regional and local policy objectives. Each site allocation provides sufficient detail to enable its effective delivery. The land use and infrastructure requirements are clearly set out and the majority of sites have been tested as part of the plan's

viability assessment, through the sampling approach detailed in the Viability Assessment (2017) (SED5).

- 10.1.4 The Site Allocations Methodology (2018) (SED64) is a key evidence base document that underpins the selection and delivery of sites. The document draws on information from a number of other evidence base documents such as the Five Year Housing Land Supply and Housing Trajectory Statement (SED27) which reviews the status of existing site allocations and their potential contribution to housing, opportunities for development within Poplar Riverside Housing Zone and unimplemented/outstanding planning permissions for residential use. The status of these sites helped to inform which sites should be allocated and will be delivered within the first five years of the plan period or have a reasonable chance of being delivered in the latter years (6-15). The Integrated Impact Assessment (2017) (SD6) also informed the Site Allocations Methodology. It includes a detailed assessment of the potential social, economic and environmental effects of the site allocations. The assessment confirms that there are no major factors that would warrant a site not being allocated or an alternative location considered.
- 10.1.5 The site selection process covered five key stages, from site identification through to final allocation, based on the preferred approach set out in the government's Planning Practice Guidance. Further details regarding the stages can be found in the Site Allocations Methodology (SED64).
- 10.1.6 Further details regarding the evidence base can also be found in paragraphs 10.1.14 to 10.1.16.
- 10.1.7 Since the regulation 19 consultation, we have held regular meetings with developers and landowners with live or pre-application submissions to ensure that their forthcoming schemes meet the requirements of the proposed site allocation. A number of statements of common ground have been prepared between parties to demonstrate that the site allocations are deliverable and include sufficient detail to enable their effective delivery during the plan period.
- 10.1.8 In instances where sites have tested unviable<sup>1</sup>, a modification will be made to include the following wording within the introductory chapter of the site ensure that a flexible approach is taken to help ensure that the sites are deliverable.

*When determining a planning application, flexibility may be applied to the site allocation requirements, based on an up to date assessment of need and the agreed viability position of the scheme to ensure the site allocation is deliverable in the context of the principles of sustainable development. (MJM26)*

- 10.1.9 The design principles set out what is expected in terms of design and place making on each site. It is considered that they reach the right balance between being detailed enough to provide suitable guidance to developers and retaining enough flexibility and breadth to enable developers to respond to the aspirations of the site in various ways.

### **Are the criteria in the allocations policies necessary, relevant and deliverable?**

- 10.1.10 Yes, the criteria (land use requirements, infrastructure requirements, design principles and delivery considerations) are necessary, relevant and deliverable.
- 10.1.11 The criteria are considered necessary, as they are required to deliver objectively assessed need set out in the evidence base documents and in order to meet the

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<sup>1</sup> Unviable in the sense that on a current day basis the site cannot viably accommodate the cumulative impact of the proposed policies

requirements set out in the London Plan (for example, housing, employment and waste apportionment targets). They are also required to address site specific requirements such as matters relating to heritage, accessibility and relevant spatial designations. The sites have been through a rigorous selection process which is set out in the Site Allocations Methodology (SED64).

10.1.12 The criteria are relevant in that they are considered to be appropriate, having taken into account stakeholder representations through the regulation 18 and regulation 19 consultations.

10.1.13 The criteria are deliverable and this is supported through the Local Plan Viability Assessment (SED5) as well as the planning status of the sites (i.e. a number of sites have permission and are under construction) and we propose wording set out in paragraph 10.1.8 (MJM26) to address the sites that are unviable.

### **Is the allocation justified by the evidence base?**

10.1.14 Yes, the site allocations are justified by the evidence base.

10.1.15 The following robust evidence base documents have informed all of the site allocations.

10.1.16 Where additional evidence base documents have informed the criteria, these are set out in the individual responses in appendix 10.1.

- Five-year Housing and Land Supply and Housing Trajectory Statement (2018) (SED28)
- Infrastructure Delivery Plan (2017) (SD06)
- Integrated Impact Assessment (2017) (SD6)
- Local Plan Viability Assessment (2017) (SED5)<sup>2</sup>
- Site Allocations Heritage Assessment (2018) (SED66)
- Site Allocations Methodology (2018) (SED64)
- Site Allocations Sequential and Exceptions Tests (2017) (SED65)
- Strategic Flood Risk Assessment (2017) (SED49)
- Open Space Strategy and appendices (2017) (SED39)
- Green Grid Strategy Update and appendices (2017) (SED42)

### **Is the extent of each site correctly identified?**

10.1.17 Yes, the extent of each site is correctly identified. The boundaries have been informed by implemented planning permissions, existing allocations in the adopted Managing Development Document (2013) and land ownership.

