

Address:	150 Holborn London EC1N 2NS		No. 4
Application Number(s):	2016/2094/P	Officer: Elaine Quigley	
Ward:	Holborn & Covent Garden		
Date Received:	08/04/2016		
Proposal: Demolition of existing buildings and redevelopment for mixed use development up to nine storeys in height comprising 12,862 sqm GIA office floorspace (Use Class B1), 1,480 sqm GIA retail floorspace (Use Class A1-A3), 13 residential units (Use Class C3), improvements to the public realm and all other necessary enabling works.			
Background Papers, Supporting Documents and Drawing Numbers:			
<p>Existing drawings: 325424 A-01-01 rev C; A-01-02 rev B; A-01-B1 rev A; A-02-B1 rev A; A-02-00 rev A; A-02-01 rev A; A-02-02 rev A; A-02-03 rev A; A-02-04 rev A; A-02-05 rev A; A-02-06 rev A; A-02-07 rev A; A-02-11 rev A; A-02-12 rev A; A-02-13 rev A; A-02-21 rev A; A-02-22 rev A.</p> <p>Proposed drawings: 325424-A-02-31 rev A; A-02-32 rev A; A-02-33 rev A; A-02-34 rev A; A-02-35 rev A; A-02-36 rev A; A-02-37 rev A; A-02-38 rev A; A-02-39 rev A; A-01-03 rev B; A-04-B1 rev B; A-04-00 rev B; A-04-01 rev B; A-04-TY rev A; A-04-06 rev B; A-04-07 rev B; A-04-08 rev B; A-04-09 rev B; A-04-10 rev B; A-04-11 rev B; A-11-01 rev B; A-11-02 rev B; A-11-03 rev B; A-11-04 rev B; A-11-07 rev B; A-11-14 rev B; A-11-15 rev B; A-11-20 rev B; A-11-21 rev B; A-11-22 rev B; A-11-23 rev B; SK-D100; SK-D101; 1036010-SK-D103; SK-D104; SK-D105.</p> <p>Supporting documents</p> <ul style="list-style-type: none"> Statement of Community Involvement prepared by Thorncliffe dated April 2016; Planning Statement Addendum produced by DP9 dated July 2017; Townscape Analysis produced by Perkins + Will dated July 2017; Planning Addendum LVMF Analysis produced by dated July 2017; Planning Addendum Design and Access Statement produced by Perkins + Will dated July 2017; Planning Addendum Daylight and sunlight amenity within the site produced by GIA dated July 2017; Daylight and sunlight Assessment produced by GIA dated April 2016; Ecological Appraisal produced by Dar Al Handasah (Shair and Partners) dated April 2016; Basement impact assessment produced by OTB Engineering Limits (ref P17-061-R01 rev 03 dated November 2017; Civil and Structural Engineering Reports Stage 3 produced by Clarke Nicholls Marcel dated September 2017; CNM responses to Campbell Reith BIA rev P3 produced by Clarke Nicholls Marcel dated November 2017; Preliminary UXO Risk Assessment produced by 1st Line Defence Ltd dated November 2017; Structural Report produced by CNM dated March 2016; Assessment of impacts due to ground movement produced by RPS Group dated June 2016; Basement retaining wall calculations produced by Clarke Nicholls Marcel dated November 2017; BIA Oasys Pdisp Input summary tables; Ground Investigation Report produced by Ground Engineering dated May 2013; Flood Risk Assessment produced by Sanderson Associates dated April 2016; Underground Drainage Design Statement produced by Clarke 			

<p>Nicholls Marcel dated July and September 2016; Draft Construction Management Plan produced by Sir Robert McAlpine; Arboricultural Impact Statement produced by Ian Keen Limited dated April 2016; Addendum Arboricultural Impact produced by Ian Keen Limited dated July 2017; Sustainability Statement and BREEAM Pre-Assessment produced by Dar Al-Handasah (DAH) dated July 2017; Planning Addendum Energy Strategy produced by Element dated July 2017; Extract from Permavoid Modular Cell 85 P1 Issue 3 produced by Polypipe Civils dated Jan 2016; Air purification Statement produced by Elementa dated 05 July 2016; Transport Statement produced by Steer Davies Gleave dated April 2016; Air Quality Assessment produced by Temple Group Ltd dated April 2016; Noise, Vibration and Ventilation Assessment produced by Sandy Brown dated April 2016</p>	
<p>RECOMMENDATION SUMMARY: Grant conditional planning permission subject to section 106 legal agreement and referral to the Mayor of London for his direction</p>	
Applicant:	Agent:
DAH Real Estates SARL C/O Agent	DP9 Ltd 100 Pall Mall London SW1Y 5NQ

ANALYSIS INFORMATION

Land Use Details:			
	Use Class	Use Description	Floorspace (GIA sqm)
Existing	A1/A2/A3 Retail (Shop/ Bank/ Restaurant)		2,681
	B1a Business (Offices)		9,140
	Ancillary space		162
	TOTAL		11,983
Proposed	A1/A3 Retail (Shop/ Restaurant/Cafe)		1,480
	B1a Business (Offices)		12,862
	C3 Residential dwelling house		1,293
	Plant and services		1,557
	TOTAL		17,192

Residential Use Details:						
	Residential Type	No. of Bedrooms per Unit				
		1	2	3	4	Total
Market	Flat	6	5	2	0	13
	TOTAL					13
TOTAL - All		6	5	2	0	13

Parking Details:		
	Parking Spaces (General)	Parking Spaces (Disabled)
Existing	0	0
Proposed	0	2

OFFICERS' REPORT

Reason for Referral to Committee: Major development involving the construction of more than 10 new dwellings or more than 1000 sq. metres of non-residential floorspace [clause 3(i)]; and which is subject to the completion of a Section 106 legal agreement for matters which the Executive Director of Supporting Communities does not have delegated authority [clause 3(iv)].

The application includes a building which is over 30m in height and is therefore considered a 'strategic' application under the Mayor of London Order 2008. The application is thereby referable for his direction, whereby he has power to direct the local authority to refuse the application or call the application in for his own determination.

1 SITE

- 1.1 The application site covers an area of approximately 0.29 hectares (2,900 sqm). It comprises a part-six part-three storey red brick modern building which predominantly fronts Holborn (southern side) taking up the entire frontage between Gray's Inn Road to the west and Brooke Street to the east (see Figure 1 below). The building contains a number of uses including office space (B1a), and a small parade of retail units (A1, A2, and A3). It has a total floor area of 11,983 sq. m (GIA) and includes a basement level which was mainly used for office use and retail storage purposes. Vehicular access is gained from Brook Street at the site's northern frontage.



Figure 1 (above): Application site (outlined in red) and immediate surroundings

- 1.2 The existing building on site was designed by Gordon Collis for the Prudential in the 1970s-80s and was first occupied in 1984. It is ground plus six storeys fronting Holborn and Gray's Inn Road, with a plant enclosure stepping away from the street at level 07, and stepping down to ground plus two storeys on Brooke Street, with a plant enclosure at level 03. All elevations are characterised by a series of projecting bays which fold back to a metal clad mansard roof. A plant level is set back from the parapet. Stone lintels frame the entrances and windows at street level and are cantilevered on the projecting bays. Above, the main body of the building is red brick set in stretcher bond. The windows are almost square and are paired, with simple brick sills beneath and deep reveals on the recessed bays.
- 1.3 There are 5 retail units (including a Barclays Bank (A2 use) at no. 147 Holborn, Accessorise (A1 use) at nos. 148-149 Holborn, E.A.T (A1 use) at no 4 Gray's

Inn Road, Doodle (A2 use) at no. 6 Gray's Inn Road and a vacant unit which was formerly occupied by Italian Suit Co (A1 use) at nos 8-9 Gray's Inn Road) fronting onto Holborn and Gray's Inn Road. There is also Lounge 33 (A3 use) at no. 33-35 Brooke Street. The remainder of the building was occupied as office accommodation until April 2015, an ancillary squash court and an ancillary 1 x 3 bed care-takers flat within the second floor level of the building. The building has now been stripped out at upper floor levels with the retail units at ground floor level continuing to operate. A service yard is located at the rear (north) side of the site. The building has a generous set back from Holborn creating a wide footpath. On the corner of Gray's Inn Road and Holborn there are two London Plane street trees and a smaller street tree is located on the junction of Holborn and Brooke Street. On the junction of Gray's Inn Road and Holborn is the Grade II listed City boundary Obelisk. The entrance to Chancery Lane tube station lies to the west of this and a newspaper kiosk lies immediately adjacent to the site on Holborn. Other street paraphernalia includes street signs, and bollards.

- 1.4 To the north of the site lies nos. 14 -22 Gray's Inn Road and nos. 23-30 Brooke Street. This building is known as "Fox Court" and wraps around the application site to the northwest and north. It comprises a part 5 part 8 storey modern office building and is separated from the application site to the north by the existing service yard.
- 1.5 To the east of the site lies Holborn Bars also known as the Prudential Assurance Building. It is a part four, part six storey building with accommodation in the roof and is a Grade I listed building. It was designed by Alfred Waterhouse and built from 1885-1901, with alterations in 1930-32 and 1989-93. It has significant architectural merit and aesthetic value. It is currently occupied by De Vere Venues and, until recently, was the London office of Historic England who have now vacated the building and moved to Cannon Bridge House in the City.
- 1.6 To the west lies nos. 11-23 Gray's Inn Road and no. 4-13 High Holborn. This is a 7 storey modern building that fronts onto Gray's Inn Road and High Holborn. It comprises retail units on the ground floor with residential flats above.
- 1.7 To the south of the site lies nos. 1-4 Holborn Bars and nos. 337 and 338 High Holborn that are listed as Grade I and Grade II* respectively. They are a terrace of 5 storey Elizabethan buildings dating from 1586 that survived the Great Fire and provide a unique example of secular Medieval London. Staple Inn Quadrangle lies to the rear of these buildings comprising nos. 4-6 Staple Inn (Grade I) and 7-8, 9-10 and Staple Inn Hall (all Grade II). These buildings lie within the Chancery Lane Conservation Area that is part of the City of London.
- 1.8 The site has a Public Transport Accessibility Level (PTAL) rating of 6B (highest possible). It has direct frontage to Holborn which forms part of the Strategic Road Network (SRN). It also has frontage onto Brooke Street and Gray's Inn Road which forms part of the local road network. There is direct access to Chancery Lane London Underground Station the entrance of which lies directly

to the south of the site and is served by numerous bus services. The site falls outside of any conservation areas (Bloomsbury Conservation Area lies to the west, Chancery Lane Conservation Area in the City of London, to the south and Hatton Garden Conservation Area lies immediate adjacent to the east).

- 1.9 The site is located within a Central London Area, Central London Frontage, an archaeological priority area, the strategic view from Primrose Hill to St Pauls and the background of the strategic view from Greenwich to St Pauls and Blackheath Point to St Pauls.

2 THE PROPOSAL

- 2.1 Planning permission is sought for the redevelopment of the site including demolition of the existing 7-storey 1980's building. A new part 6 to 9 storey commercial building would be constructed across the full width of the Holborn frontage comprising 12,862 sqm office floorspace (B1), and 1,480 retail and café floorspace (A1-A3). A part five, six and seven storey residential building would be constructed to the northeast of the site creating 13 self-contained residential units (total 1,293 sq. m).
- 2.2 The office floorspace is for the bespoke requirements of DAR Group who are the applicant. The Group have acquired the building to create a new Headquarter building for their European operations which will employ 1,100 staff members who are currently located in different offices across London. The Group's specialist companies in Europe would be consolidated in Camden through a common hub which will enable them to collaborate and showcase their work.
- 2.3 The main commercial building would front Holborn, Gray's Inn Road and Brooke Street and would range in height from 6 to 9 storeys with a single basement level. The 6th, 7th, and 8th floors of the building would be incrementally set back from the main elevations with the 5th to 8th floors sloping at an angle at the rear to ensure that rights of light to the neighbouring commercial building at Fox Court are maintained and protected.
- 2.4 The basement floor would comprise plant areas, retail floor space and cycle storage for 172 cycle spaces with changing rooms. The ground floor would comprise shops and cafe (A1/A3) occupying the floorspace on either side of a double height office entrance foyer. The café space and foyer would also be used as a public exhibition space to showcase the projects that Dar Group are involved with. The first to eighth floors would be occupied as office (B1) space. An internal open circulation space through the building would provide light into the office floor plates and would include lifts and staircases to each of the floors. A second lift core and staircase would be provided to the north of the building with access from Gray's Inn Road. The principal point of access for pedestrians accessing the new office building would be from Holborn with cycle and disabled car parking access from Brooke Street.
- 2.5 At 7th floor level on the northeast of the new office building an accessible external terrace would be provided for users of the building. At 8th floor level a

roof top garden area with pavilion would be provided alongside a variety of formal and informal seating arrangements and landscaping.

- 2.6 The residential building would be located in the north east part of the site with the main access from Brooke Street. The building would be 7 storey's in height and would step down incrementally to 5 storey's on the northern elevation. There would be 13 private self-contained residential units on the first to sixth floors with a lobby, lift access, cycle parking and bin store at ground floor level. There would be 6 x 1 bed units, 5 x 2 bed units and 2 x 3 bed units. Each unit is dual aspect and 9 of the 13 units would have private amenity space in the form of either balconies or terraces.
- 2.7 A new pedestrian walkway would be created through the site running east to west connecting Brooke Street to Gray's Inn Road. The walkway would extend from Brooke Street underneath the residential block and would open out within the middle of the site into a shared space with delivery vehicles that would service the retail units and office use. It would be enclosed again at the western section of the site before accessing Gray's Inn Road. The walkway would be open on a dawn until dusk arrangement and would be gated outside of these times.
- 2.8 A total of 230 cycle parking spaces would be provided at basement and ground floor levels.

Revisions

- 2.9 Following the consultation process and feedback from officers a number of revisions have been made to the original scheme. The most notable revisions are summarised below:

Commercial façade development

- The translucent vertical panels to the top floors have been replaced by profiled Glass Fibre Reinforced Concrete (GRC) panels to add more solidity, improving the energy performance of the facade.
- The facade to the middle section has been replaced by a more efficient and uniform GRC fin layer in response to the solar exposure. The depth of the facade has been increased from 250 mm to 450mm to add more solidity and robustness. The fins are offset 100mm from the glass facade to facilitate the cleaning and maintenance of the glazing wall.
- New horizontal fins have been added to emphasise the parapet lines.
- The translucent vertical panels have been replaced by profiled GRC panels to emphasise the structure at ground level, improving the energy performance of the facade.
- Black metal façade has been replaced with stone coloured GRC

Residential façade development

- Solid black anodised panels to replace the movable vertical louvres to the windows on the Brook Street façade
- Express the structure on the North facade and replace the vertical louvres with solid black anodised panels.
- In situ concrete external wall to be replaced by a precast GRC panel facade to match the office building.
- Anodised black aluminium soffit introduced to match the balconies.

Land use

Due to the changes to the facades there have been associated minor changes to the uses of the floorspace within the building including:

- Reduction of 82 sq. m in commercial floorspace (12,960 sq. m to 12,878 sq. m)
- Increase of 78 sq. m in retail floorspace (1,388 sq. m to 1,466 sq. m)
- Increase of 57 sq. m in residential floorspace (1,225 sq. m to 1,282 sq. m)
- Reduction of 263 sq. m in plant area floorspace (1,350 sq. m to 1,087 sq. m)
- Reduction of 21 sq. m in services (516 sq. m to 495 sq. m)

Trees and landscaping

The applicants submitted an addendum letter to the arboricultural report produced by Ian Keen Limited

Energy and Sustainability

A number of additional documents have been submitted in relation to SUDS, water attenuation and air quality. These include:

- CNM drainage information
- Air purification statement
- Note prepared by Elementa providing details of dedicated MVHR units for each individual residential unit

The revisions were formalised on 24/07/2017 and included revised plans, sections and elevations, addendum arboricultural impact report, daylight and sunlight amenity report, design and access statement, LVMF analysis, energy strategy, sustainability statement and BREEAM pre-assessment, and townscape analysis

Additional information

Additional information was also submitted in relation to the quantum of commercial floorspace on site, a basement impact assessment and archaeological report. The following information was received:

- Occupation strategy (including background information about DAR Group (the applicant))
- Basement impact assessment

- Archaeological desk-top assessment

Camden design Review Panel (DRP)

- 2.10 The proposals for the redevelopment of the site at 150 Holborn were submitted by the applicant in July 2015 when a pre-application enquiry was submitted (2015/4505/PRE) with the application being submitted in April 2016. It was not considered reasonable to require the applicant to present their application to the DRP panel due to the design of scheme being fully worked up by the architects prior to the planning application submission, and the programme of events set out in the PPA pre-dated the setting up of the DRP in September 2016.

3 RELEVANT HISTORY

- 3.1 The most relevant planning applications for the site and surrounding buildings are listed below.

The site

- 3.2 Planning permission was **granted** (2011/4198/P) on 25/01/2012 for refurbishment and alterations to the property, including extension to 5th and 6th floor and additional floor at 7th level for Class B1 offices on Holborn and Grays Inn Road elevations, extension at 3rd, 4th and 5th floor level for Class B1 offices and Class C3 residential on Brooke Street elevation, creation of 5 new residential units with 1 x existing unit (Class C3) and new residential entrance core off Brooke Street and associated elevation alterations, replacement plant and enclosures at roof levels, recladding to exterior elevations, alterations to main entrance including associated partial change of use from shops (Class A1) to offices (Class B1) at ground floor, partial change of use from offices (Class B1) to financial and professional services (Class A2) at 1st floor level, creation of enclosed service yard to rear with amenity space above, green/brown roofs and cycle parking.
- 3.3 A certificate of lawfulness was **granted** (2015/1442/P) on 18/06/2015 for confirmation of the implementation of application ref 2011/4198/P that was granted 25/02/2012.
- 3.4 Planning permission was **granted** (2011/4609/P) on 25/10/2011 for change of use of part of retail unit (Class A1) to office use (Class B1) at ground floor level, including alterations to main office entrance to create extended double height entrance.

The area

Fox Court, 14 Gray's Inn Road

- 3.5 Planning permission was **granted** on 23/05/2013 (ref 2013/0786/P) for erection of a 4 storey infill extension in the existing courtyard providing a new retail unit (Class A1) on the ground floor and office floorspace (Class B1a) on the first second and third floors and associated refurbishment of the building including the addition of a new entrance, curtain wall glazing, granite panels and

replacement of the existing entrance to the west elevation new plant on the roof of the Annex and the installation of photovoltaic panels at roof level in connection with existing office use (Class B1a).

4 CONSULTATION SUMMARY

Statutory consultees

Original Proposal

4.1 London Underground – no objection

No objection to the application for the property. However ask that a condition is included on any planning permission granted stipulating submission of detailed design and method statements for all foundations, basement and ground floor structures both temporary and permanent are submitted to and approved in writing.

Officer's response: See Transport section

4.2 Transport for London (TfL) – comment

- TfL supports the premise of car-free developments and requests that at least one blue badge space is equipped with an electric vehicle charge point, in addition to resident exemption from parking permits.
- Policy compliant cycle parking should be secured by condition.
- A walking link is proposed between Brooke Street and Gray's Inn Road which is supported by TfL subject to making provision for cyclists.
- TfL would encourage the developer to improve the public realm along High Holborn.
- Off street servicing is also proposed to the rear of the site which is acceptable to TfL, subject to a delivery and service plan (DSP). In addition to the measures above TfL requests that a Travel Plan and Construction and Logistics Plan is secured.
- TfL may request (but not limited to) financial contributions to cycle hire, buses, or Legible London Signage to address the impacts of this development. It is anticipated that any mitigation would be secured as part of the s106 agreement.

Officer's response: See Transport section

4.3 City of London – objects

4.4 Impact on views from Staple Inn Quadrangle (comprises 4-6 Staple Inn Grade I, 7-8, 9-10 and Stable Inn Hall (all Grade II)) and Staple Inn Gardens (enclosed by 1-3 Staple Inn, Stable Inn Hall (both Grade II), 10 Furnival Street and Southampton Buildings (both Grade II*))

The application submission makes no reference to Staple Inn. This should form part of the Heritage and Townscape Assessments. These assessments should include an assessment as to whether the additional height and bulk proposed would be visible from Staple Inn quadrangle or from Staple Inn

gardens. The Chancery Lane Conservation Area Character Summary and Management Strategy (Adopted February 2016) identified the view of Stable Inn Hall from the entrance to the garden from Southampton Buildings as an important view in the Conservation area (View 16). Given the significance of this ensemble of listed building, we would request verified confirmation as to the potential impact on views from these spaces and an assessment of the impact on the relevant heritage assets.

Officer comments: Se Design Section

4.5 Impact on the setting of 1-4 and 337-338 High Holborn (Grade I and Grade II* respectively).

It is considered that a building of the proposed height, scale, massing and bulk would be unduly assertive, wresting attention from the layered urban grain on High Holborn, in particular the much more delicate scale of 1-4 and 337-338 High Holborn. This would appear particularly apparent in kinetic views south towards the full extent of the timber-framed range from Gray's inn, where the proposal would comprise an overly dominant 'book end' and while creating an unbalanced 'canyon effect'. The design should be reconsidered to provide a contextual building in terms of a scale, materiality and massing which better reflects the historic urban grain in this sensitive setting.

Officer comments: See Design Section

4.6 Impact on View 4A.1 of the London View Management Framework (LVMF)

The site falls within the protected landmark viewing corridor from Primrose Hill towards St Paul's Cathedral. The site has a threshold plane ranging between 54.869 – 55.087 Above Ordinance Datum (AOD). The tallest point of the proposed building would be 54.45 AOD. Thus the proposal would be very near the maximum site threshold. Should the application be approved we would recommend a condition to be added requiring no projections above ridge level without the written permission of the local planning authority, to ensure the preservation of protected LVMF View 4A.1

Officer comments: See Design section

4.7 **City of Westminster – no comments**

The proposal is not considered to impact on the views into Westminster and the City Council raises no comments to the proposal.

4.8 **In midtown BID – support**

The above application is within the Inmidtown BID boundary, and the future of the site is of importance to Inmidtown BID as the existing building is dated, provides poor quality office and retail floorspace, and requires extensive renewal and refurbishment. Currently, the office accommodation is vacant and the retail units are partially vacant. Bringing the site back into a sustainable use, comprising flexible A1/A3/B1/C3 space and interactive frontages provides substantive planning gains to the area. In this context, the Inmidtown BID priorities for the area are to enhance commercial viability, help the realization of full economic potential, and make Bloomsbury, Holborn and St Giles a quality

environment in which to work and live, and the bringing of this building back into full use and introduction of a mixed use development will contribute to these aims.

Officer comments: See Land use principles section

4.9 **Historic England – no comments**

Historic England was consulted about the proposed scheme during the pre-application process. They concluded that, as a neighbouring occupier (offices located in the Pru building adjacent to the site) they did not need to be involved directly in discussions about the scheme. They have not provided any formal response as part of the statutory consultation process.

4.10 **Crossrail – no comments**

The site of this planning application is identified outside the limits of land subject to consultation under the Safeguarding Direction. The implications of the Crossrail proposals for the application have been considered and I write to inform you that Crossrail Limited do not wish to make any comments on this application as submitted.

Adjoining Occupiers

	Original	Revisions
<i>Number of letters sent</i>	116	116
<i>Total number of responses received</i>	1	0
<i>Number in support</i>	0	0
<i>Number of objections</i>	1	0

- 4.11 116 letters were sent to local residents advising them of the application on 17/05/2016. Following revisions to the scheme re-consultation was undertaken. This took the form of 116 adjoining neighbour letters sent on 24/07/2017 to local residents who were notified about the original proposal. A site notice was displayed on 25/07/2017 and a press notice was advertised in the Camden New Journal on 27/07/2017.

Representations summary

- 4.12 1 letter of objection was received from a local resident but no name or postal address was provided within the letter. The following concerns were raised:

Design - horrible and ugly proposal is the redevelopment proposed to go alongside the old ornately detailed Prudential Building to the east; the proposed lacks any quality detail and sympathy to the local streetscape on both side of High Holborn. This just looks like another “symptomatic” and appalling elevation by Developers tinkering with tin and glass – it’s appalling.

Officers response: See Design section

Height - the excess cubical context, height of the proposal which do not sit satisfactorily alongside the Prudential Building and timber framed Historic buildings on the south side of the high Holborn streetspace. Shadowy lines of the upper two levels of the proposed building are two floors too many.

Officer's response: See Design section

Revised Proposal

4.13 Crossrail: No further comments

4.14 Thames Water: Comments

Waste comments – with regard to surface water drainage it is the responsibility of the develop to make proper provision for drainage to ground water courses or a suitable sewer. With regard to sewerage infrastructure capacity, Thames Water has no objection

- 4.15 Water comments – (i) Recommend an informative be attached to the planning permission relating to flow rates; (ii) Recommend a condition to be attached to the planning permission requiring a piling method statement to be carried out prior to any piling taking place on site; (iii) Recommend an informative be attached to any planning permission advising about the possible relocation of a Thames Water main that crosses the development site (iv) Surface water should be addressed in accordance with the London Plan

Officer response: See Surface Water subsection of Flooding and drainage section

4.16 London Underground: no comments on the revised scheme

4.17 Historic England: no comments on the revised scheme

4.18 Historic England (GLASS): comments

The submitted assessment clearly shows that the existing building will have significantly impacted archaeological survival, with only the base of cut features likely to survive under the shallower basement level in the western part of the site. The nature of the archaeological remains that may still be present are still of interest and it is therefore recommended that in light of the above the most appropriate mitigation strategy would be for an archaeological watching brief during development, focusing on the western part of the site where greater survival is expected. The archaeological interest should be conserved by attaching a condition for a written scheme of investigation (WSI) to be submitted to and approved by the local planning authority in writing.

Officer response: See Archaeological section

5 POLICIES and Guidance

5.11 National Planning Policy Framework 2012

5.12 **NPPG**

5.13 **The London Plan 2016**

5.14 **Mayor's Supplementary Planning Guidance**

5.15 **Camden Local Plan 2017**

Growth and spatial strategy

G1 (Delivery and location of growth)

Meeting Housing Needs

H1 (Maximising housing supply)

H2 (Maximising the supply of self-contained housing from mixed-use schemes)

H4 (Maximising the supply of affordable housing)

H6 (Housing choice and mix)

H7 (Large and small homes)

Community, health and wellbeing

C1 (Health and well-being)

C2 (Community facilities)

C5 (Safety and security)

C6 (Access for all)

Economy and jobs

E1 (Economic development)

E2 (Employment premises and sites)

Protecting amenity

A1 (Managing the impact of development)

A2 (Open space)

A3 (Biodiversity)

A4 (Noise and vibration)

A5 Basements

Design and Heritage

D1 (Design)

D2 (Heritage)

D3 (Shopfronts)

Sustainability and climate change

CC1 (Climate change mitigation)

CC2 (Adapting to climate change)

CC3 (Water and flooding)

CC4 (Air quality)

CC5 (Waste)

Town centres and shops

TC1 (Quantity and location of retail development)

TC2 (Camden's centres and other shopping areas)

TC4 (Town centre uses)

Transport

T1 (Prioritising walking, cycling and public transport)

T2 (Parking and car-free development)

T3 Transport infrastructure)

T4 (Sustainable movement of goods and materials)

Delivery and monitoring

DM1 (Delivery and monitoring).

5.16 Supplementary Planning Policies

Camden Planning Guidance (CPG)

CPG 1 Design 2015

CPG 2 Housing 2015

CPG 3 Sustainability 2015

CPG 4 Basements and lightwells 2015

CPG 5 Town centres, retail and employment 2013

CPG 6 Amenity 2011

CPG 7 Transport 2011

CPG 8 Planning obligations 2015

ASSESSMENT

The principal considerations material to the determination of this application are considered in the following sections of this report:

6	Consultation and procedure <ul style="list-style-type: none">- Consultation- Procedure
7	Land use principles <ul style="list-style-type: none">- Introduction- Employment space- Mixed use policy- Class A uses (A1 retail and A3 food and drink)- Residential use- Conclusion; land use principles
8	Tenure and unit size mix of the proposed housing <ul style="list-style-type: none">- Mix of units- Unit sizes- Design and layout- Density
9.	Affordable housing <ul style="list-style-type: none">- Policy review- Viability- Review mechanise
10	Amenity of proposed housing <ul style="list-style-type: none">- Quality of accommodation- Layout, ventilation, ceiling heights- Daylight, sunlight and aspect- Privacy- External amenity space- Noise for prospective occupiers
11	Design <ul style="list-style-type: none">- Policy review- Principle of demolition- Replacement building – office building and residential building- Context: Setting of the surrounding listed buildings- Impact on the setting of the listed buildings- Townscape assessment- New pedestrian accessway- Setting of adjoining conservation areas- Strategic viewing corridor

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12	Archaeology
13	Landscaping and trees, Open Space <ul style="list-style-type: none"> - Policy review - Public open space - New pedestrian accessway - Trees
14	Impact on neighbouring amenity <ul style="list-style-type: none"> - Policy review - Daylight and sunlight - Noise and disturbance - Overlooking - Conclusion
15	Land contamination
16	Basement works
17	Air quality
18	Sustainable design and construction <ul style="list-style-type: none"> - Policy review - Energy - Sustainability
19	Flood risk and drainage
20	Nature conservation and biodiversity
21	Transport <ul style="list-style-type: none"> - Site context - Public footpath, public realm alteration and stopping up orders - Car parking - Servicing - Cycle hire and Legible London - Travel plans - Cycle parking - Management of construction impacts on the public highway in the local area - Pedestrian, cycling, environmental and public realm improvements - Highway and public realm improvements directly adjacent to the site - Summary of requirements
22	Safety and security

23	Refuse and recycling
24	Employment and training opportunities
25	Planning obligations
26	Mayor of London's Crossrail CIL
27	Camden CIL
28	Conclusion
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6 Consultation and procedure

Consultation

- 6.11 A Statement of Community Involvement (SCI) has been submitted with the application setting out the pre-application consultation with various stakeholders and local people. The consultation included two sets of public exhibitions, a well-publicised public exhibition held in close proximity to the development site at no. 6 Gray's Inn Road. The exhibitions were held on 26th November 2015 from 3:00pm to 8:00pm and 27th November 2015 from 11:00am to 3:30pm. Of the 37 people who attended the exhibition 11 provided written feedback on the proposals and 17 completed the survey. The feedback was broadly positive, with the majority of respondents welcoming the proposals. Issues surrounding the design of the building were raised that included concern about the glass façade.
- 6.12 In response to the consultation received the applicant made changes to the proposal. The design was amended to provide a more solid façade. The second exhibition was held on 24th March 2016 in order to update residents and stakeholders on the changes to the design of the project that had been made in response to feedback from the previous round of public consultation.

7.0 Land use principles

- 7.1 The principal land use considerations are as follows;

- Introduction
- Employment space (Class B1)
- Mixed use policy and residential use
- Viability and affordable housing

- Class A uses (A1 retail and A3 café)
- Conclusion; land use principles

Introduction

- 7.2 The site is owned by DAR Group who are the applicant for the application. The Group is a privately owned international network of professional service firms, underpinned by specialist subsidiary brands, who are dedicated to planning, designing, engineering, project management of installations and structures that contribute to the sustainable advance of communities worldwide. The Group has a total of 193 offices worldwide across 58 countries, employing over 18,000 people.
- 7.3 The U.K. represented specialist brands affiliated within the group include:
- Dar Al-Handasah
 - Perkins+Will
 - Currie & Brown
 - Integral Group
 - Penspen Group
 - IPA Advisory
 - Maffeis
- 7.4 Unlike its competitors Dar Group has retained the individual brands, and identities. They provide support to each member company, but also by retaining existing structures, allow the management and resources to flourish therein. The Group is diverse, from large corporate entities, to smaller SME type companies. For example Perkins + Will have 300 plus employees but Maffeis, who share the London office along with IPA only have approximately 12 employees.
- 7.5 The Head Office for Dar in the UK is currently situated on Wigmore Street in the City of Westminster. The office building occupied under lease currently houses the following brands under Dar Al-Handasah:
- Dar Plus
 - IPA Advisory
 - Dar Al-Handasah Consultants (Shair & Partners)(UK)
 - Maffeis Engineering (UK)
- 7.6 The building at Wigmore Street provides enough workspaces for 100 employees only. Therefore, this site can only provide sufficient accommodation for head office staff alongside associated administration duties. Many of the Group's affiliated specialist brands operate within the UK and are currently located in locations across London, including the London Borough of Tower Hamlets, Camden, and the City, but also across a broad spread of regional centres.

A headquarters building for the Dar Al-Handasah

- 7.7 The nature of Dar's business is one of collaboration between the specialist brands, with the individual businesses operating alongside each other when engaged with clients.
- 7.8 Therefore, Dar Plus has been developed by Dar to meet the needs of client organisations requiring a multi-disciplinary support function, but with a singular point of contact. The current arrangement is not conducive to supporting this approach, creating a huge missed opportunity for the business to benefit from the group interaction and collaboration of its specialist brands. The arrangement also creates a number of unnecessary inefficiencies and logistical problems.
- 7.9 To improve the current position Dar acquired the site in 2015 in order to develop a new European headquarters building for its business to accommodate both head office functions alongside staff from its specialist brands. The building would provide the opportunity to consolidate all specialist companies owned by DAR into one common hub in London enabling multiple companies to collaborate, cross fertilize and showcase their work in one location.
- 7.10 The application is the result of extensive pre-application discussions and negotiations with the agent since August 2015, and the scheme has evolved in response to officers' concerns and comments. As part of that process, the applicants held their own exhibition locally on 23rd November 2015 and 24th March 2016.

Employment space

- 7.11 Policy G1 of the Local Plan states that the Council will seek development through the Borough, with the most significant growth directed to growth area, including Holborn. The site lies just beyond the Holborn growth area. The existing office spaces is outdated, no longer fit for purpose and in need of refurbishment. It must be noted that the vast majority of the existing building was used for employment space and occupied an area (GIA) of 9,140 sq. m (approximately 76% of the overall floorspace). The building has been vacated and the planning permission that was granted in 2011 for the refurbishment, alterations and extensions to the building has been implemented and is therefore extant (see paragraph 3.2 and 3.3 above). The proposal seeks to enhance the quantum and quality of the employment space and to create Grade A floorspace throughout. Overall, the proposal would result in 12,862 (GIA) of office space (an uplift of 3,722 sq. m (GIA)). In addition, the proposal would deliver a new Headquarter building within the Central London Area.
- 7.12 The significant increase in employment floorspace and the resulting quality of spaces provided is in accordance with policies E1 (Economic development) and E2 (Employment premises and sites) which set out the need to protect and enhance existing employment sites while meeting the needs of modern industry and would be considered acceptable.
- 7.13 The Council's Economic Development officer has been consulted on the application and supports the scheme subject to section 106 obligations on

local employment, apprenticeships and work placement opportunities and local procurement. An employment and training contribution of £ £76,219 which has been calculated in line with CPG8 (Planning Obligations) would be secured via s106 legal agreement.

Mixed use policy

- 7.14 Policy H2 of the Local Plan requires a mixture of uses in all parts of the Borough, including a contribution to housing. For development located within the Central London Area, with more than 200 sq. m (GIA) additional floorspace, policy H2 requires 50% of all additional floorspace to be self-contained housing. This requirement is subject to further considerations, including the character of the site and area, site constraints, compatibility of housing with other uses and planning objectives considered to be a priority for the site. The proposed development would provide an uplift of 3,652 sq. m (GIA). Therefore 1,826 sq. m (GIA) of housing is required to meet the policy target.
- 7.15 The application site is considered to be acceptable in principle for residential accommodation subject to it being located within the right parts of the building as outlined in paragraphs 7.25 (below). In terms of GIA, the proposed development would provide 1,293 sq. m of residential floorspace. This is 35% of the uplift and a shortfall of 533 sq. m.
- 7.16 The proposal would deliver a mix of uses including retail/ café (A1/A3), office (B1) and residential accommodation (C3). These uses are currently all on-site. The proposal would therefore maintain the overall character of the site whilst increasing the size of each use to conform generally to the Council's aim of securing mixed use developments. The overall increase in floorspace (GEA) would be 6,386 sq. m which comprises the following:
- Total floorspace 17,431 sq. m (excluding plant and services)
- Employment (B1): 14,468 sq. m (83%)
 - Retail (A1/A3): 1,528 sq. m (8.7%)
 - Residential: 1,435 sq. m (8.3%)
- 7.17 The shortfall against policy H2 is significant. However a number of constraints have been put forward to justify that it would not be practical to implement more residential on-site such as the fact that this is an office led scheme. DAH Real Estates Sarl purchased the site in May 2015 as the location for the development of a Dar Group European operations headquarters. Dar Al Handash is the parent company of the Group who has retained an office in the UK since 1975. Various companies under the DAR Group umbrella would be relocating from different sites outside Central London. They would all be consolidated and located within the application site. This would result in approximately 1,100 employees occupying the building. The requirement for this number of staff to be located within the building (including predicted headcount growth) would mean that the majority of the space within the building (9700 sq. m GIA) is required. The proposed office floorspace within the building is 9,784 sq. m. This is outlined in the table below:

Company	Discipline	2020 Headcount	Sq. m
<i>Dar</i>	<i>Engineering, infrastructure, sustainability</i>	<i>150</i>	<i>1500</i>
<i>Currie & Brown</i>	<i>Project & Cost Management plus ancillary services</i>	<i>350</i>	<i>2500</i>
<i>Penspen</i>	<i>Energy Engineering Consultancy</i>	<i>50</i>	<i>500</i>
<i>Perkins + Will</i>	<i>Architects & Interior Designers Consultancy</i>	<i>350</i>	<i>3500</i>
<i>Elementa</i>	<i>Mechanical & Electrical Engineering Consultancy</i>	<i>90</i>	<i>900</i>
<i>IPA Advisory</i>	<i>Economics Consultancy Services for Markets & Transactions, Regulation & Policy and Public Private Partnerships (PPP) across the Energy, Water and Infrastructure sectors.</i>	<i>80</i>	<i>800</i>
		1070	9700

Table 1 (above): Current predicted head count of employees for 2020

- 7.18 The applicant advised that the rationale behind the development is to create a collaborative and growing working environment to:
- House all member companies under one roof as part of the Dar Group business model
 - Develop further the working relationships with each of the member companies of the group
 - Create an open and working environment for clients to share and be involved in
 - Showcase the work of the Group to guests and clients
 - Create business development opportunities
 - Invite in and develop further job opportunities from the local schools, colleges and job market
- 7.19 The applicant has advised that to isolate one or two companies by moving them off site to create floorspace for other uses would create a psychological barrier with those relocated and is contradictory to the Group's strategy and would be avoided.
- 7.20 The Dar Group would not only create new job opportunities, they would also see their long term future in Camden. They have recently met with local colleges, including Westminster Kingsway College on 02/10/2017 and St Joseph's Primary School on 10/10/2017, to agree to form partnerships with them to create potential work experience opportunities, apprenticeships, mentoring and site visits for the local school children. This is welcomed.
- 7.21 There would be no scope to extend elsewhere on the building including the roof as any further increase in the height of the building would harm the character and appearance of the neighbouring buildings (particularly the Pru building), and the streetscene and would project significantly into the protected Primrose Hill viewing corridor.
- 7.22 The applicant does not own any other properties within the borough that it could use or convert to residential accommodation.

- 7.23 Overall, the proposal would deliver a mix of uses including new residential accommodation (C3), extended office space (B1a) and retail/café space (A1/A3). Whilst the provision of on-site housing falls below the requirements of policy H2, it is acknowledged that the scheme is an office led scheme to provide a European headquarter building for the applicant in a Central London location. Therefore the proposed mix of uses is considered acceptable on this occasion with the residential component having been maximised in the context of the operational requirements of the applicant.

Retail/café space

- 7.24 The site is located within the High Holborn/Kingsway Central London Frontage. Policy TC2 seeks to protect and enhance the role and unique character of each of Camden's centres. It also states that the Council will ensure that development of shopping, services, food and drink and entertainment does not cause harm to the character, function, vitality and viability of a centre.
- 7.25 The existing retail floor space extends over the basement, ground and first floors of the building and totals 2,681 sq. m (GIA) of which 1,311 sq. m is located at ground floor level. The proposed development includes 1,480 sq. m (GIA) of retail floor space at basement and ground floor level. The proposed ground floor retail floor space provision would comprise 932 sq. m. This would result in a reduction in the quantum of retail floor space at ground floor level of 379 sq. m. There are several factors that have restricted the provision of additional retail floor space at ground floor level in the redevelopment scheme. These include the need to incorporate a residential entrance at ground floor level for the new residential flats within the site. The proposed building has also been designed to include a public pedestrian walkway at the rear of the site leading from Brooke Street to Gray's Inn Road. The ground floor front façades of the replacement building have been set further back into the site boundary to create wider pavements along Holborn, Gray's Inn Road and Brooke Street. Taking these factors into consideration, the reduction in the ground floor quantum of retail floor space is considered acceptable given the public realm improvements and creation of a new public pedestrian accessway from Brooke Street to Gray's Inn Road. It must be noted that the new retail units would continue to front onto Gray's Inn Road, Holborn and Brook Street continuing to create activity. A condition would be attached to ensure that the ground floor informal exhibition space maintains a window display to support the continued vitality and viability of the frontage as a whole within the Central London Frontage.
- 7.26 Policy TC4 also seeks the provision of an appropriate amount of retail and food and drink uses in the Central London Frontage. Camden CPG5 (Town Centres, Retail and Employment) requires at least 50% of units to be Class A1 (when assessing applications for the loss of Class A1 retail) and for no more than 25% Class A3 units. Four of the eight existing units within the site are identified as falling within an individual frontage that forms part of the overall Holborn Central London Frontage. Of these four units two are in A1 retail use, 1 is in A2 financial services and one is vacant. Therefore 50% of

the units within this part of the frontage are in Class A1 retail use. The proposal includes a mix of retail (A1) floorspace and a public café (A3). The proposal would create 2 retail units which would ensure that 50% of the units within this part of the frontage would remain in retail use.

- 7.27 The proposal would include a public café along the Holborn frontage. At present there are no A3 uses within the individual frontage that forms part of the overall Holborn Central London Frontage. The café would increase this to 25% which would remain in line with the 25% maximum in this part of the frontage falling within food, drink or entertainment uses.
- 7.28 It is also proposed to incorporate an informal exhibition space at ground floor level fronting Holborn as part of the public café. This would showcase the work and projects of the companies within DAR Group. These uses would complement the existing retail facilities. The proposed plans illustrate ground floor elevations that include expansive glazing to increase visibility to the retail and café units. It is considered that it would not have a detrimental impact on the vitality of the area or lead to an over concentration of food and drink uses. A condition would be attached to ensure that the ground floor informal exhibition space maintains a window display to support the continued vitality and viability of the frontage as a whole. Overall, the provision of the use would contribute to the area in terms of vitality and viability.
- 7.29 No details have been provided of extract ventilation system associated with the café (A3). A condition would be attached to ensure that these are submitted prior to the commencement of the use.

Proposed residential use

- 7.30 The application proposed 13 self-contained residential flats and an additional 1,293 sq. m (GIA) of residential floorspace. The provision of additional residential floorspace within the Borough is strongly supported by policy H1, which highlights the need to maximise the supply of housing. It is also a requirement of the Local Plan to introduce housing, as per policy H2 (see paragraphs 7.13 – 7.14 above) due to the proposal including a significant uplift in floorspace within the Central London Area.
- 7.31 The application site predominantly faces Gray's Inn Road and Holborn, which are heavily trafficked streets. The proposed residential development is located in the north-eastern corner of the site, with its primary frontage onto Brooke Street that is the quieter and narrow street. The residential flats are located on the first floor and above and the majority are dual aspect units. Providing the residential use in this part of the building also allows the accommodation to benefit from a shallow plan form, and external amenity space. The principle of residential development on this part of the site is therefore considered acceptable, subject to further considerations within section 8 of this report (below).

