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**Stephenson House Redevelopment**

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**Response to Comments from Economic Development****1. Introduction**

1.1 This supporting note is submitted to provide additional information, following the submission of planning application ref: 2017/3518/P, in relation to comments from the Economic Development Officer, dated 21 August 2017; and additional questions from the Case Officer, dated 22 August 2017, with regard to the existing and proposed uses.

1.2 Planning application ref: 2017/3518/P proposes:

*“Extensive internal and external refurbishment of Stephenson House to provide a ground plus 7 storey building containing 18,181sqm (GIA) of office (B1) floorspace, 904sqm (GIA) of flexible office/healthcare (B1/D1) floorspace, 857sqm (GIA) of retail (A1) floorspace, 118sqm (GIA) of cafe (A3) floorspace and 17 residential (C3) units (total 2130sqm GIA), comprising 11 market units (1x1 bed, 6x2 bed, 4x3 bed) and 6 affordable units (3 x2 bed and 3x3 bed). The works include the removal of existing colonnade to Hampstead Road elevation, creation of double height entrance on Hampstead Road, multiple storey extensions and infills to the building, creation of three terraces to the rear, three integral pocket gardens to the Hampstead Road elevation and balconies facing Hampstead Road to all residential units. Addition of PV panels to the roof, 249 commercial cycle parking spaces, 33 residential cycle parking spaces, 4 disabled car parking spaced and associated landscaping and works.”*

**2. Stephenson House Existing Tenants**

2.1 Stephenson House is owned by Lazari Properties 2 Ltd ('Lazari'), a subsidiary of Lazari Investments Ltd.

2.2 Lazari lease the whole of the Stephenson House building to Logica who are the overriding head lessee. As such, all the occupiers of Stephenson House are sub-tenants of Logica. Lazari do not, therefore, have a direct contractual relationship with the current sub-tenants, who include the existing Class B1 Office tenants; the Class A1 Sax Wind Brass tenant; and the Class D1 South Camden Health Care Clinic (SCHC).

2.3 As the head lessee, Logica's lease expires on 31<sup>st</sup> October 2018.

2.4 Subject to the grant of planning permission, Lazari's aspiration is to start works on site following Logica's lease expiry on 31<sup>st</sup> October 2018 when they will get vacant possession of the building. Following vacant possession, the construction works to the site will take a period of 2 years to complete.

2.5 Lazari are open to discussions to re-provide floorspace to all existing tenants, however they are sympathetic that some tenants may not want to relocate to temporary premises for the two-year construction period and then move again to Stephenson House following completion.

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- 2.6 Although not a planning consideration, Lazari have sought to aid in the relocation and / or re-provision of several of the existing tenants, where relevant. In light of timescales for vacant possession and considering the 2 year construction period, it is too early to say whether any of the existing tenants will want to relocate back into the redeveloped building post construction.
- 2.7 In the case of all existing tenants of Stephenson House, Lazari are open to the opportunity to re-provide them space back within the redevelopment if it was their aspiration to do so.
- 2.8 Ahead of the submission of the planning application, Lazari held a Public Exhibition at Maple House, 149 Tottenham Court Road – a short walk from the proposed site – at 5pm-8pm on Thursday 4th May 2017; and 10am-2pm Saturday 6th May 2017. This ensured that tenants of Stephenson House had ample opportunity to view the proposals.
- 2.9 All existing tenants of Stephenson House were invited to come and view the proposals for the redevelopment and talk to Lazari and the consultant team. In addition to the Public Exhibition (sent to 3,331 addresses), a further 22 individual follow-up letters and emails were sent, these included letters to the Sax Wind Brass retailer; and to the South Camden Health Care Clinic (SCHC). These individual letters offered one-on-one meetings to discuss the proposals and open dialogue about the opportunity for relocation and re-provision within the redevelopment.
- 2.10 To date, Lazari and the consultant team have met with the existing A1 retailer Sax Wind Brass; and a dialogue is continuing with other existing tenants, including the Director of Corporate Services for Camden Clinical Commissioning Group (CCG).

**3. Class B1 Office Uses****Existing Class B1 Use:**

- 3.1 The existing Class B1 office tenants of Stephenson House include the following:
- Central & North West London NHS Foundation Trust (CNWL)
  - Camden Clinical Commissioning Group (CCG);
  - Hillgate Travel; and
  - Guoman Hotels Limited.
- 3.2 Discussions are ongoing between Lazari and agent Jerram Property Consultants with regards to suitable alternative premises for some of the Class B1 Office tenants, including Central & North West London NHS Foundation Trust (CNWL) who occupy some of the office floorspace.
- 3.3 Lazari have also assisted Hillgate Travel with their relocation following vacant possession of Stephenson House. In doing this, Lazari have offered them 6 possible options for their relocation and offered to show them around the premises of each of these options should they be of interest.