10.1.18 Existing allocations, such as Westferry Printworks, which has an implemented permission, has an amended boundary that goes beyond the extent of the site in order to facilitate connections to the existing leisure facility.

### **Are the detailed requirements for each site clear and justified?**

10.1.19 Yes, it is considered that the detailed requirements for each site are clear. The requirements are clearly worded and are set out in the site allocation tables in section 4: land use requirements, infrastructure requirements, design principles, and delivery considerations.

10.1.20 Yes, it is considered that the detailed requirements for each site are justified. The site allocations have been through a rigorous process in terms of their selection and

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<sup>2</sup> 14 of the site allocations have been tested – further details provided in the responses set out in appendix 10. 2 relating to the individual sites.

requirements. This information is set out in the Site Allocations Methodology (SED64). The response set out in paragraphs 10.1.14-10.1.16 above also provides further details regarding justification of the sites requirements.

### **Are the allocated sites deliverable?**

- 10.1.21 Yes. Extensive and robust viability testing has taken place (further details are set out in our response to question 2.3 of the main matters). The viability testing has identified that 4 of the 14 tested sites are technically not viable on a current day basis. We have taken steps to ensure sites can be delivered in a sustainable manner – please see paragraph 10.1.8 and the responses to questions 10.4 and 10.6 of the main matters in this regard.
- 10.1.22 Historically, we have worked closely with landowners and developers to exercise a level of flexibility and used creative and design-led approaches to overcome significant site constraints. We have an excellent track record of bringing forward large brownfield sites on relatively small parcels of land within areas of significant development pressure, as demonstrated through achieving one of the highest levels of new homes bonus funding in the UK and achieving the highest housing delivery rates in London homes in the last 10 years.
- 10.1.23 It is important to note that that the delivery dates for the unviable sites do not fall within the first five years of the plan period and national policy states that sites expected to be delivered within years 6-10 of the plan period do not necessarily have to be deliverable but demonstrate that there is a reasonable prospect of the site being delivered. Sites in years 11-15 should demonstrate that there is a reasonable prospect of the site being delivered.
- 10.1.24 We have been working with developers and landowners to ensure that the sites are deliverable and, where appropriate, the statements of common ground set out the latest position relating to the deliverability of sites.
- 10.1.25 The sites and development opportunities have been identified through previous consultations and engagement of the local plan, which included a call for sites exercise in 2016 as well as a thorough desk-top analysis and information from the SHLAA. Some of the sites have been brought forward from the adopted Managing Development Document (2013), due to their long lead in times and have secured the necessary planning permission. In addition, masterplans have been developed on some of the sites to help bring comprehensive mixed-use development forward (for example, South Quay).

### **Are the allocations justified and effective? Have all of the site constraints/aspirations been taken into account?**

- 10.1.26 Yes, the allocations are justified and effective as they are based on robust evidence base documents as outlined in paragraphs 10.1.14-10.1.16.
- 10.1.27 All of the constraints and aspirations have been taken into account throughout the process of developing the plan. Three main sources which have informed the constraints and aspirations that have been taken into account are:
1. policies (national, regional and local);
  2. evidence base documents including the viability assessment; and
  3. consultation (regulation 18 and 19 responses).

**What has informed the figures and layouts provided for each site allocation? To what degree do they accurately reflect any extant planning permission?**

- 10.1.28 The figures and layouts have been informed by ongoing consultation, the site boundaries set out in the adopted Managing Development Document and existing planning permissions.
- 10.1.29 Appendix 10.1 sets out our response to each individual site allocation and their respective figures/layouts.
- 10.1.30 Please note: a minor amendment has been made to remove the plots and active ground floor uses from all of the site allocations (MM205). An amendment has also been made to all site allocation diagrams which will state that they are for illustrative purposes (MM204).

**Is the overall scale and mix of development proposed for each site justified?**

- 10.1.31 It has been confirmed from the inspector that scale relates to the figures provided in paragraphs 2.8, 3.7, 4.9 and 5.9 in section 4 of the plan, which states that:
- "In total, the site allocations will potentially deliver at least xxx new homes"*
- 10.1.32 The figures have been obtained from the housing trajectory which relates to planning permissions and SHLAA sites to 2031. Further detail regarding the housing trajectory is provided in the responses to matter 5. With regards to the proposed mix (land use and infrastructure requirements), please refer to appendix 10.1.

**In order to provide a comprehensive response for each of the site allocations, it is requested that the Council respond to each of these bullet points above individually for each site allocation. All responses should be supported by reference to the evidence base as appropriate.**

- 10.1.33 Our response to the inspector's questions in relation to each site allocation is set out in appendix 10.1.