Conclusion: land use principles

- 7.32 Overall, the proposed development is considered to have an appropriate mixture and density of uses for the site that would enhance the existing

spaces while benefitting a number of the Council's policy objectives by contributing towards a successful economy, providing active retail uses and maximising the supply of housing in accordance with policies H1, H2, E1, E2, TC1, TC2 and TC4 of the Camden Local Plan 2017.

8.0 Tenure and unit size mix of the proposed housing

8.1 The considerations with regards to tenure and unit size and mix are as follows:

- Mix of units
- Unit sizes
- Design and layout
- Viability and affordable housing

Mix of units

8.2 The proposed development would comprise 13 market residential units. Policy H7 seeks to provide a range of unit sizes to meet demand across the Borough. For market units table 1 of this policy considers 1-beds/studios to have a lower priority, 2 bedroom units to be of high priority, 3-bed units high priority and 4-beds (or more) a lower priority.

8.3 The proposed unit mix across the whole site is as follows:

Table 2: Unit mix		
Unit size	Private	Total
One-bed units	6	6 (46%)
Two-bed units	5	5 (39%)
Three-bed units	2	2 (15%)
Total	13	13 (100%)

8.4 A high proportion of 1 bedroom units would be provided (lower priority), with 5 x 2 bedroom units (high priority) and 2 x 3 bedroom units (high priority). No 4-bed (or more) sized units (lower priority) are provided. This is deemed acceptable given the central location of the site and limited opportunity for outside amenity space. On this basis, the unit mix is considered to be acceptable.

Design and layout

8.5 New development should conform with the minimum space standards set out in Table 3.3 of the London Plan (see below) and CPG 2 (Housing). Policy 3.8 of the London Plan further recognises that a genuine choice of homes should be provided in terms of both tenure and size and provision should also be made for affordable family housing, wheelchair accessible housing and ensuring all new housing is built to Building Regulations Part M (accessibility).

Table 3.3 Minimum space standards for new dwellings⁵⁷

Number of bedrooms	Number of bed spaces	Minimum GIA (m2)			Built-in storage (m2)
		1 storey dwellings	2 storey dwellings	3 storey dwellings	
1b	1p	39 (37)*			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4.0

- 8.6 The development consists of 1 bed 1 person, 1 bed 2 person; 2 bed 3 person; and 3 bed 5 person units which measure 44m², 58m², 87m²/109m², 149m² (2 storey dwellings) respectively. All of the units comply with the national standards and the majority of units comfortably exceed them.
- 8.7 New build residential developments must comply with the access standards in Part M of the Building Regulations. This includes parts 1 (Visitable dwellings), 2 (Accessible and adaptable dwellings) and M4 (3) wheelchair user dwellings. The Council expects all new build housing development to go above the minimum mandatory Building Regulations with a requirement to meet Building Regulations part M4 (2); and in this case for 10% of the units to meet part M4 (3) (wheelchair housing). This is applied to new build housing providing 10 or more units as required by policy H6 and London Plan policy 3.8 (Housing Choice).
- 8.8 All of the residential accommodation has been designed in accordance with the above and to comply with the Lifetime Homes Standards (which are now no longer mandatory). The proposed development includes two wheelchair accessible dwellings. Each dwelling has been designed in accordance with Camden Wheelchair Design Brief standards and the Building Regulations Approved Document Part M. These details would be secured via planning conditions.

Density

- 8.9 In order to make the most efficient use of land and meet the objectives of policy H1, higher density development is encouraged in appropriately accessible

locations and there is an expectation that densities will be towards the higher end of the density ranges set out in the London Plan. The emphasis on higher density development should be balanced with other considerations such as neighbouring amenity and securing the height, scale and massing appropriate to an area in terms of good design.

- 8.10 London Plan policy 3.4 sets out the considerations for determining appropriate density levels for sites. Using Table 3.2 (density matrix) of the London Plan the local built environment characteristics are identified as 'central' and the site has a PTAL rating of 6b (best). The proposed development would provide 13 units, with the number of habitable rooms 35, across a site footprint of 0.29ha (approx. 2,900m²). This equates to a density of 45 units/ha and 121 habitable rooms/ha which falls slightly below the range of the density matrix within the London Plan for 'central' sites (45-185 units/ha and 200-700 habitable rooms/ha). While the density is slightly lower than the range within Table 3.2 of the London Plan, it is considered that the figures are misleading given that this development involves a relatively small uplift of a large building that is exclusively made up of commercial uses. Furthermore, given the fact that the building would provide a headquarters building for the applicant the shortfall in the quantum of residential required is considered acceptable in this instance.

9.0 Affordable housing

- 9.1 Policy H4 of the Local Plan seeks to maximise the supply of affordable housing, in line with aiming to exceed the Borough wide strategic target of 5,300 affordable homes from 2016/17-2030/2031. The Camden Strategic Housing Market Assessment estimates a need for around 10,000 additional affordable homes from 2016-2031. Policy H4 has a sliding scale target that requires an additional 2% affordable housing per capacity for each additional home. Capacity for one additional home is defined within the Local Plan as an additional residential floorspace of 100m² (GIA). In assessing capacity, additional residential floorspace is rounded to the nearest 100m² (GIA). The affordable housing target of 50% applies to developments with capacity for 25 or more additional dwellings.
- 9.2 As stated in paragraph 7.13 (above) the target residential quantum required in accordance with policy H2 is 1826 sq. m, which equates to a capacity of 19 units and an on-site affordable housing target of 38% (i.e 2% per unit which equals $19 \times 2 = 38$). The affordable housing target based on the scheme providing a policy compliant amount of on-site housing and affordable housing is shown in the table below:

Table 3: On-site Affordable Housing Target	
	Floorspace sq. m (GIA)
Total uplift	3,652
Overall housing target	$3,652 \times 50\% = 1,826$
'Capacity' of housing target	$1,826/100 =$ Capacity for 19 homes
Affordable housing percentage target	$2\% \times 19 = 38\%$

- 9.3 The proposal includes 13 units for private sale. No affordable housing would be provided as part of the scheme however the applicant had offered a payment in lieu of affordable housing. The Greater London Authority (GLA) raised concerns regarding the provision of 0% affordable housing units and the failure of the applicant to submit the viability assessment.
- 9.4 The applicant submitted a financial viability report produced by Gerald Eve to justify not providing a policy compliant level of affordable housing (38%). This report was independently assessed by the viability expert (BPS) for the Council who concluded in their report that *“an on-site affordable housing contribution would not be appropriate in view of the practical difficulties of accommodating a mix of housing tenures (including the need for separate entrances for these tenures) and the likelihood that Registered Providers (RP’s) would not be willing to adopt such a small number of affordable housing units, in part due to the management difficulties and limited ‘economies of scale’ this would entail.”*
- 9.5 The financial viability report included a counterfactual scenario which included 50% of the residential units as affordable rents and the remainder as private market housing. It was concluded that the counterfactual scenario was unviable. Gerald Eve provided 5 appraisals:
- One for the consented scheme
 - Two for the counterfactual scenarios (one exclusive and one inclusive of growth)
 - Two for the proposed scheme (one exclusive and one inclusive of growth)
- 9.6 It was concluded from these scenarios that the scheme could not afford any affordable housing contributions.
- 9.7 The applicants explored the practicalities of providing affordable housing units on site with a separate core. However the ground floor of the residential block includes a UK Power Network facility that measures approximately 39 sq. m (16% of the ground floor area), bin stores (commercial and residential), the bike store and a lobby. It must also be noted that the new pedestrian accessway runs through the residential block which reduces the possibility of providing further residential floorspace at ground floor level. It was not considered possible to incorporate a second stair core to facilitate access to affordable housing units.
- 9.8 During the course of the application design changes have been made to the scheme which has resulted in a reduction in the overall floorplates of the scheme. Due to the changes to the building and the market the applicant is no longer offering a mixed use payment in lieu on account of the worsening viability of the scheme since the original viability report in April 2016.

Consequently an addendum viability report was produced by Gerald Eve to address these changes and the accompanying effects on the scheme costs and values. BPS reviewed the addendum and instructed Crossland Otter Hunt to examine the commercial values assigned to the existing and proposed scheme.

- 9.9 Following discussions between Gerald Eve and BPS, an agreed benchmark land value of £57.1m was reached. Officers note that all assumptions were agreed between the viability consultants. BPS came to the same conclusion that *“we believe that affordable housing on-site is inappropriate within this development”*.
- 9.10 The agreed benchmark reflects a residual appraisal of the extant permission that was granted on 25/01/2012 (ref 2011/4198/P). A lawful development certificate was granted (2015/1442/P) on 18/06/2015 confirming the implementation of the permission. The consented scheme allows for the extension and refurbishment of the existing building and the creation of new residential accommodation. The inputs to this appraisal were agreed with Crossland Otter Hunt who provided supporting advice to BPS in arriving at a land value of £57.1m. This valuation constitutes an alternative use value (AUV) approach which is consistent with both Mayoral SPG and Camden Housing SPG. The existing planning permission restricts the viability as it confers a realisable value from the property that is in excess of its existing use value.
- 9.11 The original financial viability report advised that the appraisal generated a 4.5% profit on cost target which is considerably below the 18% benchmark return. The addendum to the financial viability report concluded a change to profit on cost output from 4.5% to 2.88%. This is due to a change in the design that have resulted in a reduction in the office floorspace. This reduces the rental income of the development. The costs and values have been adjusted to also reflect the market changes. A residual value of £39.65m is £17.4m less than the agreed benchmark Land Value of £57.1m. BPS advises in their report:
“The scheme is currently unable to achieve its profit benchmark. Until the profit benchmark is achieved it is not reasonable to require any additional affordable housing contribution from the development, as this could jeopardise and/or discourage development and conflict with paragraph 173 of the NPPF”.
- 9.12 Taking the above into consideration the ability to provide any affordable housing on-site is acknowledged. Given the changes to the design of the building and subsequent reduction in lettable floorspace a payment in lieu of affordable housing cannot be secured. Notwithstanding this, the applicant has offered £500,000 as a payment in lieu towards affordable housing. The applicant wants to take a long term view as owner and occupier of the development. This is welcomed and would be secured as a head of term as part of the s106 agreement.
- 9.13 BPS have recommended a review mechanism be put in place based on the outturn costs and values that would capture any improvement in viability over

time. A post construction review would use actual costs and values to give a clearer idea of the scheme's ability to make further affordable housing contributions. Any further surplus generated would be paid to the Council. This would be secured as a head of term of the s106 agreement.

Review mechanism

- 9.14 As stated in paragraphs 3.65 (policy H2) and 3.124 (policy H4) of the Local Plan, the Council expects reappraisal of viability when a development is substantially completed. This is to capture an accurate estimate of the value of the development using current values and costs at the time of implementing a scheme rather than forecasted ones. A subsequent viability review determines the extent of any top-up payments that can be secured towards the shortfall in provision against the Council's affordable housing target.
- 9.15 Given that the proposal fails to meet policy required levels of market housing and affordable housing on-site, planning permission must be subject to a review mechanism provided within the s106 agreement. This would protect the applicant's ability to clear the scheme deficit before any deferred contributions become payable and would potentially allow the Council to secure money towards affordable housing in the event of circumstances in terms of viability changing. Given that the residential use is a small part of the scheme and the office use would be the predominant use, it is recommended that a deferred contribution clause be included in the s106 agreement to be triggered at a point 12 months post practical completion.
- 9.16 Any deferred contribution, following a future viability review, would be subject to a capped level in line with the policy compliant amount of housing and affordable housing required on-site as part of the development. Payments in lieu are calculated on the basis of the shortfall of on-site of market housing (in GEA) at a cost of £700 per sq. m and on the basis of the shortfall of on-site affordable housing (in GEA) at a cost of £2,650 per sq. m, as stated in CPG8 Figure 1 (paragraph 6.11). A policy compliant payment in lieu would be £2,675,645.

Table 4: Payment in Lieu Calculation

	Floorspace sq. m (GEA)	PiL multiplier £ per sq. m	PiL arising £
Total uplift	6,386		
Housing uplift	1,435		
Affordable housing on site	0		
Housing on site target	6,386 x 50% = 3,193		
Housing on-site shortfall	3,193 – 1435 = 1,758	x £700	£1,230,600
Affordable housing target	1,435 x 38% =545.3		
Affordable housing shortfall	545.3	X £2,650	£1,445,045

PAYMENT			£2,675,645
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Conclusion

- 9.17 An independent audit of the viability appraisal deemed the scheme to be unable to achieve its profit benchmark. Therefore it is not reasonable to require any additional affordable housing contribution from the development. The applicant has offered to pay a figure of £500,000 as a contribution towards affordable housing. Given that the proposed contribution towards affordable housing is significantly more than the independent viability analysis concluded the development was capable of, and due to their being a further viability review secured through a Deferred Affordable Housing Contribution (DAHC), it is considered that the maximum provision of housing for the scheme has been reached in accordance with policy H2 and H4 of the Camden Local Plan 2017.

10.0 Amenity of proposed housing

- 10.1 The considerations with regards to the amenity of the proposed housing are as follows:

- Quality of accommodation
- Layout, ventilation, ceiling heights
- Daylight, sunlight and aspect
- Privacy
- External amenity space
- Noise for prospective occupiers

Quality of accommodation

- 10.2 As stated above in paragraph 7.25, the residential accommodation is located within the north-eastern corner of the site from the first floor to the seventh floor. Its primary frontage is towards Brooke Street with secondary frontages available for some of the units towards the rear of the site. This part of the site is considered acceptable for residential. Although it is located in the northern part of the site it faces onto the quieter Brooke Street and allows the majority of the units to be dual aspect with a shallow plan form. It is also the part of the site that would introduce the least amount of overlooking concerns. The quality of the units is assessed in more detail below.

Layout, ventilation, ceiling heights

- 10.3 The general layout of the units is acceptable providing functional and practical spaces. The ceiling heights of the residential spaces comply with the 2.3m minimum standards within CPG2 (Housing). No parts of the internal spaces are below 2.3m with the majority of the habitable rooms benefiting from a height of at least 2.5m. All of the units have openable doors and windows (i.e. passive/natural ventilation) in addition to mechanical ventilation.

Daylight, sunlight and aspect

- 10.4 As stated above the residential units are located within the northern part of the site that would receive limited daylight and sunlight. However it is the part of the site that allows the majority of the units to be dual aspect with shallow plan form. A 'Daylight and Sunlight Amenity within the Site' assessment has been

submitted in support of the proposal. The analysis shows that the vast majority of the rooms (26 out of 31) meet the relevant thresholds for light. This is considered acceptable given the constraints of the site.

- 10.5 All proposed flats are considered to have an acceptable outlook. Ten of the flats face out onto Brooke Street and would have an open outlook over Brooke Street to the north and south with the Pru Building opposite located approximately 10m away. The flats to the northwest of the residential block would have more restricted outlook over the service area and new pedestrian walkway at the rear of the building and the southern elevation of Fox Court that lies 18m away. Although constrained, this outlook is over the new pedestrian walkway which provides a more pleasant aspect. These flats also have dual aspect with views northwest and west. Whilst the outlook is not as good as other flats within the building it is still considered reasonable and wholly acceptable in this inner urban context.

Privacy

- 10.6 The flats do not face out onto any residential flats and are surrounded by commercial buildings that front onto Brooke Street (the Pru building to the east and Fox Court to the north). The flats that face onto Brooke Street have two floor to ceiling height sliding double doors that serve a living room/dining room/ kitchen in the flats located to the northern part and a bedroom and living room/dining room/kitchen in the flats located to the southern part of the residential block (second to sixth floors). These windows face the adjoining office building approximately 10m away to the east. Whilst the separation distance is acknowledged as being close, the neighbouring building is in office use rather than residential and as such opportunities for overlooking are greatly reduced, particularly during the evenings and on the weekends. Furthermore each flat to the northern part of the building have windows on the north elevation that are 18m away from the adjoining commercial building to the north.
- 10.7 The flats to the rear of the site (5 in total) face out onto the neighbouring office building at Fox Court which is between 9.6m and 10.6m away and west to the rear office windows within the application site. There are four windows (2 windows serving bedrooms and living room/ kitchen and dining room facing Fox Court to the north and two serving bedrooms facing out over the service area and new pedestrian walkway towards the office windows in the rear elevation of the application site). The separation distance between the residential windows and the commercial office building windows is approximately 13.8m. As such these windows are not subject to any direct overlooking that would be considered harmful to the amenity of the new flats.
- 10.8 It is considered that given the office use of the neighbouring buildings to the east, and north the level of privacy for these flats is considered acceptable.

External amenity space

- 10.9 Private external amenity space in the form of balconies is provided for 9 of the 13 units and they all exceed the minimum requirements of the London Plan. The flats that do not include balconies are mainly the 1 bed units that front

onto Brooke Street. Given the location of the residential block to the northeast part of the site and the physical constraints surrounding the site, it would not be possible to provide private amenity spaces for all of the flats. The other units benefit from a balcony on the Brooke Street elevation, which is northeast facing to benefit from natural light and outlook down Brooke Street. A number of the units include a secondary balcony to the rear of the site.

Noise for prospective occupiers

- 10.10 A 'Noise, Vibration and Ventilation Assessment' has been submitted by an acoustic engineer, Sandy Brown Associates LLP, to assess proposed internal noise levels for prospective occupiers. The report recommends sound insulation between part walls and floors and acoustically rated glazing and ventilators to habitable rooms. With the recommended measures given, noise within habitable rooms would comply with acceptable internal levels. The Council's Environment Health Officers support the proposal subject to the further noise insulation details being secured via planning conditions:
- 10.11 It is recognised that there might be occasional ancillary events hosted by the office occupiers on the 7th and 8th floor roof terraces of the new office building. Given the close proximity of the 7th floor roof terrace to the residential building to the north (part of the application site) it is recommended that a condition be attached stipulating that no sound from the offices (including the roof terraces) should be audible from any adjacent residential premises between 2300hrs and 0700hrs.

11.0 Design

- 11.1 The Design considerations are as follows:

- Policy review
- Principle of demolition
- Replacement building – office building and residential building
- Context: Setting of the surrounding listed buildings
- Impact on the setting of the listed buildings
- Townscape assessment
- New pedestrian access way
- Setting of adjoining conservation areas
- Strategic viewing corridor

Policy review

- 11.2 London Policy D1 of the Camden Local Plan seeks to secure high quality design in all developments.

Principle of demolition

- 11.3 Paragraph 135 of the National Planning Policy Framework requires consideration of the effect of an application on the significance of a non-heritage asset in determining the application. No objection is raised to demolition of the existing building. The building is not listed or located within a conservation area. It is considered that the demolition of the existing building is justified as it will be replaced by a high quality building that will enhance the existing streetscene.

Replacement building

- 11.4 The proposals for 150 Holborn have been formed to provide a high quality replacement building with use of high quality materials that will also improve its energy efficiency and the accommodation within it.

Office building

- 11.5 The commercial building would range in height from 9 storeys fronting Holborn to 6 storeys at the rear of the site. The building would span the width of the plot from second to seventh floors with the ground and first floors being set back from the main façade by approximately 1m on the Brooke Street elevation, 2.1m from the Holborn elevation and 1.4m from the Gray's Inn Road elevation. There is reduced massing at the 7th, 8th and 9th floors of the building which would be incrementally set back from the main elevations with the 5th to 8th floors sloping at an angle at the rear to ensure that rights of light to the neighbouring commercial building at Fox Court are maintained and protected. In layout, scale and massing the proposed building would reflect the urban grain and prevailing height and massing of the immediate context.
- 11.6 The office accommodation would be arranged over eight floors from the first to eighth floors. The arrangement of the floors internally would be designed to promote interaction and the exchange of ideas between the individuals and companies within the Dar Group.
- 11.7 The office building would be constructed from Glass fibre Reinforced Concrete (GRC) panels with external GRC vertical fins that vary in number and width along the facades (i.e the upper floors and the south façade are denser than the rest of the building). Behind the fins there is a continuous 1500mm wide unitised double glazed façade. The building creates a clear top, middle and bottom section in much the same vein as the traditional buildings which form a high quality context. At ground level the large loadbearing concrete structure grounds the building. The clearly defined parapet marks the distinctive shoulder height of the development found along Holborn and Gray's Inn Road. The upper level uses thinner fins to create a more delicate and lighter top but which remains part of the buildings language. The new building would visibly contrast to its Grade II* Listed neighbour to create a distinct identity appropriate to this important corner site.
- 11.8 The ground floor of the building would include load bearing columns with framing and would create a high quality internal space for the retail units and a double height space within the café / exhibition space. The café would be accessed from the main entrance from Holborn and would also be accessible from Gray's Inn Road allowing direct access. This is welcomed. The success of this and the other retail units at ground floor level and their accessibility to the public would only be achieved through a well-designed signage strategy. It has been agreed that this could be secured by s106 agreement (similar to the Brunswick Centre).

Residential building

- 11.9 The residential building successfully steps down in height from seven storeys to five storeys to address the quieter Brooke Street on the north east side of the site. The proposed residential development is smaller in scale and has a more domestic relationship, which appropriately reduces in scale on the smaller and less importance side road.
- 11.10 The building remains connected to the commercial building by its materiality. The domestic arrangement of the punctured full height floor to ceiling windows on all elevations of the residential building creates an appropriate human scale that changes the hierarchy of the development along Brook Street. These windows provide much needed light into the flats. Projecting balconies would create private amenity space for the majority of the flats from second to fifth floors on the northeast side of the building and to create winter gardens on the northwest side of the building. These would be constructed from anodised black aluminium with similar soffits that would complement the concrete exterior of the building.
- 11.11 The informally landscaped garden on the roof of the building will be accessible to the building's occupants only. The street frontage will be enhanced with the building being set back further at ground and first floor levels to increase the widths of the pavement edge along Holborn, Gray's Inn Road and Brooke Street. This would improve pedestrian access to the Chancery Lane Underground station entrance and would allow space around the listed obelisk and street signage.

Context: Setting of the surrounding listed buildings

- 11.12 Statutory provision under section 66 of the Planning Act requires special attention to be paid to the desirability of preserving the building or its setting or any features of special architectural or historic interest which it possesses. The impact of the proposal on the setting of the listed buildings that are in close proximity to the site have been given great weight and importance as part of this assessment.
- 11.13 There are a number of important historic buildings in the area and those which may be seen in conjunction with the proposed development have been included in the list at fig1 above. However the Council have identified the following buildings whose setting is considered to be affected by the proposal:
- Grade II listed nos. 337 and 338 Staple Inn
 - Grade I listed 1-4 High Holborn,
 - Grade II listed Staple Inn Buildings no. 335 High Holborn
 - Grade II* Listed Prudential Assurance Building, no. 142 High Holborn.

337 and 338 High Holborn and 1-4 High Holborn

- 11.14 The properties above are situated to the south of the site, on the south side of High Holborn and adjacent to the east side of Waterhouse's Grade II Listed Staple Inn Buildings.
- 11.15 337 and 338 High Holborn comprise two chambers with a shop at street level. The front elevation on High Holborn has two gabled bays with jettied floors

and projecting oriels above 19th century shop fronts. The facsimile casement windows and black and white timber elevation on High Holborn visually relate with the adjacent Nos 1-4 Holborn Bars, together forming a unique example of a 16th century group of timber-framed houses.

- 11.16 1-4 Holborn Bars comprise four chambers with shops inserted later. Nos. 1-4 Holborn Bars is three storeys beneath a tiled and gabled roof, with 20th century brick chimney stacks. The front elevation on Holborn has five gabled bays with jetties at floor levels. The central bay projects over the entrance to Staples Inn and has an original splayed oriel window. At ground level, a carved stone arch surrounds double panelled doors to the Inn. The early 19th century shopfronts are much altered.
- 11.17 The rear of these form the 16th century Nos 4, 5 and 6 Staple Inn (Grade I). Alfred Waterhouse led the restoration of the medieval buildings in 1886 with funding from the Prudential Assurance Company and in 1954-5 it was largely rebuilt in facsimile by Sir Edward Maufe. It is four storeys beneath a tiled and gabled roof, with 20th century brick chimney stacks.
- 11.18 Together with 337 and 338 High Holborn, Nos 1-4 Holborn Bars form a unique example of a 16th century group of timber-framed houses with their distinctive timber-framed facade, cruck roof and internal courtyard.



Figure 2: 337 and 338 High Holborn and nos. 1-4 Holborn Bars

335 High Holborn

- 11.19 It was designed by Alfred Waterhouse and is of red brick with terracotta dressings. It is five storeys with a gable roof fronting High Holborn. At the west corner, a polygonal turret projects above the corner entrance and is surmounted by a lead pinnacle.

Prudential Assurance Building

- 11.20 The Prudential Assurance Building is situated to the east of the Site, across Brooke Street.
- 11.21 It was designed by Alfred Waterhouse and built from 1885-1901, with alterations in 1930-32 and 1989-93. It has significant architectural merit and aesthetic value. Externally, it has richly detailed elevations of polished granite, red brick and terracotta and a highly articulated roofline in picturesque Gothic Revival style. The front range on Holborn was built in 1897-1901. The west range on Brooke Street was added by EM Joseph in 1930-21 in matching style and its northern section rebuilt in the late 20th century with purple granite cladding by EPR Architects incorporating a three-window range of 1885-8. The rear (north) elevation on Brooke Street and Brooke's Market is also purple granite clad. The Leather Lane range, on the east side, is simpler in appearance to the Holborn elevation but of the same terracotta. The interior contains some original fittings, including wood panelling, faience, plaster ceilings and fireplaces.
- 11.22 The Prudential Assurance Building forms a prominent local landmark due to its rich colour, skyline silhouette and position at the back of pavement edge and forward from the building presently on the Application Site. The entrance tower and fleche punctuate the skyline in views east and west along Holborn and High Holborn. In views travelling east along High Holborn, mature Plane trees conceal much of the body of the building.



Figure 3: Prudential Assurance Building

Impact on the setting of the listed buildings

- 11.23 All of the listed building are distinct and high quality examples of their type and are rightly of national importance. However, it is the diversity of style and scale of each of the listed buildings in close proximity to each other that result in their varied setting. The current setting for each of the buildings listed is seen in the context of each other and the varied grouping of commercial

buildings along Holborn. The buildings range in age from 16th Century to modern later 20th century office developments.

- 11.24 It is acknowledged that the City of London have raised concerns regarding the impact of the proposal on the setting of these historic buildings. The busy thoroughfare of High Holborn includes a large and architecturally varied styles and quality of largely commercial buildings. The setting of the listed buildings are within this dense urban environment. There is limited continuity of styles in the area. However, except for the subject building and modern red brick development on the opposite side of the Gray's Inn Road, there is a broadly clear division between the historic building (with their traditionally constructed load bearing masonry facades); and their modern counterparts (constructed using steel or concrete frames and applied facades which are glazed).
- 11.25 The proposed development would replace a late 20th Century brick built office development of average architectural quality. The proposal would better respond to its age, style and time and clearly sit, once built, in the category of the modern commercial developments that already adjoins the historic buildings.
- 11.26 The clear contrast of construction techniques - between the traditional built listed buildings and the modern – provide a distinction between the listed and traditional buildings, which allow the ability to recognise and appreciate the historic context in the otherwise dense and urban environment.



Figure 4: View northwest from Holborn junction



Figure 5: View southwest from Holborn junction



Figure 6: View east from Holborn junction

- 11.27 The Prudential building would remain the largest and most prominent building in the immediate area and would not be considered to be overwhelmed by the development. Moreover it already adjoins a largely glazed modern office development with similarly proportioned ground floor which sits to its immediate east along Holborn. The new development is considered to help better define the grade II* listed building compared with the existing red brick building (Refer to fig. 5 above).
- 11.28 Concerns were raised by the City of London that the analysis of the townscape did not include the impact of the proposal on views from Staple Inn Quadrangle (comprises 4-6 Staple Inn Grade I, 7-8, 9-10 and Stable Inn Hall (all Grade II)) and Staple Inn Gardens (enclosed by 1-3 Staple Inn, Stable Inn Hall (both Grade II), 10 Furnival Street and Southampton Buildings (both Grade II*). The applicant met with a representative of the City of London to discuss this on site. Verified images have been submitted from Staple Inn Courtyard and Stable Inn Gardens. These demonstrate that the top part of the roof of the building would be visible from views from Staple Inn Courtyard however it is considered that the proposal would not cause harm to this view nor the setting of the listed buildings that surround the Courtyard.
- 11.29 For these reasons the development would not cause harm to the setting of the listed buildings identified as being affected and would comply with the desire to preserve and enhance their setting as set out in section 66 of the planning act.

Townscape assessment

- 11.30 The scheme is considered to be acceptable from a townscape point of view. In much the same way as described above in the section regarding setting, the development is considered to improve the overall continuity along Holborn Gray's Inn Road and Brooke Street by which it is bound.

Holborn

- 11.31 Holborn is broadly characterised by 19th and 20th century commercial development often constructed using load bearing stone facades interspersed with more modern office development and domestic dwellings. The southern part of Gray's Inn Road has a less commercial feel and comprises domestic and legal 18th and 19th Century development as well as modern office and residential infill.

- 11.32 The proposal comprises a modern office development which matches the largely glazed offices on Holborn but, with the use of its stone coloured GRC frame - which hangs from the facades at a depth of 450mm - provides a positive response to the traditional load bearing masonry buildings on Holborn and Gray's Inn road. Seen obliquely as you travel along Holborn the vertical GRC fins would give an impression of a more solid and robust building as well as reduce solar gain.
- 11.33 The proposal creates a clear top middle and bottom in much the same vein as the traditional buildings which form the high quality context. At ground level the large loadbearing concrete structure grounds the building. The set back ground floor will provide a wider and more generous pavement close to the tube station exit. The clearly defined parapet marks the distinctive shoulder height of development found along Holborn. The upper level uses thinner fins to create a more delicate and lighter top but which remains part of the buildings language.
- 11.34 The proposed development would follow the height of the street frontage on Holborn and Gray's Inn Road, dropping down to address the quieter Brooke Street on the east side of the site. The new building would sit comfortably within its context

Brooke Street

- 11.35 Residential units will be located at the northern end of the Brooke Street. The proposed residential development is smaller in scale and has a more domestic relationship, which appropriately reduces in scale on the smaller and less importance side road.
- 11.36 The details and materials used retain the commercial aesthetic and relate to the main part of the building however the change in scale and more domestic arrangement punctured windows and human scale changes the hierarchy of the development along Brooke Street. This is considered to create the correct balance on this part of the site which remains commercial in character but is secondary to the Holborn and Gray's Inn Road frontages.



Figure 7: View looking east further west along High Holborn showing collections of modern and historic commercial development built with stone and glass

New pedestrian accessway

- 11.37 The scheme would create a new passage through the north of the site which allows local residents and workers to short cut through the development in much the same way as the existing pedestrian route through the Prudential site. There was an historical pedestrian accessway known as Fox Court that was in existence from 1794 – 1940 to the rear of the site. The proposal would reinstate an accessway through the site that would enhance the pedestrian experience and is a welcomed addition to the site.

Setting of adjoining conservation areas

- 11.38 The site is not located within any conservation area but is positioned between the Hatton Garden Conservation Area to the east, Chancery Lane Conservation Area to the south and Bloomsbury Conservation Area to the west. Given the scale and variety of this dense urban environment, the setting of the conservation area is not considered to be affected in this instance. The proposal complies with policy D2(g) of the Camden Local Plan.

Strategic viewing corridor

- 11.39 The site is within the strategic and wider viewing corridor from Primrose Hill to St Pauls and the background corridor from Greenwich and Blackheath to St Pauls. Viewing corridors aim to protect important views of St Paul's Cathedral and the Palace of Westminster. Buildings of a height that would harm these views will be resisted.

- Blackheath

11.40 The development breaches the protected corridor height from Blackheath by around 1m however the distance of the development behind St Pauls and the height forward of the development site would mean the height above AOD would not cause harm in the view. A condition to be attached to ensure that there would be no projections above ridge level of the building to ensure the preservation of protected LVMF View 4A.1

- Greenwich

11.41 The development breaches the protected corridor height from Blackheath by around 1.25m. The increase in height above the datum level would be unperceivable at the distances involved. Nevertheless the site also sits directly behind the dome of St Pauls and would not be seen in the view. No harm would therefore be caused.

- Primrose Hill

11.42 The proposed height would be below the protected datum height for this strategic view and is therefore considered acceptable.

11.43 It must be noted that the Greater London Authority and Historic England have both been formally consulted on the application and have raised no objections to this element of the scheme.

12.0 Archaeology

12.1 The site falls within an archaeological priority zone. Policy D2 of the Camden Local Plan states that the Council will seek to protect remains of archaeological importance by ensuring that acceptable measures are taken proportionate to the significance of the heritage asset to preserve them and their setting, including physical preservation, where appropriate.

12.2 A historic environment assessment produced by MOLA was submitted in support of the application. This confirmed that existing building will have significantly impacted archaeological survival, with only the base of cut features likely to survive under the shallower basement level in the western part of the site. The nature of the archaeological remains that may still be present are still of interest and it is therefore recommended that in light of the above the most appropriate mitigation strategy would be for an archaeological watching brief during development, focusing on the western part of the site where greater survival is expected.

12.3 Greater London Archaeology Advisory Service (GLASS) have reviewed the information and has requested that a condition be attached to any permission to secure the submission of a written scheme of investigation in order to conserve any archaeological interest within the site.

13.0 Landscaping and trees

13.1 The Landscaping, public realm and trees considerations are as follows:

- Policy review
- Public open space

- New pedestrian accessway
- Trees

Policy review

- 13.2 Policy A2 of the Local Plan seeks to protect enhance and improve access to Camden's open spaces and other green infrastructure.

Public open space

- 13.3 The site contains a lack of public open space, external amenity areas and soft landscaping features within the boundary. The introduction of landscaping to the building is welcomed and would enhance the appearance of the building whilst providing amenity space for its users. Indicative landscaped plans for the roof pavilion have been provided. It would be recommended that details would be secured by condition.

New pedestrian accessway

- 13.4 The proposal would create a new pedestrian accessway through the site, reinstating a link which has existed historically linking Brooke Street to Gray's Inn Road. This area would have a floorspace of 63.7sq. m and is considered a significant benefit of the scheme, creating a new route and improving permeability. The accessway would be enclosed to the north by coloured lighting structures. Hard and soft landscaping details would be required by condition to include details of lighting, and all surface materials (vehicular and pedestrian) for the new accessway.

Trees

- 13.5 There are currently 2 London Plan street trees to the southwest of the site on the pavement of Gray's Inn Road. It is proposed to retain and protect these trees during the construction. There is a smaller street tree located on the pavement on Holborn. This is a street tree and falls outside of the application site.
- 13.6 An arboricultural report and a tree protection plan produced by Ian Keen Limited has been submitted in support of the application.
- 13.7 The existing basement under the southern part of the site would be excavated by approximately 1.4m to rationalise the floor levels of the basement to create a full height single storey level. The arboricultural report advises that the foundations of the existing building inhibits the root spread of the two London Plane street trees and would not harm the root spread of the trees. The Tree Officer has reviewed this information and confirms that the basement works would not affect the health and vitality of the trees.
- 13.8 The superstructure of the new building would project out from 2nd to 5th floor levels on the western, southern and eastern facades. The western side elevation of the new building would project to within 2m of the tree spread. The trees would require pruning back to allow for 2m clearance from the proposed façade. The form of the trees have been affected over many years by the close proximity to structures, historic pruning, and the effect the existing building has had on available light levels. This has resulted in the

trees leaning over the highway away from the existing building on the application site. As such, the amount of material/percentage of the crown that is required to be removed to achieve the clearance is minimal and is not considered to have an adverse effect on the long term health of either tree or the visual amenity the trees provide. The Council's Tree Officer has confirmed that the proposal is considered acceptable in arboricultural terms. A condition to secure tree protection details would be required.

- 13.9 The arboricultural reports suggests that the Rowan tree (T3) fronting Holborn is not of any particular amenity value and should be replaced; however the tree is shown as being protected in the tree protection plan. Given that the tree falls outside of the application site and is on Camden land its removal would not be supported by the Council. A condition would be attached to ensure that the tree is protected in line with the tree protection plan.

14.0 Impact on neighbouring amenity

- 14.1 The considerations on the impact on the amenity of the occupiers of neighbouring properties are as follows:
- Policy review
 - Daylight and sunlight
 - Outlook
 - Overlooking
 - Noise and disturbance

Policy review

- 14.2 Policies Local Plan policies A1 and A4, and CPG6 (Amenity), seek to ensure that the existing residential amenities of neighbouring properties are protected, particularly with regard to visual privacy, outlook, daylight and sunlight, noise and air quality. Policy A1 states that the Council will only grant permission for development that does not cause harm to amenity.
- 14.3 The application site is immediately surrounded by Brooke Street to the east, Holborn to the south and Gray's Inn Road to the west. Properties along the west side of Gray's Inn Road face towards the western side elevation of the site. The surrounding properties which have been assessed as part of the proposal are 1-23 Gray's Inn Road. This is a seven storey building on the opposite side of Gray's Inn Road with residential flats from first to sixth floors.

Daylight and sunlight

- 14.4 A Daylight and Sunlight Report by GIA has been submitted as part of this application. It provides an assessment of the potential impact of the development on sunlight, daylight and overshadowing to neighbouring residential properties based on the approach set out in the Building Research establishment's (BRE) 'Site Layout Planning for Daylight and Sunlight: A Good Practice Guide (2011)'. The assessment is based on floor plans obtained from the Council website to improve the accuracy of the analysis and were incorporated into a 3D digital context model.

14.5 The report makes use of four standards in the assessment of existing versus proposed daylight and sunlight levels:

- Vertical Sky Component (VSC) - A measure of the amount of sky visible at the centre of a window. The BRE considers that daylight may be adversely affected if, after development, the VSC is both less than 27% and less than 0.8 times (i.e. a reduction of more than 20%) its former value
- No Sky Line (NSL) - The area at desk level inside a room that will have a direct view of the sky. The NSL figure can be reduced by up to 20% before the daylight loss is noticeable
- Average Daylight Factor (ADF) - A measure of the ratio of the luminance in a room to the external unobstructed sky. It is mostly used to assess daylight in new dwellings but can be an additional test to VSC when the layout of the existing units are known
- Annual Probable Sunlight Hour (APSH) - A measure of the amount of sunlight that windows within 90 degrees of due south receive and a measure of the number of hours that direct sunlight reaches unobstructed ground across the whole year and also as a measure over the winter period.

14.6 The overall results of the daylight/sunlight analysis are below.

- VSC – of the 161 windows tested 77% (125) meet BRE guidance. Of the 36 windows that do not meet BRE guidance 16 (10%) of these are minor transgressions between 20.1% - 21.8%.
- NSL – of the 80 windows tested 46% (37) meet BRE guidance. Of the 43 windows that do not meet BRE guidance, 14 (17%) of these are minor transgressions between 20% - 29%.
- APSH – of all the habitable windows deemed relevant for sunlight analysis 100% meet BRE guidance

14.7 Where the reductions beyond the typical BRE recommendations occur, the majority exceed by a minor margin (i.e reductions ranging from 20% to 30%). In the instances where slightly larger effects occur, these are predominantly due to the limitations from the design features in the affected properties (balconies/overhang from roof above and rooms with deep floor plates).

14.8 Officers acknowledge that the proposed development is within a dense urban environment, within Zone 1 of Central London, and the design and nature of some of the existing neighbouring buildings is such that there are pre-existing shortfalls in daylighting relative to the normal BRE Standards. For example, some of the windows of the surrounding buildings are recessed underneath a deep overhang and as such they already experience relatively low levels of lighting. When this is the case any small absolute reduction can result in non-compliance. Given the nature of the site and surrounding buildings, it would be

difficult to develop the property without resulting in some transgressions in BRE guidance. The London Plan March 2016 Supplementary Planning Guidance – Housing states, in para. 1.3.45, that ‘an appropriate degree of flexibility needs to be applied when using BRE guidelines to assess the daylight and sunlight impacts of new development on surrounding properties, as well as within new developments themselves. Guidelines should be applied sensitively to higher density development’. This does not mean that BRE guidelines should be disregarded for assessment purposes, rather that the decision maker should apply the results flexibly and consider the circumstances of the site and the affected properties. An analysis is included below.

- 14.9 The residential flats are located to the west of the application site and have windows overlooking it. Twenty of the windows located on the 6th floor of the building are recessed underneath a deep overhang. This overhang obstructs daylight and sunlight potential for the windows and rooms behind them.
- 14.10 The BRE guidance recognises these limitations and suggests that additional analysis should be undertaken considering the change in daylight (and sunlight) without the balconies in place. Paragraph 2.2.11 of the guidance is quoted below:

‘Existing windows with balconies above them typically receive less daylight. Because the balcony cuts out light from the top part of the sky, even a modest obstruction opposite may result in a large relative impact on the VSC, and on the area receiving direct skylight. One way to demonstrate this would be to carry out an additional calculation of the VSC and area receiving direct skylight, for both the existing and proposed situations, without the balcony in place. For example, if the proposed VSC with the balcony was under 0.8 times the existing value with the balcony, but the same ratio for the values without the balcony was well over 0.8, this would show that the presence of the balcony, rather than the size of the new obstruction, was the main factor in the relative loss of light.’

- 14.11 As recommended in the BRE guidance, the applicant’s daylight consultants has undertaken an assessment for all the windows and rooms in the 6th floor and compared the existing situation against when the overhang has been removed. The results of this comparison demonstrate the profound effect that deep overhangs over recessed windows have on daylight analysis. In the baseline situation, there are some windows reflecting relative changes in VSC of up to 40%. However whenever the overhang is removed the relative change (for the same windows) drops to less than 14%. This meets the BRE recommendations in respect to VSC. The higher reductions when analysing the existing format are due to the low existing level of VSC with the overhang in place. The reality is that the level of change is low and the figures are distorted by the existing situation. Due to the constraints imposed by the overhang above the windows and their recess behind the main façade, which in some cases leads to windows with an existing VSC of less than 10%, the reductions caused by the proposed development result in 77% of the windows meeting the typical BRE guideline recommendations for VSC. The comparison study shows

that in many cases the roof overhang above more than doubles the relative change that would originally be reflected.

- 14.12 The analysis of VSC without the overhang shows that in all but 14 of the windows, the reductions would be less than or within 2% of the typical 20% margin recommended by the BRE. Of the 14 windows that incur a marginally larger relative change, the worst case is a reduction of 21.7%. These windows are located at first floor level (i.e. the lowest level of the residential accommodation. They look over the western side of the site where the building is projecting out at second floor level.
- 14.13 The alternative assessment is in line with the BRE and shows that the typical (i.e mean) change in VSC without the distortion from the overhang is less than 13%. The few windows that exceed the typical 20% margin are all within 2% of the BRE guidance.



Figure 8 (above): Image of 1-23 Gray's Inn Road showing the overhang above the 6th floor of the building which compromises many of the 6th floor windows underneath.

- 14.14 In terms of the daylight distribution (NSL) within the rooms of the residential block at 1-23 Gray's Inn Road 80 windows were tested. Thirty seven (46%) meet BRE guidance. Of these windows, 43 windows do not meet BRE guidance. It is considered that the reason for some rooms reflecting higher than the typical 20% relative change margin is largely due to the design features of the property. A detailed examination of the results shows that where larger reductions are reflected, this relates to rooms that are either very deep in plan form, single aspect and or have narrow windows located at one side of the room. These factors materially hinder the spread of daylight across the rooms. The BRE guidance acknowledges the limitations in the NSL assessment in paragraph 2.2.10:

'The guidelines above need to be applied sensibly and flexibly. There is little point in designing tiny gaps in the roof lines of new development in order to

safeguard no sky lines in existing buildings. If an existing building contains rooms lit from one side only and greater than 5m deep, then a greater movement of the no sky line may be unavoidable.'

