

O2 Masterplan Site, Finchley Road

Regeneration and Town Centre Statement

Version 1, January 2022

Prepared for LS (Finchley Road) Limited by Quod





Quod

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Finchley Road

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1 Executive Summary

Introduction

- 1.1 This Regeneration and Town Centre Statement has been prepared and submitted by Quod on behalf of LS (Finchley Road) Limited (the “Applicant”), to support an application made part in detail and part in outline (the ‘Application’) for the demolition and redevelopment of land encompassing the O2 Centre and associated car park, Homebase store, car showrooms and a Builder’s Merchant (the “Site”) within the London Borough of Camden (‘LBC’).

The Site and Surrounding Context

- 1.2 The Masterplan Site currently contains the O2 Centre, a Homebase store, a builder’s merchants, two car showrooms and a large surface level commercial car park. The Site is surrounded by roads or railway lines and the route across site, through the Car Park is uninviting and does not encourage people to walk or cycle between Finchley Road and West End Lane. It therefore separates the surrounding communities.
- 1.3 The Masterplan Site has excellent public transport access. It is part of the ‘Linear’ Town Centre of Finchley Road and Swiss Cottage although it duplicates the cinema and sports provision at Swiss Cottage.
- 1.4 The O2 Centre itself is an outdated and inward-looking development with the Centre and Homebase set in a sea of parking. It presents a wall to the town centre and has little functional connection with the wider town centre. The O2 has high vacancy rates, particularly for food and drink and comparison shopping and has a small number of large units dependent on car access. The Homebase store is due to close in 2023.
- 1.5 The uses on the west of the site towards West End Lane are also ‘Big Box’ type uses providing two car showrooms and a Builder’s Merchant and make poor use of such an accessible location.
- 1.6 The car parking and car-based development is a contributor to poor air quality and the poor and uninviting environment of the site.
- 1.7 The Site creates an important source of employment for the local area but because of the vacancy and ‘big box’ uses which tend to have low employment density this contribution is limited.

Socio-Economic Profile

- 1.8 LB Camden, and the immediate West Hampstead and Swiss Cottage wards have seen growing populations, particularly since 2011, with around 33,000 residents in the two wards (an increase of around 8,000 since the 2011 Census). LB Camden and the Local Area has seen significant turnover of population with younger people moving into the area and working age people with families moving out. Across all areas, the population is ageing.

- 1.9 Over 6,000 Camden households are on the housing waiting list nearly three quarters from black and minority ethnic (BAME) backgrounds. There is significant overcrowding which has underpinned the disproportionate burden of Covid on BAME residents. Households slightly higher up the income scale, such as key workers, also have housing needs which aren't addressed by market products and aren't eligible for social housing.
- 1.10 The immediate area is not severely deprived but scores badly on some indicators, particularly crime and community safety. Unemployment rose very rapidly during the pandemic, as it did across much of London. The town centre is an important focus for local employment.

Policy Framework

- 1.11 The regeneration of Town Centres and High Streets is an important part of national planning and economic policy. Planning policy (national, regional and local) recognises the profound changes that have been happening in the retail sector driven by changing consumer behaviour and the move online which has been accelerated by the pandemic. National policy (NPPF, Planning Practice Guidance and the Use Classes Order) encourages flexibility between uses in Town Centres and encourages more housing development. It emphasises that creating local centres and neighbourhoods which encourage walking and cycling is an essential part of a zero-carbon strategy.
- 1.12 At a regional level the Mayor of London seeks to promote 'Good Growth' (London Plan 2021). This encourages making the most use of land, delivering new homes and jobs and ensuring that all Londoners can benefit. Like national Government, the Mayor recognises the importance of 'adaptive' strategies for town centres, and his High Streets and Town Centres Adaptive Strategies: Good Growth by Design report (2020) specifically identifies the replacement of big-box retail with intensified mix use development including housing as a major opportunity. Finchley Road and Swiss Cottage and West Hampstead are identified as town centres in the London Plan (2021) with the former having high residential growth potential. The Mayor has set an increased target of 1,038 homes per year for Camden in the London Plan (2021).
- 1.13 LB Camden's local policies, as set out in the Camden Local Plan (2017), share the Mayor's emphasis on ensuring that everyone can benefit from growth. The Council's 2025 vision states:
- 'We want Camden to be a place where nobody is left behind. From childhood to old age, we want everyone who lives in Camden to have secure housing and the opportunity to play a full part in community life.'*
- 1.14 The delivery of new homes is critical to this including new affordable homes, a better private rented sector, and mixed communities supported by high quality infrastructure.
- 1.15 The O2 Masterplan Site is identified as a priority location for growth in the LB Camden Local Plan (2017), the Adopted (2013) and Revised Draft Site Allocations (2020) Documents and is subject of site specific Supplementary Planning Guidance (2021). Local policy supporting the allocation highlights the need for comprehensive development that can create a 'front door' to Finchley Road, contributing to the vitality and viability of both town centres, the protection of secondary retail frontages at ground floor level, with new homes, community and business space and accessibility across the Site. It seeks 'car free' development as a starting point.

1.16 LB Camden has challenging housing targets and, partly as a result of the pandemic, has seen under delivery against target in the last three years. The latest Housing Delivery test results show under-delivery of 689 homes in the last three years, against a target reduced by the pandemic. Its future housing trajectory and Local Plan targets rely on large sites like the O2 coming forward in the 2020s.

The Proposals

1.17 The proposals seeks detailed permission for the demolition of the current Homebase store and development of the central area of the Site (Plots N3-E, N4, and N5), and outline permission for the eastern and western parts of the Site, including the demolition of the above ground structures of the O2 Centre, the car showrooms and the Builders Merchant. The proposals seek to comprehensively redevelop the Site delivering a new mixed-use development, public realm and open space. The Applicant will need to apply later for the approval of details ('Reserved Matters') for the 'Outline' parts of the development.

1.18 The proposed uses include:

- Commercial and business floorspace (Up to 16,682 sqm (GIA) of including shops, food and drink and business space. This will be particularly focussed in the new 'Town Square' within the boundary of designated Swiss Cottage/Finchley Road town centre, with smaller ancillary uses on key routes to create activity and link to West End Lane, generating additional footfall;
- A range of other town centre and supporting community uses including a replacement cinema, gym, health centre, nursery and community facility;
- Around 1,800 new homes providing a mix of housing type and tenure. The Detailed Proposals includes delivery of 608 homes of which 188 homes would be in affordable tenure (104 Low Cost Rent and 84 Intermediate Rent). The Detailed Proposals include 82 family sized homes (3 or more bedrooms) equating to 13% of all homes.
- Approximately 50% of the total site area is committed to be delivered as public realm.

Summary of Impacts

1.19 On the basis of the Site, area and policy assessment the Report identifies three 'Regeneration Themes' against which it assesses the proposals.

Regeneration and Intensification

1.20 The Site is a critical one for sustainable regeneration in LB Camden. It is currently underused, with 'big box' single uses surrounded by parking, and is an ineffective use of such an accessible site. The O2 Masterplan proposals will transform the Site bringing in new uses and integrating them into the Local Area.

1.21 The Detailed Proposals (the first phase of redevelopment) is in the central part of the Site and will see the replacement of the Homebase store and associated car parking with new homes and a new park and linear park along the Southern Route, and small-scale commercial units providing workspace.

- 1.22 The western part of the development (the second phase of the proposals) sees the replacement of the Car Showrooms and associated parking and Builder's Merchant with homes. This area will also include the Health Centre and small-scale food and drink uses at ground floor level.
- 1.23 The eastern part of the development (the third phase of the proposals) will see the demolition of the existing O2 Centre and the opening up of the Site to Finchley Road, retaining a strong retail frontage to complement the town centre but also creating a new Town Square off the High Street with shops and services giving people space to dwell and encouraging linked trips to both High Streets.
- 1.24 This will result in the replacement of approximately 34,500 sqm (GEA) of current floorspace and 3 hectares of roads and car parking, with 132,000 sqm of new mixed use floorspace and 3.1 hectares of open space and public realm.
- 1.25 Overall, the O2 Masterplan provides the holistic and comprehensive approach required by policy, optimising the use of an accessible site with a range of uses, embracing high quality design and minimising vehicle access to only essential users.

Town Centre Vitality and Inclusive Growth

- 1.26 The O2 Masterplan seeks to re-imagine the future of the town centre to reflect the changes over the 20 years since the O2 Centre was built underpinning the proposals, and required by policy, is the need to intensify the use of land in London to meet the full range of housing. Economic and social needs, which at the O2 means building on the Car Parks. This necessitates a move from large format, big box retail to smaller units with more diversity, supporting the existing uses and others. In responding to this, the Applicant has sought to retain the core strengths that the O2 Centre brings to Finchley Road and Swiss Cottage Town Centre – the supermarket, and leisure uses – whilst diversifying the offer.
- 1.27 The proposals demonstrate the intention is to have a proper front door to Finchley Road, as set out in the Camden's 2021 SPD, which has a strong retail frontage, meeting the policy requirement for the current secondary frontage in the Camden Local Plan whilst creating a gateway into the development, with a row of active frontages, and similar frontages to the Town Square. The Gateway to the site then leads to the Town Square and the new high quality east-west route to West End Land and West Hampstead Town Centre. This can strengthen both Town Centres, encourage local spending by residents of the new development, and increase footfall to both centres.
- 1.28 The proposals include 19,682 sqm of non-residential floorspace, 75% of which is in the outline (east) part of the development where the O2 centre currently is and within Finchley Road and Swiss Cottage Town Centre. It is envisaged that part of the town centre would see the replacement of a large supermarket, cinema and gym, in smaller and more efficient formats reflecting modern town centre and a car free development. The remaining floorspace would be re-provided in modern units on a more traditional street pattern which will be more attractive to occupiers, replacing the largely vacant units currently in the centre.
- 1.29 This approach brings significant economic benefits including:

- An average of 380 full time equivalent (FTEs) jobs per month over the duration of the 15 year construction period;
- The provision of between 545 and 758 FTE jobs in the completed development, an uplift of between 80 and nearly 300 on the current on-site employment. Jobs will provide opportunities across a variety of sectors and a broad spectrum of skills;
- Around £30 million a year of additional expenditure from resident households and workers;
- Gross Value Added (GVA) of between £21.8 and £34.5 million. GVA is a measure of the increase in value to the economy from the production of goods and services the local equivalent of GDP;
- Council Tax income of c. £3 million per year and around £3 million of New Homes Bonus; and,
- Community Infrastructure Levy payments of around £43.5 million.

New Homes and Community Facilities

- 1.30 The Proposed Development will provide around 1,800 new homes providing a mix of housing type and tenure to help address the acute housing needs which the LB Camden faces.
- 1.31 This includes 608 homes of which 188 will be affordable across the Detailed Proposals, 104 Low-Cost Rent (52% of which are 3 bedroom family homes) and 84 Intermediate Rent and a further c. 1,200 in the Outline phases which will provide 35% affordable housing, by floorspace.
- 1.32 The new homes will make a significant contribution to meeting the urgent need for additional homes in LB Camden, representing 17% of the borough's London Plan (2021) target to deliver 10,380 new homes by 2028/29.
- 1.33 The homes in the Detailed Proposals will be actively managed by the Applicant providing a new standard of private rental offer for the borough.
- 1.34 The O2 Masterplan also includes provision of community facilities supporting the local area including:
- A Health Centre;
 - A nursery/creche; and,
 - A community centre.
- 1.35 Taken as a whole the proposals respond to the challenges set by policy makers to re-imagine a town centre as a sustainable focus for a community, removing cars, and bringing in new flexible uses, whilst helping to meet London's housing need and providing much needed open space for the local area.

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2 Introduction

- 2.1 This Regeneration and Town Centre Statement has been prepared and submitted by Quod on behalf of LS (Finchley Road) Limited (the “Applicant”), to support an application made part in detail and part in outline (the ‘Application’) for the demolition and redevelopment of land encompassing the O2 Centre and associated car park, Homebase store, car showrooms and a Builder’s Merchant (the “Site”) within the London Borough of Camden (‘LB Camden’).
- 2.2 The purpose of the report is to consider the key opportunities and challenges facing the site, its current and potential future role, the current policy framework and to assess the impacts of the O2 Masterplan proposals in addressing these issues. It also meets LB Camden’s requirement for the preparation of a Regeneration Statement for major applications¹. The report includes the following sections:
- **Section 3 – Site and Surrounding Context** – provides an overview of the Site including the uses currently located there and estimates of existing employment.
 - **Section 4 - Socio-Economic Profile** - Considers the socio-economic characteristics of the surrounding area;
 - **Section 5 – Policy Framework** – this sets out any site-specific, as well as the broader policy objectives and parameters within which the proposals are coming forward;
 - **Section 6 – The Proposals** – describes the proposed development in terms of its expected mix of uses, layout and other design considerations;
 - **Section 7 – Regeneration Impacts and Benefits** – identifies key themes from the previous analysis and assesses the proposals and their impacts against them;
 - **Section 8 – Conclusion** – draws together key aspects of the previous sections.

¹ London Borough of Camden, 2018. Camden’s Local Area Requirements for Planning Applications

3 The Site and Surrounding Context

- 3.1 The O2 Masterplan Site links Finchley Road (to the east) and West End Lane (B510) to the west). It is former railway land and the northern and southern boundaries are formed by the Thameslink and Metropolitan railway lines. It is effectively an 'island' with limited current connectivity through it and to the surrounding area.
- 3.2 The Site is one of the best served by public transport in London. Finchley Road station, 175 metres to the south east boundary of the Site, is served by the Jubilee and Metropolitan Underground Lines. Finchley Road and Frognal station (served by the London Overground) is around 730 metres to the north. West Hampstead Underground Station is immediately adjacent to the west of the site and the Overground and Thameslink stations, 50 and 150 metres to the north west.