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### **Proposed Class B1 Use:**

- 3.4 As set out in Section 2, with regards to other Class B1 office tenants, Lazari are happy to assist their relocation to alternative premises where required; and are open to the opportunity to re-provide them space back within the redevelopment, following the 2 year construction period, if it was their aspiration to do so.
- 3.5 The proposed redevelopment will provide Grade A office floorspace, and will include an enhancement of the experience and design of the office space, which has been designed flexibly to allow for opportunities to accommodate a range of business types and sizes. Unlike the existing uses, the proposed office provision also includes an element of floorspace for SMEs in accordance with Policy E1 of the Local Plan.
- 3.6 In addition to SME's we note that the Policy E2 of the Local Plan refers to the provision of floorspace for start-ups and SMEs, such as managed affordable workspace where viable. We also note that paragraph 5.40 sets out that the provision of affordable workspaces will be particularly welcomed; and at paragraph 5.44, that the Council will seek to secure through a planning obligation an element of affordable SME workspace from large scale employment developments.
- 3.7 The redevelopment of Stephenson House will provide significantly upgraded Grade A office floorspace within the Central Activities Zone, including the provision of wellbeing spaces through pocket gardens and roof terraces; provide quality residential living space with balconies, including 35% on site affordable housing; provide a redesigned space for a Class D1 healthcare clinic; extend the existing atrium into the lower ground floor to allow a better quality space; and will enhance the existing public realm. In addition, the redevelopment will reduce the existing car parking on site from 73 spaces to 4 disabled parking spaces only. In light of these significant benefits of the scheme and the provision of dedicated SME space, an additional element of affordable workspace is not proposed within this redevelopment. This was agreed at a meeting with Camden's Economic Development team in December 2016. Lazari welcome the opportunity to work with Camden to provide training and employment initiatives as part of the S.106 Agreement.

## **4. Flexible Class B1/D1 Use**

### **Existing Class D1 Use:**

- 4.1 The existing flexible use comprises 1,725 sq m GIA of the ground floor. It is accessed via Drummond Street.
- 4.2 The existing use, currently occupied by the NHS clinic, South Camden Health Care (SCHC), is subject to flexible Office (Class B1) / Health Care (Class D1) following a change of use application which was granted on 5th October 2009 (Ref: 2009/4100/P).

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- 4.3 The change of use from Offices to a dual use for Healthcare and Offices was sought to allow the occupation of part of the ground floor of Stephenson House for The GP Led Health Facility (GPLHF), (now the South Camden Health Care (SCHC)), with ancillary use and cycle parking at the basement level.
- 4.4 The change of use is subject to conditions, one of which restricts the D1 use of the lower ground and/or ground floor of the building for a medical centre only and for no other purpose under Class D1.
- 4.5 Lazari have discussed the future of the South Camden Health Care (SCHC) clinic with the Director of Corporate Services for Camden Clinical Commissioning Group (CCG).
- 4.6 To date they have not expressed any future intention for the re-provision of the SCHC within the redeveloped Stephenson House building. Lazari are continuing their dialogue in this regard. In the circumstance where SCHC did declare their intention to relocate to Stephenson House, post completion, Lazari are committed to working with them to meet their required needs within the flexible B1/D1 floor area.
- 4.7 In addition to these discussions, Lazari are in ongoing discussion with agent Jerram Property Consultants who is expected to shortly market the Class D1 fitted out medical use floorspace at 44 Wicklow Street in Camden. In an effort to facilitate the re-provision of the SCHC clinic, Lazari has also put them in touch with SCHC to discuss these premises.

**Proposed Class D1 Use:**

- 4.8 The mix of proposed uses at Stephenson House has been carefully considered to optimise the use of the building to complement the area.
- 4.9 As part of the proposal for the extensive internal and external refurbishment of Stephenson House (Ref: 2017/3518/P), the provision for the flexible Office (Class B1) / Health Care (Class D1) use is maintained.
- 4.10 In addition to maintaining the flexible office/healthcare provision, the proposal maximises the provision of Grade A office floorspace within the Central Activities Zone, including the provision of wellbeing spaces through pocket gardens and roof terraces; provides quality residential living space with balconies; and activates the ground floor street frontage along Hampstead Road, the corner, and Drummond Street through a mix of Class A1 Retail Units, Class A3 Restaurant Unit, and a communal hub café.
- 4.11 In maximising the proposed mixed uses of the building, we acknowledge that the quantum of flexible office/healthcare floorspace is reduced from 1,725 sq m to 904 sq m (GIA) (a reduction of 821 sq m).
- 4.12 Our analysis of the existing healthcare use demonstrates that the current space is poorly designed and inefficient. Almost 30% of the existing use is not fully utilised by SCHC; and of

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the utilised space, 30% is taken up as circulation space. The reduction in floorspace is therefore justified as the floorspace to be re-provided through the redevelopment will provide a higher quality environment which is specifically designed to provide significantly more efficient space, and will allow SCHC or an alternative healthcare provider to maximise the area for their needs.

- 4.13 With regard to the quality of the space, the existing flexible D1 office/healthcare space utilised by the NHS currently has many consultation, meeting and storage rooms that do not have access to daylight, nor do they require daylight. Should the NHS or another clinic take this space in the future the ground floor and lower ground floor proposal will have many areas that take daylight from the atrium, given that the new proposed atrium will be extended to connect with the lower ground. In addition, the ground floor and lower ground will have potential for generous light wells at the perimeter of the building on Drummond Street and within the floor plate where staircases or lifts (dedicated for clinic use) will be positioned. These would suit the eventual tenants' detailed layout and improve daylight into the lower ground. The detailed layout of this space would be subject to the end tenant.

### **5. Class A1 Retail**

- 5.1 The existing retail floorspace is occupied by the retailer Sax Wind Brass and is located on the Hampstead Road frontage.
- 5.2 Lazari are open to the opportunity for the future re-provision of this retailer at Stephenson House post completion, if it was their aspiration to do so. In this regard, Lazari have been in ongoing discussions with the Managing Director of Sax.co.uk.
- 5.3 Lazari have assisted the retailer with their relocation following vacant possession of Stephenson House. In doing this, Lazari have offered them 3 possible alternative premises for their relocation and offered to show them around the premises of each of these options should they be of interest.
- 5.4 The retailer has expressed that a couple of these options may be of interest for their relocation, and dialogue is continuing with Lazari in this regard.