- 14.15 The floor plans of 1-23 Gray's Inn Road show that some of the habitable rooms located opposite the proposal are in excess of 5m deep so fall within the category recognised by BRE guidance above. The deep plan form together with the unusual window positions and shapes serving the bedrooms limits the spread of daylight. The majority of the rooms affected are bedrooms (36 out of 43 rooms) and the BRE guidelines specifically acknowledge that bedrooms are a less important consideration for the NSL analysis. Figure 11 below shows a typical floor plan of flats within 1-23 Gray's Inn Road.

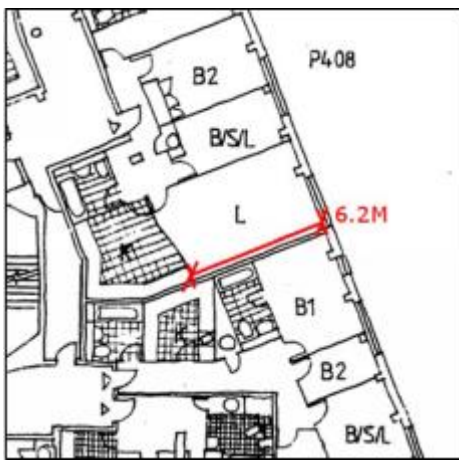


Figure 9 (above): Typical floor plan showing the depths of living rooms at 1-23 Gray's Inn Road.

- 14.16 To summarise the above, it is considered that there are a number of design constraints which materially influence the VSC and NSL results. These design constraints are recognised by the BRE as needing a more detailed and flexible consideration. The analysis shows that the typical change in VSC across the property is within 20% and in all cases less than 22% (when the overhang has been removed for the purposes of the calculations). The change in NSL is larger in some instances; however this is clearly influenced by the design and use of the rooms, which the BRE recognises is not conducive to the typical NSL parameters. Officers confirm they are satisfied with this assessment and accordingly expect there to be limited material impact on daylight to the affected building.
- 14.17 All windows within the property that are relevant for sunlight assessment meet the typical recommendations in the BRE guidelines for APSH.

Outlook

- 14.18 The new building is predominately being extended in terms of its width at 2-5th floor levels along all the elevations when compared to the existing building. Its height would also be extended from 7 storeys (with 8th storey set back) to 9 storeys along the main part of the building. The increase in the width of the building from 2nd to 5th floors would reduce the separation distance of the new

building and the neighbouring properties in 1-23 Gray's Inn Road by approximately 3m from 22m to 19m. Given the separation distance between the properties and the height and massing of the building it is not considered that the proposal would result in an undue level of harm to adjacent occupiers living conditions by way of an overbearing impact or material loss of outlook.

Overlooking/ Loss of privacy

- 14.19 The closest residential flats are located to the west of the application site at no 1-23 Gray's Inn Road. The second to fifth floors of the new commercial building would be located 19m from the main eastern side elevation of the neighbouring building. Given the separation distance between the application site and the neighbouring residential properties there would be no harmful loss of privacy as a result of the development.
- 14.20 The proposal includes the use of the 8th floor level of the commercial building as a roof garden measuring 426 sq. m. The area would be landscaped with seating areas and a formal terrace area in the northwest corner. Due to the location of the building and the roof garden area it would not be considered possible to gain views towards the neighbouring properties along Gray's Inn Road. Notwithstanding this, a hard and soft landscaping condition would be required to ensure there are no opportunities for direct overlooking into neighbouring residential development.
- 14.21 A new external terrace area would be created on the northwest part of the office building at 7th floor level. It would measure 38 sq. m and would be located adjacent to the roof of the new residential block. Private balconies would be proposed to the west and north of the residential block however they would be located 7m from the proposed terrace. Due to the location of the terrace at 7th floor level, and separation distance between it and the residential balconies below it would not be possible to gain direct views from this terrace onto the residential balconies and is thus considered acceptable.

Noise and disturbance

- 14.22 The proposed development includes the creation of a café (A3), retail units (A1), the expansion of office space (B1), the introduction of residential units (C3) and plant equipment to support the development. Given the location of the development and the nature of the existing and surrounding uses, the principle of the development is considered acceptable and unlikely to cause undue harm to the living conditions of surrounding residents; subject to suitable details, mitigation and relevant conditions.
- 14.23 As stated in paragraph 10.10 above a 'Noise, Vibration and Ventilation Assessment' has been submitted in support of the application. The report seeks to ensure that the development avoids noise giving rise to adverse impacts on health and quality of life as a result of new development. It aims to mitigate and reduce the noise to a minimum. External noise from new building services plant is assessed using the guidance BS:4142, targeting a cumulative noise level of 5 dB lower than the background noise level at the nearest noise sensitive property. If noise contains an impulsive or tonal noise character, noise from plant and machinery would be at least 10 dB lower than the

prevailing background noise level. This accords with policy A4 of the Local Plan.

- 14.24 The submitted report assesses the existing background noise environment and the noise levels of the proposed plant equipment. The external plant noise limits are based on the total cumulative noise level from all new plant associated with the development and would be set within the parameters of policy A4.
- 14.25 At this stage, the exact locations and technical specifications of the plant equipment are unknown. And therefore it is not possible to predict the associated noise levels at the nearest noise sensitive properties. Despite this, it is considered that the plant design is sufficiently flexible to ensure that quiet, non-tonal plant can be procured and mitigation options can be included (e.g. plant enclosures) to ensure the above noise limits are not exceeded (i.e limited to at least 5/10db below background levels). This includes low-noise plant; use of appropriate external acoustic linings around plant areas; atmospheric duct-mounted attenuators on air moving plant and a detailed acoustic mitigation assessment.
- 14.26 The Council's Environmental Health Officer has reviewed the details and suggested a number of conditions, including the detailed design of plant equipment, secured noise levels and anti-vibration measures.
- 14.27 A roof top pavilion and roof garden would be created on the 8th floor of the building. This would allow the users of the office building to have access to a large roof top garden amenity space within the upper floors of the building. Due to its size of the roof terrace (approximately 426 sq. m) there may be potential for a large number of people to use the area and to generate noise that may disturb the neighbouring residential properties along Gray's Inn Road. A terrace area on the 7th floor would also be created for office users. It is considered necessary to restrict the use of the terraces to the office users only and limit the hours of use 08:00 and 21:00 Monday to Friday and at no time during the weekends. This is considered reasonable for the location and sufficient to protect amenity. A condition would also be attached to restrict any amplified music from being play on the roof top garden.
- 14.28 With regards to the proposed Class A1 uses, officers consider that these uses by their very nature would be able to operate in close proximity to residential use and that there would be no need for a condition limiting hours of use. With regards to the proposed Class A3 cafe use, it is considered that a condition should be attached to protect residents from noise. A condition is therefore suggested limiting hours of use to between 06:30 to 21:00 Monday to Saturday and 08:30 to 18:00 hours on Sunday, which is considered reasonable for the location and sufficient to protect amenity.

15.0 Land contamination

- 15.1 Due to the demolition of the existing 1980's office building and redevelopment of the site for mixed use scheme of commercial that includes residential uses

the Council's Contaminated Land Officer has recommended the submission of a written programme of ground investigation to inspect for the presence of soil and groundwater contamination and landfill gas. A condition would be attached to any permission to secure the submission of these details.

16.0 Basement impact

- 16.1 Policy A5 states 'The council will only permit basement development where it is demonstrated to its satisfaction that the proposal will not cause harm to (a) the neighbouring properties, (b) the structural, ground, or water conditions of the area, (c) the character and amenity of the area, (d) the architectural character of the building and (e) the significance of heritage assets.
- 16.2 There is an existing single storey basement under the entire footprint of the existing building. It is currently on two levels with the northern part of the basement level at 15.450m FFL and the southern part slightly higher at 16.87m FFL. The proposal seeks to rationalise the basement levels in order to provide useable floorspace to support the primary office use facilities including the provision of cycle parking. The rationalisation of the basement levels would include the excavation of the southern part of the basement (approximately 711 sq. m) to lower the floor by 1.4m. The basement floor measures approximately 2,301 sq. m. This would represent 30% of the floor area being lowered.
- 16.3 The site is identified as being in an area of underground constraint for subterranean groundwater flow and slope stability. It is also in close proximity to a number of listed buildings.
- 16.4 The application was accompanied by a Basement Impact Assessment (BIA) produced by OTB Engineering Ltd. A ground movement and damage impact assessment has been submitted which demonstrates that damage to neighbours can be maintained within Category 1 (Very Slight). The independent review by the Council's basement consultant (Campbell Reith) concluded that the BIA is adequate and in accordance with policy A5 and guidance contained in CPG4 (Basements and Lightwells) 2015, subject to the completion of a Basement Construction Plan (BCP) (if sheet piling is to be undertaken), which would be secured by S106. The applicant has satisfactorily demonstrated that the proposed basement would not cause harm to the built and natural environment and would not result in flooding or ground instability.
- 16.5 The site is within close proximity to Chancery Lane underground station. London Underground were notified about the application. They have no objection to the proposal subject to a condition requesting submission of detailed design and method statements for all foundations, basement and ground floor structures both temporary and permanent. This is to ensure that the development would not impact on the London Underground transport infrastructure. Campbell Reith has advised that this condition should be extended to all the asset owners once the final utilities survey is undertaken. A condition would be attached to any permission to secure these details.

17.0 Air quality

17.1 Camden Local Plan policy CC1 is relevant with regards to air quality.

17.2 An Air Quality Assessment (AQA) has been submitted as part of this application. The proposed development is car-free and no energy centre is planned on site. Energy efficient gas boilers would be installed. The Council's Air Quality Officer has reviewed the AQA and has no objections subject to conditions on air quality monitoring and mechanical ventilation.

18.0 Sustainable design and construction

18.1 The sustainable design and construction considerations are as follows:

- Policy review
- Energy
- Sustainability
- Conclusion

Policy review

18.2 Pursuant to London Plan policies 5.2, 5.3, 5.6m, 5.7, 5.9, 5.10, 5.11, 5.12, 5.13, 5.14, 5.15 and 5.17, and Camden Local Plan policies CC1, CC2 and CC3 all developments in Camden are required to make the fullest contribution to the mitigation of and adaptation to climate change, to minimise carbon dioxide emissions and contribute to water conservation and sustainable urban drainage.

Energy

18.3 The Local Plan requires development to incorporate sustainable design and construction measures. All developments are expected to reduce their carbon dioxide emissions by following the steps in the energy hierarchy (be lean, be clean and be green) to reduce energy consumption. Policy CC2 of the emerging Local Plan requires development to be resilient to climate change through increasing permeable surfaces and using Sustainable Drainage Systems, incorporating bio-diverse roofs/green and blue roofs/green walls where appropriate and including measures to reduce the impact of urban and dwelling overheating.

18.4 To comply with the London Plan the proposal must secure a minimum 35% reduction in regulated CO₂ emissions below the maximum threshold allowed under Part L of the Building Regulations 2013. The proposed development would achieve a carbon reduction of 20.2% for the commercial elements, 5.4% for the retail elements and 18.7% for the residential and an overall weighed reduction of 21.8%. Where the London Plan carbon reduction target cannot be met on-site, the Council may accept the provision of measures elsewhere in the borough or a financial contribution (charged at £90/tonne CO₂/year over a 30-year period) to secure the delivery of carbon reduction measures elsewhere in the borough.

- 18.5 The proposals for the site are for a mixed-use development with offices, retail and residential units. All viable measures within the 'be lean, be clean and be green' sections of the energy hierarchy have been maximised for the development. The proposed development would achieve a carbon reduction of 20.2% for the commercial elements, 5.4% for the retail elements and 18.7% for the residential and an overall weighed reduction of 21.8%. The measures to reduce energy from the development include high efficiency communal gas fired boilers delivering water heating (low NOx); high efficiency variable refrigerant flow (VRF) units; 158 sq. m of solar PV; A and A+ rated white goods (where applicable); 100% low energy and/or LED internal lighting; solar thermal facilities and green/blue roofs. The provision of renewable energy and the site-wide emissions reduction of 21.8% beyond Part L would need to be secured via S106 within an Energy Efficiency and Renewable Plan. Details of the solar panels, solar thermal facilities and green roof would be secured via planning condition in the event planning permission is granted.
- 18.6 As the carbon reduction target of 35% cannot be met on-site, the Council in this instance would accept a financial contribution of £164,349 to be secured via S106. The financial contribution is calculated based on the failure to reduce carbon by 128.93 tonnes per year that equates to £164,349.
- 18.7 The site is not currently connected to an existing decentralised energy network. Plant space has been made available for future connections and capped connections to enable a connection to a future low carbon district heating network. Future proofing details would be secured through legal agreement.
- 18.8 The applicant is proposing to install a site heat network for the office and retail spaces. A separate system is proposed for the residential dwellings due to differing operating hours. The GLA has objected to this approach as multiple systems does not allow for easy retrofit to a district heating system. The GLA has suggested that the applicant further investigate how all of the building uses can be integrated into a single system, thereby minimising the requirement for heating plant. The future proofing details would be secured by s106 agreement.

Sustainability

- 18.9 A BREEAM pre-assessment has been submitted confirming that the newly constructed office would produce a score of 89.9%. The development would need to meet minimum credit scores for water materials and energy categories. Sustainability measures would need to be secured through a S106 sustainability plan, indicating BREEAM 'Excellent' and minimum credit targets in Energy (60%), Materials (40%) and Water (60%). Water efficiency targets would be secured by planning condition.

Conclusion

- 18.10 The proposal results in a substantial increase in built form at the application site. As such, it is considered appropriate to secure provision and details of SUDs by condition. The sustainability measures and energy provisions would be secured through Section 106 legal agreement. A contribution of £164,349

towards carbon offsetting would also be secured. A condition is attached with regards to the detailed siting of the photo-voltaic panels.

19.0 Flood risk and drainage

- 19.1 The NPPF requires all major developments to include Sustainable Urban Drainage Systems (SUDS) unless demonstrated to be inappropriate. Major developments should achieve greenfield run-off rates wherever feasible and as a minimum 50% reduction in run off rates. Development should also follow the drainage hierarchy in policy 5.13 of the London Plan.
- 19.2 The proposal is for all rainwater to be routed from the building via gravity. This would be achieved through a series of blue and green roof areas on the commercial and residential rooftops that would control and slow the flow of rainwater collected. It is also proposed to install an attenuation tank in the courtyard area at the rear of the site. It has been demonstrated that the proposal would reduce the peak surface water flow from the building by at least 50%. Further details of green roofs along with detailed information on the maintenance of the SUDS proposal would be required to be submitted by condition.

Surface water drainage

- 19.3 The proposal includes excavation of the existing basement that could be in close proximity to underground water utility infrastructure. Thames Water has recommended that a piling method statement be submitted in consultation with them to ensure that any piling would not impact on local underground water utility infrastructure. A condition be attached to secure these details.
- 19.4 Thames Water has also requested that an informative is attached relating to minimum water pressure, surface water drainage provision and the possibility that a water main may need to be diverted which crosses the site.

20.0 Nature conservation and biodiversity

- 20.1 The planning application is supported by an Ecological Appraisal produced by DAH Real Estates. The consultant undertook an ecology survey of the site, including building inspection. It must be noted that the site currently comprises of hardstanding and buildings with no landscaping or vegetation within the site. There are 2 mature London Plane street trees on the pavement of Gray's Inn Road. The site does not contain any national priority habitats.
- 20.2 An initial inspection for bats was undertaken followed by a dusk bat activity survey to assess the risk of bats roosting within the building. The potential for bats to be roosting was highlighting due to the presence of access points (open windows, service shafts, and other small openings) and a number of dark, dry cracks, crevices and voids which a bat may utilise as a roost. A licenced bat ecologist was commissioned to undertake an inspection and subsequent bat survey. No bats were observed during the survey. However recommendations were made. This included caution during the stripping of

lead flashing around the top floor of the building as an area having potential to support roosting bats.

- 20.3 There were no potential for other protected species or habitats on the site.
- 20.4 The appraisal made further recommendations to aim to incorporate features that would result in a net biodiversity gain for the site including provision of bird boxes, living roofs and walls.
- 20.5 A Conservation Ecologist from the London Wildlife Trust assessed the details on behalf of the Camden Nature Conservation Service. A number of planning conditions were recommended including a method statement for site works, a lighting statement, detailed submission of planting proposals and details of bat bricks/boxes, bird boxes and bug boxes. Subject to these details being secured by planning condition, the development is considered to be in accordance with policy A3.

21.0 Transport

- 21.1 The following transport considerations are covered below:
- Site context
 - Public footpath, public realm alteration and stopping up orders
 - Car parking
 - Servicing
 - Cycle hire and Legible London
 - Travel plans
 - Cycle parking
 - Management of construction impacts on the public highway in the local area
 - Pedestrian, cycling, environmental and public realm improvements
 - Highway and public realm improvements directly adjacent to the site
 - Summary of requirements

Site context

- 21.2 The site is easily accessible by public transport with a public transport accessibility level (PTAL) rating of 6b (best). It is serviced by a number of buses (with major routes via Holborn and Gray's Inn Road) and is within walking distance of a number of underground and rail stations including Chancery Lane, Farringdon, and Holborn. The site is located within the Kings Cross (CA-D) Controlled Parking Zone (CPZ).

Public footpath, public realm alteration and stopping up orders

- 21.3 The outline of the building is proposed to change as part of this application, below in Figure 10 (below) the green sections are where the Council would benefit from addition footway space where the building retracts and the areas in orange where it moves forward. The area gained exceeds any loss, with the benefits to Brook Street which currently suffers from a very narrow foot way and the majority of the loss on the corner of Holborn and Grey's Inn Road.



Figure 10 (above): Ground floor plan showing the areas of public pavement that would be gained and lost.

- 21.4 The Council are generally happy for this area to be stopped up, however the applicant would be required to go through the formal stopping up process if planning permission is granted. This would be subject to additional consultation.

Car parking

- 21.5 The site is located within the Kings Cross (CA-D) controlled parking zone and has a PTAL rating of 6b (Excellent). This means that the site is easily accessible by public transport. Camden's Local Plan policy T2 requires developments in such locations to be car free.
- 21.6 The proposal would provide a car free development with no general parking spaces on the site. This is welcomed and would help to minimise the impact of the development on the local area and what is already a highly stressed Controlled Parking Zone with 105 permits for every 100 spaces available. For car free developments, the Council will:
- not issue on-street parking permits;
 - use planning obligations to ensure that future occupants are aware they are not entitled to on-street parking permits; and
 - not grant planning permission for development that incorporates car parking spaces, other than spaces designated for people with disabilities, and a limited number of spaces for car capped housing in accordance with Council's Parking Standards.
- 21.7 In order to meet the requirement to provide adequate access for disabled residents, the proposal would include the provision of 2 disabled parking

spaces. Of these, 1 space will be made available for the office area and 1 for the residential units.

- 21.8 All disabled parking would be located within the development site and would not have an impact on the public highway. The London Plan promotes the use of low emission vehicles, including through expanding the availability of electric charging points. At least 1 electric vehicle charging point (EVCP) should therefore be provided as part of the disabled provision, so that it can be used by electric vehicles. This requirement should be secured by condition.
- 21.9 Subject to a car-free development being secured for all residential units as a s106 planning obligation and the provision of 2 disabled parking bays being secured as a condition, the proposal would be in accordance with Policy T2.

Servicing

- 21.10 Servicing will be conducted entirely on site through the provision of 2 service bays. Vehicles would have sufficient space to turn on and off site in a forward gear as required by CPG7, section 4 for a development of this size. A Delivery and Service Plan (DSP) has been provided as part of this application, which is welcome and would be required to be secured as a condition if planning permission is granted. This outlines that there is expected to be a reduction in the overall number of deliveries from 51 to 41 per day. This results from the reduction in retail space, which requires a far higher level of deliveries compared with the uplift in office or residential units as shown in Table 5 (below)

Floor Area (NIA)	C3 Residential (m ²)	B1 Office (m ²)	A1-A3 Retail (m ²)	Total (m ²)
Existing Use	127	7,150	2,589	8,518
Proposed Use	862	10,622	1,353	12,837

- 21.11 Based on the assessment provided in the DSP the Council are satisfied that this development would have no additional impact on the public highways than the existing management of the building and the 2 service bays provided will be sufficient to accommodate the development's needs.
- 21.12 That being said, the development would still produce significant movement of goods and services. The development is based along 2 roads classified as part of the Strategic Road Network; Gray's Inn Road and Holborn. Brooke Street is very narrow which would not be able to accommodate any service vehicles stopping to unload. Therefore if planning permission is granted the Council would require a Service Management Plan to be secured by section s106 legal agreement.

Cycle Hire and Legible London

- 21.13 TfL has requested a sum of £1,000, payable to Camden Council in s106 to update two legible London signs in the local vicinity of the site.
- 21.14 Cycle hire docking stations in the vicinity of the site are experiencing high levels of demand. The three closest stations (including Holborn Circus) fall

within the top 5% of the busiest stations on the London wide network. Demand is anticipated to grow in the future and this development is likely to increase pressure on the cycle hire network. TfL has requested a site specific s106 contribution of £200,000 to be secured for the installation of a new 32 point docking station. The location is to be determined; however if land cannot be secured on site, TfL would commit to providing the facility within the vicinity of the subject site.

Travel Plans

- 21.15 Holborn is an extremely busy area, with High Holborn and Chancery Lane Tube station being two of the busiest stations in London. This development would lead to a large number of people travelling to and from the site for primarily work reasons and to a lesser extent to live and shop.
- 21.16 In this instance the Council would seek to mitigate the impact of this development by requesting a Workplace Travel Plan, (this would not be required to cover the retail and residential aspect of the site as it does not meet Camden Council's required thresholds). Travel Plans are an effective tool for managing visitors, volunteers and employees at a site by helping to promote sustainable transport and raising awareness of their benefits.
- 21.17 If planning permission is granted a Workplace Travel Plan would be secured as a section 106 planning obligation. The travel plan would be required to be approved by the Council prior to completion of the proposed works. This would include a requirement for a Travel Plan Co-ordinator to be appointed no less than 3 months before occupation.
- 21.18 The Council would also seek to secure a financial contribution of £6,244 to cover the costs of monitoring and reviewing the travel plan over a 5 year period. This would be secured by a Section 106 planning obligation if planning permission is granted.
- 21.19 Transport for London encourages developers to use the TRICS database (formerly TRAVL) for trip generation predictions. The Council would require the applicant to undertake a TRICS after study and provide TfL and Camden with the results on completion of the development. TfL would then be able to update the TRICS database with the trip generation results for the various use categories associated with this development. The Council would seek to secure the necessary after surveys and results by Section 106 agreement as part of the Travel Plan review and monitoring process.
- 21.20 Policy T1 of the Local Plan requires developments to sufficiently provide for the needs of cyclists. The London Plan provides guidance on minimum cycle parking standards and these are outlined in Table 6.3 of the London Plan.

Cycle parking

- 21.21 Table 6.3 of the London Plan requirements are as summarised in table 6 (below).

Table 6.3 Cycle Parking minimum standards

Land use		Long-stay	Short-stay
A1	food retail	from a threshold of 100 sqm: 1 space per 175 sqm	from a threshold of 100 sqm: first 750 sqm: 1 space per 40 sqm thereafter: 1 space per 300 sqm
	non-food retail	from a threshold of 100 sqm: first 1000 sqm: 1 space per 250 sqm thereafter: 1 space per 1000 sqm	from a threshold of 100 sqm: first 1000 sqm: 1 space per 125 sqm thereafter: 1 space per 1000 sqm
A2-A5	financial / professional services	from a threshold of 100 sqm: 1 space per 175 sqm	from a threshold of 100 sqm: 1 space per 40 sqm
	cafes & restaurants		
	drinking establishments		
	take-aways		
B1	business offices	inner/ central London: 1 space per 90 sqm	first 5,000 sqm: 1 space per 500 sqm
		outer London: 1 space per 150 sqm	thereafter: 1 space per 5,000 sqm
C3-C4	dwellings (all)	1 space per studio and 1 bed-room unit 2 spaces per all other dwellings	1 space per 40 units

Table 6 (above): Cycle parking minimum standards

21.22 This would equate to the following requirement to meet London Plan standards:

- Flexible A1-A3 1,450sqm = 6-8 staff, 9 - 36 visitors
- B1 14,604sqm = 163 staff, 12 visitors
- C3-C4 13 units (6 x 1 bed, 3 x 2 bed, 2 x 3 bed) = 18 residences, 1 visitors
- Over all = 169 - 171 Staff, 18 residences, 21-48 Visitor

21.23 The proposed development would supply 230 cycle parking of which 172 would be located in the basement and 48 at ground floor level, with 10 being located within the public realm. No. 20 cycle spaces associated with the residential development would be proposed. This cycle parking would comply with the London Plan Standards, as outlined in Table 5 above. It must be noted that the visitor cycle parking overflow cannot be guaranteed to be placed on the public highways and would be subject to further consultation and design requirements. The cost of these works will be included in the required highways contribution.

Land Use	Long Stay (Basement/Ground Floor)	Short Stay (Ground Floor)	Short Stay (Public Realm)	Total
Residential	20**	1	-	21
Office	164	12	-	176
Retail	8	15	10*	33
Total	192	28	10*	230

Notes:

* A financial contribution is proposed towards provision of 10 short stay cycle parking spaces (5 Sheffield stands) within the public realm.

** Residential long stay parking is provided at ground floor level in a dedicated cycle store.

Table 7 (above): Visitor cycle parking requirements

- 21.24 The 20 long stay residential parking spaces would be provided in a secure cycle store at ground floor level within the residential block. Long stay cycle parking for office and retail staff would be provided within the basement, with access via a lift from the ground floor. All long stay cycle parking spaces at the site would be provided by means of two-tier Josta type racks and is deemed to meet Camden's design guidance.
- 21.25 Short stay cycle parking is proposed to be provided in two locations. Twenty eight spaces are proposed along the northern boundary of the office building at ground floor level with an additional 10 cycle spaces proposed within the public realm directly south of the site.
- 21.26 While the 10 spaces on the public highway could be acceptable in principle, this would be subject to further consultation and the cost of installation will be included in the Highways quote. The short stay cycle parking at the rear of the building would be required to be sign posted from the main entrance to ensure visitors are aware of its location and availability. This provision of 192 long stay and 28 short stay parking spaces meets CPG7 design guidance and would be secured by condition.

Managing of construction impacts on the public highway in the local area

- 21.27 The site is located on the strategic road network (Holborn) in the Central London Area. The proposal would involve a significant amount of demolition and construction works. This would generate a large number of construction vehicle movements during the overall construction period. The proposed works could therefore have a significant impact on the operation of the public highway in the local area if not managed effectively. The Council's primary concern is public safety but it also needs to ensure that construction traffic does not create (or add to existing) traffic congestion or impact on the road safety or amenity of other highway users. The proposal is also likely to lead to a variety of amenity issues for local people (e.g. noise, vibration, air quality).
- 21.28 A preliminary construction management plan (CMP) has been submitted in support of the planning application. This provides useful information to describe the proposed works and how they would be undertaken. It also provides useful information to describe how the impacts associated with the construction period would be mitigated. A more detailed CMP would be prepared once a Principal Contractor has been appointed. This should consider the following points:
- Construction vehicle routes to and from the site will need to make the most efficient use of the highway network in the Central London Area. Such routes will require discussion with Highways Management.
 - The proposed works are likely to generate a significant amount of workers on the site at any given time. We will expect the Principal Contractor to prepare travel planning guidance so as to encourage workers to use sustainable transport instead of private motor vehicles.

- Various highways licences would need to be obtained from the Council prior to works commencing on site (e.g. temporary parking bay suspensions, scaffolding licence, hoarding licence, crane licence etc).
- As already mentioned, the site is located on the strategic road network (Holborn) in the Central London Area. Traffic congestion is already a significant problem in this part of the Borough, particularly during morning and afternoon/evening peak periods. We will therefore expect construction vehicle movements to be scheduled to avoid 0800 to 0930 and 1600 to 1830 hours on Monday to Friday.
- Details will be required to describe how pedestrian and cyclist safety will be maintained, including any proposed alternative routes (if necessary), and any Banksman arrangements.
- The site would be registered with the Considerate Constructors Scheme. We will also expect the proposed works to be undertaken in accordance with the best practice guidelines in TfL's Standard for Construction Logistics and Cyclist Safety (CLOCS) scheme: <http://www.clocs.org.uk/standard-for-clocs/>

21.29 The Council has a CMP pro-forma which should be used once a Principal Contractor has been appointed. The CMP, in the form of the pro-forma, would need to be approved by the Council prior to any demolition or construction works commencing on site.

21.30 The Council needs to ensure that the development can be implemented without being detrimental to amenity or the safe and efficient operation of the highway network in the local area. Therefore, a CMP would be required to be secured as a Section 106 planning obligation if planning permission is granted. This would provide a mechanism to manage/mitigate the impacts which the proposed development would have on the local area. The CMP would need to be approved by the Council prior to works commencing on site.

21.31 It is also recommended that a financial contribution of £20,000 for CMP monitoring be secured as a section 106 planning obligation if planning permission is granted.

Pedestrian, Cycling, Environmental and Public Realm Improvements (PCE)

21.32 The Council is currently involved in early designs of a major transport and public realm scheme in the Holborn area to address a number of significant challenges including road traffic casualties, congestion, poor air quality, traffic dominance, insufficient space for high volumes of pedestrians and cyclists, and a lack of high quality public space.

21.33 This development is likely to contribute towards these issues and the Council would therefore require a PCE contribution to allow the Camden Council in co-ordination with Transport for London to offset and address these issues. Traffic modelling and urban design consultants have been commissioned to develop transport and urban realm proposals for the area. The Council

therefore seek to secure a financial contribution of £200,000 as a section 106 planning obligation if planning permission is granted.

21.34 Policy A1 of the local plan states that ‘Development requiring works to the highway following development will be secured through planning obligation to repair any construction damage to transport infrastructure or landscaping and reinstate all affected transport network links and road and footway surfaces’.

21.35 The Council would therefore secure a financial contribution for highway works as a section 106 planning obligation if planning permission is granted. This would allow the proposal to comply with Policy A1. An estimate has been submitted to the Council’s Highways team and would form part of the S106 if planning permission is granted.

Summary of requirements

21.36 The proposal would be acceptable in terms of transport implications subject to various conditions and s106 planning obligations being secured:

- S106 – Construction Management Plan (CMP)
- A Section 106 planning obligation to secure a financial contribution of £20,000 for CMP monitoring.
-
- A Section 106 planning obligation to secure a Workplace Travel Plan and associated monitoring fee of £6,244
- S106 Highways contribution public highway and public realm improvements of £90,185.17
- S106 Pedestrian, Cycling, Environmental, and Public Realm improvements financial contribution of £200,000 .
- A condition to secure details for at least 1 electric vehicle charging point. The applicant will need to indicate the electric vehicle charging points (active and passive provision) on revised floor plans and these plans should be submitted to Camden (to allow the condition to be discharged) to avoid any future doubt.
- A condition requiring the provision of 192 long stay cycle parking spaces, 21 short stay cycle parking for the entire development, designed to Camden Council’s design specifications and the ongoing retention of these facilities, details of which will need to be submitted and approved, and approval should be reserved by condition. It should be noted that cycle parking facilities for staff and residents would need to be located within the building and would need to be covered, secure, and fully enclosed. Refer to CPG7 (Transport) for details.
- A Section 106 planning obligation to secure a financial contribution of £200,000 towards the London Cycle Hire scheme as recommended by TfL.

- A Section 106 planning obligation to secure a financial contribution of £1,000 towards the Legible London scheme as recommended by TfL. .
- A Section 106 planning obligation to secure a Delivery and Servicing Management Plan (SMP).
- A Section 106 car free development (except for disabled parking as proposed).

22.0 Safety and security

- 22.1 Policy C5 requires development to demonstrate that they have incorporated design principles that contribute to community safety and security. A 'Secure by Design' statement has been submitted as part of the Design and Access Statement, which was created in consultation with the Designing Out Crime Officer. The development incorporates specifically designed doors, windows, post boxes, stores, access control, utility meters, lifts, lighting, CCTV and alarms.
- 22.2 The proposal would include the creation of a historic accessway that leads from the Prudential building through the site to Gray's Inn Road and is part of a series of routes /passages in the immediate area. Increasing permeability encourages natural surveillance and can discourage anti-social behaviour or fear of it. Concerns were raised by the Designing Out Crime Officer that the pedestrian accessway could potentially result in anti-social behaviour. The accessway would include gates at the entrance from Brooke Street (D), the rear of the residential block within the central part of the site (C) and the entrance to Gray's Inn Road (B). A gate would also be installed across the vehicular access from Brooke Street (A).

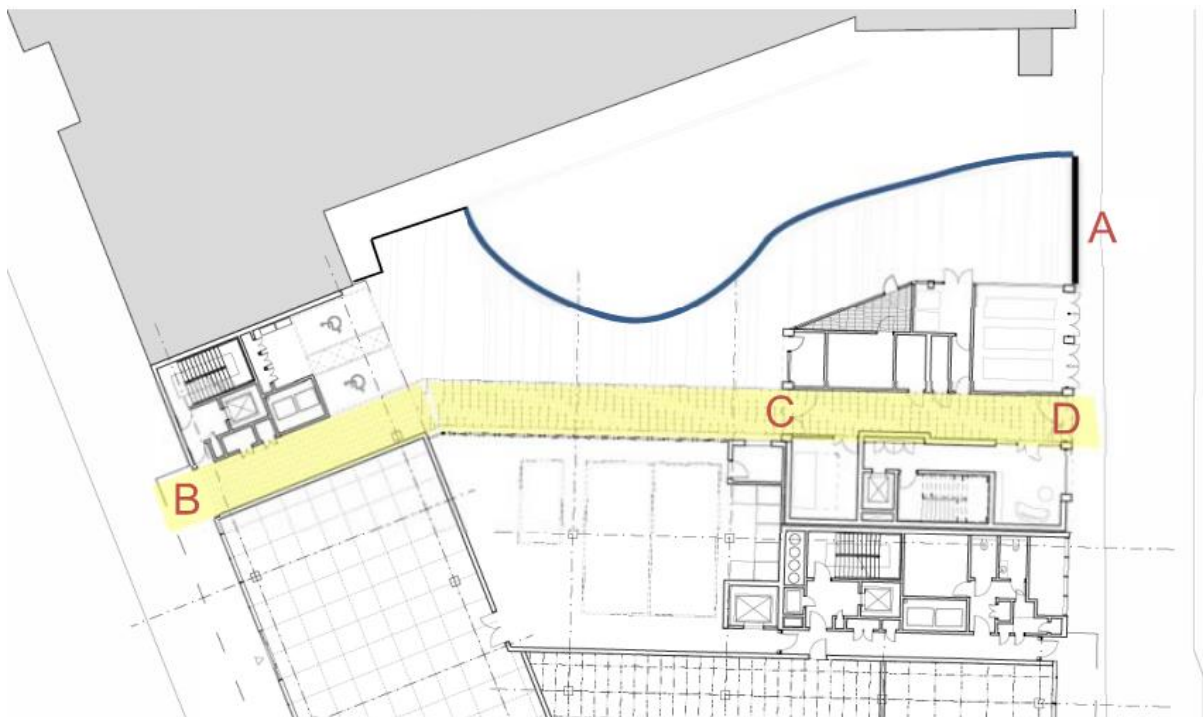


Figure 11: The new pedestrian accessway from Brooke Street to Gray's Inn Road.

- 22.3 The gate A would form a barrier to the vehicular access from Brooke Street and would only be opened during office hours (Monday to Friday). When deliveries would be scheduled outside these times access control would only allow residents to access the disabled parking spaces. The pedestrian gates would only be open during the daylight hours from Monday to Friday to secure the residential access. These would be self-closing with access control to the residential block only. The gate labelled B from Gray's Inn Road would be locked when not in use.
- 22.4 At the western end of the route the entrance would be overlooked by an A1 retail unit. On the eastern side the route would be overlooked by the residential units fronting onto Brooke Street. The pedestrian accessway would include CCTV, lighting and other measures to ensure the space would be safe and secure. Following further consultation with the Secure by Design Officer he confirmed that this would be acceptable. Details of the locations, and design of the CCTV cameras, and lighting of the passageway would be secured by condition. Given the above, it is considered that it be preferable if the accessway remains open during daylight hours. A section 106 agreement is recommended requiring this. Should the passage during the day give rise to anti-social behaviour the applicant could apply to the Council to remove this obligation. Full justification would be required to be submitted in support of this.
- 22.5 There are several door openings (4 in total) that open outwards onto the pedestrian accessway. A condition would be attached to prevent all doorways, except for fire doors or for access to utilities, from opening outwards onto the footway. All doors must either open inwards or be sliding to not restrict the flow of pedestrians or risk being opened on someone passing.

23.0 Refuse and recycling

- 23.1 The commercial uses would adopt a waste strategy as per the existing development. A loading bay and refuse storage area would be located to the rear of the building that would be accessed from Brooke Street. The storage area provides 2 x 1100L and 1 x 360L Eurobin compactor. The residential waste would be stored internally within the ground floor rear part of the residential block. The storage area would comprise 2 x 1100L and 1 x 360L wheelie bins. The bins would be collected from the street as per the existing arrangement.
- 23.2 The Council's Environmental Services Officer has been consulted and has assessed the refuse and recycling storage and also the proposed waste collection arrangements and has no objections to the proposal. The refuse and recycling facilities would be considered sufficient and would be secured by condition.

24.0 Employment and training opportunities

24.1 The proposed development is large enough to generate significant local economic benefits. Policy E1 and CPG8 (Planning Obligations) state that in major developments the Council will seek to secure employment and training opportunity for local residents and opportunities for businesses based in the borough to secure contracts to provide goods and services. A range of training and employment benefits would be secured via S106 agreement to provide opportunities during and after the construction phase for local residents and businesses. This would include:

- The applicant is required to work to a target of 20% local recruitment.
- The applicant should advertise all construction vacancies and work placement opportunities exclusively with the Kings Cross Construction Skills Centre for a period of 1 week before marketing more widely.
- The applicant should provide a specified number (to be agreed) of construction work placement opportunities of not less than 2 weeks each, to be undertaken over the course of the development, to be recruited through the Council's Kings Cross Construction Skills Centre.
- If the build costs of the scheme exceed 3 million the applicant must recruit 1 construction apprentice per £3million of build costs, and pay the council a support fee of £1,500 per apprentice as per clause 8.25 of CPG8. Recruitment of construction apprentices should be conducted through the Council's Kings Cross Construction Skills Centre.
- If the value of the scheme exceeds £1million, the applicant must also sign up to the Camden Local Procurement Code, as per section 8.3 of CPG8
- The applicant provide a local employment, skills and local supply plan setting out their plan for delivering the above requirements in advance of commencing on site.
- In line with CPG8 clause 8.32, the applicant is required to pay a contribution of £76,219 to support the provision of training and employment advice to local residents and to support local procurement initiatives in Camden. This contribution is calculated as follows.

24.2 The proposals are therefore in accordance with the guidance set out in CPG5 and policy E1 of the Camden Local Plan.

25.0 Play and Open Space

25.1 The Local Plan requires an 'appropriate contribution' to open space, with priority given to publicly accessible open space. Policy A2 gives priority to securing new public open space on-site, with provision of space off-site near to the development acceptable where on-site provision is not achievable. If there is no realistic means of direct provision, the Council may accept a financial contribution in lieu of provision. The application site is almost entirely

covered by built form. There is currently no public open space on the site and it is not considered feasible to provide any. External amenity spaces are provided for the residential and employment uses and it would not be possible to provide these to the public given their nature and sensitivity. Overall, 616 sq. m of external space is being provided within the residential balconies, and office roof terraces. This is welcomed given that none is currently provided.

25.2 The scheme provides 13 residential units with an additional 3,722 (GIA) of office floorspace. Based on the increased demand for open space from the uplift in residents and workers occupying the site, provision of open space is expected. As there is no realistic means of direct provision, the scheme would be acceptable and in accordance with policy subject to a s106 financial contribution to local open space provision.

25.3 CPG6 requires 9m² of open space per residential occupier and 0.74m² per worker. Based on the number of units provided and their size the development would provide space for 41 occupiers. The development would have a net increase in employment of 3,722 sq. m (GIA) which would be divided by 12 (space requirement per full-time employment) to give 310 workers. Therefore, the open space requirement for the development would be 369 sq. m (41 x 9) for the residential component and 229.4 sq. m (0.74 x 310) for the employment uses (both figure GIA). A payment in lieu of the 598.4 sq. m requirement must therefore be calculated towards the provision, maintenance and improvement of open space in accordance with CPG6 (Amenity) and CPG8 (Planning Obligations) must be calculated.

25.4 The financial contribution has been calculated in accordance with figure 4 of CPG8 with the workings for the required payment of £22,775 below:

	Capital Cost	Maintenance	Design and Project management	Total
1 bed (6)	£385	£386	£46	£817
2 bed (5)	£3,315	£2,805	£400	£6,520
3 bed (2)	£2,652	£1,664	£318	£4,634
Employment space (per 1,000 sq. m)	£5,060	£5,136	£608	£10,804
Total				£22,775

26.0 Planning obligations

26.1 The following contributions are required to mitigate the impact of the development upon the local area, including on local services. These heads of terms will mitigate any impact of the proposal on the infrastructure of the area.

Head of term	Amount (£)
Affordable housing contribution	£500,000

Market and Affordable housing deferred contribution (capped amount)	£2,175,645
Local employment, skills and local supply plan including contribution towards employment and skills opportunities	£76,219
Construction management plan (including monitoring fee)	£20,000
Stopping up order	Fee TBC
Car free development	
Work travel plan (including monitoring fee)	£6,244
Highways contribution for public highway and public realm improvements including cycle parking spaces on public footpath	£90,185.17
Pedestrian, cycling and environmental contributions	£200,000
Legible London signage	£1,000
London Cycle Hire Scheme	£200,000
Delivery and servicing management Plan	
Level plans	
Public open space	£22,775
Retail signage strategy	
Basement construction plan	
Sustainability plan (BREEAM 'Excellent' with minimum credit targets in Energy (60%), Materials (40%) and Water (60%))	
Energy efficiency and renewable energy plan	
Carbon offset contribution	£164,349
CHP and future proofing details for connecting to a decentralised energy network to ensure that the applicant investigates how all the building uses can be integrated into a single system	
Accessibility of pedestrian accessway	
TOTAL	£3,436,417.17

27.0 Mayor of London's Crossrail CIL

27.1 The proposal will be liable for the Mayor of London's Community Infrastructure Levy (CIL) as it includes the addition of private residential units. Based on the Mayor's CIL charging schedule and the information provided as part of the application, the Mayoral CIL is based at £50 per sq. m (Camden is in charging Zone 1). The proposed uplift would be 5,209 sq. m. The Mayoral CIL payment therefore equates to $5209 \times £50 \text{ per sq. m} = \text{£260,450}$. This would be collected by Camden after the scheme is implemented and could be subject to surcharges for failure to assume liability, submit a commencement notice and late payment, and subject to indexation in line with the construction costs index.