Figure 3.1 – The Site in Context



Source: Quod and LB Camden Local Plan (2017), Map 7

The Town Centres

- 3.3 There are designated town centres at each end of the Site: Swiss Cottage/Finchley Road to the East and West Hampstead to the West.
- 3.4 Camden Council's most recent Retail and Town Centre Study (2013)² found a total of 61,808 sqm of gross floor area in the Swiss Cottage/Finchley Road Town Centre. The May 2021 Experian/GOAD Category report sees this figure largely unchanged at 62,000 sqm³.
- 3.5 The Retail and Town Centre Study found the proportions of Convenience and Service Floorspace being above the national average, the latter significantly, and comparison floorspace significantly below.⁴
- 3.6 It identified very low additional requirements for floorspace at Finchley Road and Swiss Cottage, the lowest of the six main town centres in Camden, and a vacancy rate of 7%, although it noted a high vacancy rate in the O2 centre (17%). This was mainly driven by the vacancy of the first floor food and drink outlets.
- 3.7 The report identified the need to increase the comparison goods offer in the town centre and improve the environmental quality and public realm which was identified as a major weakness.
- 1.1 LB Camden also undertakes a regular map-based survey of its town centres, the most recent of which from 2018 is shown in Figure 3.2 below. This identified a vacancy rate of 5% with 4% of units being refurbished or re-developed. The May 2021 Experian Goad report now shows a vacancy rate of more than double that at 11.9%.
- 3.8 The LB Camden Retail Survey (Figure 3.2) illustrates the linear nature of the town centre with two concentrations of activity: at the O2 Centre and at Swiss Cottage. Swiss Cottage is approximately 750 metres (10 minutes walk) south of the O2 centre.

Retail Definitions:

Convenience Goods: Items bought on a day-to-day basis like food and drink for use at home, newspapers and periodicals and non-durable household goods

Comparison Goods: Higher value products that people 'shop around' for such as clothes and shoes, furniture and household items and electrical goods

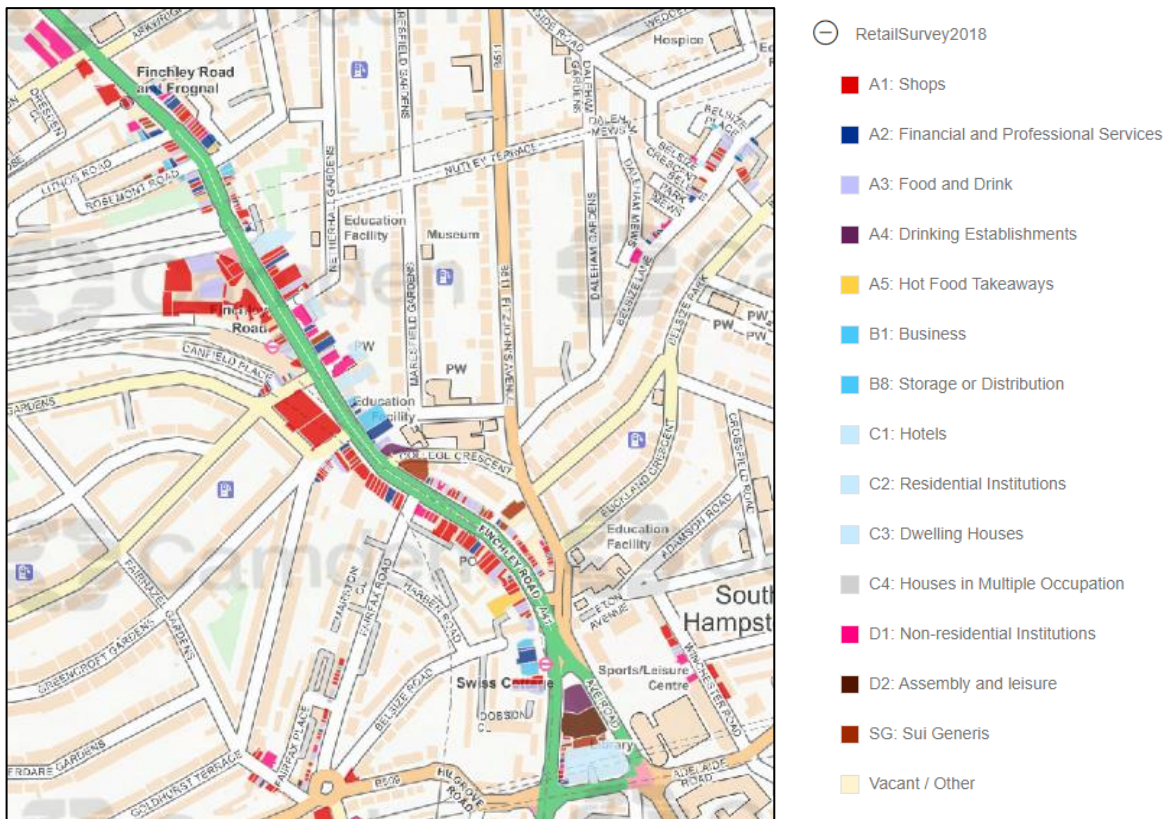
Services: Leisure Services, including bars and restaurants, cinemas and sports facilities, and retail services such as dry cleaners, travel agents and post offices

² London Borough of Camden (2013). Camden Retail and Town Centre Study

³ Experian Goad (July 2012) including slightly different categories and boundary from LB Camden Plan

⁴ London Borough of Camden (2013). Camden Retail and Town Centre Study, Appendices, Table 4.1

Figure 3.2: Camden Retail Survey (2018): Finchley Road and Swiss Cottage Town Centre



Source: LB Camden (2018)

3.9 The major uses at Swiss Cottage are:

- A five screen Odeon Cinema;
- A public Lesiure centre with an 8 lane pool, 200+ gym stations two studios, soft play and a creche;
- Swiss Cottage Library (one of Camden’s main libraries); and,
- Hampstead Theatre.

3.10 The Cinema and Leisure Centre duplicate uses at the existing O2 Centre.

Uses on the Site

3.11 The O2 Masterplan Site, as shown on Figure 3.3, incorporates four main ‘economic’ uses. These are:

- The O2 Centre itself, opened in 1998 and containing a mix of uses, mainly retail and community/leisure (previously A and D Use Classes in the old use classes order) and E Class and Sui Generis in the current one;
- A Homebase DIY Store which is in E(a) Class retail use;
- Car Showrooms – which are sui generis non Town Centre Uses;
- A Builders Merchant

Figure 3.3: The Site Today



Uses on Site: Town Centre Uses

3.12 The O2 Centre and Homebase are located within the Finchley Road /Swiss Cottage Town Centre and are classed as Town Centre uses. However, the O2 Centre itself is more akin to an edge or out of town centre and Homebase is a 'big box' format retail warehouse. Both are served by car, rather than integrated into the town centre. Only about a third of the 4.1 hectares of the Site is within the town centre boundary, is in active use, the remaining two thirds is roads, parking and storage.

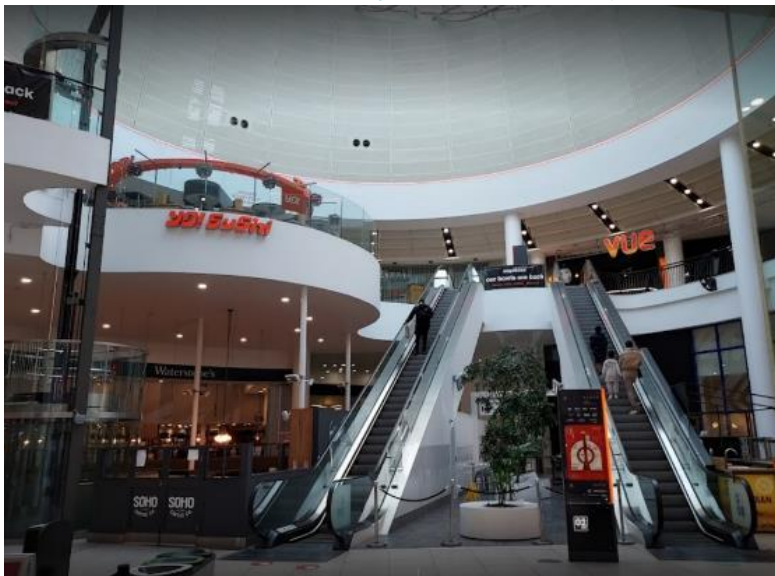
Figure 3.4a: Current O2 Centre Finchley Road Frontage



Figure 3.4b: Current O2 Centre Blackburn Road Entrance to Car Park



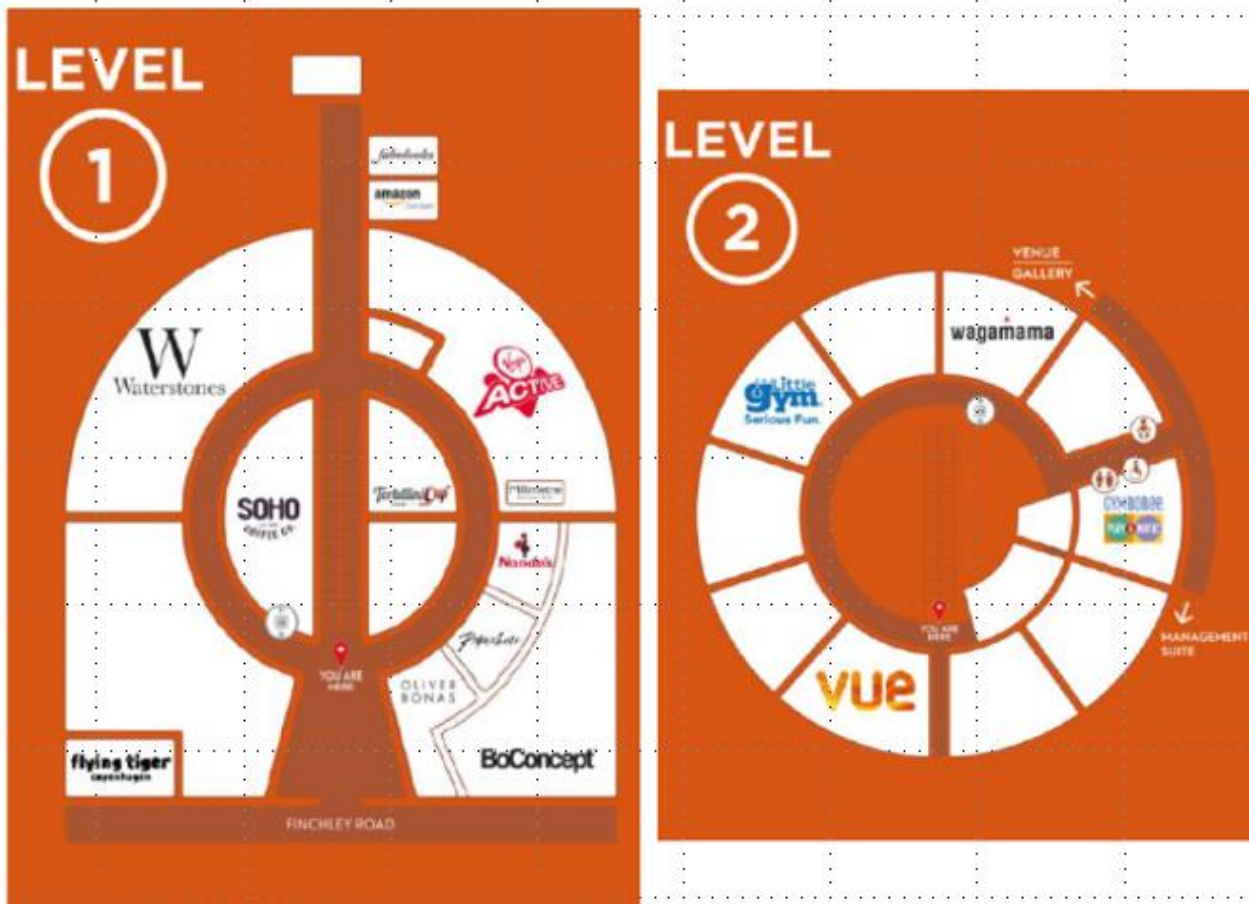
Figure 3.4c: O2 Centre Interior from Finchley Road Entrance (before closure of Yo Sushi)



3.13

3.14 As shown in Figure 3.4a, the O2 Centre presents an uninviting frontage to Finchley Road. Only three units face Finchley Road, with the recessed frontage of an empty commercial unit (what was Habitat), a small recessed entrance, and then another retail frontage, curving round to Blackburn Road. It is separated from the next part of the town centre frontage by the heavily used car access from Finchley Road and the railway bridge resulting in a 70 metre separation (Figure 3.4b).

Figure 3.5: O2 Centre Level 1 and 2 Floorplans



Source: Landsec

3.15 The floorplans provided in Figure 3.5 are schematic plans of the O2 Centre. Level 1 is entered at ground level from Finchley Road, but because of the level changes by escalator or lift from the car park. The Sainsbury's supermarket is at Lower Ground level – with access directly from the car park.

3.16 Table 3.1 shows the uses and occupancy of the O2 Centre at the time of the Application. There are some key points that this table illustrates. Firstly, three very large floorplate uses make up approximately 70% of the floorspace.

- The Sainsbury's alone takes up 30% of the centre, and this size and format of store is dependent on the car parking and roads which currently cover two thirds of the Site.
- The Odeon Cinema and private Virgin Active Gym comprise nearly a further 40% and are, again, to some extent dependent on car parking. They have little interaction with the wider town centre, with no evidence of significant linked trips.
- What was Use Class A1 (and is now Class E(a)) comparison retail currently makes up only 13% of the floorspace. Of this, three units form part of the Secondary frontage in the town centre: Flying Tiger, BoConcept, and the vacant habitat unit. Retail chains selling 'comparison goods' (clothing, electrical goods, books) appear to be most at risk from online competition.

3.17 The food and drink offer in the O2 Centre is spread across two floors – the ground floor and Level 1. Level 1 units are currently mainly vacant. The mid-market ‘Casual Dining Brands’ were already struggling prior to the pandemic and have been particularly hard hit. As the Council’s own evidence base shows⁵, these smaller units have always struggled at the O2 Centre even pre-pandemic in 2013 and 2018 when the sector was stronger.

3.18 The overall vacancy rate at 17% of floorspace is very high and above that for the Finchley Road/Swiss Cottage town centre as a whole. It has been high regardless of the position in the economic cycle.