**10.2 What is the purpose of the summary icons presented at paragraphs 2.4, 3.4, 4.5 and 5.5?**

- 10.2.1 The purpose of the infographics is to present an 'at a glance' overview of what housing, jobs and infrastructure are expected to come forward within the respective sub-areas over the plan period.

**10.3 Site allocation 1.3 – does the allocation recognise adequately the heritage assets affected?**

- 10.3.1 Yes, the design principles within the site allocation adequately recognise the heritage assets. There are a number of heritage assets on site and the first design principle seeks to ensure that they are integrated into the development stating:

*'respond positively to the existing character, scale, height, massing and fine urban grain of the surrounding built environment, and specifically integrate heritage assets on site in the surrounding areas;'*

10.3.2 The following design principle seeks to provide further detail as to which heritage assets should be retained, reused and enhanced. Published MM226 states the following:

*"...retain, reuse and enhance the existing heritage assets, including ~~the gasholders and associated structures~~ gasholders no.2 and no.5, Victorian buildings adjacent to Regents Canal, and Georgian cottages, including the associated ~~setted~~ pebbled street and railings;"*

10.3.3 It is considered that the above design principles adequately address the heritage assets on site.

10.3.4 Part of the site falls within the Regents Canal conservation area; another part falls within the Hackney Road conservation area. The gasholders and cottages fall within the Regents Canal conservation area and the Conservation Area Appraisals & Guidelines (SED13) notes the significance of the gasholders in the context of the conservations area designations:

*'The Regent's Canal Conservation Area is a linear conservation area with the boundaries drawn tightly around the Canal and features associated with it including bridges, locks, lock cottages, warehouses and industrial features such as the Bethnal Green gasholders. It is the association between all these elements which form part of the canals special character and interest.'* (p.6)

10.3.5 The document also makes specific reference to the gasholders:

*'we can see the four gasholders at Bethnal Green Holder Station silhouetted on the skyline, they are a remnant from the earliest days of the Canal when Gas companies were keen to locate next to canals in order to make use of the cheap transportation of the large amounts of coal they required to operate. These are substantial structures which make a significant impression as you walk along the canal.'* (p.9)

10.3.6 It is on the basis of the above that the design principle has been incorporated and it is considered that the wording adequately addresses the heritage assets.

10.3.7 Further sensitivity testing has been carried out with regards to the impact that the retention of the gasholders would have on the viability of the site. This information is outlined in the response to question 10.4 of the main matters.

#### **10.4 Site allocations 2.1 and 3.2 – How does the viability work undertaken and the conclusions reach impact on the infrastructure delivery included within the site allocations?**

10.4.1 Since the submission of the LP to the secretary of state, confirmation of the costs of retaining gas works structures on the Marian Place Gas Works site (site allocation 1.3) have been provided by St William – the cost provided is estimated to be in the region of £10m per gas holder. The Council has instructed additional viability testing, based on the testing undertaken on this site in the submission version of the *Local Plan Viability Assessment* (SED5), to assess the impact on viability of these additional costs. The impacts are described in the table below:

<b>Appraisal</b>	<b>Extent of surplus/deficit against benchmark land value</b>	<b>Affordable housing position</b>
Current appraisal (no account for cost of gas structures)	£748,669	Marginally viable at 35% affordable housing.
Appraisal accounting for retaining one gas	-£7,617,291	25 – 30% affordable housing viable.

structure		
Appraisal accounting for retaining two gas structures	-£16,778,459	20 – 25% affordable housing viable.

10.4.2 Whilst the viability testing shows that these sites (including Marian Place Gas Works) may not be able to viably accommodate the cumulative impact of our policy requirements at present, we consider that they are deliverable in a sustainable way taking a holistic look at the case for development, due to the following reasons:

1. The housing trajectory (see appendix 7 of the LP) directs that these sites will start to deliver housing in the following years:

- site allocation 1.3 (Marian Place Gas Works): 2023 onwards
- site allocation 2.1 (Bow Common Gas Works): 2023 onwards
- site allocation 3.2 (Leven Road): 2023 onwards

As such, these sites do not constitute part of the borough’s 5-year housing supply which runs from 2017/2018 – 2021/2022. As this is the case, the extent to which the site is required to be deliverable is less onerous than if it were captured within the borough’s 5-year housing supply. Paragraph 47 of the NPPF (and associated footnotes) require that where a site is within a 5-year housing supply there needs to be a realistic prospect of delivery, whereas if the delivery of a site is projected to be developed in years 6 to 10, there only needs to be a “reasonable” prospect of delivery. So the threshold for deliverability is lower.