28.0 Camden CIL

28.1 The proposal would be liable for the Camden Community Infrastructure Levy (CIL). The site is located within Zone A (central). The estimate based on the uplift of floorspace and the proportion of market housing and commercial

floorspace proposed, the Camden CIL liability is **£234,405** (£150 x 13 residential units and 5,209 sq. m x £45 / sq. m)

29.0 CONCLUSION

29.1 The proposed development would result in a comprehensive, mixed use redevelopment of the existing building, leading to the following benefits

- Additional office floorspace with an uplift of £5,209 sq. m (GIA) and provision of high quality commercial floorspace
- Provision of 13 residential units that would result in a high standard of living accommodation for the prospective occupiers
- Creation of landscaped and green space
- Creation of new pedestrian accessway through the site connecting Brooke Street and Gray's Inn Road
- Enhancement of active frontages along Gray's Inn Road, Holborn and Brooke Street
- Significant contributions towards the provision of local infrastructure and facilities are proposed through Community Infrastructure Levy (CIL), financial contributions in the s106 and public realm improvements

29.2 Paragraph 14 of the NPPF states that there is a presumption in favour of sustainable development, which should be a golden thread running through decision-making. The dimensions of sustainable development are economic, social and environmental which should be sought jointly. The proposed development would result in significant benefits through all three strands of sustainable development without any adverse impacts significantly or demonstrably outweighing them. On balance, the development is considered to be appropriate and in accordance with relevant National and Regional Policy, the Camden Local Plan 2017 and Camden Planning Guidance for the reasons noted above.

30.0 RECOMMENDATIONS

30.1 Grant conditional planning permission subject to a Section 106 Legal Agreement covering the Heads of Terms set out in paragraph 26.1 above and the planning conditions detailed below (paragraph 31.1) and referral to the Mayor of London for his direction.

31.0 LEGAL COMMENTS

31.1 Members are referred to the note from the Legal Division at the start of the Agenda.

31.2 **Conditions – planning application**

1	<p>Three years from the date of this permission</p> <p>This development must be begun not later than three years from the date of this permission.</p> <p>Reason: In order to comply with the provisions of Section 92 of the Town and Country Planning Act 1990 (as amended).</p>
2	<p>The development hereby permitted shall be carried out in accordance with the following approved plans:</p> <p>Existing drawings: 325424 A-01-01 rev C; A-01-02 rev B; A-01-B1 rev A; A-02-B1 rev A; A-02-00 rev A; A-02-01 rev A; A-02-02 rev A; A-02-03 rev A; A-02-04 rev A; A-02-05 rev A; A-02-06 rev A; A-02-07 rev A; A-02-11 rev A; A-02-12 rev A; A-02-13 rev A; A02-21 rev A; A-02-22 rev A;</p> <p>Proposed drawings: 325424-A-02-31 rev A; A-02-32 rev A; A-02-33 rev A; A-02-34 rev A; A-0235 rev A; A-02-36 rev A; A-02-37 rev A; A-02-38 rev A; A-02-39 rev A; A-01-03 rev B; A-04-B1 rev B; A-04-00 rev B; A-04-01 rev B; A-04-TY rev A; A-04-06 rev B; A-04-07 rev B; A-04-08 rev B; A-04-09 rev B; A-04-10 rev B; A-04-11 rev B; A-11-01 rev B; A-11-02 rev B; A-11-03 rev B; A-11-04 rev B; A-11-07 rev B; A-11-14 rev B; A-11-15 rev B; A-11-20 rev B; A-11-21 rev B; A-11-22 rev B; A-11-23 rev B; SK-D100; SK-D101; 1036010-SK-D103; SK-D104; SK-D105;</p> <p>Supporting documents:</p> <p>Statement of Community Involvement prepared by Thorncliffe dated April 2016; Planning Statement Addendum produced by DP9 dated July 2017; Townscape Analysis produced by Perkins + Will dated July 2017; Planning Addendum LVMF Analysis produced by dated July 2017; Planning Addendum Design and Access Statement produced by Perkins + Will dated July 2017; Planning Addendum Daylight and sunlight amenity within the site produced by GIA dated July 2017; Daylight and sunlight Assessment produced by GIA dated April 2016; Ecological Appraisal produced by Dar Al Handasah (Shair and Partners) dated April 2016; Basement impact assessment produced by OTB Engineering Limits (ref P17-061-R01 rev 03 dated November 2017; Civil and Structural Engineering Reports Stage 3 produced by Clarke Nicholls Marcel dated September 2017; CNM responses to Campbell Reith BIA rev P3 produced by Clarke Nicholls Marcel dated November 2017; Preliminary UXO Risk Assessment produced by 1st Line Defence Ltd dated November 2017; Structural Report produced by CNM dated March 2016; Assessment of impacts due to ground movement produced by RPS Group dated June 2016; Basement retaining wall calculations produced by Clarke Nicholls Marcel dated November 2017; BIA Oasys Pdisp Input summary tables; Ground Investigation Report produced by Ground Engineering dated May 2013; Flood Risk Assessment produced by Sanderson Associates dated April 2016; Underground Drainage Design Statement produced by Clarke Nicholls Marcel dated July and September 2016; Draft Construction Management Plan produced by Sir Robert McAlpine; Arboricultural Impact Statement produced by Ian Keen Limited dated</p>

	<p>April 2016; Addendum Arboricultural Impact produced by Ian Keen Limited dated July 2017; Sustainability Statement and BREEAM Pre-Assessment produced by Dar Al-Handasah (DAH) dated July 2017; Planning Addendum Energy Strategy produced by Element dated July 2017; Extract from Permavoid Modular Cell 85 P1 Issue 3 produced by Polypipe Civils dated Jan 2016; Air purification Statement produced by Elementa dated 05 July 2016; Transport Statement produced by Steer Davies Gleave dated April 2016; Air Quality Assessment produced by Temple Group Ltd dated April 2016; Noise, Vibration and Ventilation Assessment produced by Sandy Brown dated April 2016</p>
3	<p>Detailed drawings/samples</p> <p>Detailed drawings, or samples of materials as appropriate, in respect of the following, shall be submitted to and approved in writing by the Council before the relevant part of the work is begun:</p> <p>a) Plan, elevation and section drawings, including jambs, head and cill, of all new external window and door at a scale of 1:10 with typical glazing bar details at 1:1.</p> <p>d) Typical details of new railings and balustrade at a scale of 1:10 with finials at 1:1, including method of fixing.</p> <p>c)) Samples and manufacturer's details of new facing materials including windows and door frames, glazing, balconies, balustrades, GRC, concrete and metal cladding with a full scale sample panel of all stone facing finishes of no less than 1m by 1m including junction with window opening demonstrating the proposed colour, texture, face-bond and pointing.</p> <p>A sample panel of all facing materials should be erected on-site and approved by the Council before the relevant parts of the work are commenced and the development shall be carried out in accordance with the approval given.</p> <p>The relevant part of the works shall then be carried in accordance with the approved details</p> <p>Reason: To safeguard the appearance of the premises and the character of the immediate area in accordance with the requirements of policy D1 and D2 of the Camden Local Plan 2017</p>
4	<p>External fixtures</p> <p>No lights, meter boxes, flues, vents or pipes, and no telecommunications equipment, alarm boxes, television aerials or satellite dishes shall be fixed or installed on the external face of the buildings, without the prior approval in writing of the Council.</p> <p>Reason: To safeguard the appearance of the premises and the character of the immediate area in accordance with the requirements of policy D1 of the</p>

	Camden Local Plan 2017.
5	<p>Hard and soft landscaping</p> <p>No development shall take place until full details of hard and soft landscaping have been submitted to and approved in writing by the local planning authority. Such details shall include planting for biodiversity and access to nature. Guidance on landscape enhancements for biodiversity is available in the Camden Biodiversity Action Plan: Advice Note on Landscaping Schemes and Species Features. The relevant part of the works shall not be carried out otherwise than in accordance with the details thus approved.</p> <p>Reason: To ensure that the landscaping is carried out within a reasonable period and to maintain a high quality of visual amenity in the scheme in accordance with the requirements of policies A2, A3 and D1 of the London Borough of Camden Local Plan 2017.</p>
6	<p>Refuse and recycling</p> <p>Prior to first occupation of the residential units in each plot, the refuse and recycling storage areas shall be completed and made available for occupants of that plot.</p> <p>The development of each block shall not be implemented other than in accordance with such measures as approved. All such measures shall be in place prior to the first occupation of any residential units in the relevant plot and shall be retained thereafter.</p> <p>Reason: To safeguard the amenities of the future occupiers and adjoining neighbours in accordance with the requirements of policy A1 and CC5 of the Camden Local Plan 2017.</p>
7	<p>Hours of opening</p> <p>The café / restaurant (A1/A3) uses hereby permitted shall not be carried out outside the following times: 07:00hrs to 21:00hrs Monday to Saturday and 08:30hrs to 18:00 hrs on Sundays and Bank Holidays.</p> <p>Reason: To safeguard the amenities of the adjoining premises and the area generally in accordance with the requirements of policies A1, A4 and TC2 of the Camden Local Plan 2017.</p>
8	<p>Roof terraces</p> <p>No flat roofs within the development shall be used as terraces without the prior express approval in writing of the Local Planning Authority.</p> <p>Reason: To safeguard the amenities of the future occupiers and adjoining neighbours in accordance with the requirements of policy A1 of the Camden Local Plan 2017</p>

9	<p>The approved office amenity spaces at 7th and 8th floor levels, as shown on drawing numbers A-04-08 rev B and A-04-09 rev B, shall be used by the office (B1a) uses of the building only and shall not be used outside the hours of 08:00 and 21:00 Monday to Friday and at no time during the weekends.</p> <p>Reason: In order to safeguard the amenity of neighbouring premises from noise and general disturbance in accordance with the requirements of policy A1 Camden Local Plan 2017.</p>
10	<p>Details of gates</p> <p>Prior to installation, details of the proposed gates to the pedestrian accessway, including a sample shall be submitted to and approved in writing by the Local Planning Authority. The gates shall only be erected in accordance with the approved details.</p> <p>Reason: To safeguard the appearance of the premises and the character of the immediate area in accordance with the requirements of policy D1 of the Camden Local Plan 2017</p>
11	<p>Hard and soft landscaping</p> <p>No development shall take place on the relevant part of the site until full details of hard and soft landscaping and means of enclosure of all un-built, open areas have been submitted to and approved by the local planning authority in writing. Such details shall include:</p> <ul style="list-style-type: none"> a) details of any proposed earthworks including grading, mounding and other changes in ground levels. b) details of proposals for the enhancement of biodiversity, c) permanent works, including sample of ground surface materials and finishes to all areas of public space ,(vehicular and pedestrian) d) permeable surfaces for SuDS purposes, e) details of all boundary treatments to the site f) details of the 8th floor roof garden and 7th floor terrace and associated areas including courtyard planters to include sections, materials and finishes and planting schedules g) any external CCTV and security monitors/fixtures <p>The relevant part of the works shall not be carried out otherwise than in accordance with the details thus approved.</p> <p>Reason: To ensure that the development achieves a high quality of landscaping which contributes to the visual amenity and character of the area in accordance with the requirements of policy A1, A3, CC2 and CC3 of the Camden Local Plan 2017</p>
12	No music commercial roof terraces:

	<p>No noise generating activities shall take place within the roof terraces and pavilion_outside of 23:00 and 07:00 Monday to Friday.</p> <p>Reason: To ensure that the amenity of occupiers of residential properties in the area is not adversely affected by noise and disturbance. In accordance with the requirements of policies G1, A1, A4 and TC2 of the Camden Local Plan.</p>
13	<p>No amplified music</p> <p>No amplified music shall be played on the outdoor terrace associated with the rooftop uses on commercial building.</p> <p>Reason: To safeguard the amenities of the adjoining residential premises and the area generally in accordance with the requirements of policies G1, A1, A4 and TC2 of the London Borough of Camden Local Plan 2017.</p>
14	<p>Tree protection measures</p> <p>Prior to the commencement of works on site, tree protection measures shall be installed and working practices adopted in accordance with the arboricultural report ref. JTK/9062/JK and tree protection plan ref. 9062/02 rev. B. produced by Ian Keen Limited. All trees on the site, or parts of trees growing from adjoining sites, unless shown on the permitted drawings as being removed, shall be retained and protected from damage in accordance with BS5837:2012 and with the approved protection details.</p> <p>Reason: To ensure that the development will not have an adverse effect on existing trees and in order to maintain the character and amenity of the area in accordance with the requirements of policies A2 and A3 of the London Borough of Camden Local Plan 2017.</p>
15	<p>Commercial plant noise</p> <p>Noise levels at a point 1 metre external to sensitive facades shall be at least 5dB(A) less than the existing background measurement (LA90), expressed in dB(A) when all plant/equipment (or any part of it) is in operation unless the plant/equipment hereby permitted will have a noise that has a distinguishable, discrete continuous note (whine, hiss, screech, hum) and/or if there are distinct impulses (bangs, clicks, clatters, thumps), then the noise levels from that piece of plant/equipment at any sensitive façade shall be at least 10dB(A) below the LA90, expressed in dB(A).</p> <p>Reason: To safeguard the amenities of the adjoining premises and the area generally in accordance with the requirements of policies G1, CC1, D1, and A1 of Camden Local Plan 2017.</p>
16	<p>Noise levels</p> <p>The noise level in rooms at the development hereby approved shall meet the noise standard specified in BS8233:2014 for internal rooms and external</p>

	<p>amenity areas.</p> <p>Reason: To safeguard the amenities of occupiers of the proposed use, adjoining premises and the area generally in accordance with the requirements of policies A1 and A4 of the Camden Local Plan 2017.</p>
17	<p>Waste and recycling</p> <p>Prior to occupation of the hereby approved development, details of the location, design and method of waste storage and removal including recycled materials, for all uses on-site, shall be submitted to and approved by the local planning authority in writing. The facility as approved shall be provided prior to the first occupation of any of the new units and permanently retained thereafter.</p> <p>Reason: To ensure that sufficient provision for the storage and collection of waste has been made in accordance with the requirements of policies A1 and CC5 of the Camden Local Plan 2017.</p>
18	<p>Cycle storage</p> <p>Prior to the occupation of the development, details of secure and covered cycle storage area for 230 cycles shall be submitted to and approved by the local planning authority. The approved facilities shall thereafter be provided in its entirety prior to the first occupation of any of the new units, and permanently retained thereafter.</p> <p>Reason: To ensure the development provides adequate cycle parking facilities in accordance with the requirements of policy T1 of the London Borough of Camden Local Plan 2017.</p>
19	<p>Water efficiency</p> <p>The development hereby approved shall achieve a maximum internal water use of 105litres/person/day, allowing 5 litres/person/day for external water use. Prior to occupation, evidence demonstrating that this has been achieved shall be submitted and approved by the Local Planning Authority.</p> <p>Reason: To ensure the development contributes to minimising the need for further water infrastructure in an area of water stress in accordance with policies CC1, CC2 and CC3 of the Camden Local Plan 2017</p>
20	<p>Adaptable homes</p> <p>Prior to the commencement of works details confirming which residential units would be designed and constructed in accordance with Building Regulations Part M4 (2) with at least 10% designed and constructed in accordance with Building Regulations Part M4 (3) adaptable shall be submitted to and approved in writing by the local planning authority.</p>

	<p>All such flats shall be fitted out in accordance with the details as approved.</p> <p>Reason: To ensure that the internal layout of the building provides flexibility for the accessibility of future occupiers and their changing needs over time, in accordance with the requirements of policy H6 of the Camden Local Plan 2017.</p>
21	<p>Pedestrian route clear access</p> <p>All external doorways, except for fire doors or for access to utilities, should not open outwards towards the public highway/footway/pedestrian route through the site. The proposed doors must either open inwards or have a sliding door so they do not restrict the flow of pedestrians or risk being opened onto those passing by.</p> <p>Reason: In order to enhance the free flow of pedestrian movement and promote highway safety and amenity in accordance with policies D1 and T1 of the Camden Local Plan 2017.</p>
22	<p>Construction machinery</p> <p>All non-Road mobile Machinery (any mobile machine, item of transportable industrial equipment, or vehicle – with or without bodywork) of net power between 37kW and 560kW used on the site for the entirety of the [demolition and/construction] phase of the development hereby approved shall be required to meet Stage IIIA of EU Directive 97/68/EC. The site shall be registered on the NRMM register for the demolition and construction phase of the development.</p> <p>Reason: To safeguard the amenities of the adjoining occupiers, the area generally and contribution of developments to the air quality of the borough in accordance with the requirements of policies CC1, CC2 and CC4 of the Camden Local Plan 2017.</p>
23	<p>Ground contamination</p> <p>At least 28 days before development commences:</p> <p>(B) a written programme of ground investigation for the presence of soil and groundwater contamination and landfill gas shall be submitted to and approved by the local planning authority; and</p> <p>(b) following the approval detailed in paragraph (a), an investigation shall be carried out in accordance with the approved programme and the results and a written scheme of remediation measures [if necessary] shall be submitted to and approved by the local planning authority.</p> <p>The remediation measures shall be implemented strictly in accordance with the approved scheme and a written report detailing the remediation shall be submitted to and approved by the local planning authority prior to occupation.</p> <p>Reason: To protect future occupiers of the development from the possible</p>

	presence of ground contamination arising in connection with the previous industrial/storage use of the site in accordance with policy A1 of the Camden Local Plan 2017.
24	<p>Enhanced sound insulation between dwellings</p> <p>Prior to the occupation of the development, details shall be submitted to and approved in writing by the Council, of an enhanced sound insulation value $D_{nT,w}$ and $L'_{nT,w}$ of at least 5dB above the Building Regulations value, for the floor/ceiling/wall structures separating different types of rooms/ uses in adjoining dwellings, namely [eg. Living room and kitchen above bedroom of separate dwelling]. Approved details shall be implemented prior to occupation of the development and thereafter be permanently retained.</p> <p>Reason: To safeguard the amenities of the prospective residential occupiers of the development and the area generally in accordance with the requirements of policies G1, D1 and A1 of the Camden Local Plan 2017.</p>
25	<p>Enhanced sounds insulation between uses</p> <p>Prior to the occupation of the development, details shall be submitted to and approved in writing by the Council, of the sound insulation of the floor/ ceiling/ walls separating the commercial part(s) of the premises from noise sensitive premises. Details shall demonstrate that the sound insulation value $D_{nT,w}$ and $L'_{nT,w}$ is enhanced by at least 10dB above the Building Regulations value and, where necessary, additional mitigation measures are implemented to contain commercial noise within the commercial premises and to achieve the criteria of BS8233:2014 within noise sensitive premises. Approved details shall be implemented prior to occupation of the development and thereafter be permanently retained.</p> <p>Reason: To safeguard the amenities of the prospective residential occupiers of the development and the area generally in accordance with the requirements of policies A1 and A4 of the Camden Local Plan 2017.</p>
26	<p>Fixed mechanical plant noise</p> <p>Prior to commencement of the any plant equipment, full details (including plans, elevations, manufacturers' specification and sections) of the proposed plant equipment and compounds shall be submitted to and approved by the local planning authority prior to that element of work. The details shall include details of the external noise level emitted from plant/machinery/equipment and mitigation measures as appropriate. The measures shall ensure that the external noise level emitted from plant, machinery/equipment will be lower than the lowest existing background noise level by at least 5dBA, by 10dBA where the source is tonal, as assessed according to BS4142:2014 at the nearest and/or most affected noise sensitive premises, with all machinery operating together at maximum capacity. A post installation noise assessment shall be carried out where required to confirm compliance with the noise criteria and additional steps to mitigate noise shall be taken, as necessary. Approved</p>

	<p>details shall be implemented prior to occupation of the development and thereafter be permanently retained.</p> <p>Reason: To safeguard the amenities of occupiers of the proposed use, adjoining premises and the area generally in accordance with the requirements of policies A1 and A4 of the Camden Local Plan 2017.</p>
27	<p>Bird and bat boxes</p> <p>Prior to the occupation of the development, details of additional biodiversity enhancement features such as bat bricks or boxes, bird boxes or bug boxes shall be submitted and approved by the local planning authority; The details shall include designs and location of the features to be incorporated. All such features as approved shall be fully installed within 6 months of the date of their approval and permanently retained and maintained thereafter.</p> <p>Reason: To assess the development's their ability to realise benefits for biodiversity through the layout, design and materials used, in accordance with policies G1, CC1, CC2, CC3, D1 and A3 of the London Borough of Camden Local Plan 2017.</p>
28	<p>Lighting statement</p> <p>Prior to occupation of the development, a lighting statement showing detailed lighting including lux and proposed projections of the external areas is required, especially for the external terraces and new pedestrian walkway, shall be submitted to and approved in writing by the Council. Approved details shall be implemented prior to occupation of the development and thereafter be permanently retained.</p> <p>Reason: To safeguard and protect priority species in accordance with policy A3 of the Camden Local Plan 2017.</p>
29	<p>Photovoltaic panels</p> <p>Prior to the solar panels and system being implemented, detailed plans showing the location and extent of photovoltaic cells and solar thermal system to be installed on the building shall be submitted to and approved by the local planning authority in writing. The measures shall include the installation of a meter to monitor the energy output from the approved renewable energy systems. The cells shall be installed in full accordance with the details approved by the local planning authority and permanently retained and maintained thereafter.</p> <p>Reason: To ensure the development provides adequate on-site renewable energy facilities in accordance with the requirements of policy CC1 of the London Borough of Camden Local Plan.</p>
30	<p>Green roof</p>

	<p>Full details in respect of the green roof in the area indicated on the approved roof plan shall be submitted to and approved by the local planning authority before the relevant part of the development commences. Details of the green roof provided shall include: species, planting density, substrate and a section at scale 1:20 showing that adequate depth is available in terms of the construction and long term viability of the green roof, as well as details of the maintenance programme for green roof. The buildings shall not be occupied until the approved details have been implemented and these works shall be permanently retained and maintained thereafter.</p> <p>Reason: In order to ensure the development undertakes reasonable measures to take account of biodiversity and the water environment in accordance with policies A3, CC2, and CC3 of the London Borough of Camden Local Plan 2017.</p>
31	<p>Air quality</p> <p>No development shall take place until full details of the air quality monitors have been submitted to and approved by the local planning authority in writing. Such details shall include the location, number and specification of the monitors, including evidence of the fact that they have been installed in line with guidance outlined in the Greater London Authority's Control of Dust and Emissions during Construction and Demolition Supplementary Planning Guidance and have been in place for 3 months prior to the proposed implementation date. The monitors shall be retained and maintained on site for the duration of the development in accordance with the details thus approved.</p> <p>Reason: To safeguard the amenities of the adjoining premises and the area generally in accordance with the requirements of policies A1, CC1, CC2 and CC3 of the Camden Local Plan 2017.</p>
32	<p>Mechanical ventilation system</p> <p>Prior to occupation of the development, full details of the mechanical ventilation system including air inlet locations and details of Nox filters (where necessary) shall be submitted to and approved by the local planning authority in writing. Air inlet locations should be located away from busy roads and the boiler stack and as close to roof level as possible, to protect internal air quality. The development shall thereafter be constructed and maintained in accordance with the approved details.</p> <p>Reason: To protect the amenity of residents in accordance with policies A1, CC1, CC2 and CC3 of the Camden Local Plan 2017.</p>
33	<p>SUDS</p> <p>A) Prior to commencement of development details of a sustainable urban drainage system shall be submitted to and approved in writing by the local planning authority. Such system shall be designed to accommodate all storms up to and including a 1:100 year storm with a</p>

	<p>30% provision for climate change, and shall demonstrate that greenfield run off rates (5l/s) will be achieved (unless otherwise agreed). The system shall include green and brown roofs and below ground attenuation, as stated in the approved drawings.</p> <p>B) Prior to occupation of the development, evidence that the sustainable drainage system has been implemented in accordance with the approved details shall be submitted to the local planning authority and approved in writing. The systems shall thereafter be retained and maintained in accordance with the approved maintenance plan.</p> <p>Reason: To reduce the rate of surface water run-off from the buildings and limit the impact on the storm-water drainage system in accordance with policies CC1, CC2 and CC3 of the Camden Local Plan June 2017.</p>
34	<p>SUDS implementation</p> <p>Prior to occupation, evidence that the system has been implemented in accordance with the approved details required by condition 33 as part of the development shall be submitted to the Local Authority and approved in writing. The systems shall thereafter be retained and maintained in accordance with the approved maintenance plan.</p> <p>Reason: To reduce the rate of surface water run-off from the buildings and limit the impact on the storm-water drainage system in accordance with policies CC1, CC2 and CC3 of the Camden Local Plan June 2017.</p>
35	<p>Thames Water</p> <p>No piling shall take place until a piling method statement (detailing the depth and type of piling to be undertaken and the methodology by which such piling will be carried out, including measures to prevent and minimise the potential for damage to subsurface water infrastructure and other relevant underground structures, and the programme for the works) has been submitted to and approved in writing by the local planning authority in consultation with Thames Water and other utilities companies. Any piling must be undertaken in accordance with the terms of the approved piling method statement.</p> <p>Reason: To safeguard the underground utility infrastructure in accordance with Policy CC3 of the Camden Local Plan 2017</p>
36	<p>Screening, obscure glazing</p> <p>Prior to the occupation of the development, full details of screening, obscure glazing and other measures to reduce instances of overlooking and loss of privacy to neighbouring occupiers (including screening of the residential balconies and commercial terraces/balconies) shall be submitted to and approved in writing by the local Planning Authority. The development shall be carried out in accordance with the details thereby approved and permanently maintained thereafter.</p>

	Reason: In order to prevent unreasonable overlooking of neighbouring premises in accordance with the requirements of policy A1 of the Camden Local Plan 2017.
38	<p>LVMF height restriction</p> <p>The development hereby approved shall not include any further extensions to the height of the building above ridge level as shown on drawing nos A-11-01 rev B; A-11-02 rev B; A-11-03 rev B; A-11-04 rev B; A-11-07 rev B; A-11-14 rev B; A-11-15 rev B.</p> <p>Reason To ensure the preservation of protected London View Management Framework View 4A.1 (Primrose Hill) in accordance with the requirements of Policy 7.11 of the London Plan 2016.</p>
39	<p>Archaeology</p> <p>No demolition or development shall take place until a written scheme of investigation (WSI) has been submitted to and approved by the local planning authority in writing. For land that is included within the WSI, no demolition or development shall take place other than in accordance with the agreed WSI, which shall include the statement of significance and research objectives, and</p> <ul style="list-style-type: none"> A. The programme and methodology of site investigation and recording and the nomination of a competent person(s) or organisation to undertake the agreed works B. The programme for post-investigation assessment and subsequent analysis, publication & dissemination and deposition of resulting material. This part of the condition shall not be discharged until these elements have been fulfilled in accordance with the programme set out in the WSI <p>Reason: Built heritage assets on this site will be affected by the development. The planning authority wishes to secure building recording in line with NPPF, and publication of results, in accordance with Section 12 of the NPPF and in order to ensure the identification of and minimise damage to important archaeological remains which may exist on this site, in accordance with the requirements of policy D2 of the Camden Local Plan 2017.</p>
40	<p>A3 use extract ventilation details</p> <p>Prior to commencement of the relevant ground floor food and drink use hereby approved, details of the extract ventilating system associated with the relevant ground floor food and drink uses hereby approved, shall be submitted to and approved in writing by the Local Planning Authority.</p> <p>Such details to include routing of ducts and discharge points and associated acoustic isolation and sound and vibration attenuation measures and an Acoustic Impact report prepared by a suitably qualified and experienced acoustic engineer which sets out how the equipment would meet the Council's published noise and vibration standards.</p> <p>Such details shall also include details of the ventilation and filtration equipment to</p>

	<p>suppress and disperse fumes and/or smells created from cooking activities on the premises. No primary cooking shall take place within the relevant premises unless all such measures as approved have been installed and are in full working order.</p> <p>The equipment shall be installed in accordance with the details thus approved and acoustic isolation shall thereafter be maintained in accordance with the manufacturers' recommendations.</p> <p>All such measures shall thereafter be retained and maintained in accordance with the manufacturers' recommendations.</p> <p>In the event of no satisfactory ventilation being provided, no primary cooking shall take place on the premises.</p> <p>Reason: To safeguard the amenities of the adjoining premises and the area generally in accordance with the requirements of policies G1, A1, A4, D1, TC1, TC2 and TC4 and TC5 of the London Borough of Camden Local Plan 2017.</p>
41	<p>Foundation plans</p> <p>The development hereby permitted shall not be commenced until detailed design and method statements (in consultation with London Underground for all of the foundations, basement and ground floor structures, or for any other structures below ground level, including piling (temporary and permanent), have been submitted to and approved in writing by the local planning authority which:</p> <ul style="list-style-type: none"> • provide details on all structures • accommodate the location of the existing London Underground structures and tunnels • accommodate ground movement arising from the construction • thereof and mitigate the effects of noise and vibration arising from the adjoining operations within the structures and tunnels. <p>The development shall thereafter be carried out in all respects in accordance with the approved design and method statements, and all structures and works comprised within the development hereby permitted which are required by the approved design statements in order to procure the matters mentioned in paragraphs of this condition shall be completed, in their entirety, before any part of the building hereby permitted is occupied.</p> <p>Reason: To ensure that the development does not impact on existing London Underground transport infrastructure, in accordance with London Plan 2016 and 'Land for Industry and Transport' Supplementary Planning Guidance 2012</p>
42	<p>Bird nesting</p> <p>No vegetation and built structures potentially suitable as a bird habitat shall be removed except outside of the bird nesting season (Feb-August inclusive). Where this is not possible, an ecologist shall be engaged to assess any vegetation and built structures for active signs of nesting and in the event a nest is found an</p>

	<p>appropriate exclusion zone should be implemented around it until the young have fledged.</p> <p>Reason: In order to safeguard protected and priority species, in accordance with the requirements of Policy A3 of the Camden Local Plan 2017.</p>
43	<p>Window display</p> <p>The café and informal gallery space uses at ground floor shall retain a street-facing glazed window display.</p> <p>Reason: To ensure that the future occupation of the premises supports the character and vitality of the Town Centre, contributes a safe, welcoming appearance to the street and enables overlooking of public areas, in accordance with the requirements of policies G1, D1, D3, C5 and TC2 of the London Borough of Camden Local Plan 2017.</p>
44	<p>Bat survey</p> <p>If more than 12 months elapse between the date of the approved bat survey (April 2016 and addendum letter dated 5th June 2017 in Planning Addendum Design and Access Statement dated July 2017) and commencement of development, an updated bat survey shall be submitted to and approved in writing by the local planning authority.</p> <p>Such survey to be carried out by a suitably qualified ecologist and accompanied by a report confirming the results and implications of the assessment, including any revised mitigation measures.</p> <p>All mitigation measures as approved shall be implemented in full in accordance with the agreed time scales.</p> <p>Reason: In order to protect wildlife habitats and biodiversity, in accordance with the requirements of Policy A3 of the Camden Local Plan 2017.</p>
45	<p>Prior to the first occupation of any part of the development, two disabled parking spaces (1 x residential use and 1 x commercial use) within the development shall be provided in their entirety and shall be permanently maintained and retained thereafter.</p> <p>Reason: To ensure the development provides adequate spaces designated for disabled people in accordance with T2 of the Camden Local Plan 2017.</p>
46	<p>Prior to the first occupation of any part of the development, confirmation of the necessary measures to secure 1 active electric vehicle charging point within the development shall be submitted to and approved in writing by the local planning authority. Such measures shall be completed prior to first occupation and shall be thereafter be retained and maintained.</p> <p>Reason: To ensure that the scheme promotes the use of sustainable transport</p>

	measures in accordance with policy T1 of the Camden Local Plan 2017.
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32.0 Informatives – planning application

1	<p>Thames Water – surface water drainage and waste</p> <p>With regard to surface water drainage it is the responsibility of a developer to make proper provision for drainage to ground, water courses or a suitable sewer. In respect of surface water it is recommended that the applicant should ensure that storm flows are attenuated or regulated into the receiving public network through on or off site storage. When it is proposed to connect to a combined public sewer, the site drainage should be separate and combined at the final manhole nearest the boundary. Connections are not permitted for the removal of groundwater. Where the developer proposes to discharge to a public sewer, prior approval from Thames Water Developer Services will be required. The contact number is 0800 009 3921. Reason – to ensure that the surface water discharge from the site shall not be detrimental to the existing sewerage system.</p> <p>Thames Water would advise that with regard to sewerage infrastructure capacity, we would not have any objection to the above planning application.</p>
2	<p>Thames Water will aim to provide customers with a minimum pressure of 10m head (approx. 1 bar) and a flow rate of 9 litres/minute at the point where it leaves Thames Waters pipes. The developer should take account of this minimum pressure in the design of the proposed development.</p>
3	<p>There is a Thames Water main crossing the development site which may/will need to be diverted at the Developer's cost, or necessitate amendments to the proposed development design so that the aforementioned main can be retained. Unrestricted access must be available at all times for maintenance and repair. Please contact Thames Water Developer Services, Contact Centre on Telephone No: 0800 009 3921 for further information.</p>
4	<p>In relation to condition 35 the applicant is advised to contact Thames Water Developer Services on 0800 009 3921 to discuss the details of the piling method statement.</p>
5	<p>You are advised that this proposal will be liable for the Mayor of London's Community Infrastructure Levy (CIL) and the Camden CIL as the additional floorspace exceeds 100sqm GIA or one unit of residential accommodation.</p>
6	<p>Your proposals may be subject to control under the Building Regulations and/or the London Buildings Acts that cover aspects including fire and emergency escape, access and facilities for people with disabilities and sound insulation between dwellings. You are advised to consult the Council's Building Control Service, Camden Town Hall, Judd St, Kings Cross, London NW1 2QS</p>

	(tel: 020-7974 6941)
7	Your proposals may be subject to control under the Party Wall etc Act 1996 which covers party wall matters, boundary walls and excavations near neighbouring buildings. You are advised to consult a suitably qualified and experienced Building Engineer.
8	Noise from demolition and construction works is subject to control under the Control of Pollution Act 1974. You must carry out any building works that can be heard at the boundary of the site only between 08.00 and 18.00 hours Monday to Friday and 08.00 to 13.00 on Saturday and not at all on Sundays and Public Holidays. You are advised to consult the Council's Noise and Licensing Enforcement Team, Camden Town Hall, Judd St, Kings Cross, London NW1 2QS (Tel. No. 020 7974 4444 or search for 'environmental health' on the Camden website or seek prior approval under Section 61 of the Act if you anticipate any difficulty in carrying out construction other than within the hours stated above.
9	You are advised that Section 44 of the Deregulation Act 2015 [which amended the Greater London Council (General Powers) Act 1973]] only permits short term letting of residential premises in London for <u>up to 90 days per calendar year</u> . The person who provides the accommodation must be liable for council tax in respect of the premises, ensuring that the relaxation applies to residential, and not commercial, premises.
10	Your attention is drawn to the fact that there is a separate legal agreement with the Council which relates to the development for which this permission is granted. Information/drawings relating to the discharge of matters covered by the Heads of Terms of the legal agreement should be marked for the attention of the Planning Obligations Officer, Sites Team, Camden Town Hall, Argyle Street, WC1H 8EQ.
11	During any internal or external demolition of buildings or any site clearance, a precautionary measure is required that all contractors are aware of potential roosting bats and that external features such as roof tiles and other features which may support bats (i.e. areas with cracks or holes providing access routes for bats) should be removed by hand. There is a required formalisation of a protocol as to the steps to be taken in the event that a bat or bats is/are found during the demolition works. Should bats or their roosts be identified then works must cease and the applicant will be required to apply for, and obtain, a European Protected Species Licence and submit proof of this to the authority before work recommences. Additionally they will be required to submit a method statement detailing features to be retained and added to site to maintain and replace roost and foraging features on the site.
12	The demolition of buildings or any site clearance should be undertaken outside the breeding bird season (i.e. it should be undertaken in the period September to January inclusive). Should it prove necessary to undertake demolition or clearance works during the bird nesting season, then a pre-works check for nesting birds should be undertaken by a qualified ecologist. If any active nests

	are found, works should cease and an appropriate buffer zone should be established (the qualified ecologist would advise). This buffer zone should be left intact until it has been confirmed that the young have fledged and the nest is no longer in use.
13	In relation to condition 39 the written scheme of investigation will need to be prepared and implemented by a suitably qualified professionally accredited archaeological practice in accordance with Historic England's Guidelines for Archaeological Projects in Greater London. This condition is exempt from deemed discharge under schedule 6 of The Town and Country Planning (Development Management Procedure) (England) Order 2015.
14	If a revision to the postal address becomes necessary as a result of this development, application under Part 2 of the London Building Acts (Amendment) Act 1939 should be made to the Camden Contact Centre on Tel: 020 7974 4444 or Environment Department (Street Naming & Numbering) Camden Town Hall, Argyle Street, WC1H 8EQ.

APPENDIX 1 - Independent Viability Review plus addendum review (BPS)

150 Holborn, London, EC1N 2NS

Independent Viability Review by BPS Chartered Surveyors

15th July 2016

Planning application reference: 2016/2094/P

1.0 INTRODUCTION

1.1 We have been instructed by the London Borough of Camden ('the Council') to review Gerald Eve's April 2016 Financial Viability Assessment in respect of an application to redevelop 150 Holborn ('the Subject Site').

1.2 The building was constructed in the 1980s. It is mixed use, with retail at ground floor and basement level and office on the six storeys above. Adjoining the property is Fox Court, a refurbished office block with an underground car park. It shares a courtyard area with 150 Holborn, to the rear of the property.

1.3 We provided a viability review in November 2011 in respect of an earlier application (2011/4198/P), which proposed a refurbishment and extension to the existing building which is currently in mixed use. The current application proposes:

"Demolition of existing building and redevelopment for a mixed-use development up to 9 storeys in height comprising 14,604sqm GEA office floorspace (use class B1), 1,450sqm GEA retail floorspace (use class A1-A3), 13 residential units (use class C3), improvements to the public realm and all other necessary enabling works."

1.4 The proposed scheme appraisal includes Camden CIL of £280,000, S106 of £109,456, a 'Mixed Use Payment' of £2,395,724 and Crossrail payment of £636,225. These payments will need to be confirmed by Planning Officers as being policy compliant.

1.5 The applicant is not proposing to provide any on-site affordable housing, and is not currently offering an affordable housing payment in lieu. A counterfactual scenario has been created which includes 50% of the 12 residential units as affordable rents (and the remainder as private market housing). Gerald Eve concluded that this counterfactual scenario is unviable. Gerald Eve have provided five appraisals:

- One for the consented scheme;
- Two for the counterfactual scenarios (one exclusive and one inclusive of growth);
- two for the proposed scheme (one exclusive and one inclusive of growth).

1.6 Gerald Eve concludes from these scenarios that the scheme cannot afford any affordable housing contributions. In addition, a report by Daniel Watney, on behalf of the Applicant, concludes that affordable housing would have an adverse effect on this development.

- 1.7 We have had regard to Camden planning policies regarding affordable housing. Camden Planning Guidance sets out the following expectations for mixed use development within the Borough:
- Affordable housing includes social and affordable rented housing and intermediate affordable housing
 - Residential and mixed-use development adding 1,000 sq m gross housing or more should provide affordable housing
 - Most mixed-use developments with residential floorspace should provide 50% affordable housing
 - Residential developments should provide a proportion of affordable housing depending on their capacity for homes, taking into account proposed floorspace and number of dwellings
 - Residential developments with capacity for 50 or more homes should provide 50% affordable housing
 - Affordable housing should include a large proportion of family homes and contribute to creating mixed and inclusive communities
 - Affordable housing should generally be provided on site.
- 1.8 We have had regard to the Council's policy DP1 in respect of the policy compliant quantum of residential floorspace that should be provided in mixed use schemes within the 'Central London Area', which requires that 50% of the net additional floorspace is required to be residential. This applies to any scheme providing over 200 sqm of net additional floorspace.
- 1.9 Camden Planning Guidance (CPG2) details that affordable housing is required on any scheme providing over 1,000 m² of net additional housing. It explains that the sliding scale will operate so that 10% affordable will be required for sites providing 1,000 m² (gross) of additional housing, and 50% for 5,000 m² (gross) of additional housing (considered to be sites with capacity of 10 dwellings and 50 dwellings respectively). However, as the Camden Development plan confirms, this sliding scale does not apply for schemes delivering providing 1,000sqm of non-residential floorspace or more:
- "As indicated in paragraph 3.18, the Council's sliding scale approach to affordable housing contributions from sites with capacity for 10 to 50 dwellings will not apply to mixed-use developments providing 1,000sqm of non-residential floorspace or more. Where a site provides less than 1,000sqm of non-residential floorspace, but is expected to make a contribution to the supply of affordable housing under the provisions of policy DP3, housing will be the primary use, and the sliding scale approach will apply to the affordable housing contribution."*
- 1.10 The proposed scheme's net additional floorspace is 6,517 sqm (GEA). The uplift in residential floorspace for this scheme is 1,366 sq m (GEA). We have assumed that the existing caretaker's flat is ancillary to the office space. Planning Officers will need to confirm whether or not this assumption is appropriate. We have also assumed that the shortfall in housing compared with the target for up to 50% in Policy DP1 is addressed by the identified "Mixed Use Payment" of £2,395,724, and the appropriateness of this will also need to be confirmed by Planning Officers.

- 1.11 The on-site affordable housing requirement should therefore be based on the 1,366 sqm (GEA) total uplift in residential, and 50% of this uplift is 668 sq m. Based on this floor area uplift, the maximum payment in lieu has been calculated by planning officers at £1,710,080.
- 1.12 We have sought to establish whether the proposed scheme can viably make any affordable housing contributions, and whether this could realistically be made via on-site delivery. To assist with this undertaking, we have instructed Crossland Otter Hunt (Crossland) to provide advice upon achieved office rents and yields, in respect of the consented scheme and the proposed scheme.
- 1.13 This Viability Review does not constitute a 'Red Book' valuation, meaning that Valuation Practice Statements 1-4 of the Red Book (RICS Valuation - Professional Standards, January 2014) are not of mandatory application. The Valuation Date for this Viability Review is the date of this report, as stated on the title page. This Viability Review has been undertaken in accordance with the Terms & Conditions provided to the Council and with any associated Letters of Engagement, and should only be viewed by those parties that have been authorised to do so by the Council.

Site Visit

- 1.14 On the 8th June 2016, we undertook an internal and external inspection of the building. It is completely stripped out internally, to shell condition. We observed the basement, reception area, courtyard, stairwell, rooftop, the top floor, and the second floor. The building offers large, open plan floorplates, serviced by three lift shafts. The lower floors suffer from restricted levels of natural light.
- 1.15 The building benefits from a large basement, which has potential to be used as a car park. And the rooftop has the potential to provide a terrace or rooftop garden with views of the London skyline.

2.0 CONCLUSIONS & RECOMMENDATIONS

- 2.1 We calculate that the maximum affordable housing payment in lieu required for the proposed scheme is £1,710,080. This is calculated based on the currently proposed level of housing provision (13 units), and assumes that the shortfall in housing compared with the DP1 target is addressed by the identified “Mixed Use Payment” of £2,395,724. By comparison, we note that the affordable housing contribution agreed for the consented scheme is a payment in lieu totalling £1.2m.
- 2.2 With respect to the potential for on-site affordable housing delivery, we consider that this is not very likely to be feasible, in view of the practical difficulties of accommodating a mix of housing tenures (including the need for separate entrances for these tenures), and the risk that RP’s would not be willing to adopt such a small number of affordable housing units in a mixed-tenure block, in part due to the management difficulties and limited ‘economies of scale’ this would entail.
- 2.3 Based on the findings of our viability review, we conclude that the proposed scheme cannot viably deliver an affordable housing contribution. Gerald Eve’s appraisals generate the following results:
- AUV appraisal: residual value of £58,397,232
 - Present day appraisal (proposed scheme): 4.50% profit on cost
 - Growth appraisal (proposed scheme): 11.60% profit on cost
 - Counterfactual scenario (present day model): 1.03% profit on cost
 - Counterfactual scenario (growth model): 8.03% profit on cost
- 2.4 We have adjusted the growth model by changing the land cost input from £70.00m to £57,099,700 - the latter being our suggested benchmark land value (based on a revised AUV appraisal - as discussed below, in para 2.19-2.23). In addition, we have increased the build costs in the application scheme appraisal by £821,851 to reflect the findings of our cost consultant’s review.
- 2.5 The growth model appraisal is arguably over-optimistic to apply, in view of the uncertainties that have arisen in the property market as a result of the Leave vote in the EU Referendum. For example, the Estates Gazette report on 27th June that M&G Real Estate has predicted that City of London offices will be the sector worst affected by the Brexit vote. Moreover, we have had regard to the NPPG which states: *“Viability assessment in decision-taking should be based on current costs and values. Planning applications should be considered in today’s circumstances.”* It may therefore be more suitable to adopt a present-day approach, which would moreover be consistent with the Alternative Use Valuation. We have increased the costs by £821,851 in this appraisal, and reduced the land cost input to £57,099,700. The result is a Profit on Cost of 13.46%, which is substantially below the target of 18%. This demonstrates that the scheme cannot, based on present day costs and values, deliver an affordable housing contribution. We would, however, recommend that the Council considers putting in place a review mechanism (based on outturn costs and values) to capture any improvements in viability over time.
- 2.6 Planning Officers have sought to establish whether the proposed scheme could be re-designed so as to increase the total amount of residential floorspace. The policy

requirement is that 3,258 sqm (GEA) of residential floorspace should be delivered, representing 50% of the overall uplift resulting from this scheme. There is a shortfall of 1,922 per sqm (GEA) - assuming that the existing caretaker's flat is ancillary to the office space. This would require further discussion with the applicant's advisers, to establish the impact of increasing the residential floorspace and whether this would be feasible.