Table 3.1: O2 Centre Current Lettable Areas and Occupancy (sqm)

Use	Description	Area	% of total O2 Centre	Vacant	Vacancy Rate
Sainsbury	Sainsbury's Supermarket and Argos	7,558	30%		
Vue Cinema	12 Screen Cinema	4,340	17%		
Virgin Active	Private Gym with Pool	5,243	21%		
A1 Retail	7 units including vacant former Habitat	3,189	13%	1,068	33%
Food and Drink	15 units including, 8 Vacant units	3,481	14%	2,630	76%
Other	4 units, nursery and community	1,063	4%	579	54%
Total		24,875		4,277	17%

Source: Landsec

⁵ Camden Retail and Town Centre Study, November 2013, paragraphs 5.35 to 5.37

3.19 The Homebase store on the site is a standalone building of approximately 4,000 sqm. Homebase entered a Company Voluntary Agreement with its creditors in 2018 and the store is due to close in 2023.

Non-Town Centre Uses

3.20 The two Car Showrooms at the west of the Site are not within the town centre boundary or town centre uses. Like the Homebase, they are 'big box' sheds set in car parking. Again, these buildings only cover around a third of that part of the site (0.4 hectares of 1.2 hectares) with the remainder being roads and parking.

3.21 The Builder's Merchant occupies a thin strip against the railway line and is made up of single storey sheds and external storage and hardstanding as shown in Figures 3.4a and Figure 3.4b. It is on the part of the Site which forms the gateway to West Hampstead Town Centre which extends to the frontage the West End Lane.

Figure 3.4a: Builder's Merchant



Figure 3.5b: Builder's Merchant



Employment on Site

3.22 Table 3.2 shows the total number of jobs currently estimated to be accommodated on-site.

3.23 The level of employment accommodated by the existing O2 Centre and adjacent Homebase has been collected from existing occupants in January 2022 compiled by the O2 Centre and informed by observation in the centre. In line with the Homes and Communities Agency Employment Density Guide⁶, a ratio of 2:1 has been applied to part-time staff to determine the full time equivalent (FTE).

3.24 Employment accommodated by the car showrooms and builders merchants within the red line boundary has been estimated using the Gross Internal Area (GIA) associated with the footprint of the existing building. Employment been calculated by applying the standard job density ratios from the HCA Employment Density Guide (2015). All of the employment on site currently is in the retail and hospitality sector, and offers little diversity or resilience to market changes.

Table 3.2: O2 Finchley Road - Existing Employment Summary, January 2022.

Use	Jobs (FTE)	Full Time	Part Time
O2 Centre & Homebase (east)	424	269	310
Car showrooms (west)	30	-	-
Builders Merchant (west)	10	-	-
Total	464		

Source: Quod based on Landsec Survey and HCA Summary

⁶ Homes and Communities Agency, 2015. Employment Density Guide – 3rd Edition.

Summary

The O2 Masterplan Site has excellent public transport access. It is part of the 'Linear' Town Centre of Finchley Road and Swiss Cottage although it duplicates the cinema and sports provision at Swiss Cottage. It should provide an active link with West Hampstead Town Centre but instead acts as a barrier.

The site currently separates two town centres and their surrounding communities with the only pedestrian route between Finchley Road and West End Lane, being through a Car Park and uninviting walkway by the wide of the railway line.

It is an outdated and inward-looking development with the O2 Centre and Homebase set in a sea of parking with over 3.3 hectares of tarmac (parking, hardstanding and roads). It presents a wall to the town centre and has little functional connection with the wider centre. The O2 Centre has high vacancy rates, particularly for food and drink and comparison shopping and a small number of large units dependent on car access. The Homebase store is due to close in 2023.

The uses on the west of the Site towards West End Lane are also 'Big Box' type uses and make poor use of such an accessible location and are not in keeping with town centre uses, with nearly two thirds of the site area being roads and car parking.

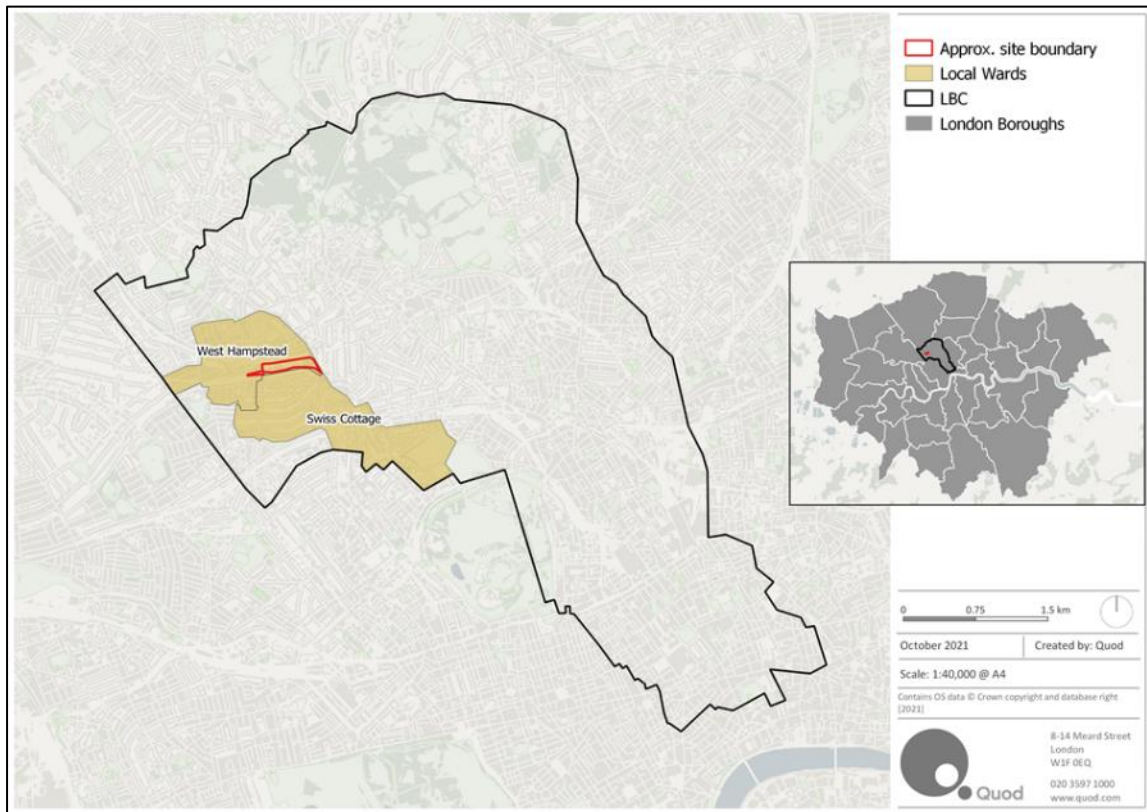
This car-based development is a contributor to poor air quality and the poor and uninviting environment of the site.

The site creates important employment for the local area but because of vacancies and 'big box' uses, which tend to have low employment density, this contribution is limited.

4 Socio-Economic Profile

- 4.1 As part of this Application, a detailed Socio-Economic Assessment has been undertaken within the Environmental Impact Assessment (EIA) – Chapter 15. That assessment has informed this Regeneration Strategy and the Applicant’s approach to maximising the Social Value of the proposals.
- 4.2 The assessment uses West Hampstead and Swiss Cottage wards as the Local Area and the wider borough of Camden as a comparator area for the assessment. These areas are shown in Figure 4.1, below.
- 4.3 This section summarises the findings of the baseline assessment. Much of the most local data is only available from the 2011 Census so is somewhat out of date but we have supplemented this with additional information where available.

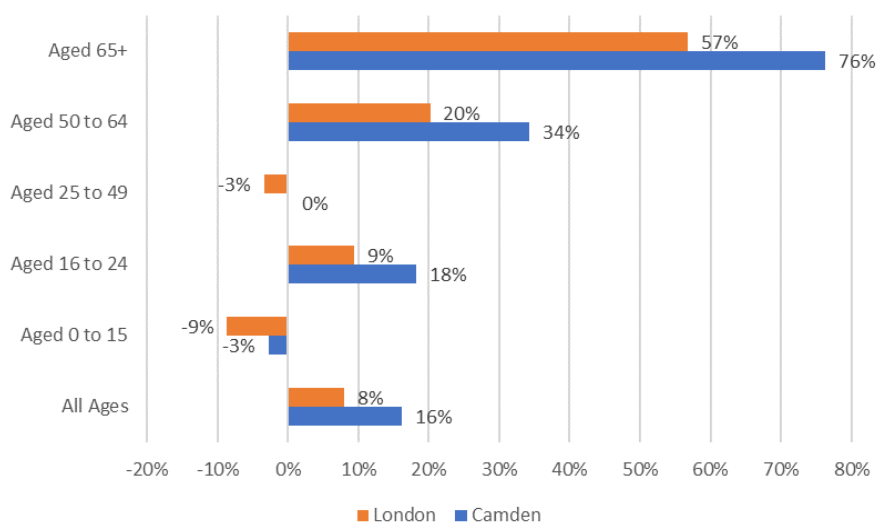
Figure 4.1: Assessment Areas



Demographics of Camden and the Local Area

- 4.4 In the ten years between the 2001 and 2011 Census the population of LB Camden rose 11% compared to the London average of 14%. Across the 12 inner London boroughs, LB Camden experienced the fourth lowest population growth. This was particularly noticeable among young people of working age (aged 16 to 34 years) with a population increase of 8% compared to 17% across London equating to the second lowest population growth across inner London boroughs.
- 4.5 At the time of the 2011 Census, the total resident population of the Local Area was 25,000. According to 2020 mid-year population projections (housing-led), the population of the Local Area is estimated to be 33,070 in 2021. This equates to growth of 33% since 2011. The rate of growth was slightly higher in the West Hampstead ward (36%) compared to the Swiss Cottage ward (30%). The growth rate across the Local Area was significantly higher than rates of population growth in LB Camden (19%) and London (8%) over the same period.
- 4.6 The majority of Local Area residents (81%) are of working age residents (aged 16 to 75 years) higher, compared to 79% and 75% in LB Camden and London, respectively. Government population projection (ONS, 2018 based) show a significant ageing of the population. This is a national and London-wide trend, but is particularly noticeable in LB Camden.
- 4.7 As shown in Figure 4.2 the highest proportionate increases to 2039 will be in the 50 to 64 and 65+ age groups. LB Camden will continue to attract young people, including students, in the 16 to 24 year old age group. But it is projected to show no change in the main working age population group (25-49) and a reduction in 0 to 15 year olds. This reflects long term demographic trends and 'household life cycles' in London but also cost and availability constraints for families with children.

Figure 4.2 Projected change in population age structure 2019 - 2039



Source: ONS Population Projections (2018-based)

- 4.8 According to the 2011 Census, the Local Area was very diverse but marginally less so than LB Camden and London, with 30% of residents being from an ethnic minority background compared to 34% in LB Camden and 40% in London. Breaking this down further 13% of Local Area residents were Asian/Asian British which was lower than proportions in LB Camden (16%) and London (18%). The proportion of Black/African/Caribbean/Black British individuals was equal in the Local Area and LB Camden (8%).

Economic Activity and Occupation

- 4.9 The Local Area has a high proportion of economically active residents accounting for 76% of residents according to the 2011 Census - higher than LB Camden (68%) and London (72%). However, it is noted that the Covid-19 pandemic has impacted economic activity.
- 4.10 More recent Claimant Count data (July 2021) reports that the Local Area had a claimant rate of 4.2%. Although lower than LB Camden (5.1%) and London (7.3%) in the same month this is significantly higher than the rate recorded in January 2020 (1.6%) before the pandemic.
- 4.11 According to 2011 Census data, the Local Area has a larger proportion of high-skilled residents (working in managerial, professional and technical occupations) at 74%, compared to 68% across LB Camden and half of residents across London. One in ten of residents in the Local Area are employed in low-skilled occupations (sales, process and elementary positions) compared to 14% in LB Camden and 22% across London.

Jobs

- 4.12 There are 10,800 jobs in the Local Area according to data from the Business Register and Employment Survey (BRES, 2019).
- 4.13 The highest proportion of jobs in the Local Area are in the accommodation and food sector which accounts for 12% of employment. The next two largest employment sectors are retail and health, both accounting for 10% of total employment in the area. This is greater than proportion in both LB Camden (6%) and London (7%).
- 4.14 The high proportion of jobs within the retail and accommodation and food sector reflect the importance of the town centres - Finchley Road/Swiss Cottage and West Hampstead - in providing employment. However employment is in limited sectors and the centres have relatively low levels of workspace and other commercial uses.