2. The matter of the viability of these sites is referred to in separate statements of common ground agreed between the London Borough of Tower Hamlets and St William (the developers of the three sites). We are working closely with the developer to ensure that the sites are deliverable and the statements of common ground agree that provisions around flexibility help ensure that the policy and infrastructure requirements on these sites are deliverable and sustainable.

3. The application of policies is, as directed through both existing and emerging local policy (i.e. “subject to viability” provisions) as well as national policy, inherently and necessarily flexible. This ensures deliverability throughout a plan period as well as takes account of site specific differences.

4. The Local Plan Viability Assessment (SED5) contains a number of “conservative” assumptions that act as a buffer to the margin of viability. These assumptions include:

- the capacity of the site allocations: The approach to testing has based capacity on the London Plan density matrix. In reality, schemes in Tower Hamlets come forward significantly above the allowances in the density matrix this will improve the viability of the site<sup>3</sup>;
- the inclusion of a contingency on build costs;
- sales values: These have not necessarily been set at the very top of the range of potential values; and
- infrastructure and policy requirements: In a borough like Tower Hamlets which is subject to significant growth, it can be challenging to be definitive on infrastructure requirements, mainly due to a fast changing demographics position. This may lead to the site being more than viable than the viability

<sup>3</sup> Table 1 in our response to question 6.6 of the inspector’s main matters provides examples of schemes within the borough that have delivered higher density rates than the London Plan). Higher densities were not viability tested on the basis that it would require a more detailed analysis of the site, almost at master planning level and it is considered that these matters are better addressed through the development management process where the most up-to-date constraints and requirements can be considered.

appraisals (which assume all policy and infrastructure requirements are required) suggest.

5. The viability testing is undertaken on a current day basis. It may be the case that market conditions may have improved by the time the sites come forward for development.

**10.5: Site allocation 3.1 – does the allocation recognise the capacity of the water network in this location? What evidence is there to support the retention of the safeguarded waste site? Does the safeguarding reflect policy 5.17 G of the London Plan?**

- 10.5.1 Section 4 of the LP has not made specific reference to the capacity of the water network in respect of site allocation 3.1. However, part 3 of policy D.ES6 requires major developments to demonstrate that there is adequate capacity of local water supply to serve the development, including the cumulative impacts of current and proposed development.
- 10.5.2 We have also entered into a statement of common ground with Thames Water (SCG14) and it has been acknowledged that upgrades are likely to be required to the water network capacity in relation the Ailsa Street site allocation, along with nine other sites. Thames Water have agreed to take this into consideration when undertaking their water resource planning and this will be set out in the emerging Water Resource Management Plan (further details are set out in the statement of common ground).
- 10.5.3 We will continue to consult and work with Thames Water and other relevant stakeholders to ensure that developments do not have significant detrimental impacts on the water network and will continue to provide information to support Thames Water's strategic water resource planning.
- 10.5.4 With regards to the retention of the safeguarded waste site, London Plan policy 5.17 (see part G) requires all existing waste sites to be safeguarded. Local plans/waste plans must be in general conformity with the London Plan; therefore, the site has been safeguarded on this basis.
- 10.5.5 Paragraph 10.17 of the LP acknowledges that some existing waste sites, including Ailsa Street, are within areas of regeneration (i.e. the Poplar Riverside Housing Zone) and will therefore be subject to other development pressures. Policy S.MW1 of the LP does not restrict the redevelopment of this site, but requires developers to meet the requirements set out in part 4 of the policy.
- 10.5.6 In addition to the above, the Waste Management Evidence Base Review (2017) (SED58) demonstrates the importance of retaining the existing waste site at Ailsa Street to ensure the borough has identified enough land to meet the apportionment target set out in the London Plan.
- 10.5.7 Appendix 10.2 demonstrates the impact that the loss of the waste site within the Ailsa Street site allocation would have on our ability to meet the borough's waste apportionment target set out in the London Plan.

**10.6 Site allocation 4.7 – how does the viability work and conclusions reached impact on affordable housing delivery?**

- 10.6.1 The main reason this site is subject to viability constraints is because it has a high existing use value: occupied offices that are of a relatively high value. In this sense, it is quite exceptional as a site allocation. Otherwise, the response to this question is similar to question 10.4 above in that whilst the viability testing shows that this site may not be able to viably accommodate the infrastructure requirements alongside the policy requirements set out in the plan, we consider that it is deliverable in a



sustainable way. For the sake of avoiding duplication we have not repeated the response to question 10.4 in addressing this question but please note that it should be referred to.