- 2.7 In the remainder of this Section, we provide concluding comments regarding some of the individual elements of the viability assessment, and summarise the conclusions of Crossland Otter Hunt's report (which is in Appendix Two), and our Cost Consultant's report (Appendix One).

Summary of Crossland Otter Hunt's report findings

- 2.8 Crossland Otter Hunt (Crossland) conclude that both the consented and the proposed scheme would generate good occupier demand. The consented scheme is, however, constrained by the existing building's floor-to-ceiling heights and chilled beam air conditioning; however, this does not mean it is unlettable - it is a function of rent/yield.
- 2.9 The yields and rents estimated by Crossland are broadly in line with those that have been applied in Gerald Eve's present-day (non-growth) appraisals. We therefore agree that the rents and yields applied by Gerald Eve are realistic and in line with the market. However, Crossland's conclusions regarding rents and yields were on the assumption of a 'Remain' vote in the EU Referendum. Following the Leave vote, Crossland may decide that a less optimistic assessment is appropriate. We would, however, point out that such a downward revision would apply to both the consented and proposed schemes, which would act to cancel each other out in terms of their impact on overall viability, if it is the case that the Alternative Use Value is adopted as the benchmark land value.
- 2.10 With respect to the Market Value approach (based on comparable land transactions) adopted by Gerald Eve, this is based on 'pre-Brexit' transactions, therefore if we were to update the viability assessment to reflect a post-Brexit situation, then these comparables should either be re-analysed or dismissed as being historic. The key point is that Gerald Eve's Market Value approach may require updating, and we question whether the analysis provided is still applicable. In addition, we outline further below our assessment of the suitability of the transactions provided.
- 2.11 Crossland would normally expect a residual valuation to be undertaken in order to assess the value of an office building, including one such as this, which is in need of substantial refurbishment/redevelopment. They state that this is standard market practice, which takes into account the 'heterogeneity' of office buildings. It is not, they have informed us, standard practice for valuations to be undertaken using a 'comparable land transactions' approach whereby the sale prices per sqft of other office buildings (some of which may have development potential/require refurbishment) are used to arrive at a Market Value estimate. We therefore question the suitability of the 'Market Value' approach that has been used to arrive at a benchmark land value.

Summary Neil Powling's cost review

- 2.12 Our Cost Consultant, Neil Powling, has reviewed the Currie & Brown Cost Plan and has concluded that the costs for the proposed scheme appear to be lower than BCIS rates; Neil's adjusted benchmarking (exclusive of contingency) is £821,851 higher than the Cost Plan figure (see Appendix One). We have therefore increased the build cost in the proposed scheme's appraisal.
- 2.13 The Cost Plan of the proposed scheme includes Category B fit out costs. However, these have rightly not been included in Gerald Eve's appraisal, as it is typical (as confirmed by Crossland and Neil Powling) for developers to complete office developments to a Category A level of finish.
- 2.14 With respect to the counterfactual scenario, this is very similar to the proposed scheme - the only change from the proposed cost is a reduced allowance for residential fit out to [REDACTED]. Therefore the suggested cost reductions to the proposed scheme are also applicable to the counterfactual scheme.
- 2.15 The professional fees for the proposed scheme are 12%, which Neil Powling agrees is reasonable. For the consented scheme, the allowance is 8%, which is considered by Neil Powling to be too low, and he notes it is not uncommon for a scheme such as this to have fees of circa 15%. We have therefore adjusted the appraisal by increasing its professional fees from 8% to 12%.
- 2.16 With respect to the consented scheme, Neil Powling's adjusted benchmark yields a total cost that is £311,000 higher than the figure used in Gerald Eve's appraisal, and we have factored this in to our appraisal revisions.

Benchmark Land Value

- 2.17 We consider the AUV to be a realistic approach to arriving at a benchmark land value, and is in our view preferable to adopting a figure that is based on analysis of comparable land transactions, especially given the wide range of different buildings which have been provided as comparable site transactions - some of which do not require extensive refurbishment. The AUV is £58.4m. We suggest that this figure should be adjusted to reflect our cost consultant's higher cost estimate and higher professional fees, which results in the AUV reducing to £57.10m.
- 2.18 With respect to the AUV appraisal, this is a residual valuation which has a 11.56% profit on cost as an appraisal input. This is lower than the 15% profit on cost cited in Gerald Eve's report as being a suitable profit requirement. We agree that 15% is a suitable profit target. The difference is the result of a nil profit being applied to the retail element of the building, which will remain in situ, therefore we agree with the overall profit adopted.
- 2.19 With respect to the purchase price of £80m, we question whether this is a reliable indicator of the site's value. This would factor in expectations of growth, but also is likely to reflect the specific requirements of the purchaser, Daar Group, which purchased with a view to owner occupation once the building has been refurbished/redeveloped, therefore would have likely required a lower developer's profit allowance for undertaking these works. As they are to occupy, this reduces the risk profile substantially. Whilst there was, Gerald Eve state, another bid close to the purchase price (at £78m-£79m), we do not know the intentions of the bidder.

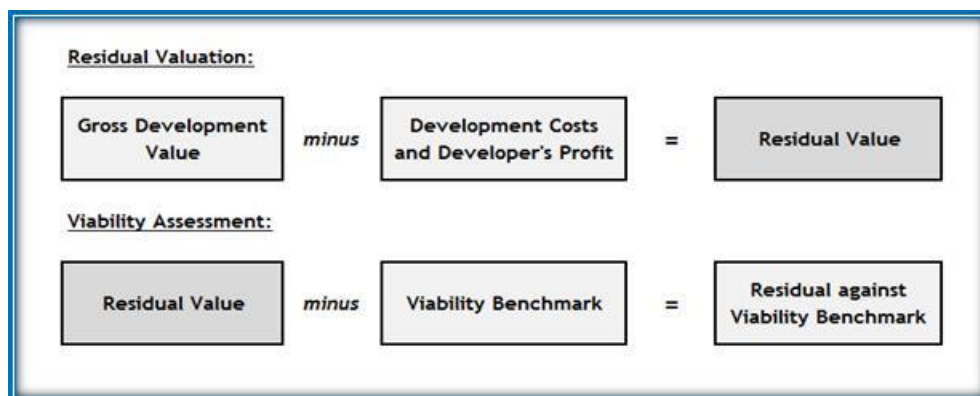
- 2.20 The fact that the purchase price of £80m significantly exceeds the residual value that Gerald Eve's appraisal of the proposed scheme generates (£61.55m, assuming a fixed profit of 18% on Cost), suggests that more optimistic assumptions were used by the applicant when it bid for the site. The proposed scheme, even once growth is factored in, shows a large profit deficit of £12.35m when the £70.0m benchmark is included, which indicates that the applicant would have formulated its bid based on more optimistic assumptions.
- 2.21 Regarding the Market Value estimate of £92.1m, this is unrealistically high given that it considerably exceeds the purchase price and the residual valuation (growth model) of the proposed scheme (£61.55m, based on Gerald Eve's assumptions). This figure of £92.1m has been derived by calculating an average value per sqft for a number of comparable transactions cited by Gerald Eve. We question the applicability of some of these comparables; for example, some of these are in good condition and not in need of refurbishment, in contrast to 150 Holborn which is in shell condition. By adjusting the comparable transactions to allow for these differences relative to the application scheme, this would reduce the Market Value estimate considerably.
- 2.22 In view of the Referendum result, it could be argued that the comparable land transactions provided are now historic, and lead to an overestimation of the Site Value.

Residential & Retail Values

- 2.23 We have undertaken research into the local market in order to assess whether the values applied to the residential apartments are reasonable. This does appear to be the case, based on our research. We also consider the retail values applied to the proposed scheme and AUV scheme to be in line with market evidence.

3.0 PRINCIPLES OF VIABILITY ASSESSMENT

- 3.1 Assessment of viability for planning purposes is based on the principle that if the proposed scheme cannot generate a value that equals or exceeds the current site value, it will not proceed. Financial viability for planning purposes is defined by the RICS guidance as an “objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate site value for the landowner and a market risk adjusted return to the developer in delivering that project.”
- 3.2 A fundamental issue in considering viability assessments is whether an otherwise viable development is made unviable by the extent of planning obligations or other requirements.
- 3.3 RICS guidance suggests that “the site value benchmark should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan”. The purpose of a viability appraisal is to assess the extent of planning obligations while having regard to the prevailing property market.
- 3.4 In this context it is highly relevant to consider the degree to which planning policy has been reflected in the land transactions promoted and whether they are themselves considered to represent market value as distinct from overbids.
- 3.5 Viability appraisals work to derive a residual value to indicate viability. This approach can be represented by the simple formula set out below:



- 3.6 Development costs include elements such as planning obligations, professional fees, finance charges and contingencies as well as the necessary level of ‘return’ that would be required to ensure developers are capable of obtaining an appropriate market risk adjusted return for delivering the proposed development.
- 3.7 It is standard practice, endorsed by RICS Guidance Note Financial Viability in Planning (2012), that when determining planning applications, the aim should be to reflect industry benchmarks. Local Planning Authorities should therefore disregard who is the applicant, except in exceptional circumstances (such as personal planning permissions, as planning permissions run with the land). In formulating information and inputs into viability appraisals, these should accordingly disregard either benefits or dis-benefits that are unique to the applicant, whether landowner, developer or both.

- 3.8 Existing Use Value has been the standard recognised basis for establishing viability as set in various government publications. In certain circumstances, the viability benchmark can instead be based on an Alternative Use Value (AUV).
- 3.9 RICS Guidance supports a 'Market Value' approach to determining land value, based on comparable land transactions. The Guidance (upheld in Planning Appeal Decisions) states that "the importance of comparable evidence cannot be over-emphasised, even if the supporting evidence is very limited, as seen in court and land tribunal decisions".
- 3.10 National Planning Practice Guidance issued by the Government (DCLG) makes it clear that the cost of affordable housing and other obligations such as CIL should be reflected in land value, and states:
- 3.11 Central to the consideration of viability is the assessment of land or site value. Land or site value will be an important input into the assessment. The most appropriate way to assess land or site value will vary from case to case but there are common principles which should be reflected. In all cases, land or site value should: reflect policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge; provide a competitive return to willing developers and land owners (including equity resulting from those wanting to build their own homes); and be informed by comparable, market-based evidence wherever possible. Where transacted bids are significantly above the market norm, they should not be used as part of this exercise.
- 3.12 We have had regard to the Mayors Housing SPG published March 2016 and to the Draft London Borough Development Viability Protocol, which both provide important guidance on how viability assessments should be undertaken.

4.0 BUILD COSTS

- 4.1 Our Cost Consultant, Neil Powling, has reviewed the Currie & Brown Cost Plan and has concluded that the costs for the proposed scheme appear to be lower than BCIS rates; Neil's adjusted benchmarking (exclusive of contingency) is £821,851 higher than the Cost Plan figure (see Appendix One). We have therefore increased the build cost in the proposed scheme's appraisal.
- 4.2 The Cost Plan of the proposed scheme includes Category B fit out costs. However, these have rightly not been included in Gerald Eve's appraisal, as it is typical (as confirmed by Crossland and Neil Powling) for developers to complete office developments to a Category A level of finish.
- 4.3 With respect to the counterfactual scenario, this is very similar to the proposed scheme - the only change from the proposed cost is a reduced allowance for residential fit out to [REDACTED]. Therefore the suggested cost reductions to the proposed scheme are also applicable to the counterfactual scheme.
- 4.4 With respect to the consented scheme, Neil Powling's adjusted benchmark yields a total cost that is £311,000 higher than the figure used in Gerald Eve's appraisal, and we have factored this in to our appraisal revisions.
- 4.5 A debit rate of 6.25% has been applied when calculating finance costs. We agree that this is a reasonable rate to apply in the current lending market.
- 4.6 The development period of the proposed scheme is shown by the cashflow graph in Gerald Eve's report as commencing in May 2016 and ending in February 2019 - which is 2.75 years. Allowing for part of this period to be a pre-construction period, and part to be the post-construction sales and letting period, we consider this to indicate a realistic construction period. With respect to the consented scheme, we have not been provided with the development period, but note that the finance costs as a percentage of the overall costs is similar to those of the proposed scheme, which indicates a substantial development period and strongly indicates that its finance costs are not understated. We are therefore satisfied that these costs are reasonable.
- 4.7 Purchaser's costs at 6.79% are consistent with the latest changes to Stamp Duty, thus are at a correct level.
- 4.8 The professional fees for the proposed scheme are 12%, which Neil Powling agrees is reasonable. For the consented scheme, the allowance is 8%, which is considered by Neil Powling to be too low, and he notes it is not uncommon for a scheme such as this to have fees of circa 15%. We have therefore adjusted the appraisal by increasing its professional fees from 8% to 12%.
- 4.9 Contingency of 5% is in line with typical benchmark rates. Other cost inputs into the appraisal, including marketing & letting fees, and sales & legal fees and likewise in line with standard appraisal assumptions.

5.0 BENCHMARK LAND VALUE ('BLV')

- 5.1 Gerald Eve have used three methods of valuing the existing property at 150 Holborn, to arrive at a Benchmark Land Value of £70m.
- 5.2 One of these is the residual valuation of the Alternative Use Value ('AUV') involving the consented scheme, which is supported by a detailed cost plan and by sales valuations from Daniel Watney. The alternative two methods - assessing purchase price and comparable land transactions - give a higher figure than the AUV valuation.
- 5.3 The benchmark is a mid-point between the £58.4m extant scheme, indexed purchase price, and the £92.1m indicated by analysis of comparable land transactions. We are of the opinion that the residual land valuation is the most appropriate methodology, and that purchase price may represent an overbid for the site. As mentioned above, Crossland Otter Hunt are of the view that a residual approach is the most common approach in the market - reflecting the way potential purchasers would arrive at a bid price.

AUV appraisal

- 5.4 We generally agree that the retail, office, and residential elements of the consented scheme have been valued appropriately. The residual valuation for the implemented scheme is £58.4m. Crossland have confirmed that the rents and yields that have been applied to the consented scheme's offices are reasonable (see Appendix Two).
- 5.5 The Section 106 agreement for the consented scheme specifies a £598,850 affordable housing contribution prior to the implementation date (which we hence presume has been paid, as the scheme has been technically implemented), and a remaining £598,850 to the Council on or prior to the occupation date. This is a total of £1.2m in off-site affordable housing contributions.

Purchase price

- 5.6 Gerald Eve consider the purchase price of £80m (excluding purchaser's costs) to be a highly relevant consideration, especially given that this is a recent purchase, in April 2015, and was sold via a competitive bidding process. The second-highest bid for the site was between £78m and £79m. Gerald Eve have applied Savills' Development Land Statistical Supplement's Index to increase the purchase price up to £85.1m - i.e. to a present-day value.
- 5.7 We refer to the RICS Guidance Note, "*Financial Viability in Planning*", which state that "*site purchase price may or may not be material in arriving at a Site Value for the assessment of financial viability*" (3.6.1.1). In this case, the purchaser may have paid higher than a 'speculative' developer, as Daar Group wish to occupy the building once redeveloped, which reduces the risk of this scheme considerably. In addition, it remains to be seen whether this purchase price fully took into account the cost of meeting planning obligations.

Market Value approach

- 5.8 The transactional evidence provided by Gerald Eve in order to ascertain the site's Market Value is comprised of reasonably local properties mostly sold with planning

permission. We have analysed each of the comparable land transactions provided by Gerald Eve and detailed our findings below.

5.9 All of the examples were sold in a better condition than 150 Holborn, whereas the 150 Holborn building has been completely stripped out. Additionally, these examples did not to our knowledge have the floor-to-ceiling height constraints of 150 Holborn. It is important to note that Daar Group have come to the conclusion that the existing building does not meet their occupier requirements, due largely to its floor layout and floor-to-ceiling heights, therefore these shortfalls should be taken into account when comparing the building to comparable transactions. Finally, all sales were completed in a less volatile, 'pre-Brexit' environment.

5.10 **Fox Court** is adjacent to 150 Holborn. This site was redeveloped in 1996, and has just been granted permission for a 4 storey extension and refurbishment (as of 2013), completed in Q2 2016. In March 2015, the property **sold for £70m** with consent, before being resold as part of a portfolio sale worth £206m later that year. Consent for extension and refurbishment (2013/0786/P) was granted under the terms of a viability review on completion.

Site	Purchase detail	BPS comments
125 Shaftesbury Avenue	price: £120m indexed price: £767 psf	<ul style="list-style-type: none"> - 2003 refurbishment - tenanted up to 9th floor - all leases expiring 2016/17 or are short term - marginally superior location - 5.42% yield - second hand Grade A
Finsbury Tower	price: £106m indexed price: £638 psf	<ul style="list-style-type: none"> - sold November 2015 for £107,000,000 - P2015/1049/FUL for the change of use to basement and ground floors into a gym - P2015/2222 expanding roof terrace and a new portico main entrance. - less popular area - range of specifications (second hand Grade A and B) - 10th-15th floors recently refurbished - 87 car parking spaces - all leases expiring by 2017 (partially occupied)
Holborn Estate Links	price: £212,500,000 indexed price: £773 psf	<ul style="list-style-type: none"> - off-market purchase - partially occupied, A1, B1a and C3 space - application to install new air con granted in 2014
New Building Brook	price: £113,450,000 indexed price: £1,319 psf	<ul style="list-style-type: none"> - current development (involving the loss of c.12,000ft² B1a office space to ground floor retail and 5 units of private residential space) granted planning permission in December 2014 - sale conditional on attaining planning permission - initial yield of 4.75% - Grade B - under construction until September 2016
Oxford House	price: £91,500,000 indexed price: £1,522 psf	<ul style="list-style-type: none"> - Limited information available

Seven Warehouse	Dials	price: £80,000,000 indexed price: £1,404 psf	<ul style="list-style-type: none"> - June 2014 CBRE Global Investors purchased site - 54000ft² of B1a office space - Near Covent Garden (superior location) - Grade II listed, Victorian façade - Damaged by fire in 1999 - Fully let on short term leases - No current planning permission
Weston House		price: £60,500,000 indexed price: £747 psf	<ul style="list-style-type: none"> - second-hand Grade A and B and a ground floor of A1 General Retail - In January 2015, the freehold was sold to Frogmore without any tenants. - In January 2016 units were marketed across the whole building as 'refurbished' space at a rate of £22/ft² plus an £11/ft² service charge. - 2.7m floor to ceiling height (lower than subject)

AUV appraisal - further discussion of appraisal inputs

- 5.11 We have instructed Crossland Otter Hunt to compile a valuation report (dated 23rd June 2016) regarding the consented office elements. Crossland have not measured the building, but have relied on the floor areas adopted by Gerald Eve. They have estimated the following rents:

Floor	Achievable Rent
6-7th Floors	£62.50/ft ²
3-5 th Floors	£60/ft ²
1-2 nd Floors	£57.50/ft ²

- 5.12 The average price per square foot is very similar to those adopted by Gerald Eve. Crossland note that the offices are in a good location next to an underground station and circa 500 meters from the emerging Crossrail, meaning that they will form part of a major business hub to which larger occupiers will look to locate. As a corner building, the offices will benefit from generally good light. The floorplate naturally splits, meaning that the building can cater for different sized lettings, and there is an impressive, double height entrance hall. The raised floors allow for larger floorplate lettings and the top two floors benefit from roof terraces, encouraging higher rents and excellent city views.
- 5.13 However, the floor to ceiling heights (from the top of the raised floor to beneath the chilled beams) is constrained at 2.5m, and the available chilled beam air conditioning (which has likely specified due to these ceiling height issues) are considered an inferior and inflexible system. The eastern elevation is dark, especially lower down the building, on account of 150 Holborn's close proximity to Waterhouse Square. Finally, there is a considerable lack of cycle parking, a key driver for current office occupiers.
- 5.14 We agree with Crossland that an appropriate yield for the consented scheme would be circa 4.5%, although this may be impacted by the referendum result.

AUV - Consented Retail and Basement Values

- 5.15 The value of the retail units have been based upon the passing rents. Gerald Eve conclude that the consented scheme could command a rent of £825,960 per annum (£57/ft²). Below are some local comparables of recent lettings which have been assessed.

Street	Postcode	Sub use type	Size(sq ft)	Rental income		Lease length	Start date
				per annum	per sq ft		
Whitecross Street	EC1Y 8JL	General Retail (A1)	340	£18,000	£52.94	-	25/04/2016
Great Sutton Street	EC1V 0DS	General Retail (A1)	2,385	£137,495	£57.65	10	15/04/2016
Whitecross Street	EC1Y 8QP	General Retail (A1)	1,276	£21,000	£16.46	5	01/03/2016
Laystall Street	EC1R 4PA	General Retail (A1)	229	£18,000	£78.60	-	15/02/2016
Leather Lane	EC1N 7TT	Hot Food Take Away (Food & Drink) (A5)	700	£31,000	£44.29	14	15/12/2015

- 5.16 Using transactional evidence within an appropriate locality of the site, a 4.25% blended capitalisation rate has been adopted, on the basis that rent free periods and tenants' incentives have expired. This produces a capital value for the retail element of £19.434m. Given the good location of the retail units, opposite an underground station and facing a busy street, as well as trends we consider all of these values to be realistic.

AUV - Consented Residential Values

- 5.17 The rates applied to the residential elements of the consented, implemented scheme have been determined by discounting the rate per square foot of the proposed, new-build residential units. Gerald Eve have therefore arrived at a blended value of £1,300/ft², a reduction of 14%, which we feel is appropriate.

6.0 RESIDUAL LAND VALUE ('RLV')

- 6.1 The proposed scheme involves a demolition of the existing building and the construction of a mixed use building incorporating retail, residential and Grade A offices. When completed, the proposed development would provide 14,604sqm GEA office floorspace (use class B1), 1,450sqm GEA retail floorspace (use class A1-A3), 13 residential units (use class C3).
- 6.2 The scheme will provide Grade A office space and shell-and-core retail units. We have analysed each of these elements of the development in turn below and made some minor amendments, but in general, values and yields for all elements are reasonable.
- 6.3 In terms of proposed values, commercial units have been valued at £146/ft² and £67/ft² (blended) for retail and office units respectively. Both have been given a yield of 4.25% by Gerald Eve.

Office Values

- 6.4 Crossland have been instructed by BPS to value the office element of the proposed scheme. The proposed offices will have more efficient floorplates than the consented scheme, a better quality of air conditioning, 230 cycle spaces with showers and lockers, and a more sustainable building. However, at this size floorplate the offices will be competing with all London submarkets; certain locations will be more economical. Crossland also fear pinch points on the 1st and 7th floor. In light of these factors and trends in the market, they have valued the proposed as follows:

Floor	NIA/ sq ft	Rent achievable (£psf)	Rent annum per	Yield	Capital value
8 th	1,841	£72.50			
7 th	10,721	£72.50			
6 th	13,681	£67.50			
5 th	17,954	£67.50			
4 th	17,954	£67.50			
3 rd	17,954	£67.50			
2 nd	17,954	£65.00			
1 st	12,142	£62.50			
G	3,660	£61.00			
Basement	474	£15.00			
					£

- 6.5 The net initial yield thought appropriate by Crossland is % for the proposed offices. This reflects the superiority of the proposed over the consented scheme, mostly on account of greater ceiling heights and a generally more impressive building. Gerald Eve have assigned a % gross initial yield, thus Crossland's estimate is marginally more optimistic.

- 6.6 The cost plan includes Cat B fit-out costs totalling [REDACTED]m for the proposed office elements of the scheme (Appendix 7 of Gerald Eve's report), but these have been excluded from the appraisal.

Retail Values

- 6.7 In their appraisal, Gerald Eve have divided the retail element of the scheme into 'Retail 1, 2 and 3', with a Gross Internal Area of 3,408, 952, and 1,295ft² respectively. Their rents [REDACTED] [REDACTED]ft² and [REDACTED]/ft² respectively have been capitalised at the aforementioned [REDACTED]% gross initial yield. This equates to a gross capital value for the retail element of the proposed scheme of [REDACTED]. This includes a tenant incentive of 2 months' rent free, which is short considering fit out times. We would recommend extending this to 4 months rent-free.
- 6.8 To justify these values, Appendix 5 of Gerald Eve's Financial Viability Appraisal details their own retail market commentary and comparable evidence. All information provided is relevant and in immediate locality to the site. We are therefore satisfied with the values appointed to the retail units.
- 6.9 The yield of [REDACTED]% has been justified by a long list of relevant comparables that leads us to believe that it represents the optimum location of the retail units and the high specification they will be expected to deliver. Being along a busy commercial street and directly outside of a tube station will make this spot very appealing to larger businesses.
- 6.10 The retail units in the existing building are tenanted by major brands such as EAT and Monsoon, and a HSBC that is the 4th busiest in London. A discussion will need to be had between the applicant and these tenants to see if they would be interested in tenanting the new building. This would significantly reduce the risk of the retail element of the project.

Residential Values

- 6.11 The average rate of private residential values is [REDACTED]/ft² in accordance with a report by Daniel Watney. We have been provided with a sufficiently detailed unit pricing schedule that shows the projected selling price of the total 9,487ft² of C3 space at [REDACTED]m.
- 6.12 The residential elements of this scheme will benefit from being set back from the road, and like Daniel Watney we have anticipated bespoke finishes for the penthouses and concierge and security services among other facilities.
- 6.13 We have analysed the comparable evidence provided within the viability assessment. We have not been given unit sizes, which can often have a significant effect on the £psf. BPS have therefore briefly analysed the market of studio, 1 bed and 2 bedroom flats to determine whether the assigned values are justifiable. Notably, **Hatton Garden** EC1N comprises 671 properties, most of which are commercial. In this sense it is similar to the subject, albeit in a slightly inferior location. In December 2015 a one-bedroom flat sold for £735,000, or £1,138/ft², £1,252/ft² with a new build premium, still competitive in the market. 2x two bedroom flats sold in February 2016 for £916,000-£1,275,000 representing £1,216/ft²-£1,519/ft², or £1,337/ft²-£1,670/ft² with a premium. According to our

research and analysis of Gerald Eve's findings, one bedroom flats and studio and two bedroom flats have been priced sensibly.

- 6.14 **The Grays, 30 Grays Inn Road, WC1**
- Bought 8,658ft² of B1a Office space (second-hand **Grade B**) for **£5,230,000 (2007)**.
 - 2013 a planning application granted to erect a roof extension for 13 private residential units (sacrificing 800m² net B1a office space). Work was completed in November 2015.
 - Flats were being marketed prior to completion.
 - The S106 Agreement includes: **£117,000 towards affordable housing**.
 - **Highly comparable location**.
- 6.15 **Hop House, 20 Bedfordbury, WC2**
- Sold as offices (mix of **second hand grade A and B**) for **£15m in 2011**
 - Change of use and refurbishment permission granted in January 2012, 29 private C3 units have gone on the market, one unit asking for **£1,750,000**.
 - far more peaceful surrounding and less noise pollution from commuters and the traffic along High Holborn, **better location for residents**
- 6.16 **The Lincolns, 39-45 Gray's Inn Road, WC1**
- For comments regarding the location of this site, see comments made about the Gate, above.
 - Construction completed **September 2015** of 16 residential units and 4,736ft² of retail space on the ground floor from 2,422ft² of B1a offices.
 - **Fully sold** in April 2015 after being launched in stages from summer 2013.
- 6.17 **St Dunstons Court, 133-137 Fetter Lane, EC4**
- sold out all **76 residential 'luxury apartments'** in February 2016.
 - Includes **penthouses**.
 - Construction completed in December 2014. Sites launched in October 2013 and released gradually.
 - The flats are neighbours with Kings College and within the **Chancery Lane Conservation Area**.
- 6.18 **8 Warwick Court, Bloomsbury, WC1**
- **grade II listed**, dates from 1697 although the façade was altered in 1808
 - Within **Bloomsbury Conservation Area**
 - Chancery Lane station is located 250m east of the site, **similar to subject**
 - In 2014 c. 4,000ft² of B1a office space was converted into 5 residential (C3) units (mix: 1x1 and 4x2 bed flats),
 - **Fully sold May 2016**, having been selling off-plan since December 2014, with units priced between £650,000 and £1,895,000, or £6.25m for the whole development.
- 6.19 **The Belvedere, Bedford Row, Holborn, WC1**
- 7-floor, former office block
 - finished construction in 2013 providing **18 C3 private residential** units, which were **all sold before construction was completed**
 - Sales ranged widely from **£688,888-£2m**.
 - Bedford Row is a wide, period street with Georgian facades and a mix of office and residential.
- 6.20 **Bloomsbury Gardens, 45 Sidmouth Street, W1**

- When researching this comparable, we noticed it lay along 45 Gray's Inn Road, and was the same site as the Lincoln, according to the Estates Gazette.

6.21 Penthouses circulate amongst a submarket that we feel is appropriate to value separately to the standard residential units. According to a 2013 report by CBRE, 'penthouses can achieve a 60% premium over the rest of the development and ultimately create 20% of a scheme's GDV'. The penthouses on offer within this scheme are 3 bedrooms and will offer top-floor views of London, which will include some major landmarks along the visible skyline (which can add as much as a 10% premium). To account for this submarket, we have researched local, 3-bed penthouse transactions and current asking prices, resulting in an average of £1,970/ft². We have assumed a small deduction of this price on account of location (inferior to many of our comparables), arriving at [REDACTED]/ft². When applied to the fifth and sixth floor penthouses, this makes [REDACTED] and [REDACTED], or [REDACTED] for both (an increase of £344,000 from Gerald Eve's valuations). We therefore view Gerald Eve's valuations as broadly reasonable.

Ground Rents

6.22 Ground rent income has been capitalised at a 5% yield and charged at £600 per unit. Projects we have been involved with nearby have been achieving ground rents at £550-£750 per unit, capitalised with a 3.5%-5% yield. It seems sensible therefore to charge £650 per unit at 150 Holborn, at a 5% yield. This produces a capitalised income of £169,000.

7.0 PLANNING OBLIGATIONS AND AFFORDABLE HOUSING

Affordable Housing

- 7.1 CPG2 (Camden Policy Guidance) Housing sets out all the Council's usual arrangements for the provision of housing and affordable housing through policies DP1 and DP3, and housing in mixed-use, particularly section 1 Affordable housing and housing in mixed-use development. CPG2 gives guidance on providing housing and affordable housing on-site and off-site, including the use of planning obligations. Paragraphs 2.68 to 2.88 set out the limited circumstances where on off-site contribution may be accepted and the exceptional circumstances where this may take the form of a payment in lieu.
- 7.2 A report by Daniel Watney concludes that affordable housing has an adverse effect on this development. The tenures proposed are social and intermediate rents, valued at £177/ft² and £327ft² respectively. These have been capitalised at a 5% yield. In order to arrive at these values, weekly gross rent has been calculated in line with the *Homes and Communities 2016-17 Rental Caps* as opposed to market rents in locality of the site. 22% has been deducted for Management and Maintenance costs from the gross rent. Intermediate Rent values have been calculated based off of a weekly gross rent in line with the *GLA Income Affordability Levels* of £71,000 per annum (£248 per week).
- 7.3 Based on comparable affordable housing valuations, we have reached the conclusion that the values applied in the counterfactual scenario appraisals are reasonable.

BPS Chartered Surveyors

Appendix One:

Cost Review by Neil Powling FRICS

1 SUMMARY

- 1.1 The cost plan includes an allowance of 18% for preliminaries. Given the current tender market, the location, site constraints and the design details we consider this addition reasonable. We calculate the 10 year BCIS average preliminaries addition to be 13.5% and have adjusted our benchmarking accordingly. The allowance for overheads and profit (OHP) is 8%; we consider this at the upper end of the range we would expect. The allowance for contingencies is 5% which we consider reasonable.
- 1.2 The cost plan is in broadly elemental format. Mechanical and electrical amounts have not been provided as elemental totals, but reference has been made to an MEP cost plan - we have requested a copy but at the date of this report it has not been received. The cost plan includes lump sum allowances for commercial Cat B fit out (██████████) and residential fit out (██████████). Without further detail we have been unable to account in our benchmarking for any specification enhancements that may be included in these allowances.
- 1.3 Our adjusted benchmarking yields an adjusted benchmark of ██████/m² that compares to the Applicant's ██████/m² a difference of £742/m² (£12,941,257). The difference has since been explained by the fact that the applicant's figure is inclusive of Category B costs, although these costs have not been included within Gerald Eve's appraisal. In conclusion, we agree that these costs are reasonable.
- 1.4 The Counterfactual cost from Appendix 8 is in the total amount of ██████████ - the only change from the proposed cost is a reduced allowance for residential fit out to ██████████. Our comments on the proposed scheme are therefore also applicable to the counterfactual scheme.
- 1.5 We have reviewed the Extant scheme estimated at 2Q2011 in the amount of ██████████. This has been updated to 1Q2016 by the Applicant to ██████████ based on a TPI of 276. The current BCIS TPI for 2Q2016 is a forecast 276; the adjustment is therefore appropriate for 2Q2016. Refer to our attached file "150 Holborn Extant scheme elemental analysis updated to equivalence to proposed scheme". We have further updated costs to allow for the same level of preliminaries and OHP as the proposed scheme. We have also allowed for Cat B fit out to the office areas at ██████/ft² (as for the proposed scheme). We have further allowed for contingencies at 5%. We therefore calculate the current cost of the Extant scheme with a Cat B fit out as ██████████ (██████████/m²)

2 METHODOLOGY

- 2.1 The objective of the review of the construction cost element of the assessment of economic viability is to benchmark the Applicant's costs against RICS Building Cost Information Service (BCIS) average costs. We use BCIS costs for benchmarking

because it is a national and independent database. Many companies prefer to benchmark against their own data which they often treat as confidential. Whilst this is understandable as an internal exercise, in our view it is insufficiently robust as a tool for assessing viability compared to benchmarking against BCIS.

- 2.2 BCIS average costs are provided at mean, median and upper quartile rates (as well as lowest, lower quartile and highest rates). We generally use mean or occasionally upper quartile for benchmarking. The outcome of the benchmarking is little affected, as BCIS levels are used as a starting point to assess the level of cost and specification enhancement in the scheme on an element by element basis. BCIS also provide a location factor compared to a UK mean of 100; our benchmarking exercise adjusts for the location of the scheme. BCIS Average cost information is available on a default basis which includes all historic data with a weighting for the most recent, or for a selected maximum period ranging from 5 to 40 years. We generally consider both default and maximum 5 year average prices; the latter are more likely to reflect current regulations, specification, technology and market requirements.
- 2.3 BCIS average prices are available on an overall £ per sqm and for new build work on an elemental £ per sqm basis. Rehabilitation/conversion data is available on an overall £ per sqm and on a group element basis ie. substructure, superstructure, finishings, fittings and services - but is not available on an elemental basis. A comparison of the applicants elemental costing compared to BCIS elemental benchmark costs provides a useful insight into any differences in cost. For example: planning and site location requirements may result in a higher than normal cost of external wall and window elements.
- 2.4 If the application scheme is for the conversion, rehabilitation or refurbishment of an existing building, greater difficulty results in checking that the costs are reasonable, and the benchmarking exercise must be undertaken with caution. The elemental split is not available from the BCIS database for rehabilitation work; the new build split may be used instead as a check for some, but certainly not all, elements. Works to existing buildings vary greatly from one building project to the next. Verification of costs is helped greatly if the cost plan is itemised in reasonable detail thus describing the content and extent of works proposed.
- 2.5 BCIS costs are available on a quarterly basis - the most recent quarters use forecast figures, the older quarters are firm. If any estimates require adjustment on a time basis we use the BCIS all-in Tender Price Index (TPI).
- 2.6 BCIS average costs are available for different categories of buildings such as flats, houses, offices, shops, hotels, schools etc. The Applicant's cost plan should ideally keep the estimates for different categories separate to assist more accurate benchmarking. However if the Applicant's cost plan does not distinguish different categories we may calculate a blended BCIS average rate for benchmarking based on the different constituent areas of the overall GIA.
- 2.7 To undertake the benchmarking we require a cost plan prepared by the applicant; for preference in reasonable detail. Ideally the cost plan should be prepared in BCIS elements. We usually have to undertake some degree of analysis and rearrangement before the applicant's elemental costs can be compared to BCIS elemental benchmark figures. If a further level of detail is available showing the build-up to the elemental totals it facilitates the review of specification and cost allowances in determining adjustments to benchmark levels. An example might be

fittings that show an allowance for kitchen fittings, bedroom wardrobes etc that is in excess of a normal BCIS benchmark allowance.

- 2.8 To assist in reviewing the estimate we require drawings and (if available) specifications. Also any other reports that may have a bearing on the costs. These are often listed as having being used in the preparation of the estimate. If not provided we frequently download additional material from the documents made available from the planning website.
- 2.9 BCIS average prices per sqm include overheads and profit (OHP) and preliminaries costs. BCIS elemental costs include OHP but not preliminaries. Nor do average prices per sqm or elemental costs include for external services and external works costs. Demolitions and site preparation are excluded from all BCIS costs. We consider the Applicants detailed cost plan to determine what, if any, abnormal and other costs can properly be considered as reasonable. We prepare an adjusted benchmark figure allowing for any costs which we consider can reasonably be taken into account before reaching a conclusion on the applicant's cost estimate.
- 2.10 We undertake this adjusted benchmarking by determining the appropriate location adjusted BCIS average rate as a starting point for the adjustment of abnormal and enhanced costs. We review the elemental analysis of the cost plan on an element by element basis and compare the Applicants total to the BCIS element total. If there is a difference, and the information is available, we review the more detailed build-up of information considering the specification and rates to determine if the additional cost appears justified. If it is, then the calculation may be the difference between the cost plan elemental £/m² and the equivalent BCIS rate. We may also make a partial adjustment if in our opinion this is appropriate. The BCIS elemental rates are inclusive of OHP but exclude preliminaries. If the Applicant's costings add preliminaries and OHP at the end of the estimate (as most typically do) we add these to the adjustment amounts to provide a comparable figure to the Applicant's cost estimate. The results of the elemental analysis and BCIS benchmarking are generally issued as a PDF but upon request can be provided as an Excel spreadsheet.

3 GENERAL REVIEW

- 3.1 We have been provided with and relied upon a hard copy of the Financial Viability Assessment issued by Gerald Eve dated April 2016 together with its 17 appendices.
- 3.2 We have also downloaded a number of files from the planning web site, including drawings and the Design & Access Statement.
- 3.3 The cost plan issued by Currie & Brown is dated 7th March 2016 is based on costs at 1Q2016. The cost plan is in the total sum of [REDACTED]. Our benchmarking uses current BCIS data which is on a current tender firm price basis - forecast BCIS all-in TPI of 276.
- 3.4 The cost plan includes an allowance of 18% for preliminaries. Given the current tender market, the location, site constraints and the design details we consider this addition reasonable. We calculate the 10 year BCIS average preliminaries addition to be 13.5% and have adjusted our benchmarking accordingly. The allowance for overheads and profit (OHP) is 8%; we consider this at the upper end of the range we would expect. The allowance for contingencies is 5% which we consider reasonable.

3.5 The cost plan is in broadly elemental format. Mechanical and electrical amounts have not been provided as elemental totals, but reference has been made to an MEP cost plan - we have requested a copy but at the date of this report it has not been received. The cost plan includes lump sum allowances for commercial Cat B fit out () and residential fit out (). Without further detail we have been unable to account in our benchmarking for any specification enhancements that may be included in these allowances.

3.6 There is no fit out allowance for the retail element and pending more detailed information we have assumed it as “shell only” for benchmarking purposes.

3.7 We have calculated a blended rate for benchmarking purposes as the table below.

Blended rate calculation				Blended
	m ²	%	£/m ²	£/m ²
Commercial	12,960			
Retail	1,388			
Resi	1,225			
Plant & services	1,866			
	17,439			

3.9 Residential sales have been included in the Appraisal at average figures of /ft² (Net Sales Area).

3.10 We have downloaded current BCIS data for benchmarking purposes including a Location Factor for Camden of 128 that has been applied in our benchmarking calculations.

3.11 Our adjusted benchmarking yields an adjusted benchmark of /m² that compares to the Applicant’s /m² a difference of £742/m² (£12,941,257). The difference has since been explained by the fact that the applicant’s figure is inclusive of Category B costs, although these costs have not been included within Gerald Eve’s appraisal. In conclusion, we agree that these costs are reasonable.

3.12 The Counterfactual cost from Appendix 8 is in the total amount of the only change from the proposed cost is a reduced allowance for residential fit out to . Our comments on the proposed scheme are therefore also applicable to the counterfactual scheme.