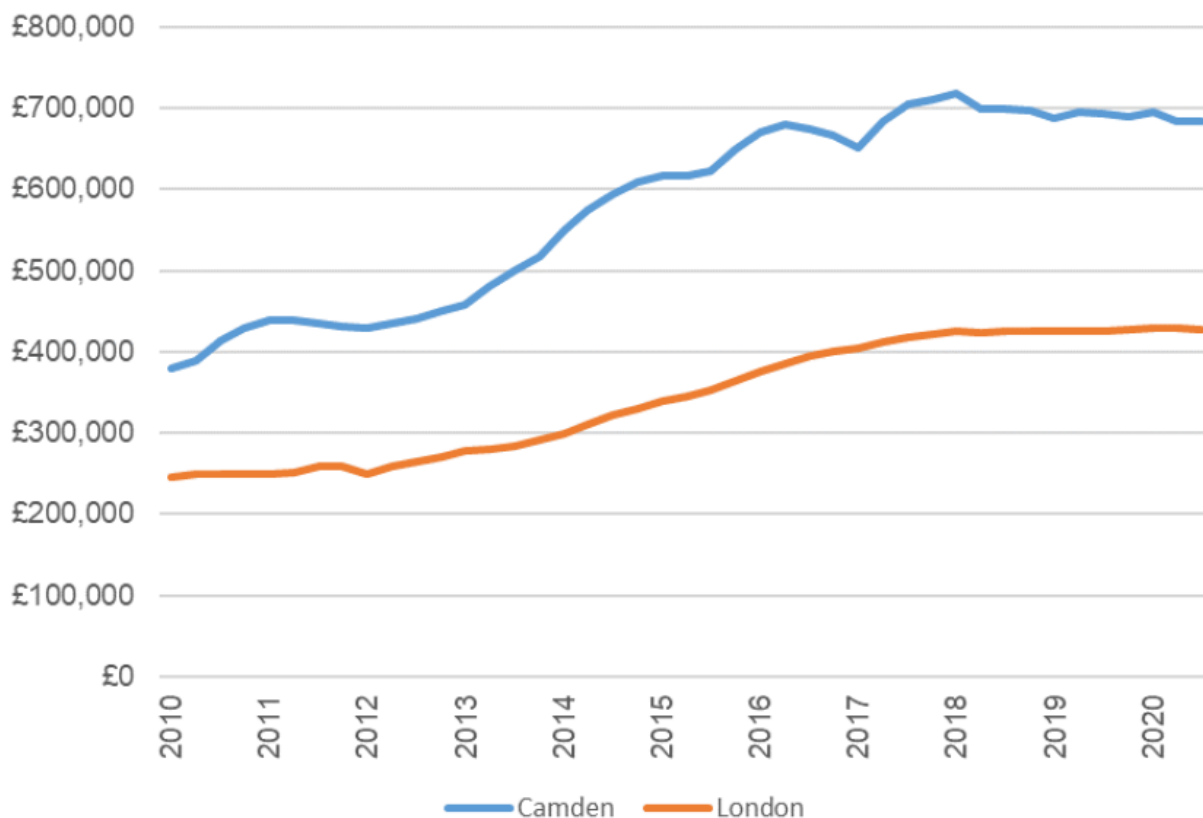
Housing Profile

- 4.15 At the time of the 2011 Census there was a distinct tenure mix in LB Camden compared to London as a whole – with higher proportions of private and social renting and lower home ownership. Across LB Camden, there are high levels of private rented homes compared to London as a whole (32% compared to 25% respectively). This is reflected at the local level with 42% of homes privately rented. In turn, there are low levels of home ownership across the Local Area and the borough.
- 4.16 The majority (85%) of private rented accommodation are occupied by people under 50 years old and these are less likely to be home to children with only 4% of private rented homes reporting dependent children.

4.17 This data suggests affordability challenges of home ownership in Camden as the majority of the population find themselves in rented accommodation. It also suggests challenges for young people given the age profile of the private rented tenure.

4.18 Data from the ONS on housing affordability shows that average prices for flats across Camden have increased more quickly in the ten years since the 2011 Census compared to London, as shown in Figure 4.3.

Figure 4.3: Average price paid (flats) Camden and London (ONS House Price Statistics for Small Areas (HPSSAs) median prices



4.19 LB Camden has acute housing need amongst people with low and middle incomes, particularly families. In 2020, LB Camden had over 6,300 households on its waiting list. There is significant overcrowding and nearly three quarters (73%) of households on the waiting list are from Black and Minority Ethnic Groups (BAME).⁷ This has contributed to the disproportionate burden of Covid-19 on BAME residents.

4.20 The **Affordable Housing Statement** submitted with this application includes a detailed assessment of the requirements for 'Intermediate Housing'. This includes 'squeezed middle' defined as households who have incomes which mean they are unable to afford to buy or rent a good quality suitable home but would be unlikely to be allocated social housing which is prioritised for those households with lower incomes (up to c.£30,000 per year).

⁷ LB Camden 2021, COVID 19 BAME Disproportionality Project

4.21 It identifies the implications of this, which is reflected in the economic and demographic data summarised in this section and includes:

- Loss of young working age people/ break up of existing communities;
- Difficulty attracting/ retaining workers (including key frontline workers such as doctors) having a negative impact on local business and delivery of front line services;
- Increased pressure and overcrowding in lower quality/ insecure buy-to-let rental housing which is typically unsuitable;
- Increased pressure on the conversion of suitable family homes to flats to meet growing demand;
- Increasing numbers on the Council's intermediate waiting list who are unlikely to be allocated a home.

Deprivation

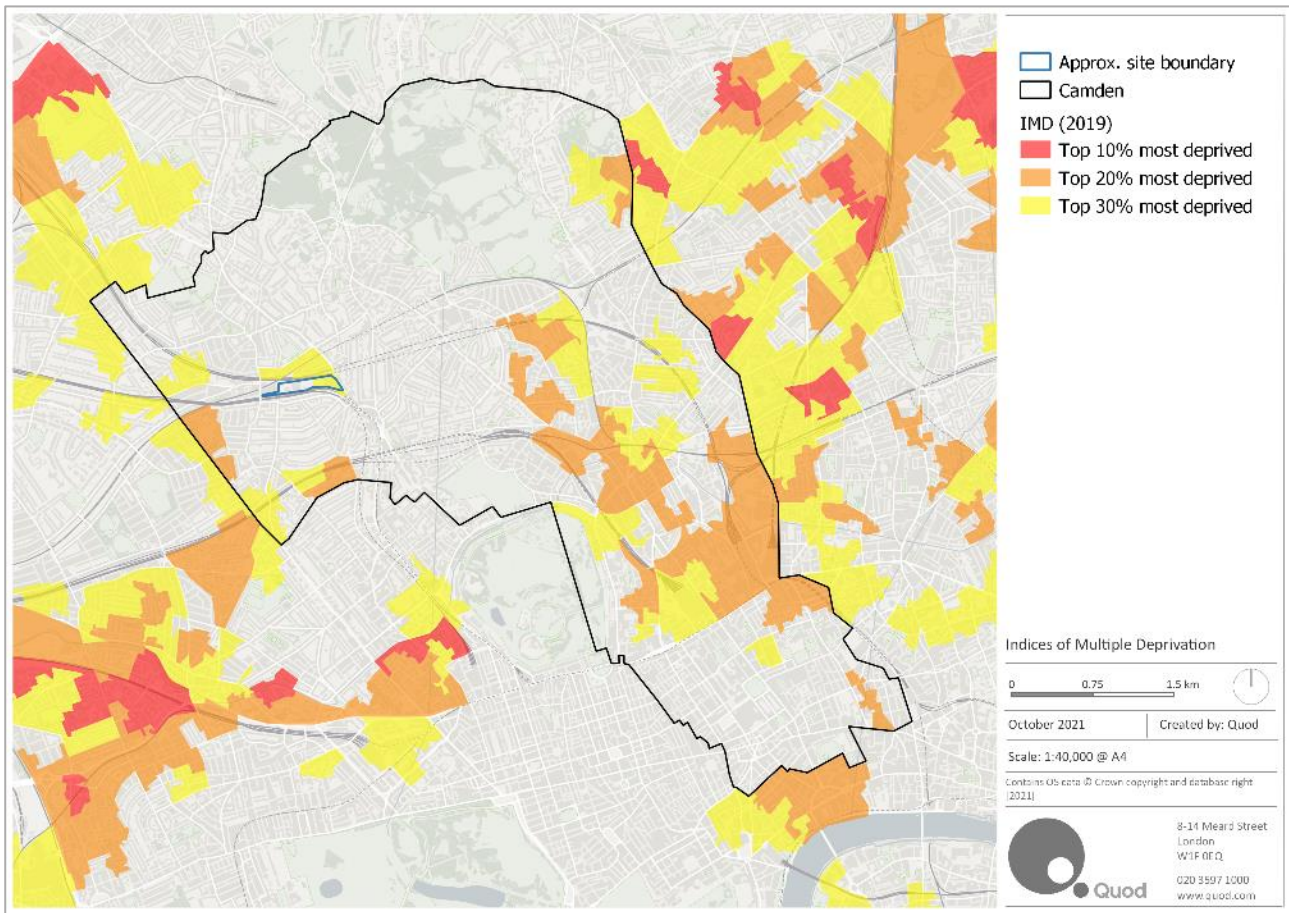
4.22 The Government's Indices of Multiple Deprivation (IMD) assesses deprivation in England by analysing various social, housing and economic indicator to produce a single deprivation score for each lower-layer output area (LSOA). These areas are then compared against each other and ranked relative to other areas based on deprivation levels. There are seven main indicators of deprivation used in the IMD including (inter alia) crime, barriers to housing and services and employment.

4.23 The Site falls within two LSOAs. The LSOA to the west (covering the O2 Centre) was within top 30% most deprived areas in England both in 2015 and 2019. Overall deprivation is illustrated in Figure 4.4.

4.24 When examining the individual domains of the overall IMD rating, crime is the most significant factor influencing the overall deprivation score. In the five years between 2015 and 2019, crime in the area covering the O2 Centre has increased. In 2015, the area covering the Site ranked in the 50% least deprived areas under the crime domain, while in 2019 it ranked in 40% most deprived areas. This is the only deprivation domain that has worsened when comparing data from 2015 and 2019.

4.25 It is also important to note that access to housing and services, income and employment also significantly influence the overall IMD score. The area surrounding the Site falls among the top 20% most deprived areas for these domains.

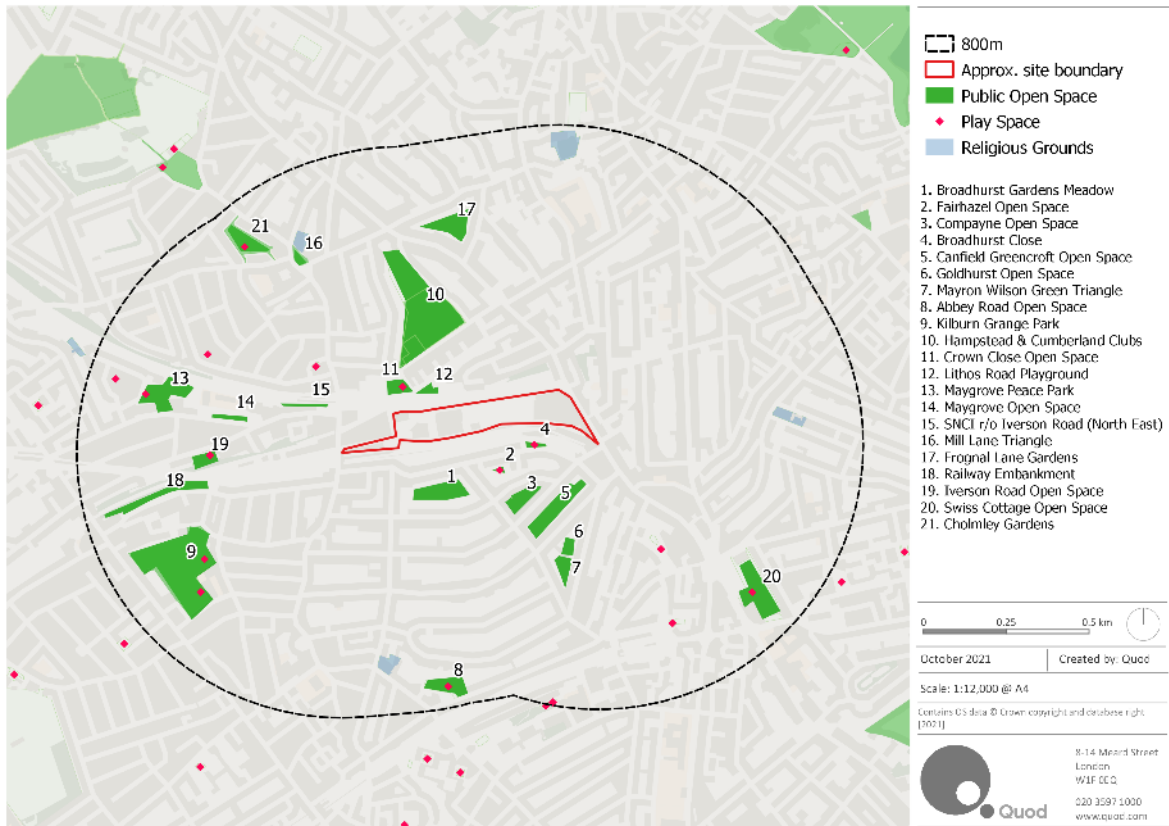
Figure 4.4: IMD 2019



Open Space

- 4.26 The Site does not currently include any open space but falls within an 800m catchment of local open spaces. There are 19 public open spaces, two private spaces and 17 play spaces within an 800m catchment as illustrated in Figure 4.5. Most of these spaces comprise green spaces within residential squares with the exception of Kilburn Grange Park to the south-west. Hampstead and Cumberland Clubs north of the Site provide leisure facilities through private access.
- 4.27 The Site is near some of London's largest and highly valued spaces - Primrose Hill and Regent's Park. Although these fall beyond a 15 minute walking distance approximately 1.2km south-east of the Site. Furthermore, Hampstead Heath and Parliament Hill too are beyond this catchment around 1.2km north-east of the Site.
- 4.28 Generally, visitor experience across the Site is poor. The current uses encourage pedestrian users to enter directly to the O2 Centre from the Finchley Road with other users accessing the Homebase, Sainsbury's and car services by car via Blackburn Road and the associated car parking. This is identified as a significant challenge in LB Camden's Town Centre review for Swiss Cottage and Finchley Road Town Centre.

Figure 4.5: Open Space and Playspace



Summary

LB Camden, and the immediate West Hampstead and Swiss Cottage wards have seen growing populations, particularly since 2011, with around 33,000 people currently residing in the two wards. LB Camden and the Local Area see significant turnover of population with younger people moving in and working age people with families moving out. The population is ageing.

Over 6,000 households are on the housing waiting list nearly three quarters from black and minority ethnic backgrounds. There is also significant overcrowding which has underpinned the disproportionate burden of Covid on BAME residents. Households slightly higher up the income scale, such as key workers, also have housing needs which aren't addressed by market products and aren't eligible for social housing.

The immediate area is not severely deprived but scores badly on some indicators, particularly crime and community safety. Unemployment rose very rapidly during the pandemic, as it did across much of London. The town centre is an important focus for local employment.

The Site itself and the immediate surrounding area has a poor environment with not much green or public space. A little further there are several parks and sports clubs and Hampstead Heath and Regents Park are both nearby.

5 Policy Framework

Introduction

- 5.1 Proposals for the site have been developed with regard to national, regional and local policies. This ranges from general policies encouraging the sustainable development of urban sites to optimise density and use of land in accessible locations, to specific policies around town centres, housing and other key issues. This section will summarise policies relevant to the comprehensive redevelopment of the Site with a particular focus on town centres.
- 5.2 The approach to planning for the future of town centres and high streets was changing even before the Covid-19 pandemic. The pandemic, however, has accelerated and exacerbated trends that were already emerging such as increases in online shopping. The last two years have also brought with them reasons for optimism. With increased working from home, people were and continue to turn their local centres to meet their needs whether that be for a coffee or for a place to work. As such, the way policy makers, landowners and public bodies think about and plan for the future of town centres and retail has had to change. This is reflected in emerging policy and guidance at all levels from local through to national.
- 5.3 A detailed planning policy review is contained within the **Planning Statement** being submitted as part of the suite of documents comprising the planning application. This section, therefore, will provide a high-level overview of the key messages of relevant policy and guidance for the economic and social regeneration of the site.

National level

National Planning Policy Framework (NPPF)⁸

- 5.4 Achieving sustainable development sits at the heart of the NPPF. Planning is expected to contribute to this objective in three ways:
- **Economically** – by helping to build a strong, responsive and competitive economy which supports growth, innovation and improved productivity;
 - **Socially** – by supporting strong, vibrant and healthy communities through ensuring sufficient numbers of homes are provided and that development creates well-designed, beautiful, and safe places with the facilities communities need; and
 - **Environmentally** – by protecting and enhancing the natural, built and historic environment including by making effective use of land.

⁸ Ministry of Housing, Communities and Local Government, July 2021. National Planning Policy Framework.

- 5.5 Section 7 of the National Planning Policy Framework (NPPF) deals with ensuring the viability of town centres. It encourages planning policies to support the role that town centres play in their communities and take a positive approach to their growth. This includes defining a network and hierarchy of town centres, and meeting the needs for main town centre and other uses. It also suggests that policies should ‘recognise that residential development often plays an important role in ensuring the vitality of town centres and encourage residential development on appropriate sites
- 5.6 The Planning Practice Guidance (PPG) on town centres sets out how authorities can work with partners to support sustainable economic and employment growth. It suggests that as part of this they should consider structural changes in the economy, and in particular changes in shopping and leisure patterns.

Other Relevant National Policy

- 5.7 The future and importance of town centres and High Streets has been an increasingly high profile policy issue since the Portas Review in 2011.
- 5.8 The Government’s current approach is set out in Build Back Better High Streets (2021)⁹. This identified five themes of the Government’s strategy: Breathing new life into empty buildings; Supporting high street businesses, Improving the public realm, Creating safe and clean spaces; and Celebrating pride in local communities.
- 5.9 The Government recognises that the profound changes in retail habits will impact the nation’s high streets and town centres. It recognises the increased pressures that the Covid-19 pandemic has placed on high street businesses.
- 5.10 In its response to the consultation on Local Housing Need (2021) the Government stated that:

“since we published the consultation, the way that the country lives, works and travels continues to change more rapidly than at any time since the war. This has implications, for example, on demand for commercial and retail floorspace in our cities and urban areas. We want our towns and cities to emerge from the pandemic renewed and strengthened – more beautiful, more healthy, more environmentally sustainable and more neighbourly places, with greater public and private investment in urban housing and regeneration.”

- 5.11 As a result, the Government included a “cities and urban centres uplift” to its formula for identifying objectively assessed need. This was based on three reasons:
- Building in existing cities and urban centres ensures that new homes can maximise existing infrastructure
 - There is potentially a profound structural change working through the retail and commercial sector, and we should expect more opportunities for creative use of land in urban areas to emerge
 - Climate aspirations demand that we aim for a spatial pattern of development that reduces the need for unnecessary high-carbon travel.

⁹ Ministry of Housing, Communities and Local Government (2021). Build Back Better High Streets.

- 5.12 The Government had already made changes to the Use Classes Order in September 2020 with the creation of new use classes and the revocation and amendment of certain others. Class A (which comprised shops, financial and professional services, restaurants and cafes, drinking establishments and hot food takeaways) and Class D (which comprised non-residential institutions and assembly and leisure uses) were revoked in their entirety. Class B was amended and three new classes were added: Class E commercial, business and service, Class F.1 learning and non-residential institutions and Class F.2 Local community. This was intended to support the regeneration of town centres by allowing more flexibility in how buildings could be used, reflecting changing market demand and the view that the previous Use Classes were outdated. Further changes to Permitted Development Rights to allow conversion of some types of uses to housing were made in April 2021.
- 5.13 In addition to the issues facing the High Street, the Government is also seeking to tackle a persistent shortage of housing. This dates back to the Housing White Paper (2017) and Planning for the Future White Paper (2020). Recent budget announcements (October 2021) have highlighted the Government's intention to focus investment and resources to unlock and utilise brownfield sites to deliver much needed new housing.

Regional level

London Plan (2021)¹⁰

- 5.14 The London Plan is underpinned by the concept of Good Growth whereby any development in London is required to be socially and economically inclusive and environmentally sustainable. It identifies six Good Growth objectives all of which are relevant to the O2 Masterplan Site:
- GG1: Building Strong and Inclusive Communities: To build on the city's tradition of openness, diversity and equality, and help deliver strong and inclusive communities, those involved in planning. This includes the role of services and amenities, streets and public spaces, town centres, new buildings and places, accessibility and the avoidance of segregation.
 - GG2: Making the Best Use of Land – this highlights the need to focus development on brownfield sites and proactively exploring opportunities to intensify the use of land to support additional homes and workspaces. It promotes higher density development in locations that are well-connected to jobs, services, infrastructure and amenities by public transport, walking and cycling.
 - GG3: Creating a Healthy City – this seeks to improve Londoners' health and reduce inequalities through a range of potential measures including: improved access to and quality of green spaces and the provision of new green infrastructure, and by planning for appropriate health and care infrastructure to address the needs of London's changing and growing population.
 - GG4: Delivering the homes that Londoners need – by ensuring that not only more homes are built but that these homes include genuinely affordable properties and create mixed and inclusive communities.

¹⁰ Mayor of London, March 2021. The London Plan – The Spatial Development Strategy for Greater London.

- GG5: Growing a Good Economy – this promotes the diversification of London’s economy and planning for employment space in the right locations to support economic development and regeneration. It also highlights the importance of using London’s network of town centres as locations to support agglomeration and economic activity.
- GG6: Increasing efficiency and resilience improving energy efficiency, contributing to London becoming a zero carbon city, adaptation to climate change, safe and secure environments and an integrated approach to infrastructure provision.

Town Centre Policy

5.15 The London Plan follows national policy by identifying a typology and hierarchy of town centres and setting out how boroughs should plan for and make decisions in relation to town centres and town centre uses. Policy SD6 focuses on:

- Promoting vitality and viability of town centres
- Encouraging resilient, accessible, inclusive hubs with diverse range of uses
- Identifying locations for mixed-use or housing-led intensification
- Strengthening the role of town centres through sense of place and local identity

5.16 This policy direction reflects detailed research undertaken by the GLA, including its High Streets for All (2017) and High Streets and Town Centres Adaptive Strategies: Good Growth by Design (2020) reports. The latter report highlights the value of high streets in London, meeting economic and social needs and contributing to well-being in a sustainable way. It considers best practice and highlights the need for adaptive strategies to embrace change including:

- Changing social habits and expectations
- The evolving consumer economy
- Delivering intensification and mix
- Delivering on housing demand
- Managing data, digitalisation and technology
- Austerity and the loss of social infrastructure
- Unacceptable levels of pollution and congestion
- Adapting to and mitigating climate change
- Evolving jobs and work styles
- Changes to public amenities and civic services
- Rethinking of traditional governance structures

5.17 Many of these challenges are relevant to the future of the O2 Masterplan Site and have influenced the thinking, design and mix of uses proposed.

5.18 The 2020 High Streets and Town Centres report specifically highlights the ‘prime opportunity’ for the replacement of outdated ‘big box’ retail, supported by car-use with “mixed-use development, including residential and non-residential uses more suited to a walkable street”. (page 39)

5.19 It went on to state:

“That’s why the draft London Plan (nb this was pre-adoption of the 2021 London Plan) supports and encourages the adaptation and restructuring of town centres. This will enable them to take advantage of existing infrastructure and benefit from higher populations of residents. With this comes the opportunity and imperative to support a wider mix of uses and housing types. Higher density development will also help reduce carbon use per head.”

5.20 Annex 1 of the London Plan (2021) sets out London’s Town Centre Network. Table A1.1 identifies:

- Finchley Road and Swiss Cottage as being in a Strategic Area for Regeneration, having Low commercial growth potential and High residential Growth Potential.
- West Hampstead as being in a Strategic Area for Regeneration, having low commercial growth potential and medium residential growth potential.

Housing

5.21 The London Plan (2021) sets out 10-year housing targets for each borough. LB Camden’s targets have been increasing over time from 665 per year in the 2011 Plan, to 889 in the 2016 Plan and 10,380 new homes to be built by 2028/29, equivalent to 1,038 new homes per year in the recently adopted (2021) plan.

5.22 As well as identifying the number of homes required to be delivered across the capital, the London Plan also sets out the type and mix of housing considered acceptable. It highlights the role of one and two bedroom homes in providing an option for people wishing to downsize.

5.23 It also encourages boroughs – through Policy H12 - to take a positive approach to the Build to Rent sector which is seen to have the potential to contribute to increased housing supply in a number of ways including through accelerated delivery and better management standards and quality of homes compared to the mainstream private rented sector accommodation.

Local level

5.24 LB Camden is a small borough, the sixth smallest of the thirty-three London Boroughs¹¹ and as a result it doesn’t have much developable brownfield land, despite relying on large sites for nearly three quarters of its housing target in the period to 2028¹². The borough has two very large areas for growth allocated in its currently adopted Local Plan – Kings Cross which is underway and at Euston which is anticipated to start development in the early 2030s following completion of HS2.

5.25 This leaves a gap in the borough’s development trajectory in the 2020 to 2030 period which creates a significant risk of falling supply of new housing and commercial development against continuing strong demand. LB Camden has recently had to produce a Housing Delivery Test Action Plan because the supply of homes is already below target.

¹¹ DCLG (2005) Generalised Land Use Database

¹² GLA (2017) London SHLAA 2017

5.26 The O2 Masterplan Site is the largest¹³ single allocated site in the borough after the two mainline stations noted above. As already outlined, the Site is between two underground stations and makes poor use of the Site. Uniquely amongst the large strategic sites, it is partly in a town centre and therefore has an important role to play in helping sustain the wider high street and continue to act as a destination for the local community. This is the basis of adopted site specific policy for the O2 Masterplan Site.

Camden 2025 Vision

5.27 In 2018 Camden Council published a 2025 'Vision'¹⁴. This was informed by engagement with local communities and a Citizens' Assembly. The Vision emphasises the positives of the borough rooted in its people and communities and its diversity. It recognises the rich wealth of culture and heritage, outstanding green spaces and strong sense of identity.

5.28 It also lists a series of challenges that the borough faces. Housing is identified as an acute need which underpins other inequalities. The Vision states that:

'We want Camden to be a place where nobody is left behind. From childhood to old age, we want everyone who lives in Camden to have secure housing and the opportunity to play a full part in community life.'

5.29 The Vision sets out a series of 'Calls to Action' to achieve these ambitions by 2025. They are:

- Everyone in Camden should have a place they call home;
- Growth in Camden should be strong and inclusive – everyone should be able to access the work that is right for them;
- Camden should be safe, strong and open, and everyone should be able to contribute to their community;
- Camden should be a clean, vibrant and sustainable place.
- Everyone in Camden should be able to live a healthy, independent life

5.30 This is translated into a five year action plan for 2018 to 2022 (Our Camden Plan) which includes actions to:

- Build as many genuinely affordable homes as quickly as possible and help others (including housing associations and developers) to do so as well. LB Camden will build more affordable homes than we have done in a generation.
- Do all possible to help young people who have grown up in LB Camden, or who have strong connections to the borough, to gain a foothold in LB Camden and build their adult lives here.
- Play an active role in shaping a private rented sector that works.
- Focus on building communities that are mixed, with well-designed homes and infrastructure that encourage integration, cohesion and active lifestyles.

¹³ The site is part of the West Hampstead Interchange Growth Area (Local Plan 2017) the adopted Site Allocations Plan (2013) and the Finchley Road to West End Lane SPD (2021). The latter includes the full site boundary of c.5.7 hectares. It is also included in the Draft Site Allocations Local Plan Document (2020)

¹⁴ London Borough of Camden (2018). Camden 2025

- Increase the number of affordable workspaces in the borough, supporting small businesses to gain a foothold here and to grow.
- Work to preserve a dynamic evening and night-time economy, recognising this as one of the things that makes Camden special.

Camden Local Plan¹⁵

5.31 LB Camden's Local Plan sets out the borough's approach to development and growth for the period from 2016/17 to 2030/31 and identifies a number of strategic objectives including (inter alia):

- Creating the conditions for growth, ensuring it takes place in the most appropriate and sustainable locations. Growth should also meet the needs of LB Camden's communities for homes, jobs and services;
- Providing homes that meet the housing needs of existing and future residents in terms of number, affordability, quality, type of property and mix of dwelling sizes;
- Supporting the development of the borough's town and neighbourhood centres while also adapting to changes in their role and how people shop;
- Improving and protecting open space and encouraging provision of new spaces.

5.32 Overall, LB Camden's Local Plan identifies a housing target of 16,800 additional homes over the plan period. This equates to 840 new homes per year. This pre-dated the London Plan (2021) target set out above which has superseded it. Growth in the borough is expected to be concentrated in identified Growth Areas of which West Hampstead Interchange is one.

5.33 West Hampstead Interchange is shown on Map 1 of LB Camden's Local Plan as an area which stretches between the town centres of Swiss Cottage/Finchley Road and West Hampstead. This designation covers the majority of the Site but excludes the O2 Centre. The main objective for this area, as stated in the Local Plan is to improve public transport provision and movement around the area. Developments in this area are expected to:

- Contribute to a mix of uses including substantial new housing (including affordable), town centre, employment and community uses, and green/open space;
- Improve transport interchange accessibility and capacity and improved pedestrian and bicycle movement and routes;
- Substantially improve street environment around transport facilities, including improved crossings and wider pavements.