3.13 We have reviewed the Extant scheme estimated at 2Q2011 in the amount of . This has been updated to 1Q2016 by the Applicant to based on a TPI of 276. The current BCIS TPI for 2Q2016 is a forecast 276; the adjustment is therefore appropriate for 2Q2016. Refer to our attached file “150 Holborn Extant scheme elemental analysis updated to equivalence to proposed scheme”. We have further updated costs to allow for the same level of preliminaries and OHP as the proposed scheme. We have also allowed for Cat B fit out to the office areas at t² (as for the proposed scheme). We have further allowed for contingencies at 5%. We therefore calculate the current cost of the Extant scheme with a Cat B fit out as ()/m²

150 Holborn, EC1N 2NS

Addendum Review

Prepared on behalf of the London Borough of Camden

16th August 2017



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1.0 INTRODUCTION

- 1.1 We have been instructed by the London Borough of Camden to review the *Addendum Note* that has been prepared by Gerald Eve on behalf of the applicant, Dar Plus Ltd (dated July 2017). This Addendum Note is supplemental to Gerald Eve's April 2016 Financial Viability Assessment.
- 1.2 This addendum review follows from our previous report dated July 2016 in which we assessed the assumptions of Gerald Eve's April 2016 viability report. Our 2016 review concluded that an on-site affordable housing contribution would be inappropriate given the layout of residential units within the proposed development, and based on the findings of the review the scheme could not viably provide a monetary contribution in lieu of affordable housing. We recommended a review mechanism be put in place based on outturn costs and values that would capture any improvement in viability over time.
- 1.3 Since our July 2016 review, the applicant has made changes to the development's design including changes to the façade, materials, floorplates and roof. A key change is that the overall floorspace of the scheme has been reduced. The reconfiguration of the floorplates include a change to the ground floor, via the removal of a partition so as to create a more open space. These changes and their accompanying effects on scheme costs and values have been set out in a revised Gerald Eve report dated July 2017.
- 1.4 Our addendum report will assess how these changes to costs and values have affected the viability of the development, and by association how these changes might have improved the development's ability to deliver payments in lieu of affordable housing.
- 1.5 The amended development seeks permission for 110,836 sq ft (NIA) of office (Use Class B1) floorspace across basement-8th floor, 15,349 sq ft (NIA) of retail (Use Classes A1-A5) floorspace, and 13 residential units (Use Class C3) provided over 1st-6th floors. We have contrasted the differences between these proposals and those of 2016, in Section 2 of this report.
- 1.6 The current proposal does not include any contribution towards affordable housing. Camden's 3rd July 2017 Local Plan - which post-dates our previous assessment - determines developments "that provide one or more additional homes and involve a total addition to residential floorspace of 100sqm GIA or more" must contribute towards affordable housing. The guideline tenure mix is 60% social-affordable rent and 40% intermediate housing.
- 1.7 Policy H4 of the Local Plan 2017 determines that for developments such as 150 Holborn whereby less than 25 units are being delivered, the maximum reasonable amount of affordable housing will be negotiated on the following bases, quoted at length:
 - *targets are applied to additional housing floorspace proposed, not to existing housing floorspace or replacement floorspace;*
 - *a sliding scale target applies to developments that provide one or more additional homes and have capacity for fewer than 25 additional homes, starting at 2% for one home and increasing by 2% of for each home added to capacity;*
 - *for developments with capacity for 10 or more additional dwellings, the affordable housing should be provided on site; and*

- *where affordable housing cannot practically be provided on site, or offsite provision would create a better contribution (in terms quantity and/ or quality), the Council may accept provision of affordable housing offsite in the same area, or exceptionally a payment-in-lieu.*
- 1.8 As we concluded in our 2016 assessment, we believe that affordable housing on-site is inappropriate within this development, “in view of the practical difficulties of accommodating a mix of housing tenures (including the need for separate entrances for these tenures), and the risk that RP’s would not be willing to adopt such a small number of affordable housing units in a mixed-tenure block, in part due to the management difficulties and limited ‘economies of scale’ this would entail” (BPS Report, 2016).
- 1.9 This report has therefore considered development viability according to these new requirements for affordable housing, with the outlook being to secure a payment in lieu of affordable housing.
- 1.10 We inspected the property internally and externally on the 8th June 2016 along with Crossland Otter Hunt and representatives from Gerald Eve. We observed the basement, reception area, courtyard, stairwell, rooftop, the top floor, and the second floor. From the inspection, we established prominent selling features such as a large basement useful for storage or car parking, close proximity to Chancery Lane underground station, and rooftop views of the London skyline.

2.0 CONCLUSIONS AND RECOMMENDATIONS

- 2.1 The following table demonstrates the changes that have been made to the scheme since the previous proposal from April 2016, as well as a brief summary of our thoughts on these changes, which will be explored in this report:

Area of change	Changes made	BPS Comments
Change in office floorspace	-3,499 sq ft	We understand these changes are in response to discussions had between the Applicant and the Council.
Change in residential floorspace	+207 sq ft	
Increase in retail floorspace	+785 sq ft	
Commercial tenant incentives: rent-free periods	Increased 7-9 months to ■ months for offices Increased 3 months to ■ months for retail	These are beyond the extensions to incentive periods recommended in our 2016 report but are nonetheless justifiable.
Increased residential GDV	+£165,000 to a ■ GDV Value per sq ft reduced ■ per sq ft down to ■ per sq ft	The residential units appear to have been valued in line with the current market.
Decrease in benchmark land value	-£12.90m (£70m down to £57.1m)	This is in line with our previous report and is therefore seen as appropriate.
Increase in base construction cost	+£7.44m ■ m up to ■ m)	This cost estimate appears to be reasonably consistent with the cost plan considered in June 2016 adjusted to 2Q2017 for inflation and design/ façade changes. Further adjustment has then been made based on forecast TPI data. This seems too high based on current data, however as we are reliant on forecast data, this is subject to change.
Increased finance rate	+25bps	This change is appropriate in a post-referendum market.
Camden CIL and MCIL	Indexation applied, now £299,992 BCIL, £776,156 MCIL	These assumptions and the practise of indexation appears to be correctly applied. This will need to be confirmed by Planning Officers.
Increased S106 payment	+£426,390	This will need to be reviewed by the Council.
Change to GDV	-£10.60m	This is likely on account of a culmination of floorspace reduction (particularly in the office part of the scheme) and increased tenant incentive periods.
Change in costs (including land value)	+£6.62m	These appear to be in line with inflation and are therefore reasonable.
Change to profit on cost output	4.50% down to 2.88%	We agree that 2.88% is below what we would consider to be a competitive return. After assessing the inputs of this appraisal, we can confirm that the project is not currently able to achieve its 18% benchmark profit on cost.

- 2.2 After assessing Gerald Eve's revised valuations, costs, and other aspects of the report, it appears that the assumptions used are broadly reasonable. Because the appraisal generates a profit considerably below the 18% benchmark return - which we also believe is a reasonable level of return for the risk undertaken in this development - we conclude that the scheme cannot viably deliver any payments in lieu of affordable housing. The appraisal does not include a mixed-use payment, in contrast to the previous 2016 appraisal in which a £2,395,724 was included to comply with policy DP1. Gerald Eve have informed us that the applicant is no longer offering any mixed-use payment on account of the worsening of scheme viability over time.
- 2.3 The 2016 scheme included the mixed-use payment despite achieving significantly below its benchmark profit margin (4.5% profit on cost). The 2017 revision without the mixed-use payment is further still from the 18% profit on cost target, at 2.8% profit on cost. Adding a mixed-use payment worsens this still.
- 2.4 With respect to the reconfiguration of the floorplates (including a change to the ground floor, via the removal of a partition so as to create a more open space), we have considered these and do not view them as having a substantial impact on viability.
- 2.5 We have converted Gerald Eve's latest appraisal to a conventional residual appraisal that generates a residual land value and has a fixed profit assumption (that is treated like a cost). If the development were to achieve its 18% profit on Cost benchmark, it would generate a residual value of £38.62m, without changing any other values, costs or assumptions within Gerald Eve's original Argus appraisal. This is £18.5m less than the agreed Benchmark Land Value of £57.1m, which demonstrates the extent of the viability deficit.
- 2.6 After assessing the costs and values populating this appraisal, we can confirm that only minor changes can be justified in terms of values, and our Cost Consultant, Neil Powling, believes that the costs are more-or-less reasonable. Applying our minor changes to the appraisal - including improved retail and ground rent yields, and a higher rent on the basement office level - improves the residual value from £38.62m to £39.65m, thus remains in deficit. This leads us to conclude that the scheme cannot viably contribute any additional payments for planning obligations nor affordable housing.
- 2.7 Residual valuations are highly sensitive to changes in costs and values over time, therefore we recommend that the Council considers seeking agreement to a deferred contributions mechanism, based on outturn costs and values, so that if improvements in viability result in a profit surplus being generated, this can trigger the payment of affordable housing contributions.

Design changes effects on viability

- 2.8 The design changes are summarised in the July 2017 *Design and Access Statement*. The changes consist of adjustments to the façade that do not have a direct effect on viability, however there has been a reduction to office floorspace that will reduce the rental income of the development, which have a minor effect on viability. Residential floor area has increased by a modest proportion. The changes to the retail floorspace are minor. In addition, our Cost Consultant observes that changes to the design of the scheme have increased costs, worsening viability.

- 2.9 Vertical fins have been adjusted in response to solar exposure analyses, and the façade skin depth has been increased to a 450mm profile to give the building more “solidity and robustness” in response to officer recommendations. Additional profiling has been added to accentuate the contrast between the upper/ lower bays and the office floors. This has a minimal effect on viability.
- 2.10 The ground floor reception and café/ exhibition areas have been united to create a bigger public space. WCs have also been added to the café, and storage (‘back-of-house’) area. Swing doors have been added as well as the revolving door entrance to the reception area to the betterment of accessibility. This improves the reception area and thus makes the office space more attractive to potential investors/ tenants, and improves the value of the café by integrating it with both the public and employees of the offices on-site.
- 2.11 The efficiency of the development with regards to its NIA to GIA ratio has decreased from 74% in the April 2016 proposals to 73% in the new proposals. This has a minimal effect in terms of viability. The changes in floor areas in response to design changes will have an effect on lettable area and reduces the rental value of the scheme. This in turn damages the viability of the development and therefore its ability to contribute towards affordable housing.

3.0 PRIVATE RESIDENTIAL VALUES

- 3.1 We have assessed the value of the private residential units within the 2017 revised viability appraisal on the basis of market evidence, and in light of our conclusions from our 2016 report.
- 3.2 Both the 2016 and 2017 revision of the development sought permission for thirteen residential (C3) units ranging from studios to three-bed apartments. The units are broadly similar in 2017 to what was proposed in 2016, with the exception of the three-bed apartments, that are no longer described as penthouses in 2017.

Summary of proposed residential units in the 2017 scheme

Unit type	Number of units	Unit size (NIA)	Amenity space
Studio	3	404 sq ft	None apparent
One-bed	3	538 sq ft	Terrace
Two-bed	5	796-996 sq ft	1 x winter garden 3 x terraces 1 x none apparent
Three-bed maisonette	2	1,130 and 1,302 sq ft	Large terraces

- 3.3 Units with outdoor private amenity space will likely achieve higher values per sq ft than those without. The larger two-bedroom units compensate for what appears to be a complete lack of outdoor amenity space with more sizable units, at around 200 sq ft larger than the equivalent units with winter gardens or terrace areas. This serves to make up some added value.

Area context

- 3.4 All units will benefit from close proximity to public transport services, including an underground station immediately South of the site and nearby bus stops. There are a selection of retail, restaurant, gym and banking facilities within a five-minute walking radius of the site.
- 3.5 High Holborn is a relatively busy section of the A40, which may cause some level of noise pollution to the units. This has been mitigated to some extent by the building's position, set-back from the road. Despite being separated from neighbouring buildings by Brooke Street and Grays Inn Road, surrounding buildings are six+ storeys in height, meaning that special adjustments must and have been made to ensure units capture sufficient levels of natural light.

Daniel Watney valuation of residential units

- 3.6 In both the 2016 and 2017 assessments, Gerald Eve have relied upon valuations of the residential units by Daniel Watney. In 2016, Daniel Watney valued the residential units at [REDACTED] m [REDACTED] per sq ft). In their revised 2017 valuation this has increased to [REDACTED] m [REDACTED] per sq ft). The decrease in value per sq ft is likely on account of the increase in floor area for the residential element of the scheme.

Level	Unit type	GIA (sq ft)	Proposed value	Price per sq ft
First floor	Two-bed (winter garden)	818		
	Two-bed	1,028		
Second floor	Two-bed (terrace)	834		
	One-bed (terrace)	549		
	Studio	409		
Third floor	Two-bed (terrace)	834		
	One-bed (terrace)	549		
	Studio	409		
Fourth floor	Two-bed (terrace)	834		
	One-bed (terrace)	549		
	Studio	409		
Fifth & sixth floors	Three-bed maisonette (terrace)	1,356		
	Three-bed maisonette (terrace)	1,173		
Total		9751		

- 3.7 In our 2016 assessment of residential values we concluded that Daniel Watney's valuation appeared to be reasonable.
- 3.8 Since our July 2016 report, the House Price Index shows a significant 7.57% growth to May 2017. This is mostly due to the dip in sales prices post-referendum (in July 2016), which caused a sudden drop in the index. If we were to apply this growth to the previous values adopted by Daniel Watney, which we believed were reasonable, the scheme would be valued at £m private residential GDV (£ per sq ft). However, HPI since Gerald Eve's last reporting in April 2016 shows a 2.95% decrease in sales values, which when applied to this scheme would result in a current-day GDV of £m (£ per sq ft).
- 3.9 Relative erraticism in HPI demonstrates the post-Brexit uncertainty in the market. Whilst the market shows sign of slow recovery following the referendum, it is justifiable to value cautiously in light of this uncertainty. We therefore do not anticipate growth as high as 7.57% and have consulted comparable evidence to ensure Daniel Watney's 2017 valuation is reasonable.

Transactional evidence within the past year, within 1 mile of the site

Address	Sales information	Additional notes/ comparison to 150 Holborn
Studios		
Flat 17, 9 Kean Street, WC2B 4AY	Sold £650,000 in Nov-16 377 sq ft £1,724 per sq ft	4th floor in a 19 th century warehouse. For what this scheme lacks in new-build premium it gains in the historical significance of the building. The unit is small, which will distort price per sq ft, however we believe 150 will achieve similar values in terms of price.
One-bed		
Flat 14 Brampton House, Red Lion	Sold £560,000 Mar-17 484 sq ft	Small unit, midway between a studio and one-bed size.

Square, WC1R 4RA	£1,157 per sq ft	Built 2005. 150 Holborn will have superior sized units with better specification.
Flat 21, 11-12 West Smithfield, EC1A 9JR	Sold £550,000 Sep-16 495 sq ft £1,111 per sq ft	EPC rating E (bordering F), poor quality unit. Top floor apartment. Expect better specification from 150 Holborn.
Flat 19, 11-12 West Smithfield, EC1A 9JR	Sold £580,000 Jan-17 560 sq ft £1,036 per sq ft	Similar condition to Flat 21 (above).
Two-bed		
Flat 2, 1 St John's Place, EC1M 4NP	Sold £800,000 Feb-17 807 sq ft £991 per sq ft	Built 2006 No external, private amenity space. Anticipate higher values from 150 Holborn due to new-build premiums and inclusion of balconies and terraces.
Three-bed		
Flat 9, 32 High Holborn, WC1V 6AX	Sold £1.20m Dec-16 "Over 900 sq ft" Approx. £1,333 per sq ft	Built 2011 (one previous owner), good quality, balcony space. Top floor (5 th floor), central location. Listed for £1.07m. 150 Holborn will appreciate a new-build premium.
Flat 6, 50 Hatton Garden, EC1N 8YS	Sold £1.03m Feb-17 974 sq ft £1,057 per sq ft	Built 2000, high spec, anticipate 150 Holborn will have a new-build premium.
Flat 7 Da Vinci House, 44 Saffron Hill, EC1N 8FH	Sold £1.825m Apr-17 1,507 sq ft £1,211 per sq ft	Large unit with off-street parking, not new-build. In light of spaciousness we expect a higher price per sq ft rate at the subject. We would also anticipate a new-build premium.

- 3.10 According to market research, Daniel Watney's 2017 valuations are in line with what is currently achievable in the market. They appear to correctly reflect the location and amenities available to the units, and a new-build premium above second-hand transactional evidence. Whilst the House Price Index for flats and maisonettes in Camden suggests that there is room for further uplift, we believe that this cannot be justified in terms of the transactional evidence available at this time. We conclude that the valuation of these units has been reasonable.

Ground rents

- 3.11 Ground rents are a minor part of the scheme that do not contribute significant capital. We stand by our 2016 advice that ground rents should be chargeable at £650 rent per unit per annum, but there is some room to improve the previously advised 5% yield in light of the Knight Frank Residential Yield Guide Q12017, whereby ground rents are showing stable yields of 2.5% (NIY) for 10-year RPI Uplifts, or 3.25% on 25-year Doubling Reviews. A yield of 4% seems reasonable.

4.0 COMMERCIAL REVENUE

- 4.1 The majority of 150 Holborn is commercial floorspace, consisting of offices and retail. The value of the commercial space is consequentially pivotal to development viability. As such, we sought external expertise from office agents Crossland Otter Hunt as part of our 2016 review, and we have reiterated some of their findings in our 2017 assessment of rental values and yields.
- 4.2 We have relied upon research reports from firms such as CBRE and Knight Frank to give an impression of how commercial markets are developing in light of Brexit, e-commerce, and other market factors. For example: Savills' *Market in Minutes July 2017* sees commercial yields holding, with a downward pressure, portentous of a strong market.
- 4.3 The site is well-located in terms of public transport connections and local amenities. Offices will be open-plan in line with market trends and have the benefit of roof gardens overlooking the London skyline, and retail units will be prominent along Holborn's active street scene, gaining repeat footfall from employees of the offices on-site, but also commuter footfall from the underground station out the front of the site.

Office space - rental values and yields

- 4.4 Gerald Eve have retained the rental value of the offices from their 2016 assessment at ██████ per sq ft, capitalised at ██████. In our 2016 assessment, Crossland Otter Hunt were instructed to assess these values, and it was decided that a ██████ Net Initial Yield (NIY) was appropriate, and that rental values of ██████ per sq ft were justified.
- 4.5 The JLL *Central London Office Market Report* for Q12017 reports a surge in investment led by Hong Kong buyers, having a positive effect on rental values and yields. Prime yields remained unchanged in Q42016 at 4.25% city-wide, and prime rents were around £70 per sq ft, up to £72.50 in Camden. In light of this research, Gerald Eve's assumptions regarding rental values and yields appear reasonable.
- 4.6 Basement rents for the offices are ██████ per sq ft in Gerald Eve's 2017 report, down from ██████ per sq ft recommended in Crossland Otter Hunt's 2016 valuation. There is no explanation regarding why this lower rate has been adopted. The difference is a rental value of ██████ per annum to ██████ per annum, thus the capital value of the basement could improve from ██████ to ██████. This change is however very minor in terms of the overall development and will not impact dramatically upon viability.

Retail space - rental values and yields

- 4.7 The retail has been sectioned into three units and a public café, valued between ██████ rent per sq ft In Terms of Zone A (ITZA). These plots are directly outside an underground station entrance, in a prominent location along a busy road, hence we anticipate that they will be among the more valuable retail units in the area. The locational benefits of these units are reflected by the high-profile, extant tenants of 150 Holborn: EAT, Monsoon, and HSBC.
- 4.8 To ensure this value has been appropriately represented, we have compared these units to the following recent leases signed in close locality of the site:

Address	Lease details	Additional details
75 Leather Lane, EC1N 7TJ	Signed May 2017 820 sq ft, lower and lower ground floors 10-year lease £37,000 per annum (£95 per sq ft ITZA)	On a quieter road to the subject. Second-hand space. Expect better values from 150 Holborn.
41 Theobalds Road, WC1X 8SP	Signed October 2016 855 sq ft, lower ground and ground floors 15-year lease £32,500 per annum (£90 per sq ft ITZA)	Better position, achieved higher than asking rent of £30,000. Second-hand retail space. Anticipate better quality of space from subject.
75 High Holborn, WC1V 6LS	Signed August 2016 2,145 sq ft 9-year lease (rent review in 2020) £75,000 per annum (£111 per sq ft ITZA)	Very comparable location to subject. Second-hand unit. Larger unit. Expect broadly similar values ITZA.

- 4.9 We believe the units at 150 Holborn will be superior to these units in terms of location and quality, and this appears to have been reflected in the proposed rental values. We are therefore satisfied that these rental values are reasonable.
- 4.10 The valuation of [REDACTED] per sq ft for the retail basement space is around 4% of the value of the Zone A retail floorspace. This space will likely be used for storage, and thus we would expect it to be significantly less valuable, albeit a good selling feature. Therefore the basement rental values contributing to Gerald Eve's appraisal appear to be reasonable.
- 4.11 Regarding the [REDACTED]% yield: the CBRE July 2017 publication *UK Property Investment Yields* found prime high street yields had been strengthening from 4.25% in September 2016 to 4.00% in December 2016, where they have remained stable. The report states that property performance in 2017 looks to outperform forecasts for the year, as investors remain interested in the UK market despite uncertain political outlooks. Knight Franks *UK Retail Monitor Q12017* also found that prime high street retail was the only type of retail still seeing yield compressions of around 25bps. It is consequentially arguable that a [REDACTED]% yield is pessimistic, however not unreasonable.

Tenant incentives

- 4.12 The rent-free incentive period on the office accommodation has been lengthened to [REDACTED] months. The Crossland Otter Hunt 2016 report evidenced office transactions including [REDACTED]-month rent-free periods. The proposed [REDACTED] months is the top-end of this evidence. However, rent-free periods are to some extent dependent on individual tenant's needs. Crossland Otter Hunt's comparables also predate Brexit. The JLL *Central London Office Market Report* reports as high as a 24-month rent free period on 10-year terms in prime City Locations. We would ideally see further justification for the longer tenant incentive period, however it appears the adopted periods are not unreasonable.
- 4.13 Similarly, the [REDACTED] month rent-free period on the retail units is in excess of the [REDACTED] month recommendation made in our 2016 report. Again, the rent-free period for any commercial property is partially dependant on the needs of the incoming tenant. Without further explanation, [REDACTED] months rent-free seems reasonable.

5.0 COSTS

Construction costs

- 5.1 The present “Order of Cost Estimate No 1 Gerald Eve Submission 13.06.17” by Currie & Brown has been provided as Appendix 1 of the Gerald Eve Addendum Note for the Financial Viability Assessment in support of the Planning Application (as amended) dated July 2017.
- 5.2 Our Cost Consultant, Neil Powling, reviewed the Currie & Brown Cost Plan as part of our July 2016 assessment, as has provided the following comments regarding the costs proposed in Gerald Eve’s 2017 addendum:

I have incorporated the details in the table below used to compare the 7.3.16 estimate with the estimate in this Addendum.

Estimate 7.3.16			GIA m ²	Estimate 13.6.17		
£	£/m ²	Construction works		£	£/m ²	% inc
17,439		Facilitating works		17,192		
		Basement formation & substructure				
		Commercial offices - shell & core and CAT A				
		Residential inc fit out				
		External works & Public Realm				
		Preliminaries @ 18%				
		OHP @ 8%				
		Inflation 3Q2016 to 2Q2017 2.13%				
		Request For Change (RFC) orders @ 2Q2017				
		Total order of cost estimate @ 2Q2017				

I have compared the current estimate to the previous estimate issued by Currie & Brown 7.3.16 which was the estimate considered in my report incorporated into the BPS report of 15.7.16. The % increase column is calculated on the £/m² figure not the total cost and so adjusts for the reduction in GIA.

The preliminaries remain at 18% in the current estimate; the overheads and profit (OHP) also remain at 8%. The contingency is not included in the estimate but has been accounted for in the appraisal at 5%. My June 2016 report considered these additions reasonable, albeit the OHP at the upper end of the range we would expect.

The estimate does not clarify the current GIA but Table 3 on P.13 confirms the GIA as 187,711ft² (17,439m² which was the figure in my June 2016 analysis) and the current GIA as 185,048ft² (17,192m²). This is a small reduction that appears to be accounted for in the quantities used in the preparation of the new estimate. I note that the RFC orders accounts for an increase in the GIA of the core area of 2,110ft² (196m²).

The facilitating works have increased considerably whereas the basement formation and substructure and the external works have both reduced.

The estimate 7.3.16 was at a base of 1Q2016 - the TPI at the time was a forecast 272 but current data for 1Q2016 gives an index of 276 (sample size 23). The base date of the current estimate 13.3.17 is 3Q2016 with a further uplift to 2Q2017. The current TPI for 3Q2016 is 283 an increase from 1Q2016 of 2.54% using the TPI 276 or 4.04% using a TPI of 272. The Applicants costs above before adjustment to 2Q2017 is 4% and therefore reasonably consistent with the TPI data.

The estimate 13.3.17 then makes a further adjustment from 3Q2016 to 2Q2017 of 2.13% - £1,366,900. Current TPI data shows an index of 3Q2016 283 (sample size 19) and 2Q2017 286. The forecast TPI for the current quarter 3Q2017 is 284. The increase 283 to 286 is 1.06%. Both 2Q and 3Q2017 are forecasts. I consider the increase allowed by the Applicant too high based on current data, but as we are dependent on forecast data, the conclusions may well change.

The Request For Change (RFC) orders total [REDACTED]. Of this total [REDACTED] (over 87%) is for changes relating to the facade changes detailed on pages 9 and 10 of the Addendum.

In conclusion the latest construction cost estimate appears to be reasonably consistent with the cost plan considered by BPS in June 2016 adjusted to 2Q2017 for inflation and adjusted for design changes mainly relating to the façade.

Profit

- 5.3 The benchmark return on the development is 18% profit on cost. We did not dispute this benchmark in our 2016 review. This rate appears to take into account a reduced profit level for the commercial element of the development reflecting the lower risk of these units. Consequentially we are satisfied this profit benchmark is reasonable.
- 5.4 The scheme is currently unable to achieve its profit benchmark. Until the profit benchmark is achieved it is not reasonable to require any additional affordable housing contribution from the development, as this could jeopardise and/or discourage development and conflict with paragraph 173 of the NPPF.

Finance and timescales

- 5.5 Since the 2016 review, the proposed financing rate for the scheme has increased from 6.25% to 6.5%. There has been a noticeable shift in rates since the referendum and at any rate 6.25% appeared optimistic. We therefore believe this adjustment is reasonable.
- 5.6 Gerald Eve has assumed a 3-month purchase period followed by 3-months' pre-construction period, both of which are in line with what we have seen from similar developments in this area. An 18-month construction period takes into account the accessibility of the site, precautions that will need to be taken to not disrupt nearby and adjoining premises, and the complexity of basement construction, and thus seems reasonable. 6-months letting periods reflect the popularity of the commercial market in this area. A 10-month sales period (equating to just over one unit per month) adequately reflects Brexit and stamp duty changes' effect on consumer confidence in high-value residential property.

- 5.7 The total finance costs come to ██████m. The majority of this cost is land finance, seconded by a ██████ letting void. These costs are considerable but are the results of a commercial-led scheme that takes with it the risk of vacancy for extended periods of time. It is therefore likely that these are reasonable.

Fees

- 5.8 Professional fees at 12% are in line with what we would expect for a scheme of this size and complexity. In addition, letting agent and legal fees at 15% are in line with what we understand is the market norm. Commercial and residential marketing at 1% and 2% respectively could be seen as optimistic, however this low rate improves viability and we consequentially cannot argue it is unreasonable.

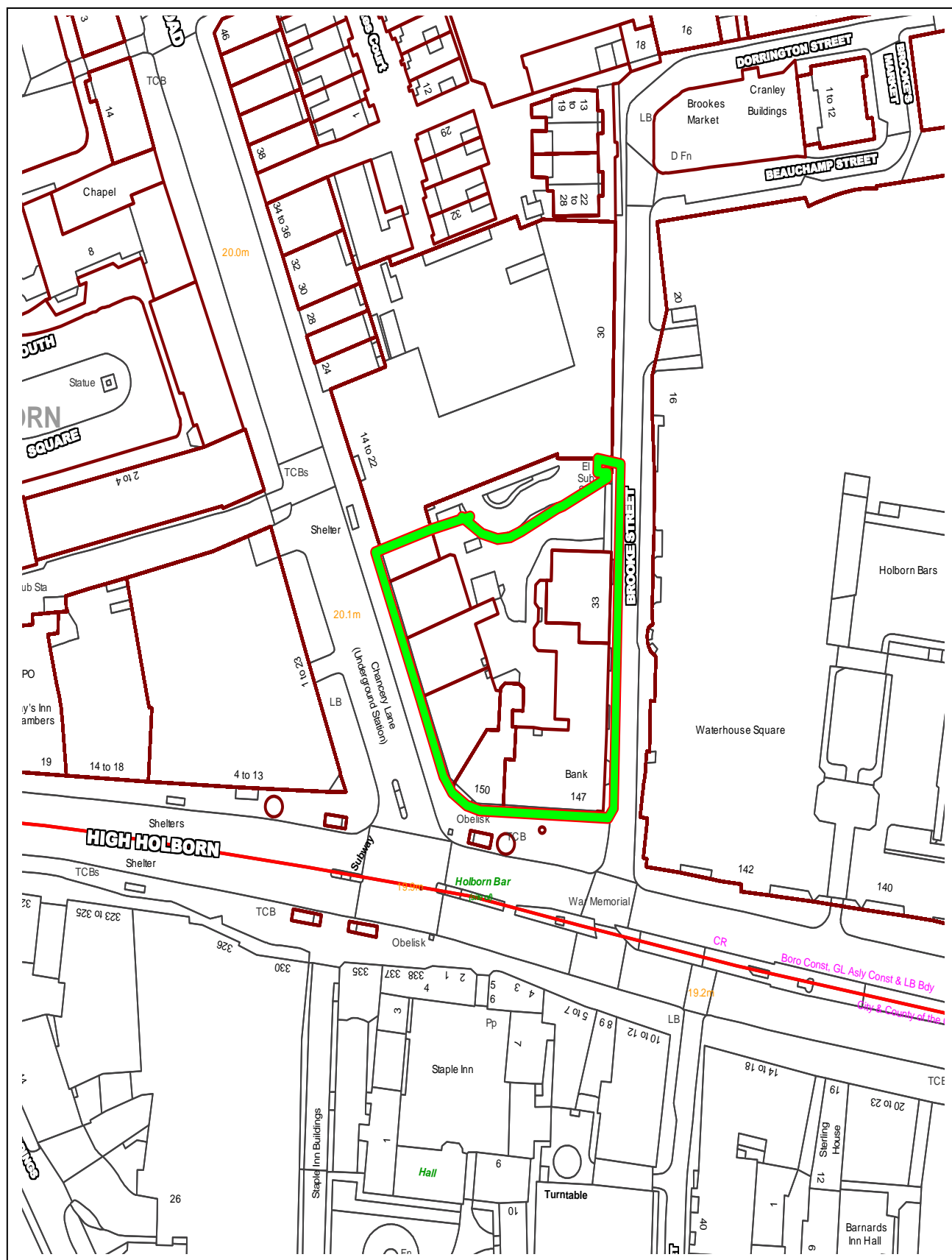
Planning obligations

- 5.9 Gerald Eve have indexed the BCIL and MCIL payments from their 2016 report to £299,992 and £776,156 respectively. Inclusive of Section 106 contributions leads to a total cost of £1.54m, excluding a Mixed-Use payment of £1.6m. We trust that these values have been discussed and agreed with the Council and that these costs are therefore reasonable.

Other costs

- 5.10 A ██████ 'abnormal enabling cost' has been applied to the appraisal, which went undisputed in our 2016 review. This is a significant cost that will inevitably affect the viability of the scheme. We have been informed that these costs relate to Rights of light, vacant possession and neighbourly matters. There is also an understanding that Monsoon and Barclay's leases are inside of the Landlord and Tenant Act and thus high costs are associated with early termination of these leases. In light of this information we are satisfied that this cost is reasonable.
- 5.11 Purchaser's costs at a rate of 6.79% adequately reflect heightened Stamp Duty Land Tax rates and an appropriate level of fees.

BPS Chartered Surveyors



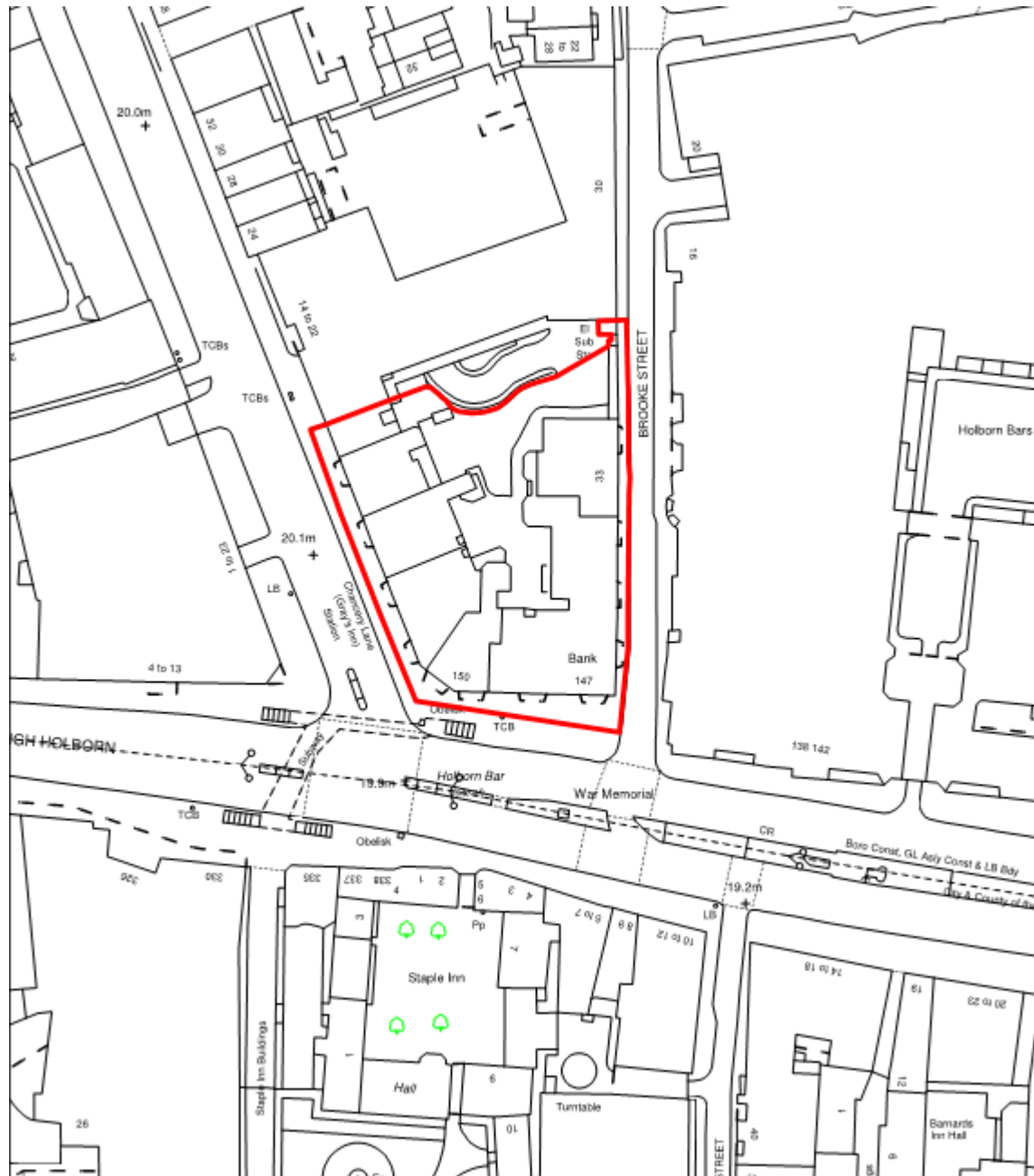
Application No: 2016/2094/P

**150 Holborn
London, EC1N 2NS**

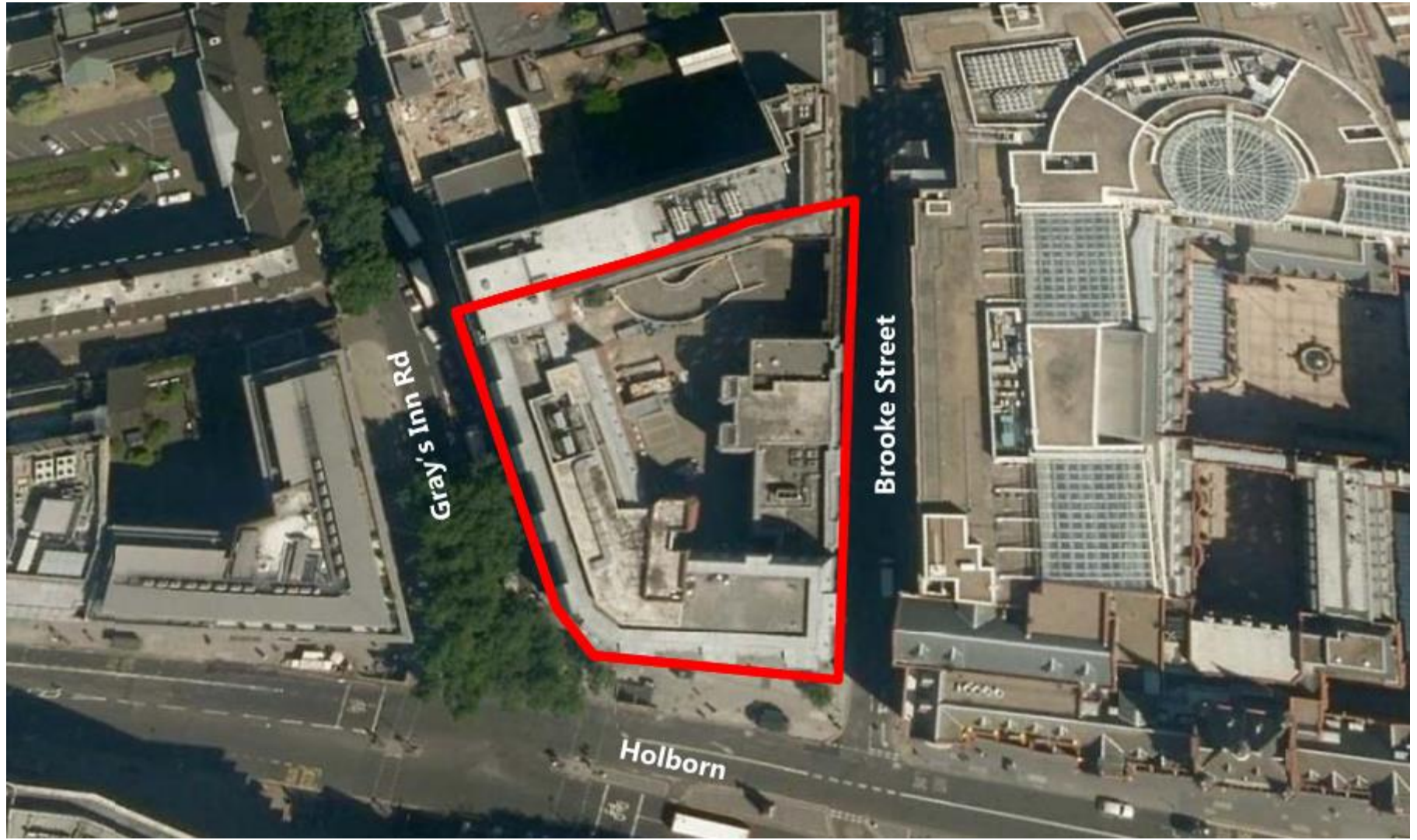
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1:1250
Date:
4-Dec-17**



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Left: Site location plan



Above: Aerial view of 150 Holborn



Left: 150 Holborn from the junction of Gray's Inn Road and Holborn

Below: 150 Holborn from Holborn



Below: 150 Holborn from Brooke Street



Left:
Internal
courtyard
area to the
rear of the
building



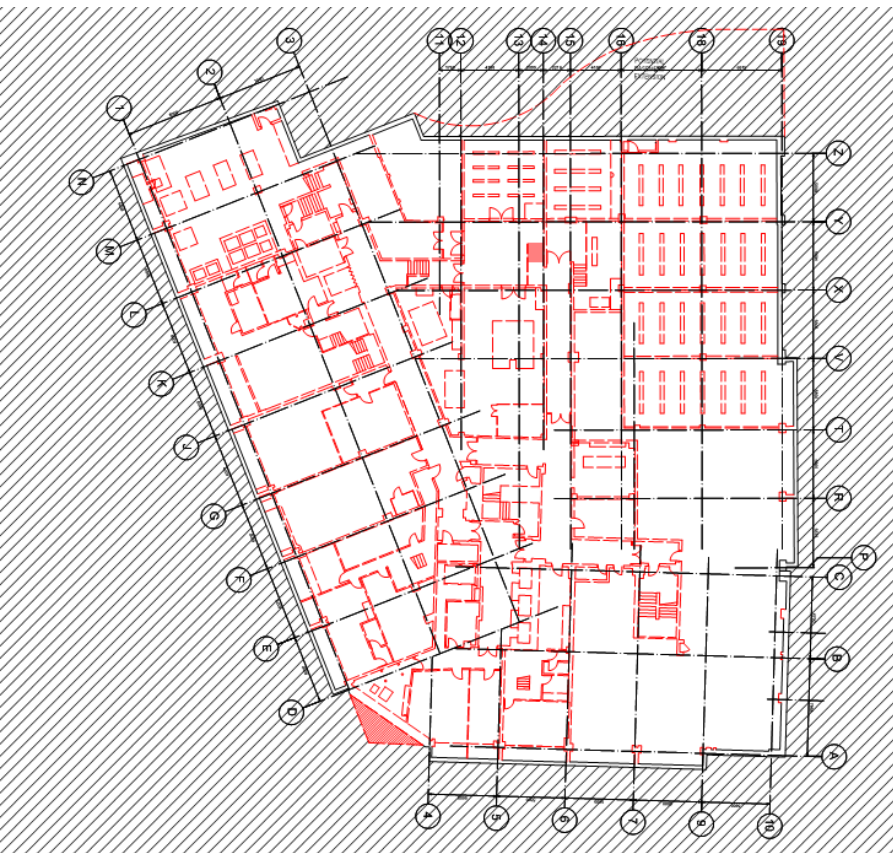
Above: Existing view of 150 Holborn from Holborn



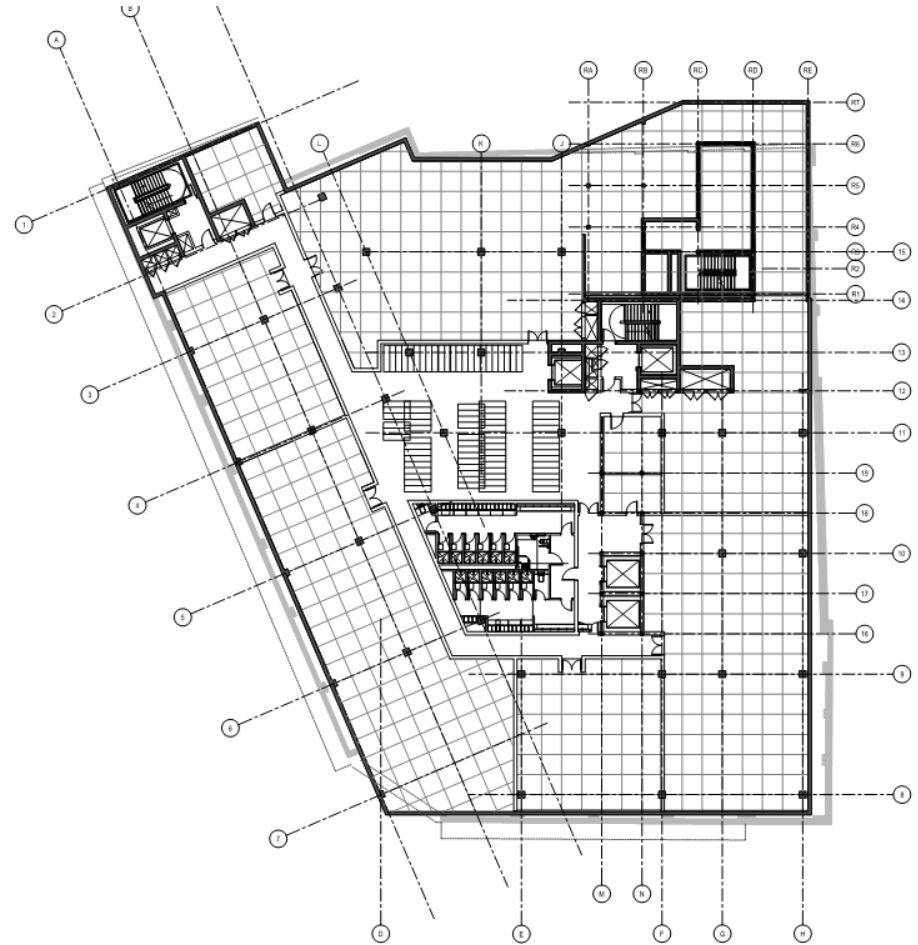
Left: View of 150 Holborn looking east towards the city