5.34 In terms of the borough's town centres, there is an objective to support and protect them but in a way that is tailored and appropriate for each one. LB Camden's Local Plan (Policy TC2: Camden's centres and other shopping areas and Policy TC4: Town centre uses) refers the reader to the Camden Planning Guidance on Town Centres and Retail for further town centre specific information.

5.35 Other policies of relevance to this document include:

- Policy C2: Community facilities – states that the LB Camden Council will work with its partners to ensure that community facilities and services are developed and modernised

¹⁵ London Borough of Camden, 2017. Camden Local Plan (Adopted Development Plan Document).

to meet the changing needs of the community and reflect new approaches to the delivery of services;

- Policy C3: Cultural and leisure facilities – seeks to protect cultural and leisure facilities and support for replacement facilities where practicable;
- Policy E1: Economic development – seeks to create the conditions for economic growth and harnessing the benefits for local residents and businesses. This includes by directing new office development to growth areas and the town centres. The policy also recognises the employment generating potential of uses such as retail, education, health, markets, leisure and tourism;
- Policy A2: Open space – seeks to secure new and enhanced open space and ensure that development does not put unacceptable pressure on the borough’s network of open spaces. In terms of the provision of new open space, the council will apply a standard of 9sqm per resident for residential schemes and 0.74sqm for commercial development. The Council will also look to secure on-site provision of new public open space as well as private amenity space and play facilities.

[Camden Site Allocations – Local Development Document \(2013\)¹⁶](#)

5.36 This document was prepared in order to set out LB Camden’s key objectives for the development of land and buildings on significant sites which are considered to be likely to be subject to redevelopment proposals in the period up to 2025.

5.37 Among the allocations identified are several in the West Hampstead and Swiss Cottage area including the O2 car park (Site 29). Redevelopment of this site is expected to: optimise the potential of the site to provide new housing; ensure retail provision is appropriate in scale and would enhance Finchley Road Town Centre (whilst not detrimentally affecting West Hampstead Town Centre); provide appropriate community facilities or services to meet residents’ needs; provide open spaces on-site appropriate to the scale and nature of the development proposed; positively contribute to and integrate with streetscape and interchange movements along West End Lane; improve existing pedestrian conditions and provide legible and improve pedestrian / cycle links between West End Lane and Finchley Road.

5.38 The text goes on to state that retail provision will be supported subject to relevant assessments but that a key objective of the site is to support the core shopping area and retail uses. It states that other appropriate town centre uses could include: leisure uses, small-scale hotels or other employment uses. The document highlights that the site is in an area of open space deficiency and as such, on-site provision of open space would be required. There is also a requirement for the site to be *‘planned in a comprehensive manner, making a more efficient use of the land compatible with its context’* (p.129).

5.39 LB Camden began a process of updating its site allocations in 2020. This included the production of a draft update, the Draft Camden Site Allocations Plan (February 2020). This includes the West Hampstead Interchange Area covering a total of 19 hectares. Within this it identifies (Policy WH12) which includes:

- a 4.5 hectare ‘O2 Centre, Car Park and Car Showrooms site’ which is a proposed expansion from the site in the Adopted Plan which only covered the O2 Car Park (1.35 hectares).

¹⁶ London Borough of Camden, September 2013. Camden Site Allocations – Local Development Document.

- The need for a co-ordinated and integrated approach,
 - The provision of a convenient, direct, safe and accessible east-west route, new and welcoming public realm, pedestrian, cycle and public transport priority,
 - provision for a new health and wellbeing hub.
- 5.40 A significant reduction in overall car parking provision is regarded as ‘essential’ and must no longer be the dominant use of the majority of the site.
- 5.41 The delivery of the policy objectives will require the inclusion not only of the O2 centre, Homebase store and associated parking but also the Car Showrooms and Builders Yard to enable comprehensive development and in particular to secure proper east west links to West End Lane.
- 5.42 LB Camden’s adopted a Supplementary Planning Document (‘SPD’) for the full area between the railway lines, West End Lane to Finchley Road: Principles for New Place (September 2021). This encompasses the red line boundary of this Planning Application as well as a small area in the north-west of the site.

This includes the following ‘Vision’

“The comprehensive development and intensification of this insular, low density and poorly connected place will create a new mixed use residential neighbourhood that integrates seamlessly into the wider city...with a variety of housing, including genuinely affordable homes, that connects the town centres of West End Lane and Finchley Road... ..with variety in uses and activities to enhance the vitality and viability of the town centres and provides for the everyday needs of communities... ..linked by direct, safe, green and attractive walking and cycling routes passing through new green spaces designed for young and old... .. that together combine to create a successful, sustainable, environmentally friendly and healthier new place with real social value... .. where shops, work and community infrastructure are on the doorstep of both new and existing residents.”

- 5.43 The SPD (page 20) considers two options to creating a ‘front door’ to Finchley Road – the retention or re-development of the O2 centre. It sets out a series of objectives for this ‘front door’: to allow for economic renewal and vibrancy of Finchley Road, unlocking the backland area and providing a place to meet and socialise, and opening up access in and across the site using Healthy Streets principles. It notes that the re-development of the O2 centre would be more likely to achieve those principles.
- 5.44 At the West End Lane end it suggests a need to create better linkages with West End Lane and a transition from the Town Centre to the more residential parts of the development. It states that:

“To meet Camden’s air quality, zero carbon and transport strategy objectives the dominance of car parking should be eliminated as far as possible and where “car free” is the starting point for new development.”

Town Centres and Retail Policy

- 5.45 LB Camden’s Policy Framework builds on national and London Plan guidance providing more detailed designations and policy requirements for its town centres.

- 5.46 As noted above, part of the 'Application Site' is in Swiss Cottage and Finchley Road Town Centre and linked to West Hampstead Town Centre at West End Lane. This is identified in Map 7 of the Local Plan (2017) which shows the relationship with the West Hampstead Interchange Growth Area. The Plan directs growth in retail and other town centre uses to such identified town centres. The town centre boundaries are incorporated into Figure 3.1, above.
- 5.47 It also identifies specific policies (TC2 (f) and (g)) for identified 'primary' and 'secondary' retail frontages. The O2 Centre frontage to Finchley Road is a Secondary Frontage, curving round the building on the Blackburn Road frontage. The West Hampstead secondary frontage does not extend into the site but takes in the shops on both corners of West End Lane and Blackburn Road
- 5.48 TC2 (g) states that the LB Camden will:
- “protect the secondary frontages as locations for shops (A1) together with a broader range of other town centre uses to create centres with a range of shops, services, and food, drink and entertainment uses which support the viability and vitality of the centre.”*
- 5.49 Appendix 4 seeks to ensure that for secondary frontages on Finchley Road a minimum of 50% of uses are A1 shops (now Ea).
- 5.50 In relation to housing LB Camden supports the development of housing in centres provided it does not prejudice the town centre function: principally ground floor uses, with a particular focus on protected frontages.
- 5.51 The Local Plan Policy is supported by 'Camden Planning Guidance on Town Centres and Retail' (2021), a Supplementary Planning Document. This replicates the Secondary Frontages for both town centres from the Local Plan (2017) and re-states the quantitative policies in relation to this. It notes that the Finchley Road and Swiss Cottage Centre is linear in nature with two main focus points: at Swiss Cottage with the Leisure Centre and Library and the O2 Centre with a mainly locally focussed catchment.
- 5.52 In relation to West Hampstead, it identifies the strong service provision, particularly leisure. The Council seeks to improve the southern end of the centre around the stations, which is less attractive and has a congested and poor quality pedestrian environment.
- 5.53 The Site Allocation Local Plan (2013) policy (Site 29), which only covers the O2 Car Park refers to its location in the town centre and the need to meet town centre policy objectives in the (then) Core Strategy Policy (CS7). It focuses on optimising the potential for new housing, and notes that any retail provision is appropriate in scale and would enhance the town centre.
- 5.54 Draft Policy WH12 in the Draft Site Allocation Local Plan (2020), which covers the whole of the O2 Masterplan Site as well as Homebase and the two Car Showrooms promotes the development as a mixed-use neighbourhood although it assumes the retention of the O2 Centre to be creatively integrated into the site. It assumes significantly reduced parking provision. It only refers to additional retail floorspace in the context of creating an active east west routes across the site, along with other social and community uses. It should be noted that this Draft Plan is still in consultation.

5.55 The adopted West End Lane to Finchley Road Supplementary Planning Document (2021), which is more recent than the Draft Site Allocation Local Plan, has a section on Finchley Road/Swiss Cottage and West End Lane Town Centres. This includes that:

- Development should contribute to West End Lane and Finchley Road as distinct centres with different functions, characters and choice of shops and services that see each centre benefit from a wider and more connected new neighbourhood area
- A chance to create and integrate existing and new retail, leisure and community uses successfully within both a new place and with existing local neighbourhoods and town centres
- New uses should complement, support and add to (rather than compete with) the vitality and diversity of existing town centres
- A new residential and working population should create a new customer base and wider catchment supporting each town centre thrive in their own ways, where more people can be attracted to shop locally
- Development and associated public realm improvements, including a high quality pedestrian route linking West End Lane and Finchley Road, can be used to present new “front doors” into and from West Hampstead and Finchley Road town centres
- Development can encourage investment and improvements to other land and properties around the SPD area and in local centres

5.56 Separately from Planning Policy Camden has published a Camden Future High Streets Prospectus (2021)¹⁷. This recognises the importance of Town Centres and High Streets to the Borough and the impacts of the pandemic on their future. It notes that the future of the high street is a place for sustainability, shared experiences and community collaboration highlighting the need for more community spaces and affordable workspaces within centres.

5.57 With the rise of online shopping and effects of the pandemic the document notes the need to diversify uses across the town centre moving from retail to support a wider range of uses and businesses. Attracting people to the centre through new uses and experiences offers something that is not possible online helping to add to and support the vibrancy (and in turn viability) of town centres supporting the local community.

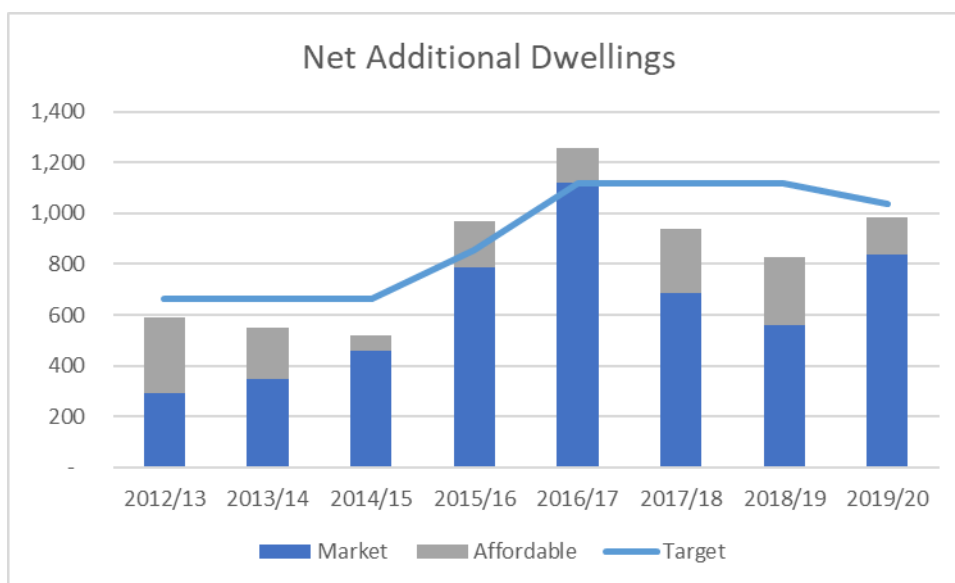
Housing Delivery

5.58 Figure 5.1 below shows the most recent data on housing completions as set out in LB Camden’s Housing Delivery Test Action Plan (August 2021). This illustrates large fluctuations in housing delivery with delivery below target at the beginning and end of the period. Housing delivery fell short in 2011/12, 2012/13, 2017/18, 2018/19 and 2019/20 but exceeded targets in 2015/16 and 2016/17. As a result, LB Camden has had a buffer added and had to produce an Action Plan setting out how it will achieve its targets.

5.59 The 2021 Housing Delivery Test (‘HDT’) shows a further fall in completions to 528 in 2020/21, a shortfall of 510 homes against the plan target. This has resulted in a continuation of the buffer and Action Plan requirements. Cumulatively over the 3 years to 2020-21 LB Camden has fallen short of its HDT target by 689 homes, despite that target being reduced due to the pandemic.

¹⁷ London Borough of Camden, June 2021. Camden Future High Streets Prospectus

Figure 5.1: LB Camden Housing Delivery



Source: LB Camden (2021), Housing Delivery Test Action Plan

5.60 It should be noted that the two most recent publicly available housing trajectories published by LB Camden, in its adopted Local Plan 2017 and the Annual Monitoring Report 2017/18 both projected significant drop offs in pipeline delivery in the 2020s. The former projected housing completions falling to below 250 in 2027/28 and 2028/29. The latter showed completions of below 500 in 2028/29 and below 1,000 for every subsequent year to the end of the period (2033/34).

5.61 The Local Plan Housing Trajectory identifies the O2 Site, along with the Kentish Town Growth Area (Regis Road and Murphy’s Yard), as the largest new sites due to commence in the period to 2025/26.¹⁸

Fortune Green and West Hampstead Neighbourhood Plan

5.62 The Site is in the area covered by the Fortune Green and West Hampstead Neighbourhood Plan which was adopted in March 2015. Although the Plan doesn’t make site allocations it does include the majority of the site within West Hampstead Growth Area (Policy B). This suggests that the primary use in the area should be additional housing and that additional business, commercial and retail uses are required. It also identifies the possibility of a health facility incorporating a GP Surgery and a Dental surgery.