Right: View of 150 looking west towards High Holborn





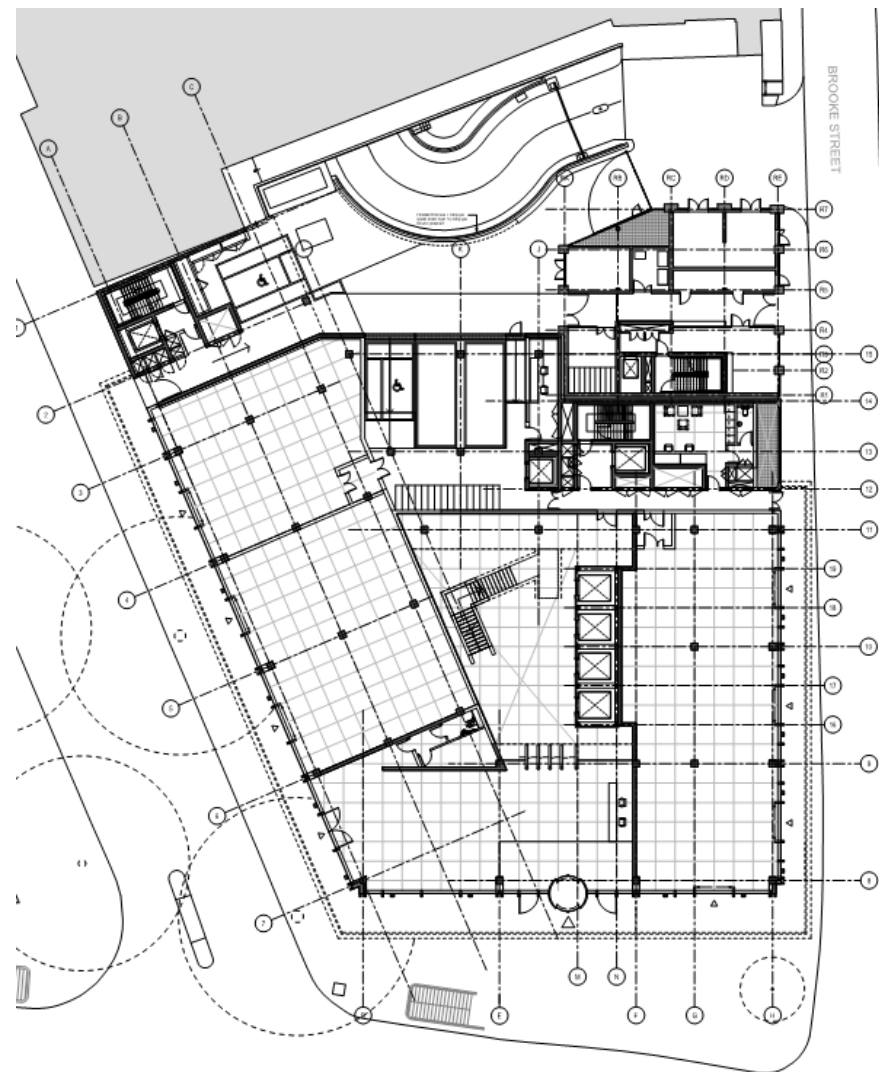
Existing basement plan



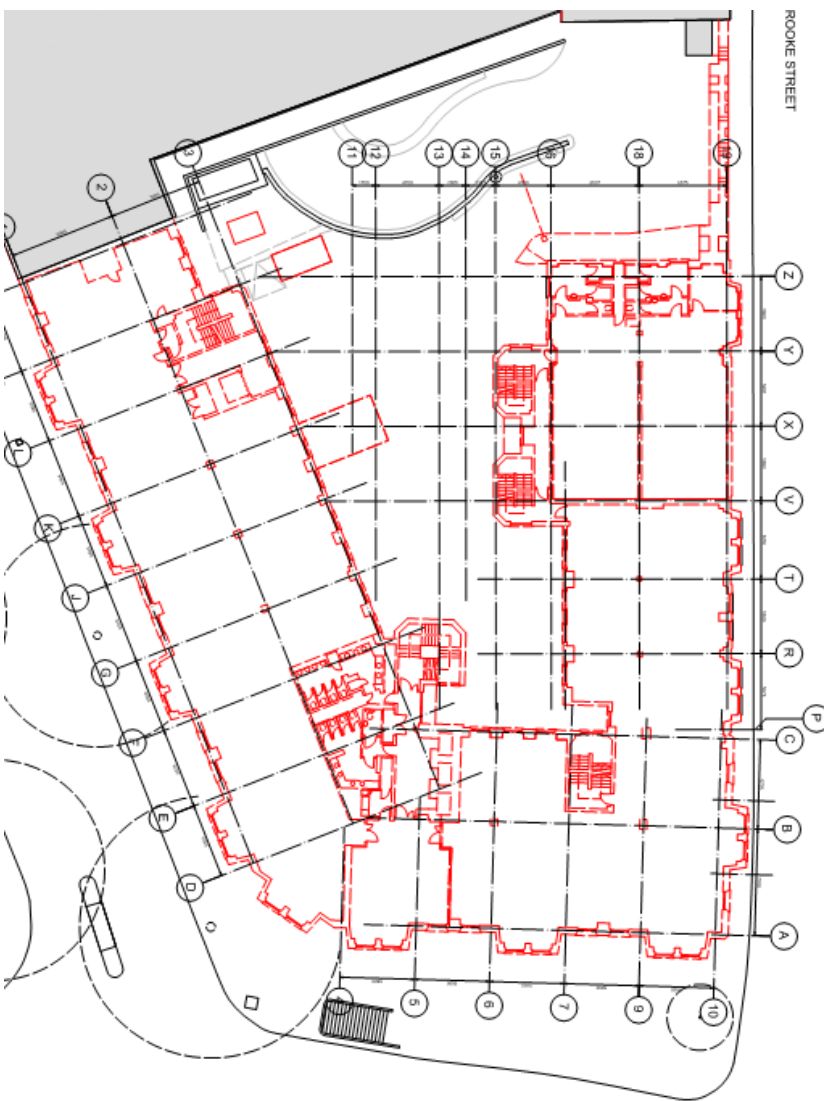
Proposed basement plan



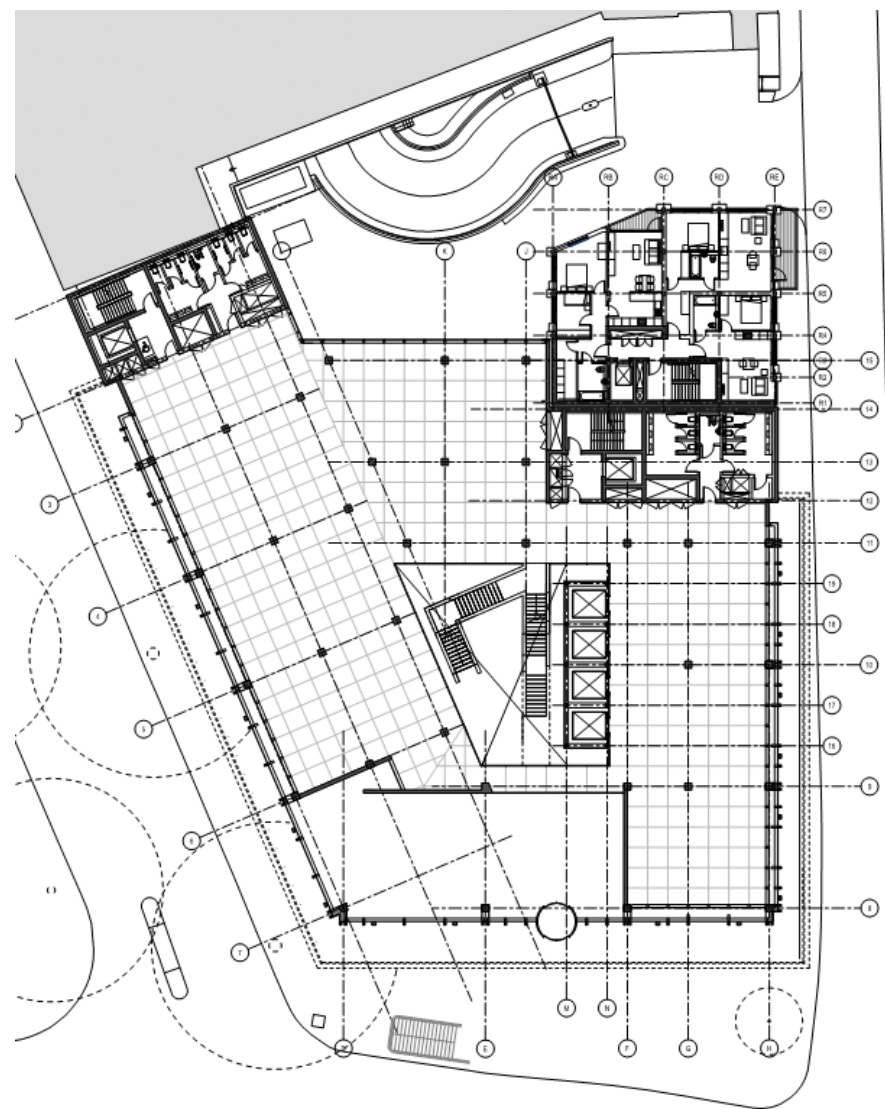
Existing ground floor plan



Proposed ground floor plan



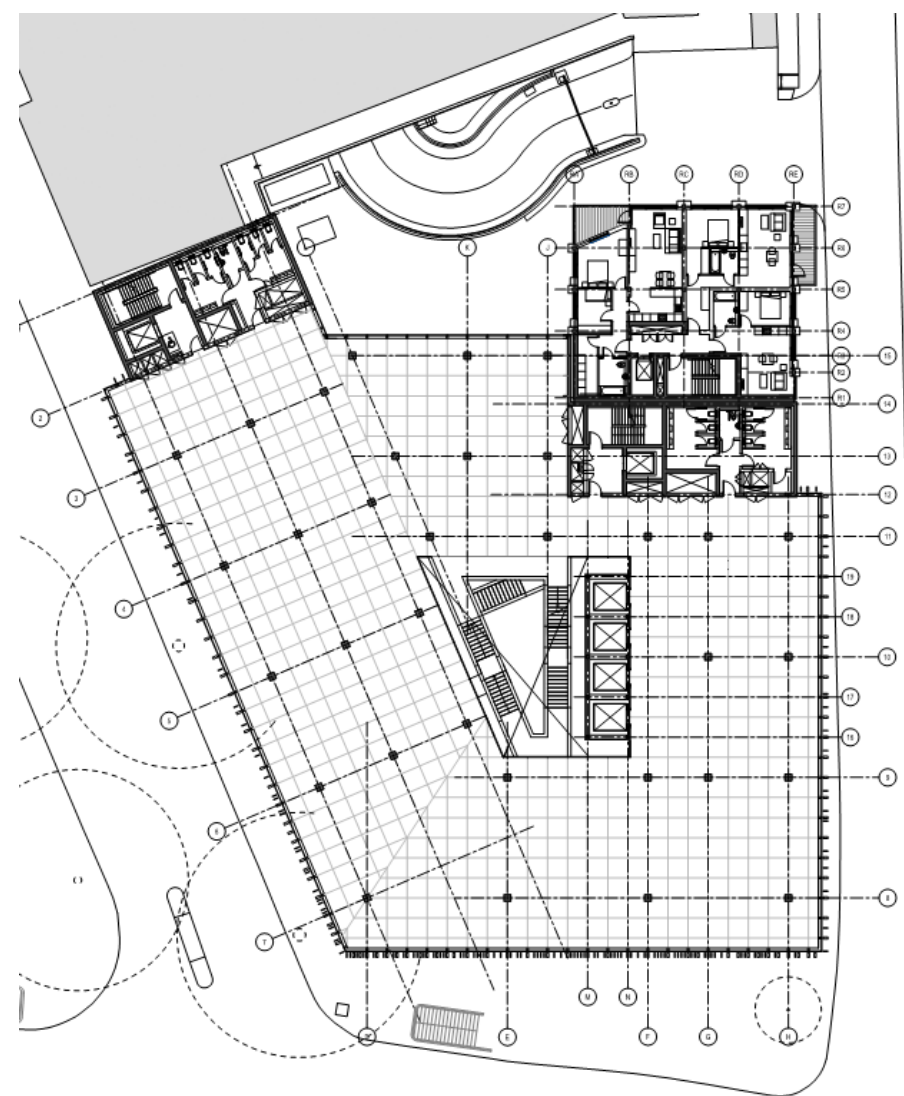
Existing first floor plan



Proposed first floor plan



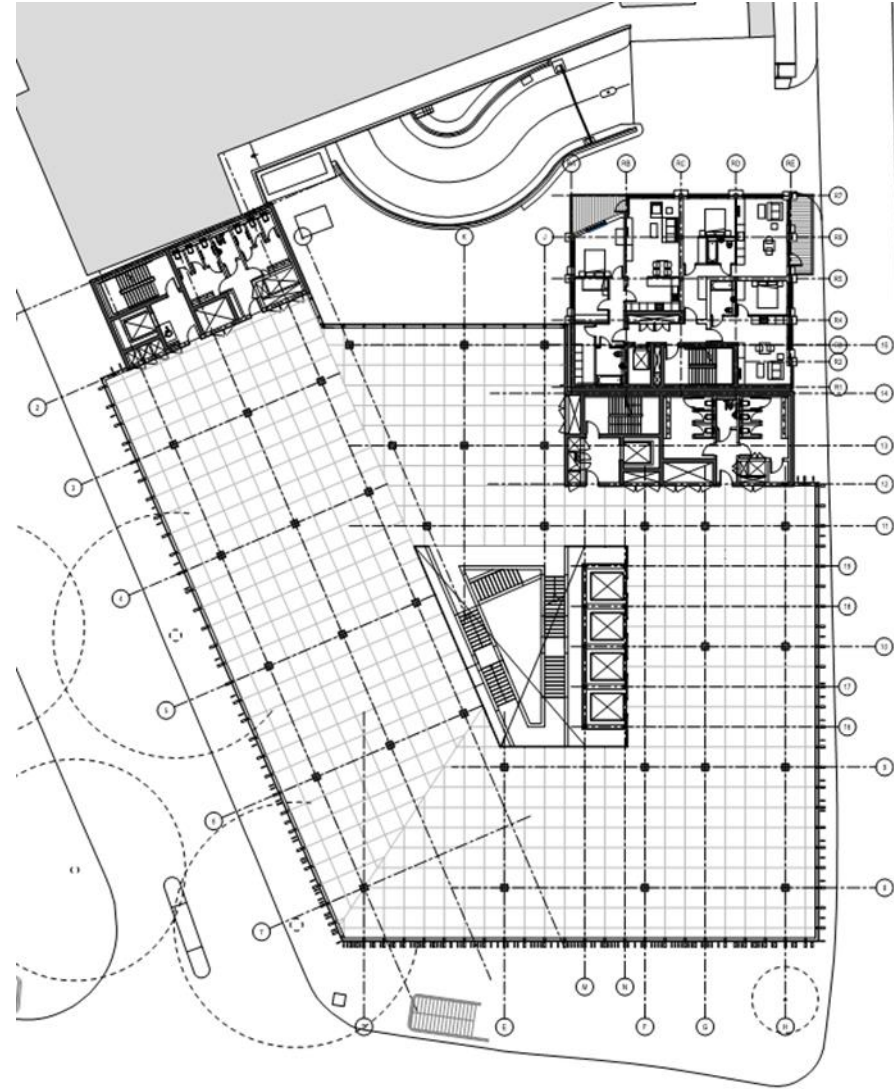
Existing second floor plan



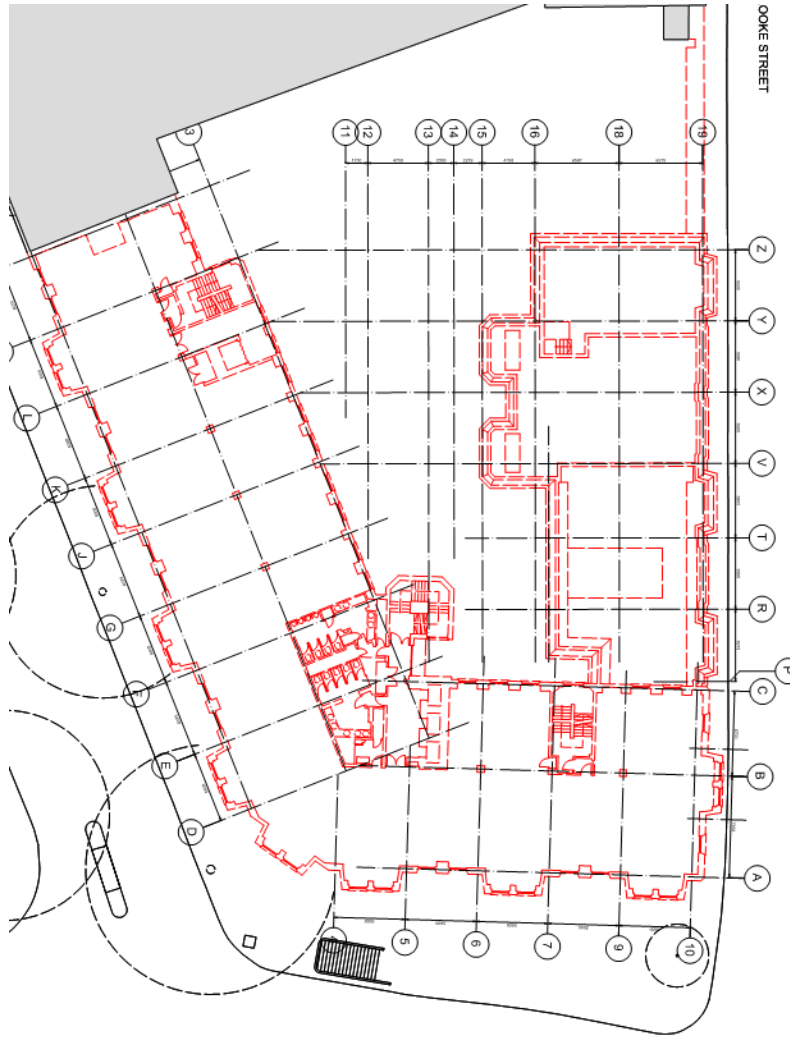
Proposed second floor plan



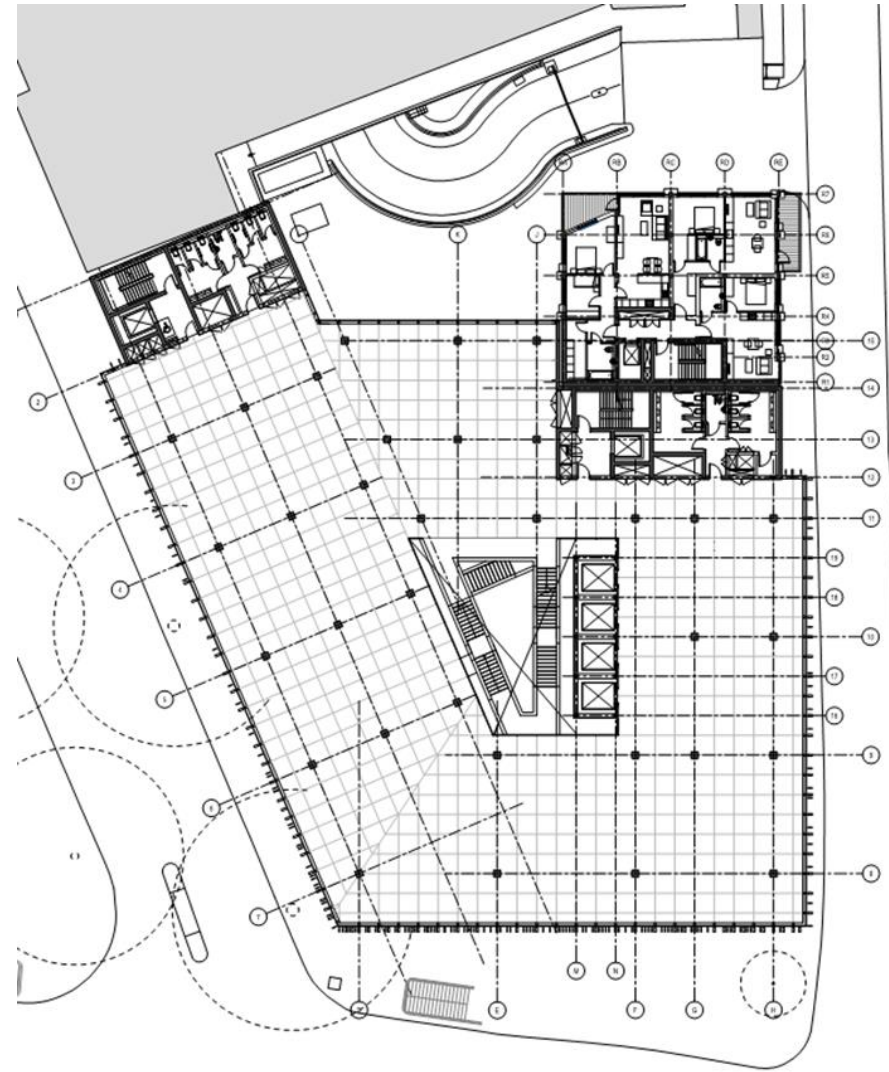
Existing third floor plan



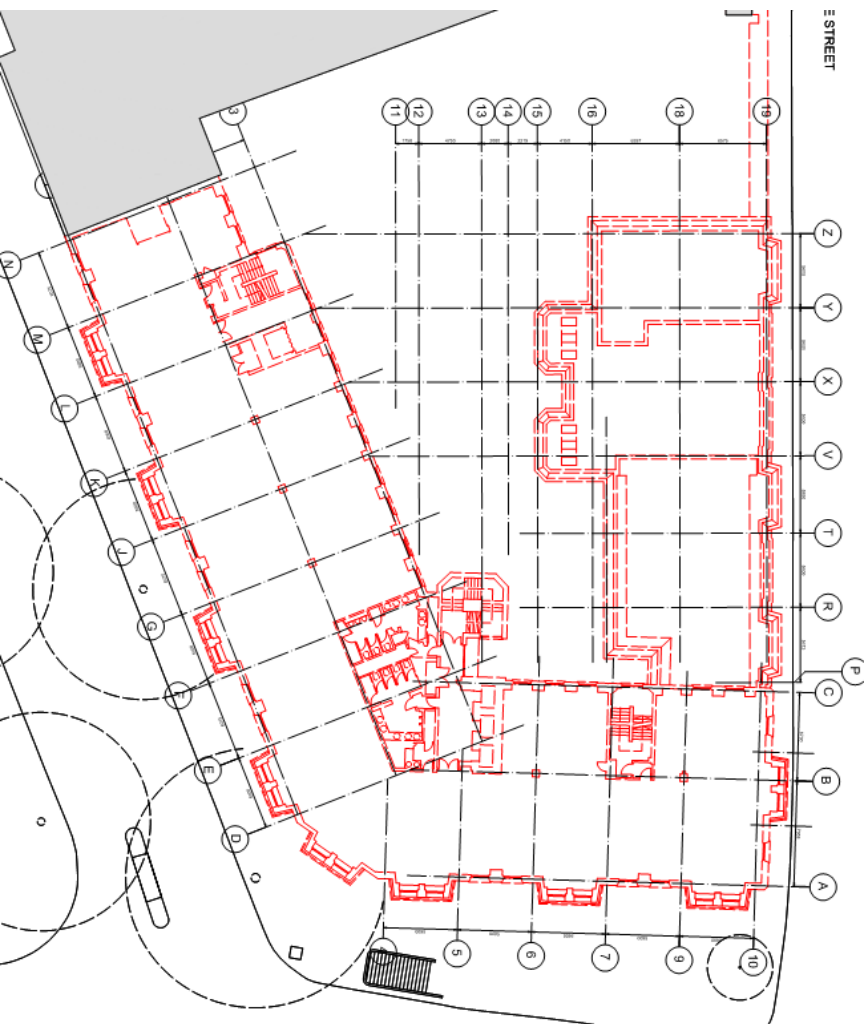
Proposed third floor plan



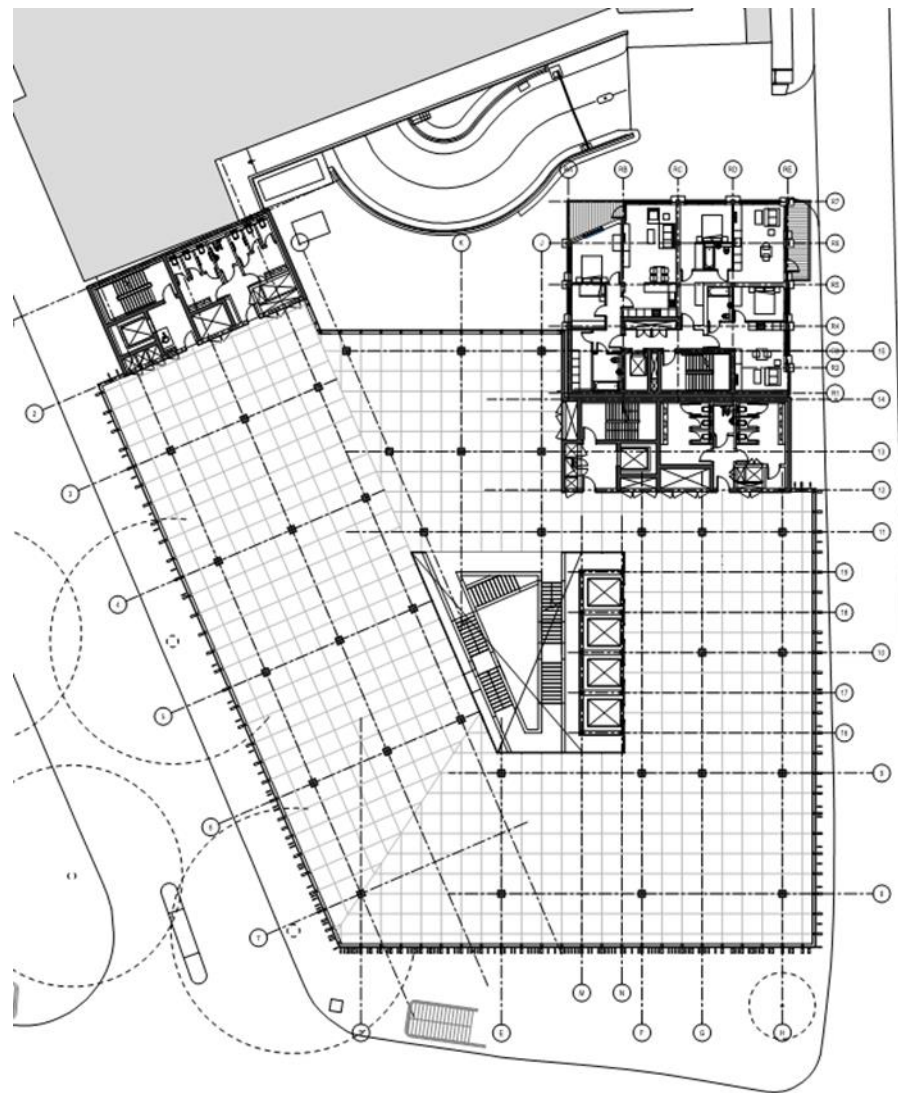
Existing fourth floor plan



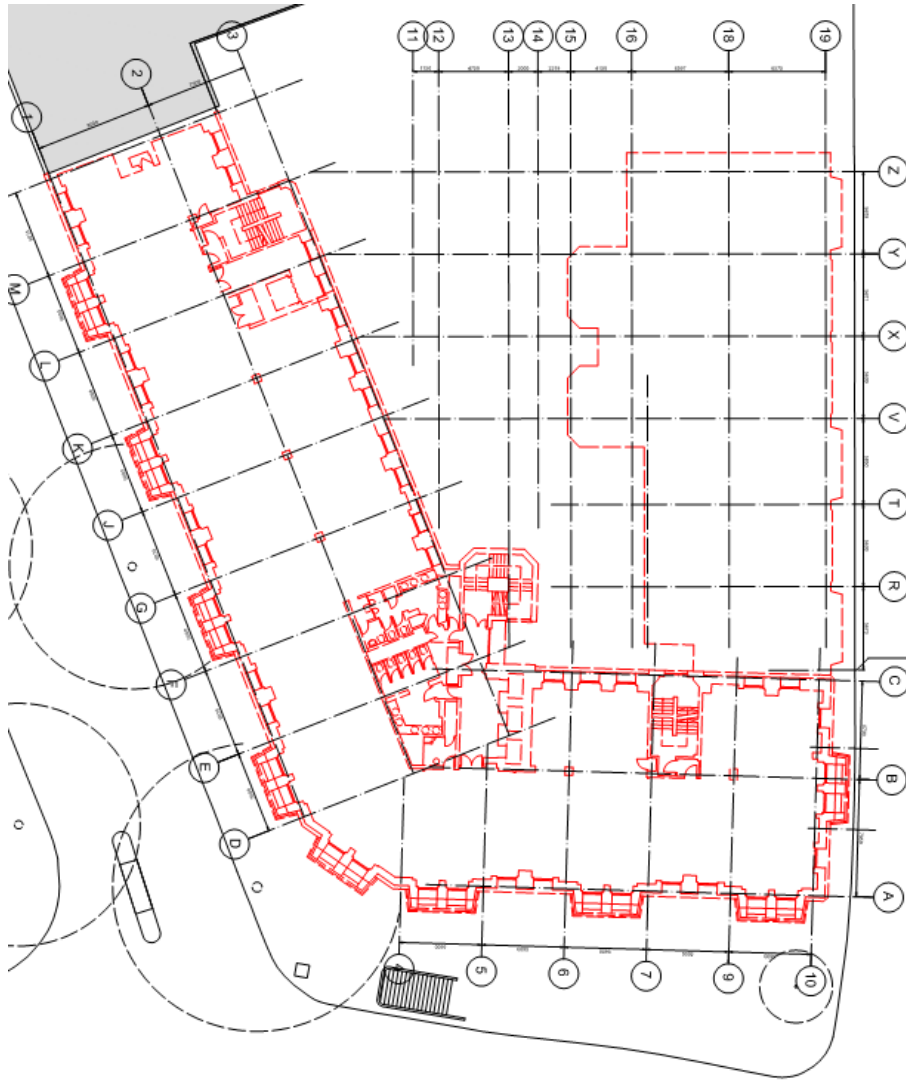
Proposed fourth floor plan



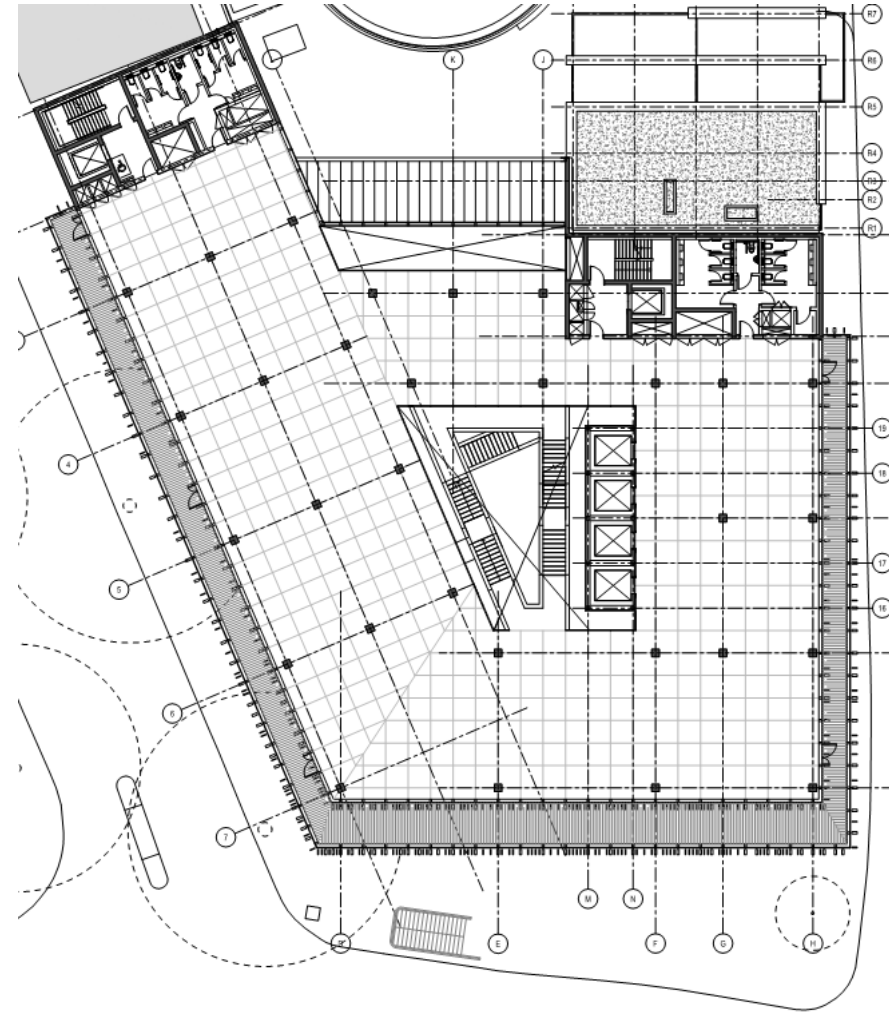
Existing fifth floor plan



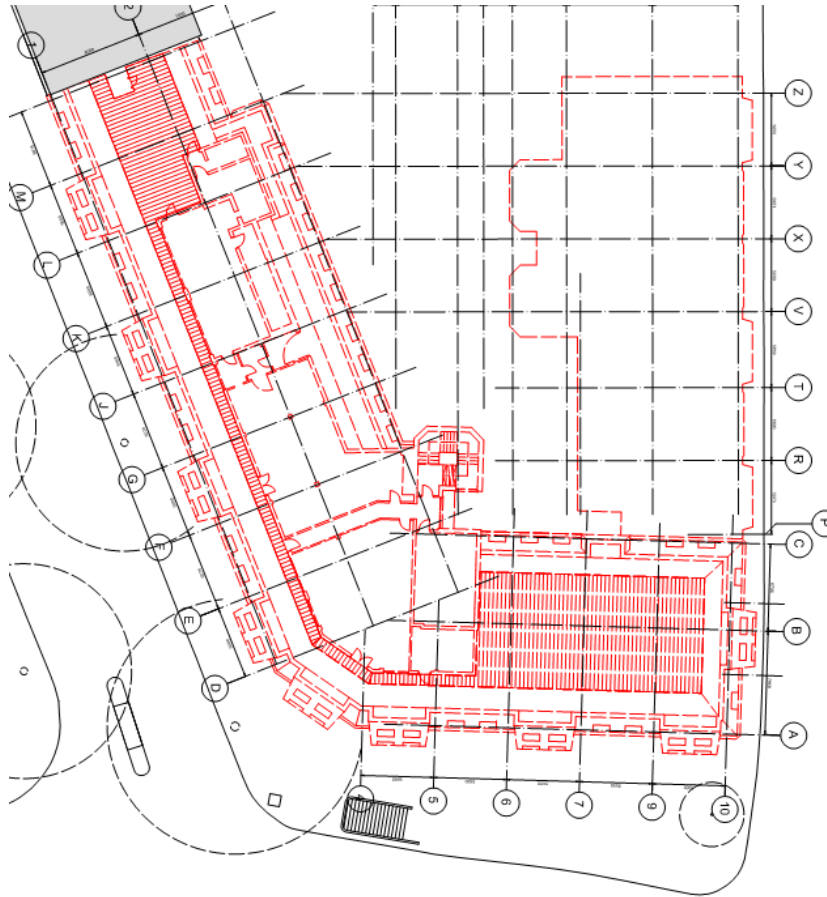
Proposed fifth floor plan



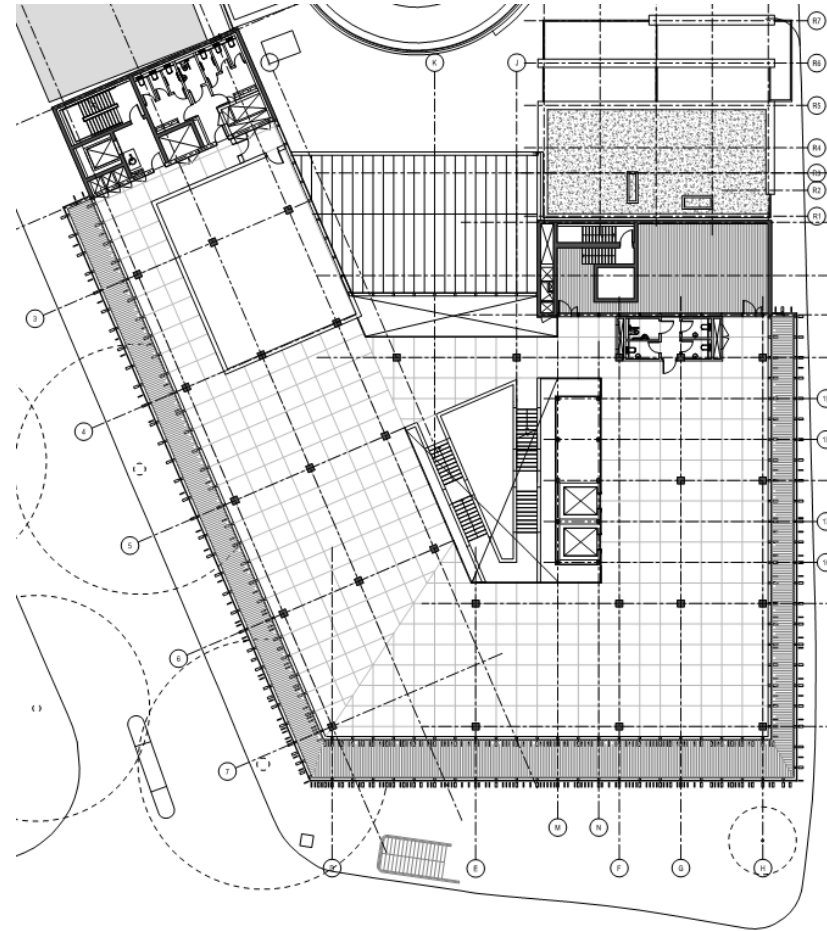
Existing sixth floor plan



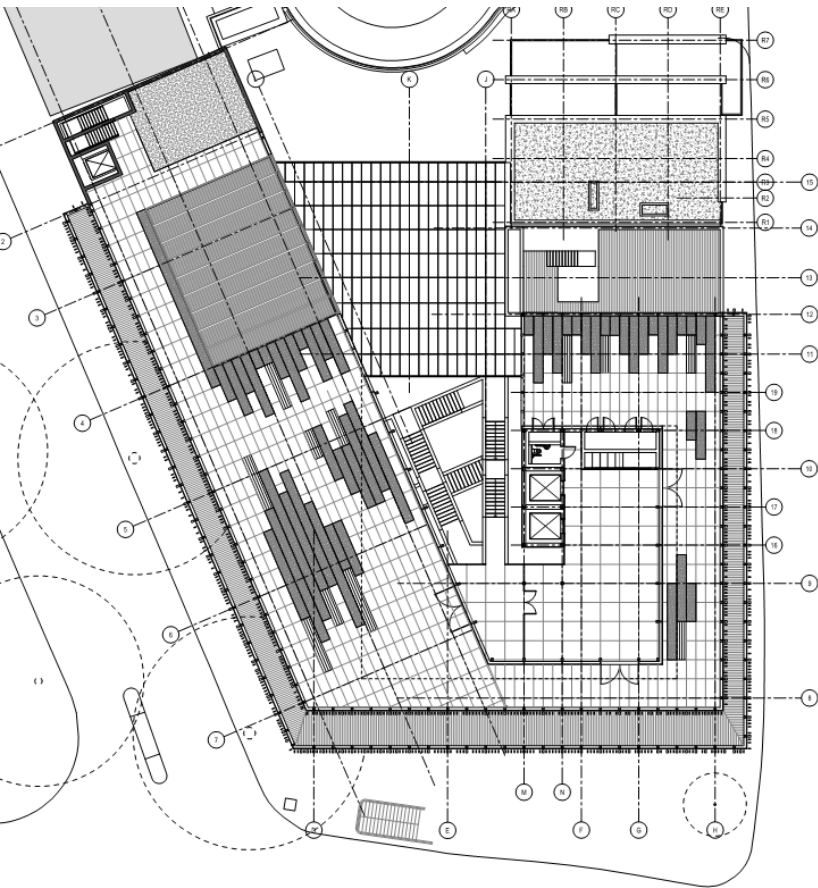
Proposed sixth floor plan



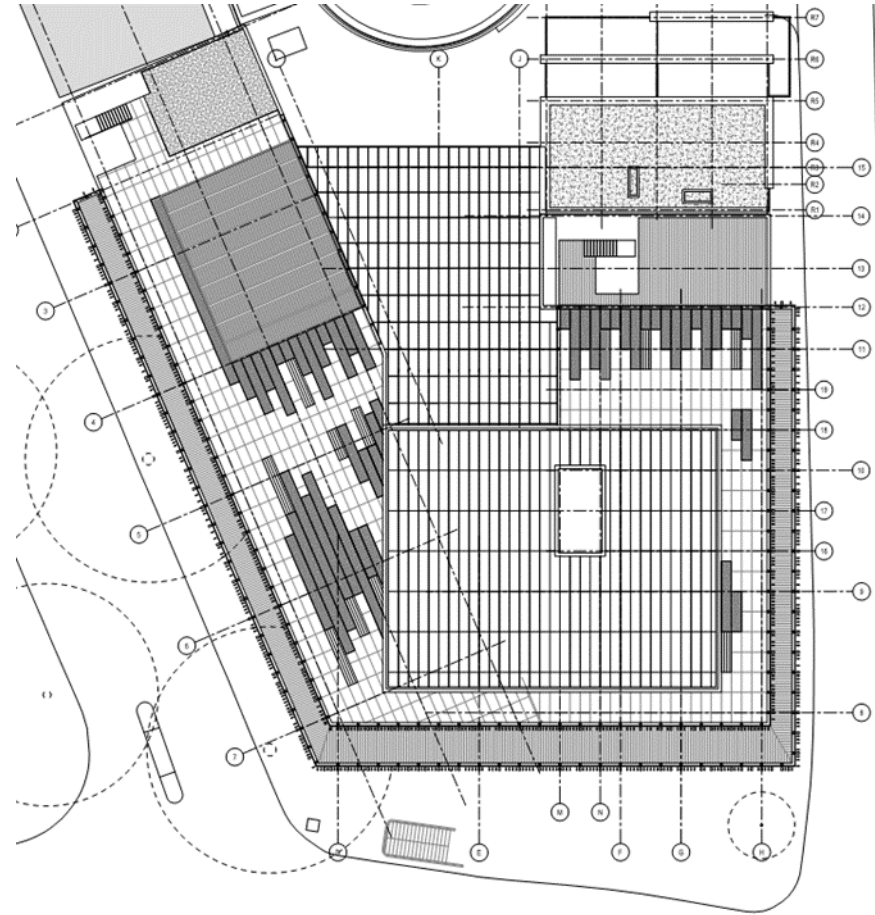
Existing seventh floor plan



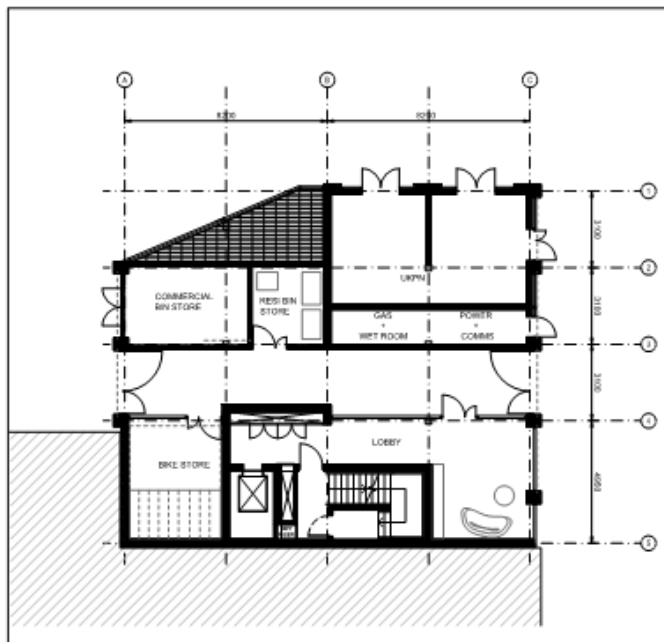
Proposed seventh floor plan



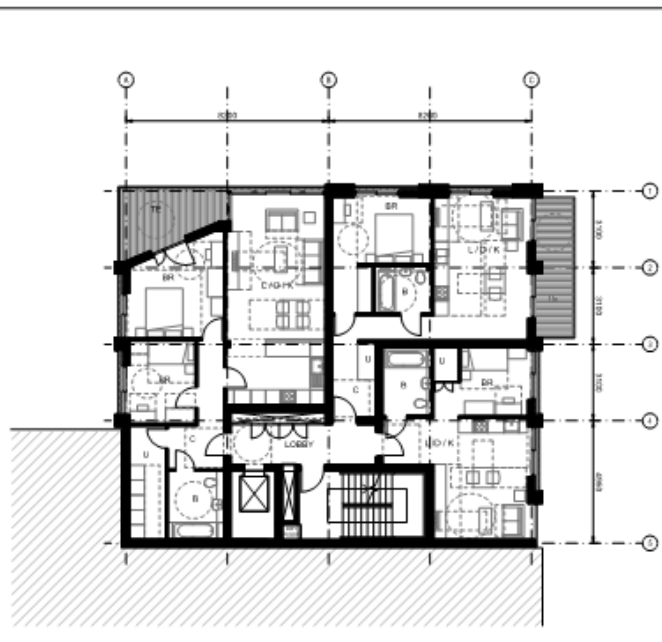
Proposed eight floor plan



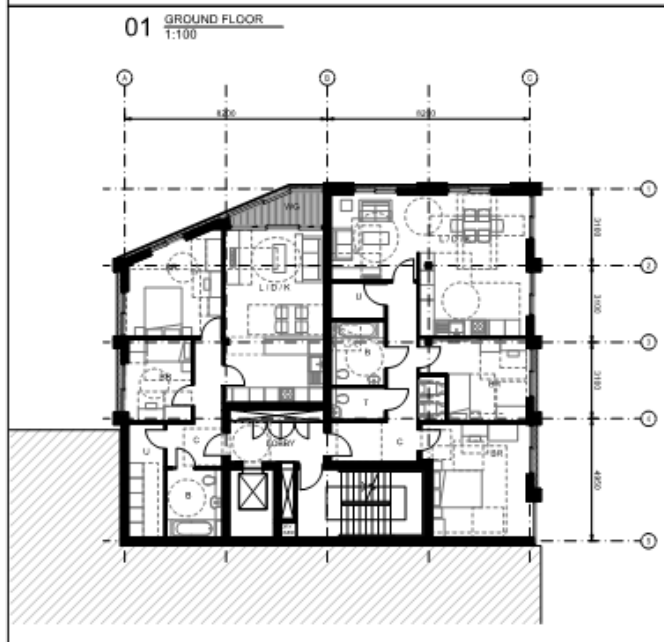
Proposed roof plan



01 GROUND FLOOR
1:100



03 SECOND FLOOR
1:100

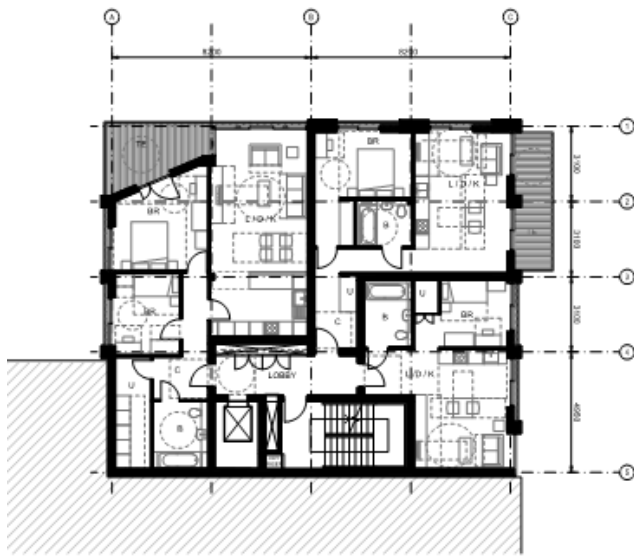


02 FIRST FLOOR
1:100

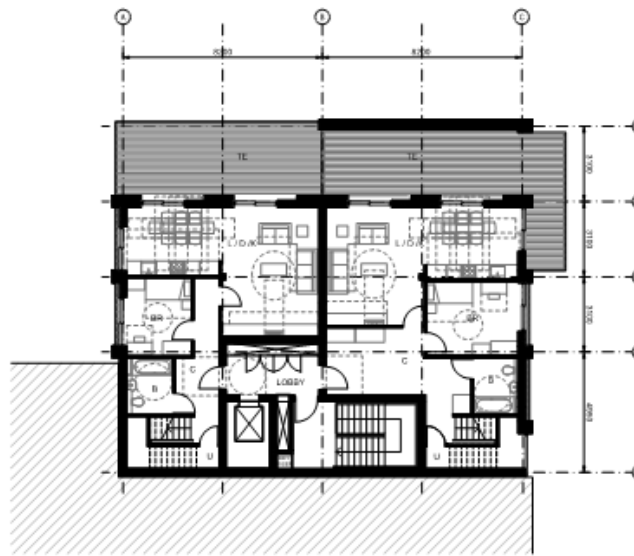
KEY LEGEND

- K= Kitchen
- L= Living room
- D= Dining room
- C= Corridor/Utility
- MB= Master bedroom
- BR= Bedroom
- B= Bathroom
- SH= Shower room
- T= Toilet
- U= Utility space
- WG= Water garden
- TC= Terrace