¹⁸ Camden Local Plan (2017) Appendix 2: Housing Trajectory

Summary

The regeneration of town centres and high streets is an important part of national planning and economic policy. Policy recognises the profound changes that have been happening in the retail sector driven by changing consumer behaviour and the move online which has been accelerated by the pandemic. National policy encourages flexibility between uses in town centres and encourages more housing development. It emphasises that creating local centres and neighbourhoods which encourage walking and cycling is an essential part of a zero-carbon strategy.

At a regional level the Mayor of London seeks to promote 'Good Growth'. This encourages making the most use of land, delivering new homes and jobs and ensuring that all Londoners can benefit. Like national Government the Mayor recognises the importance of 'adaptive' strategies for town centres, and specifically identifies the replacement of big-box retail with intensified mix use development including housing as a major opportunity. Finchley Road and Swiss Cottage and West Hampstead are identified as town centres with the former having high residential growth potential. The Mayor has set an increased target of 1,038 home per year for LB Camden in his 2021 London Plan.

LB Camden's local policies share the Mayor's emphasis on ensuring that everyone can benefit from growth. The 2025 vision states:

'We want Camden to be a place where nobody is left behind. From childhood to old age, we want everyone who lives in Camden to have secure housing and the opportunity to play a full part in community life.'

The delivery of new homes is critical to this, including new affordable homes, a better private rented sector, and mixed communities supported by high quality infrastructure.

The O2 Masterplan Site is identified as a priority location for growth in the Adopted Local Plan, the Adopted and Revised Draft Site Allocations Documents and in recently adopted Supplementary Planning Guidance. It is also identified in the Neighbourhood Plan. Policy highlights the need for comprehensive development that can create a 'front door' to Finchley Road, contribute to the vitality and viability of both centres, the protection of secondary retail frontages at ground floor level, with new homes, community and business space and accessibility across the site. It seeks 'car free' development as a starting point.

LB Camden has challenging housing targets and, partly as a result of the pandemic, has seen under delivery against target in the last three years. Its housing trajectory and Local Plan targets rely on large sites like the O2 Masterplan Site coming forward in the 2020s.

6 The Proposals

6.1 The O2 Masterplan proposals responds to the opportunity offered by the site, to re-shape and strengthen the town centre, create sustainable neighbourhoods, new homes and open space.

6.2 The Application is for the following 'Proposed Development':

"Part full and part outline planning permission comprising the following:

Detailed planning permission for Development Plots N3-E, N4, and N5 including demolition of existing above ground structures and associated works, and for residential development (Class C3) and commercial, business and service (Class E) uses in Development Plot N3-E, residential development (Class C3) and local community (Class F2) and commercial, business and service (Class E) uses in Development Plot N4, and residential development (Use Class C3) and commercial, business and service uses (Class E) uses in Development Plot N5 together with all landscaping, public realm, cycle parking and disabled car parking, highway works and infrastructure within and associated with those Development Plots."

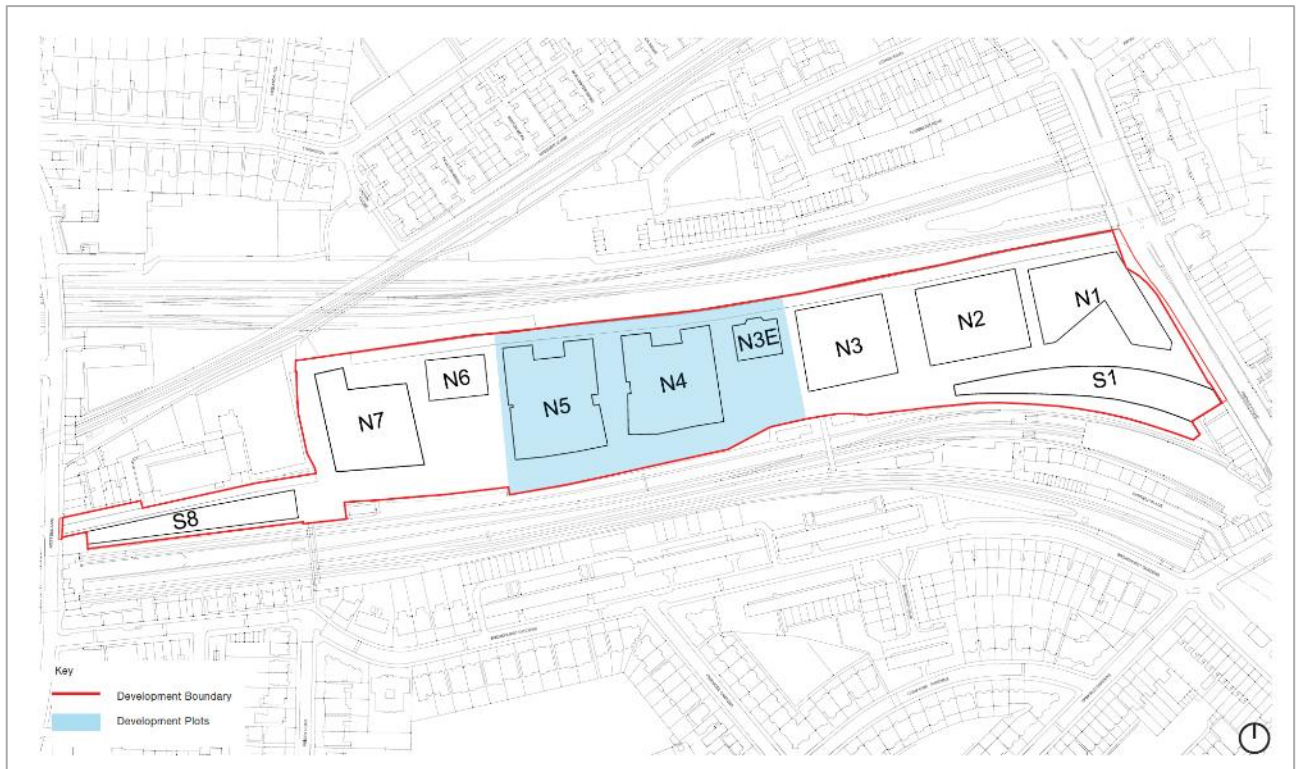
Outline planning permission for Development Plots N1, N2, N3, N6, N7, S1 and S8 including the demolition of all existing structures and redevelopment to include residential development (Class C3) commercial, business and service uses (Class E), sui generis leisure uses (including cinema and drinking establishments) together with all landscaping, public realm, cycle parking and disabled car parking, highway works and infrastructure within and associated with those Development Plots."

6.3 The proposals seek detailed permission for the demolition of the current Homebase store and development of the central area of the site (Plots N3-E, N4, and N5), and Outline Permission for the eastern and western parts of the site, including the demolition of the above ground structures of the O2 Centre, the car showrooms and the Builder's Merchant and their replacement with new mixed-use development, public realm and open space. The Applicant will need to apply later for the approval of details ('Reserved Matters') for the 'Outline Proposals'.

6.4 Figure 6.1, below shows the Detailed and Outline Proposals. The O2 Site Masterplan proposes three new Neighbourhoods within the Site, The 'Community Green' to the west, 'The Residential Neighbourhood' in the centre and the 'New Town Square' to the east where the O2 Centre is currently located.

6.5 The proposals are intended to consolidate and strengthen the existing town centre, whilst, as strongly encouraged by national, regional and local policy replacing a sea of car parking, intensifying and bringing new uses to the Site, and integrating it with the wider area through new routes and open spaces.

Figure 6.1: Application Structure



6.6 The proposed uses include:

- Commercial and business floorspace (up to 16,682 sqm (GIA) of including shops, food and drink and business space. This will be particularly focussed in the new Town Square within the boundary of designated Swiss Cottage/Finchley Road Town Centre, with smaller ancillary uses on key routes to create activity and link to West End Lane, generating additional footfall;
- A range of other town centre and supporting community uses including a replacement cinema, gym, health centre, nursery and community facility;
- Around 1,800 new homes providing a mix of housing type and tenure. The Detailed Proposals includes delivery of 608 homes of which 188 homes would be in affordable tenure (104 Low Cost Rent and 84 Intermediate Rent). The Detailed Proposals include 82 family sized homes (3 or more bedrooms) equating to 13% of all homes.
- Areas of residential amenity space, open space and play space. Public realm comprising approximately 50% of the total site area.

7 Regeneration Impacts and Benefits

Introduction

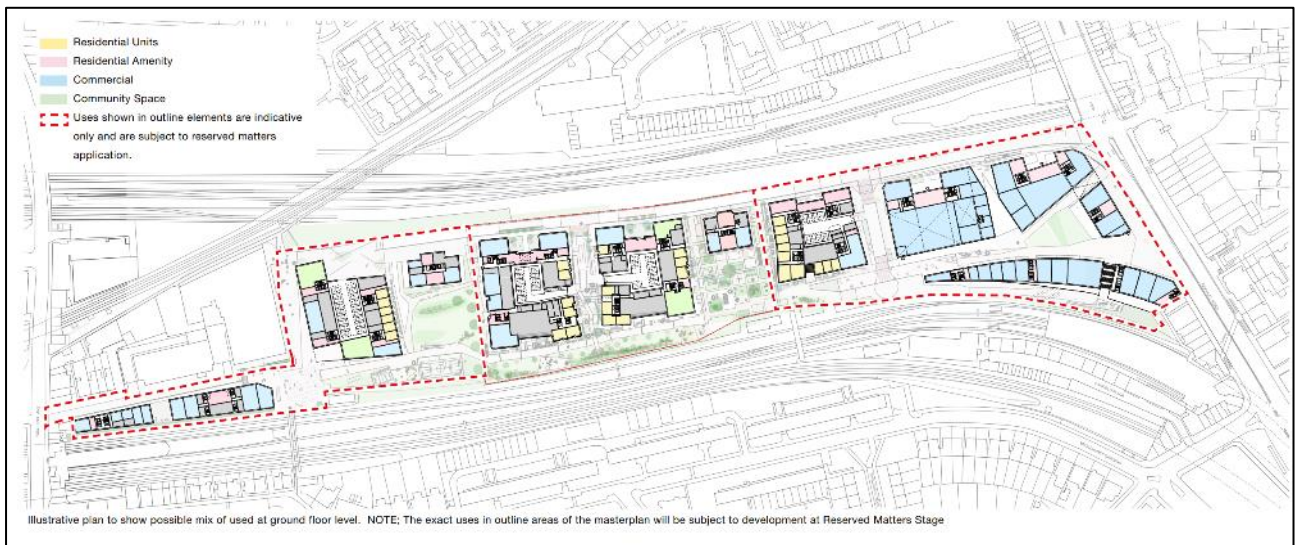
- 7.1 This section will consider the impacts and benefits of the proposals against the current site context and opportunities, local needs and policy requirements. It is set out against three themes which emerge from the assessment above:
- *Regeneration and Intensification* – maximising the opportunity offered by a strategic brownfield site;
 - *Town Centre Vitality and Inclusive Growth* – ensuring that the development contributes to the vitality and viability of both town centres and brings wider economic benefits locally;
 - *New Homes and Community Facilities* – helping create a new neighbourhood and integrating with the wider community.

Regeneration and Intensification

- 7.2 As established above, the O2 Masterplan Site is a critical one for sustainable regeneration in LB Camden. It is currently underutilised, with ‘big box’ single uses surrounded by parking. The O2 Masterplan Site proposals will transform the site bringing in new uses and integrating them into the site. The **Design and Access Statement**, submitted with the Application, sets out full details of the proposals including the ‘Detailed Proposals for the first phase of development and Outline Proposals for the western and eastern parts of the site.
- 7.3 Figure 7.1 below, shows the Illustrative Ground Floor Masterplan. The Ground Floor uses are important because they present the development’s face to the outside world and invite people to enter, dwell in and walk through the place that is being created.
- 7.4 The central part of the development (the Detailed Proposals) will see the replacement of the Homebase store and associated car parking with new homes and open space, and small-scale commercial units providing workspace and supporting neighbourhood uses. The non-residential uses are intended to provide interesting frontages but not to compete with either of the town centres, albeit they are technically in the Swiss Cottage and Finchley Road Town Centre.
- 7.5 The western part of the development sees the replacement of the Car Showrooms and associated parking and Builder’s Merchant with homes. This area will also include the Health Centre and small-scale food and drink uses at ground floor level. These are intended to encourage residents to use West Hampstead Station and West End Lane and to create active footfall through the Site complementing both town centres. Uses are small scale and not intended to draw trade from West End Lane.

7.6 The eastern part of the development will see the demolition of the existing O2 Centre and the opening up of the site to Finchley Road, retaining a strong retail frontage to complement the town centre but also creating a Town Square off the High Street with shops and services giving people space to dwell and encouraging linked trips to both High Streets. This would be a more traditional street-based retail offer than the enclosed mall that is currently on the site and not contributing to the wider area. Further details are set out in the following section.