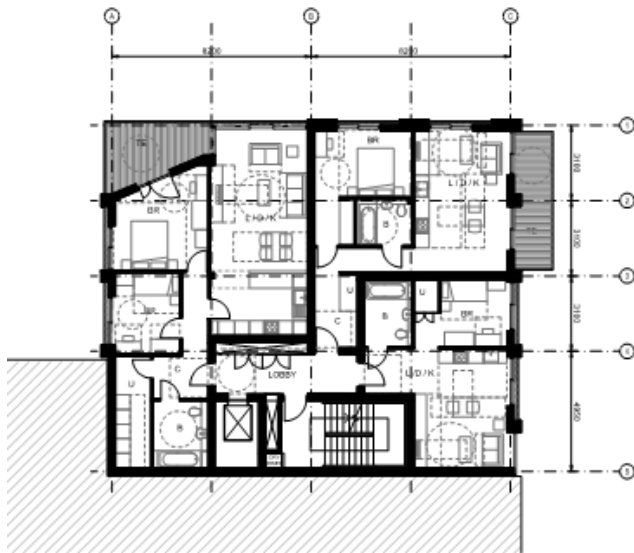
Left: Layout of ground, first, second floors of the flats within the residential block



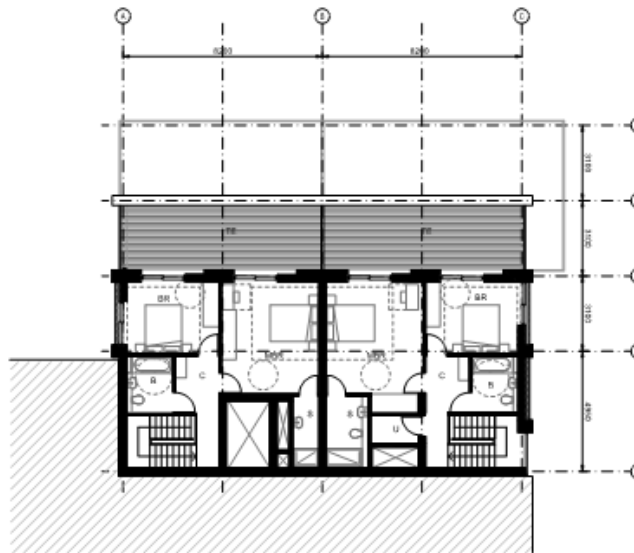
01 THIRD FLOOR
1:100



03 FIFTH FLOOR
1:100

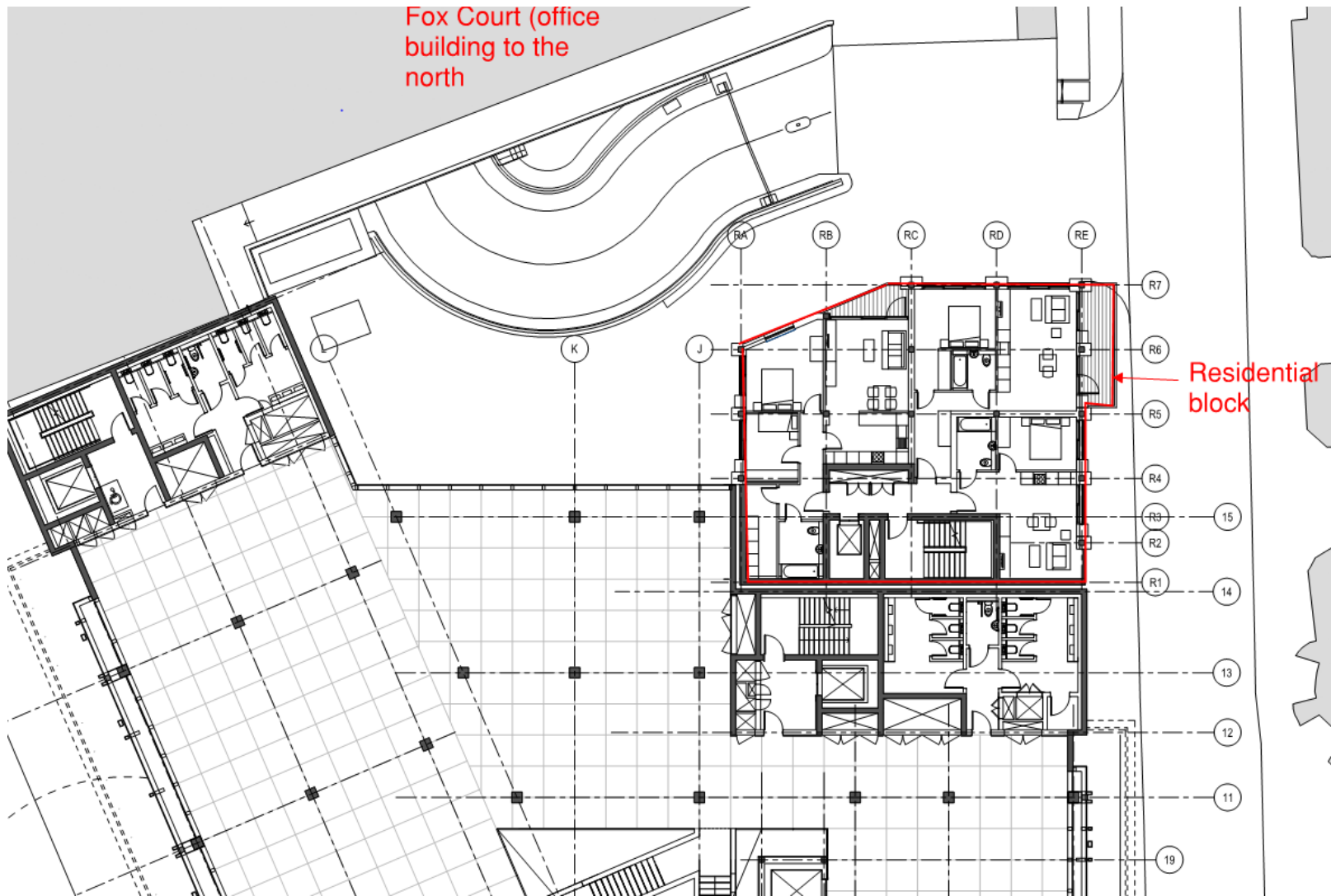


02 FOURTH FLOOR
1:100



04 SIXTH FLOOR
1:100

Left: Layouts of third, fourth, fifth and sixth floors of the flats within the residential block

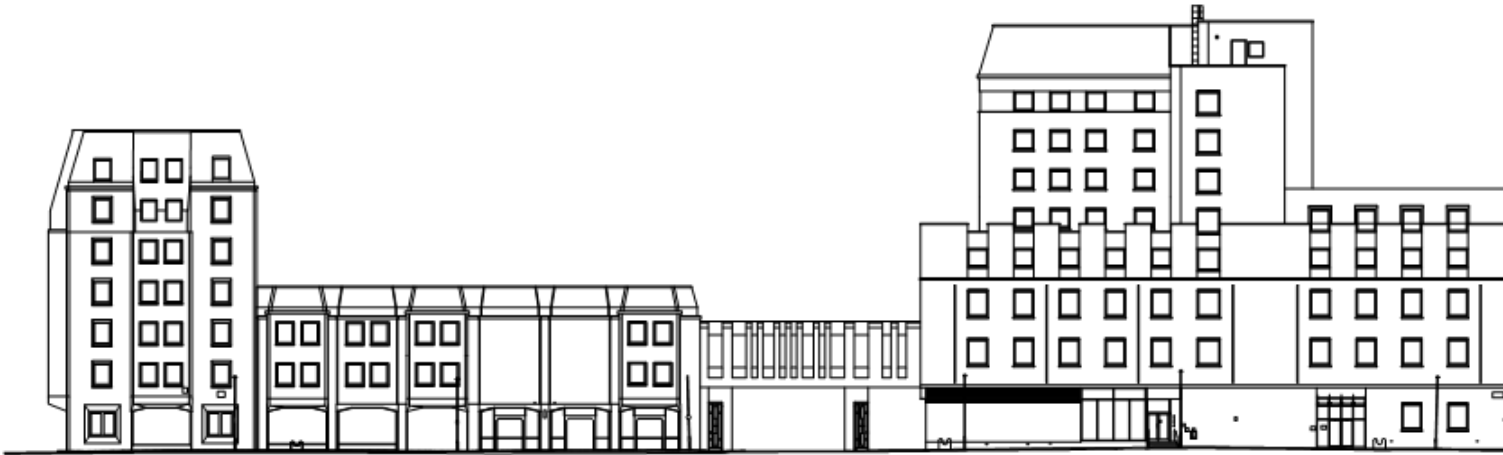


Above: Location of residential block to the northwest of the site and neighbouring building to the north known as Fox Court

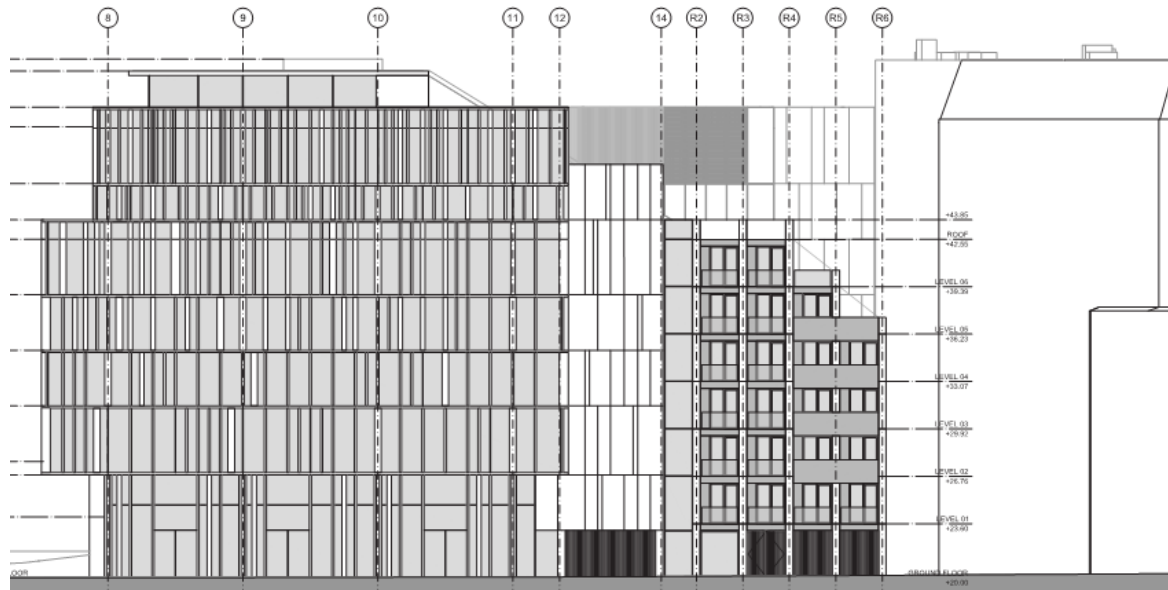
Below: Existing south elevation

This architectural drawing shows the existing south elevation of the building. It is a multi-story structure with a flat roof. The facade is characterized by a grid of rectangular windows. There are several trees sketched in front of the building, and a small structure, possibly a bus stop or entrance canopy, is visible at the ground level on the right side.

Below: Existing east elevation



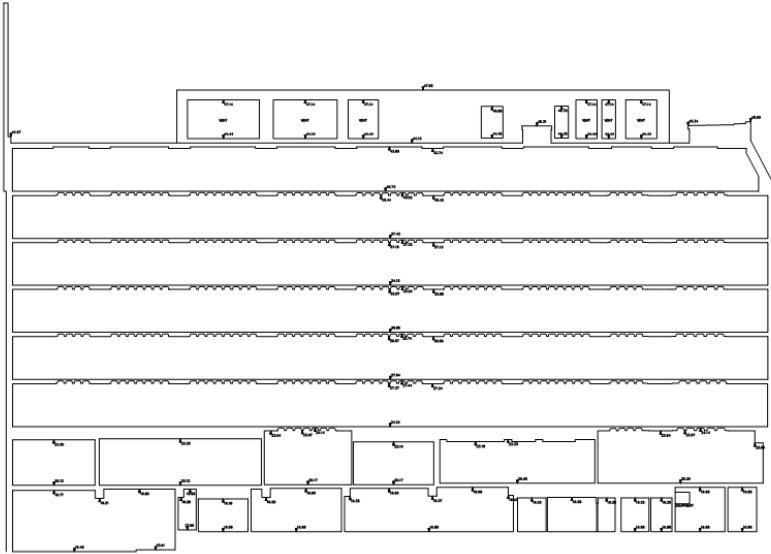
Below: Proposed east elevation



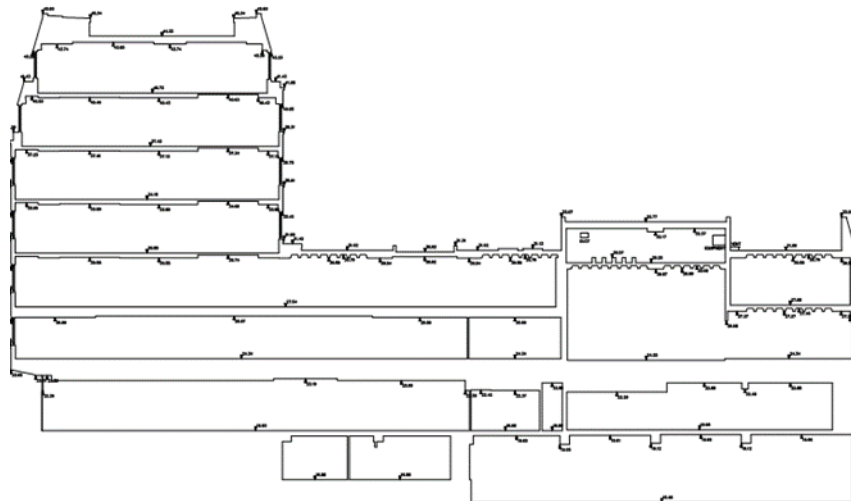
Below: Existing west elevation



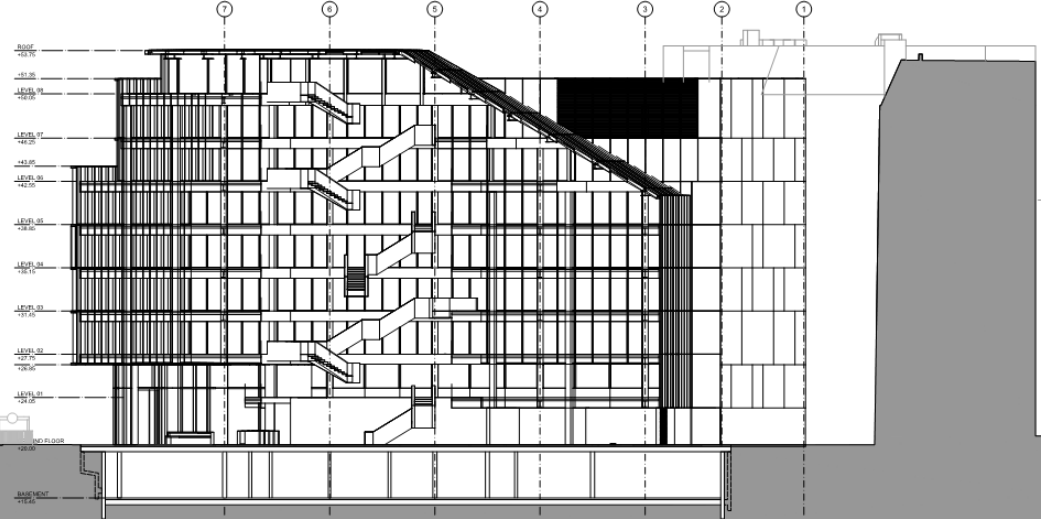
Below: Existing section north - south



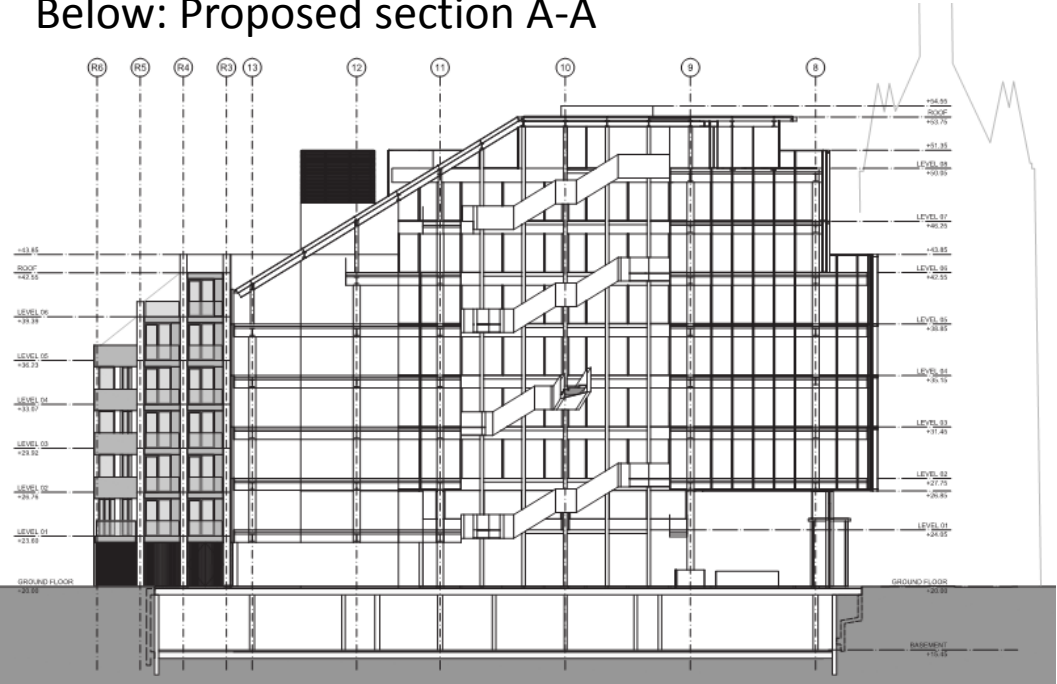
Below: Existing section East - West

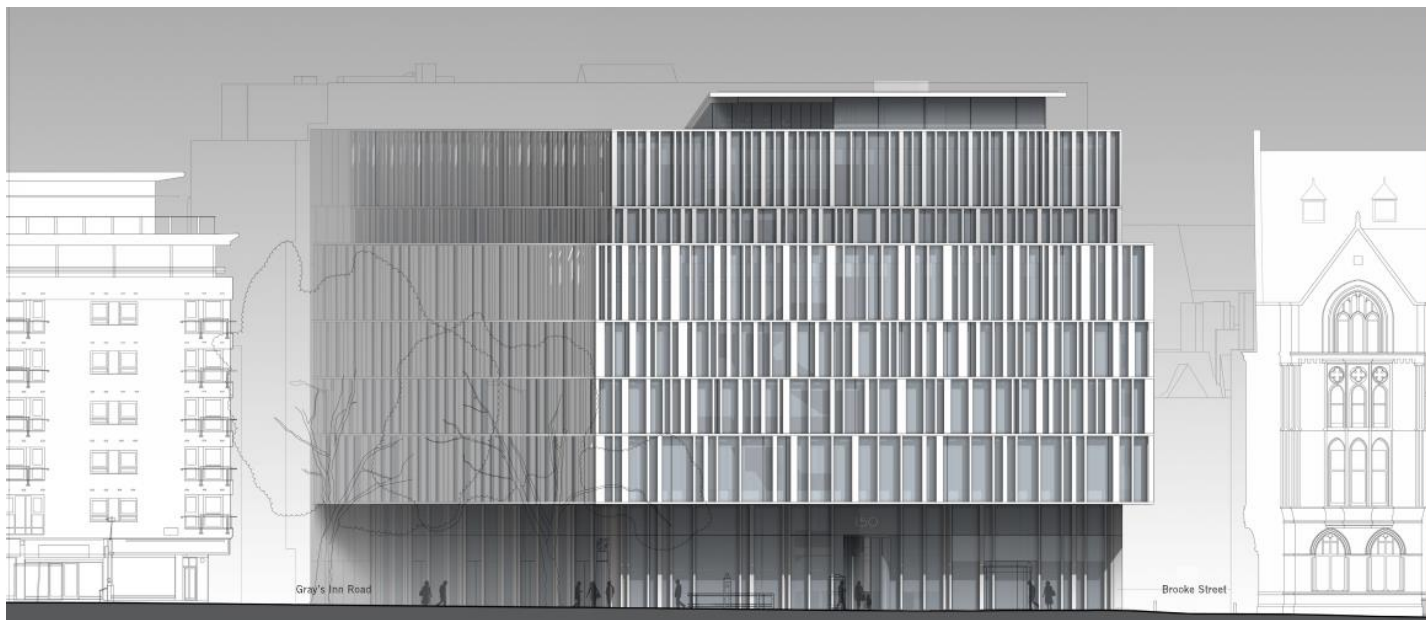


Below: Proposed section D-D

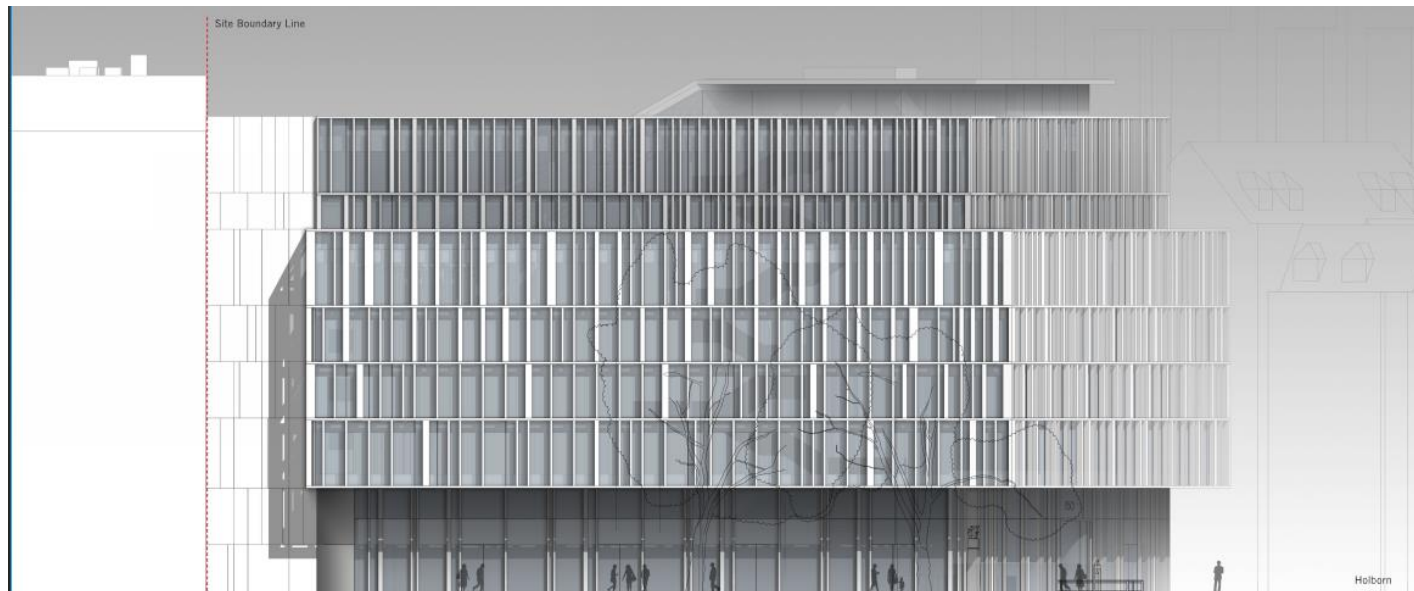


Below: Proposed section A-A





Above: South elevation context



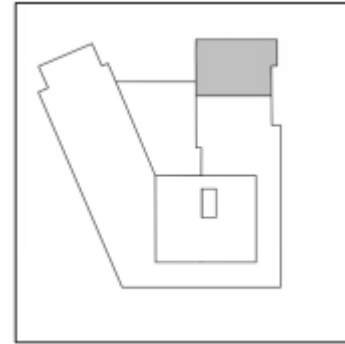
Above: West elevation context



Above: East elevation context



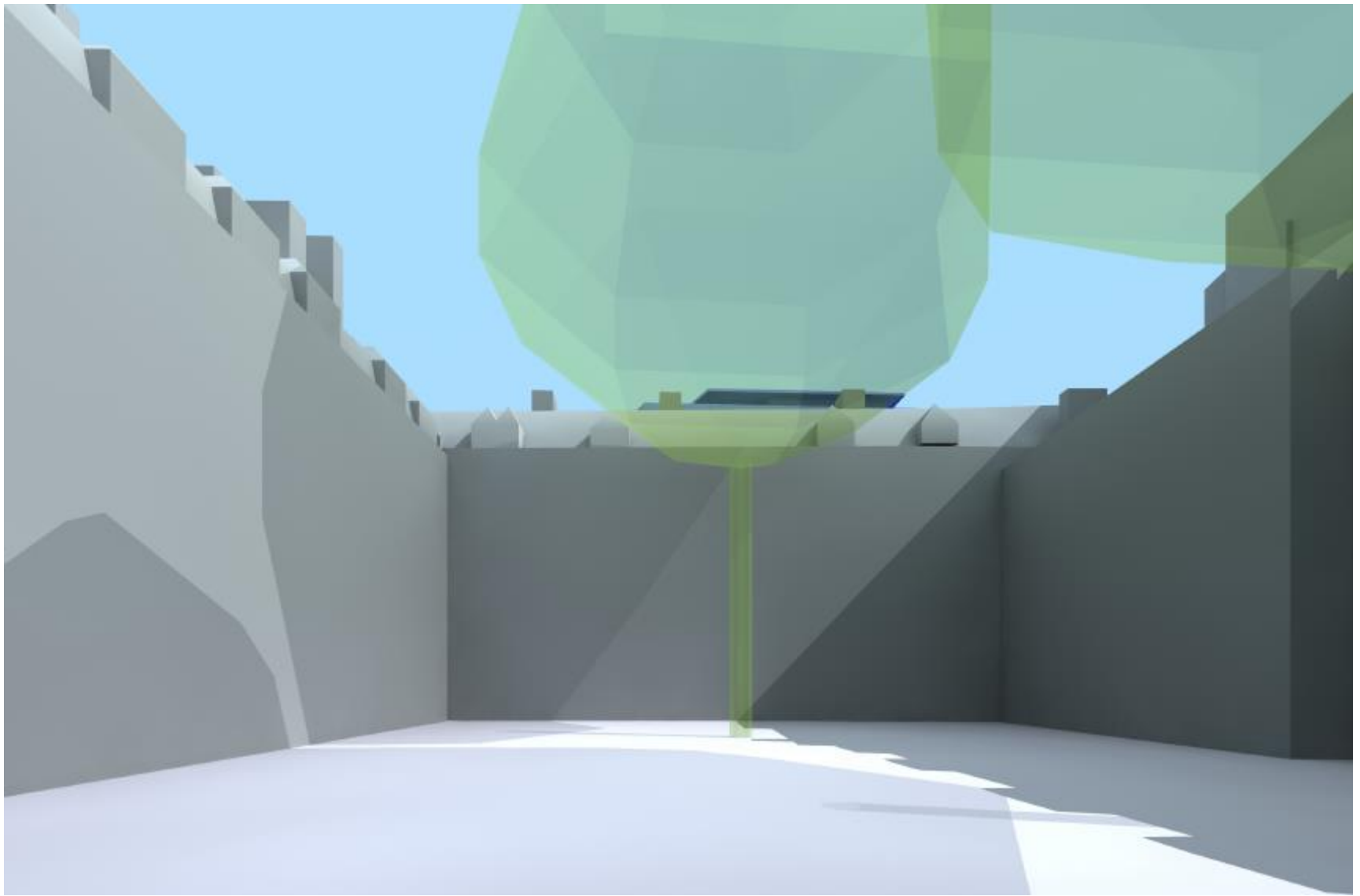
Above: North elevation context



Above: Residential block on Brook Street



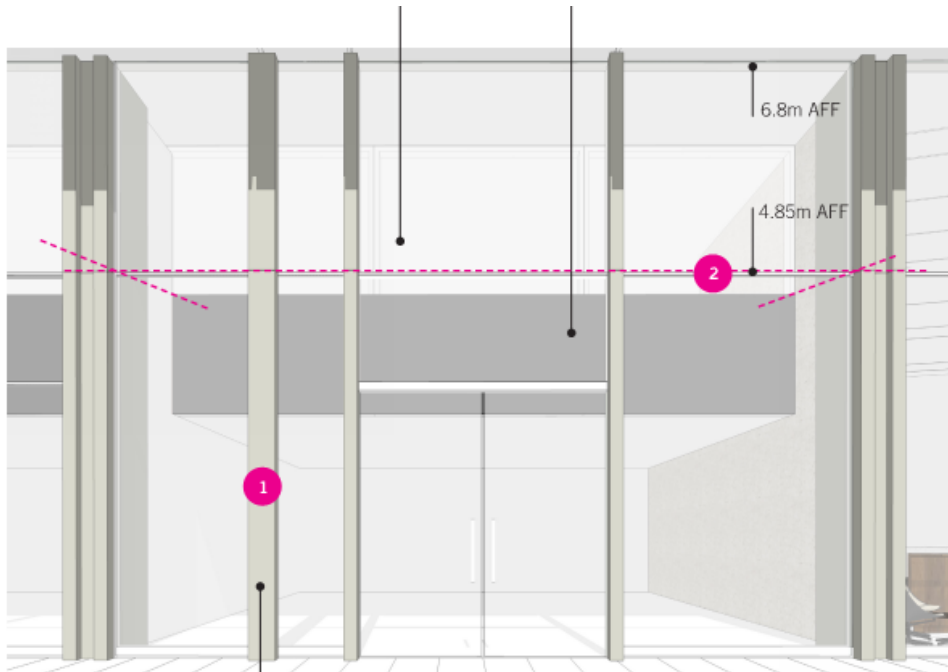
Above: Visibility check of 150 Holborn from Staple Inn Gardens (south of the site in the City of London)



Above: Visibility check of 150 Holborn from Stable Inn Court (south of the site in the City of London)



Left: Artists impression of the public cafe

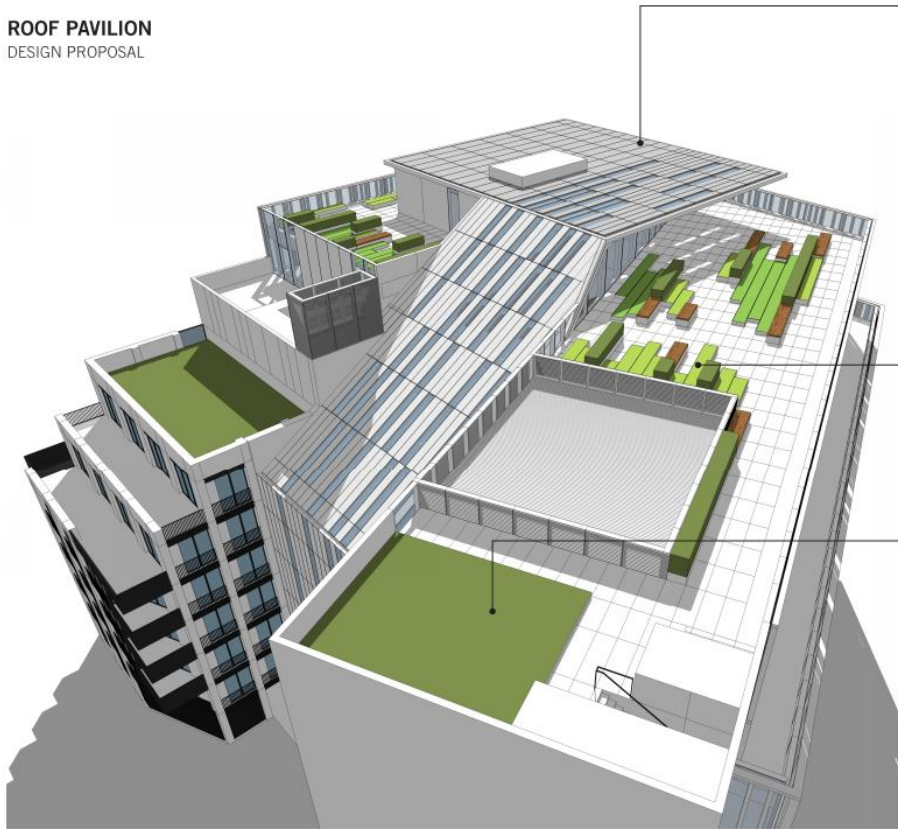


Above: Typical shopfront design



Above: Artists impression of internal office floorspace across the atrium

ROOF PAVILION
DESIGN PROPOSAL



PHOTOVOLTAIC PANELS



THE SKY GARDEN

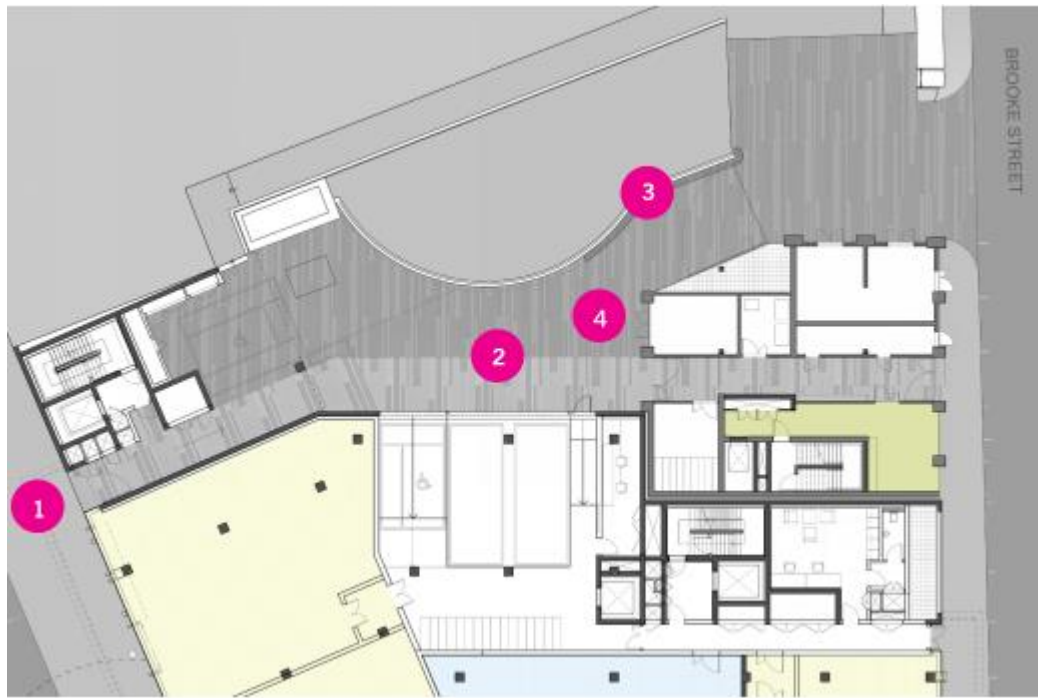


GREEN ROOF AREAS

Below: Artists impression of the roof pavilion

Above: Roof pavilion and green roof areas





Left: Plan of new pedestrian accessway between Brooke Street and Gray's Inn Road



Right: Artists impression of new accessway

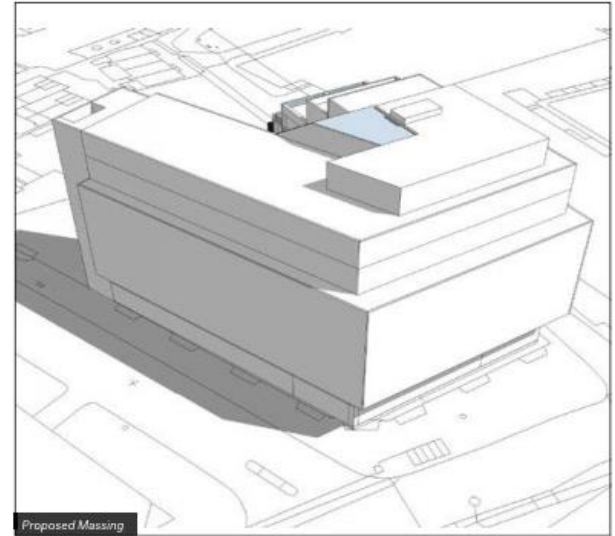
Conceptual view along the Green Ribbon towards Brooke Street



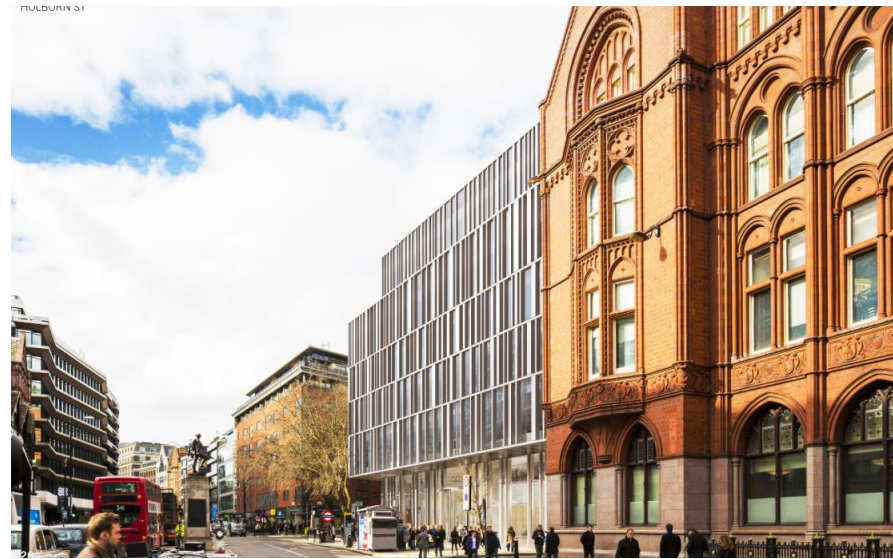
Existing massing



Consented scheme massing



Proposed massing



CGI's