Figure 7.1 – Illustrative Ground Floor Masterplan



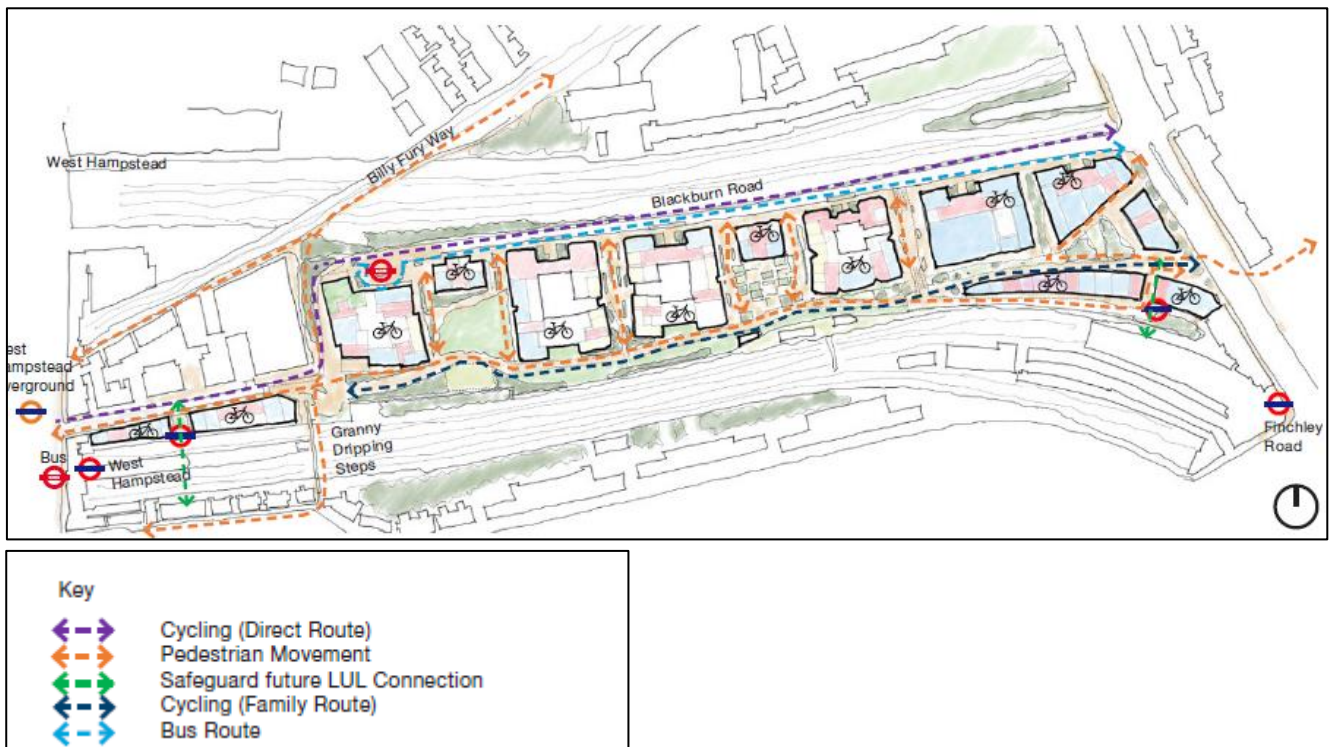
7.7 Overall, all this will result in the replacement of approximately 34,500 sqm (GEA) of current floorspace and 3 hectares of roads and car parking, with 132,000 sqm of new mixed use floorspace and 3.1 hectares of Public Realm including a Central Square, and the first phase of a Linear Park in the Detailed Phase.

7.8 The Linear Park will continue in the two outline phases completing the transformed East-West link. The western outline phase will include a Community Green. The eastern part a Town Square fronting on to new shops and restaurants which will provide a new open space not only for the development but for the Town centre giving a place for people to spend time and relax away from the car dominated environment of Finchley Road.

A critical element of the strategy is to provide connections into and across the Site.

- 7.9 Figure 7.2 below, shows the proposed linkages through the site connecting West End Land with Finchley Road and replacing an inhospitable and intimidating route through car parks and behind buildings with cycling and pedestrian routes through inviting and overlooked public realm. This should also promote perceptions of safety particularly for vulnerable groups.
- 7.10 Overall, the proposals provide the holistic and comprehensive approach required by policy, optimising the use of an accessible site with a range of uses, embracing high quality design and minimising vehicle access to only essential users.

Figure 7.2: Access Strategy



Town Centre Vitality and Inclusive Growth

7.11 The O2 Masterplan seeks to re-imagine the future of the town centre to reflect the changes over the 20 years since the O2 Centre was built. As has been established above, the O2 Centre itself is inward looking and outdated and performs badly. Although it contains a significant proportion of the current town centre uses it is essentially separate from the rest of the town centre with a high proportion of customers arriving and leaving by car. Customers who arrive on public transport or on foot often do for convenience purposes or to use the cinema or gym rather than as a trip to the town centre.

7.12 As noted above, underpinning the proposals, and required by policy, is the need to build on car parks. This necessitates a move from large format, big box retail to smaller units with more diversity. In responding to this, the Applicant has sought to retain the core strengths that the O2 Centre brings to Finchley Road and Swiss Cottage Town Centre – supermarket, and leisure uses – whilst diversifying the offer.

7.13 As set out above, the eastern part of the Site is being applied for in outline and it is likely to be several years until the centre is replaced. Given the fast moving retail market and uncertainty in direction as we emerge from the pandemic it will be important to retain flexibility in uses – as encouraged by Government in their reforms to town centre use classes. The Application therefore includes ranges of floorspace and both the descriptions of uses below and the images should be regarded as illustrative at this point.

7.14 In the interim it is key to the Applicant and the local community that the O2 Centre stay as vibrant as possible throughout the process and the management team will continue to work with businesses to reduce voids within the centre.

Illustrative Views of Town Square and Finchley Road

7.15 Figures 7.3a and 7.3b show illustrative views of the Town Square and frontage to Finchley Road. These can be contrasted with Figures 3.a to Figures 3.4c above. They show the intention is to have a proper front door to Finchley Road, as set out in the SPD (2021), which has a strong retail frontage, meeting the policy requirement for the current secondary frontage in the LB Camden Local Plan whilst creating a Gateway into the development, with a row of active frontages, and similar frontages to the Town Square.

Figure 7.3a: Illustrative View of Eastern End of Development (Finchley Road) Site from South



Figure 7.3b: Illustrative View of Gateway From Finchley Road



Non-Residential Uses

7.16 The phasing strategy for the O2 Masterplan Site is reflected in the disposition of uses across the Site.

7.17 Table 7.1 below shows the non-residential uses included in the Development Specification.

7.18 As would be expected the bulk of the town centre uses (75%) are in the 'Outline East' phase, and nearly 85% in the defined town centre. As described above, more local amenity' uses, along with the health centre are proposed in the 'Outline West' phase. More detailed commentary is set out for each phase below.

Table 7.1: Non-Residential Uses (sqm)

		Detailed (Town Centre Plots N3-E, N4, N5)	Outline (Town Centre Plots: S1, N1, N2, N3)	Outline (West, Plots N6, N7, S8)	All
	Use Class	Uses	Maximum Uses	Maximum Uses	
Use					
Retail	Class E (a)	1,733	4,600	860	7,193
Food & drink	Class E (b)	114	800	200	1,114
Financial and professional services	Class E (c)	155	500	-	655
Indoor sport & recreation	Class E (d)		1,200	-	1,200
Medical services	Class E (e)		-	1,200	1,200
Non- residential creche day centre or nursery	Class E (f)		-	300	300
Office and workspace	Class E (g)		500	300	800
Drinking establishment	Sui Generis		600	300	900
Cinema	Sui Generis		3,050	-	3,050
Community		270			270
Service yard			3,000	-	3,000
Non-Residential Total (Not to be Exceeded)		2,272	14,250	3,160	19,682

Central Detailed Phase

- 7.19 Phase 1 (Detailed Proposals) will see the removal of the Homebase Store, which is due to close in 2023 following the 2018 CVA. The store is a stand-alone building, separated from the rest of the town centre a large car park and the O2 Centre. It contributes little to the vitality and viability of the rest of the centre and as Big Box retail has relatively low employment density and therefore relatively few jobs; currently estimated to be around 20 FTE.
- 7.20 In line with the adopted planning guidance, proposed uses in this area and predominantly residential and open space/public realm, with other uses at the ground floor to animate the east/west route. This is proposed to include small scale shops, food and drink and community provision. All of these uses are appropriate town centre uses, and as noted above this part of the Site is in the designated town centre. However, it was agreed in pre-application discussions that proposed retail would be relatively small compared to the Outline (East) Phase.
- 7.21 It is anticipated that these uses will create between 110 and 150 jobs, and that because of the higher employment densities of smaller high street focussed units this will see more jobs than the Homebase which is replaced. The new homes will bring additional expenditure to the town centre. It is anticipated that annual household expenditure from the homes in Phase 1 will be £9.1 million.
- 7.22 In early stages of development the current businesses will continue to operate to the east and west, but as development moves through and the east-west route is completed it is expected

that the route will drive more footfall to both town centres from the development and through encouraging residents to use both town centres more because of the significantly improved accessibility.

Outline Phase West, which links to West Hampstead Town Centre/West End Lane

- 7.23 This phase is not within a town centre boundary and does not currently include any town centre uses, being home to two Car Showrooms and a Builder's Merchant. It is estimated that current employment accommodated across these uses is around 40 FTE. This could rise to around 160 with delivery of the O2 Masterplan Site under the maximum floorspace scenario.
- 7.24 The key town centre function of this phase is to provide an attractive route for residents of the development to West End Lane, as part of the east/west route which will also encourage people to walk between Finchley Road and West End lane benefitting both town centres.
- 7.25 The phase is proposed in outline so ground floor uses are indicative but it is intended to provide small scale shops, food and drink and a health centre/hub along with homes. These facilities are intended to provide local amenity and to be complementary to West End Lane.

Outline Phase East, which includes the O2 Centre and Car Park

- 7.26 The Outline Phase (East) will contain the vast majority of the town centre uses. It should be noted that the phase is applied for in outline and therefore the Applicant is applying for flexible floorspace within parameters.
- 7.27 The requirement to remove and re-develop car parking and the policy preference for the comprehensive re-development of the O2 Centre, creating a proper gateway to Finchley Road/Swiss Cottage will require significant changes to the format of uses, although it is currently envisaged that the core uses which form the basis of the current centre will be re-provided.
- 7.28 The current size of the Sainsbury's store – one of the largest in London (7,500 sqm, gross) – is reliant on extensive car parking. The Applicant is in positive and proactive discussions with Sainsbury's about the re-provision of a new store to serve the current and new population. The removal of car parking from the site under existing planning policy will ultimately result in a smaller format but it is still envisaged to be a comprehensive neighbourhood offer. The replacement supermarket would therefore likely to continue to serve 'big basket' shops but in a smaller unit size of perhaps up to 2,500 sqm. By comparison the Finchley Road (John Barnes) Waitrose is c. 2,100 sqm.
- 7.29 Similarly the private Virgin Active Gym is also a very large format at 5,241 sqm. Again it is envisaged that a smaller format gym will be provided. The specification of any Gym/Fitness Centre will be subject to operator requirements at the time. It should also be noted that there is a comprehensive public leisure offer at the Swiss Cottage Leisure Centre, which includes an eight lane pool. This is approximately 10 minutes walk and has lower entry and membership costs.
- 7.30 It is also envisaged that the cinema will be re-provided. In recent years there has been an expansion of the cinema offer, particularly with smaller specialised operators. Even within the large operators (Vue/Odeon/Cineworld) there is a wide range on cinema offers and formats. The current cinema is of an average size for inner London (c. 4,300 sqm) but they can range

from c. 500 sqm to c. 10,000+ sqm from the smallest arthouse to largest multiplex formats. It is therefore indicatively suggested that a replacement cinema would be around 3,000 sqm. Again it should be noted that the Odeon Swiss Cottage is also in the town centre and of a similar size albeit with a different number of screens.

- 7.31 This indicative mix would see the replacement of these important attractors but on a smaller footprint seeing intensification of these three uses, which currently make up c. 70% of the floorspace in the O2 centre. This would be a reduction of approximately 11,000 sqm of space to around 6,750 sqm. This floorspace would be configured in a way to still act as a major attractor for the centre and to promote linked trips to other uses within the development around the Town Square and Finchley Road retail frontage, and with the wider Town Centres. The Linear Park and east west route would allow visitors to the Leisure attractions to easily walk to the restaurants and bars on West End Lane.
- 7.32 The remaining floorspace in the Centre is currently around 7,700 sqm of which approximately 4,300 sqm is vacant. The balance of the commercial floorspace in the Town Centre (c. 7,500) sqm would be provided in smaller and more appropriate units providing greater opportunities for independent occupiers and a healthy mix of businesses. This would be carefully curated by Landsec to avoid the level of vacancy in the current centre and therefore, overall see significantly more occupied floorspace. This phase is a few years away and therefore the precise mix will be defined when it is brought forward. It is currently envisaged that it will include workspace as well as retail and food and drink uses. A mix of uses with more dense occupancy of floorspace and the promotion of linked trips will add resilience and remove dependence on a small number of large uses. It will also create more jobs and contribute to the wider vitality and viability of the Town Centre.

Economic Benefits

- 7.33 The approach described above will bring significant economic benefits to the town centre and to LB Camden. The reduction in floorspace of big box uses will have notional impacts on the volume of trade within the town centre, however the replacement of the core uses with more intense versions, combined with a greater diversity of employment floorspace, including affordable workspace and the economic benefits brought by the new homes and households will bring net benefits.

Employment (construction and operational phases)

Construction Phase Employment

- 7.34 The construction of the Proposed Development would generate employment within the construction sector.
- 7.35 The Construction Industry Training Board (CITB) Labour Forecasting Tool¹⁹ provides an estimate of labour requirements based on the estimated construction cost and projected duration by assessing the output of each occupation and trade within the construction sector. This figure has been used to estimate the quantum of employment (Full Time-Equivalent (FTE) jobs) generated by the Development within the sector as a whole.

¹⁹ Construction Industry Training Board (CITB) (2020) Labour Forecasting Tool (Accessed online by subscription: www.labourforecastingtool.com).

7.36 This estimates that there will be an average of 380 full time equivalent (FTEs) jobs per month over the duration of the 15 year construction period for this Proposed Development (5,670 person years' worth of labour).

7.37 Employment generated by demolition and construction would include a range of on-site roles including construction trades supervisors, plant operatives, civil engineering operatives, bricklayers, roofers and other trade roles. Within these trades there will be a range of skills from entry level training opportunities to high skilled management roles. The **Employment, Skills and Supply Plan** submitted with the application sets out how the Applicant intends to ensure that local people have access to construction employment and training opportunities. This includes placements, curriculum support for schools, and apprenticeships working with local partners including the Kings Cross Construction Skills Centre.

End Use Employment

7.38 The aim, as part of the design and masterplan process has been to ensure that the new development provides at least as many direct jobs as the current uses – albeit in a different format and more varied opportunities. Table 3.2 estimates that there are currently 464 jobs accommodated within the uses on the Site.

7.39 Table 7.2 below sets out the estimated employment on site based on the proposed uses and applying the Homes and Communities Agency job density guidelines²⁰. In addition, the residential uses will also generate direct jobs through active management of Build to Rent (BTR) properties in Phase 1 and possibly future phases. This estimate is based on Quod's knowledge of other BTR schemes.

7.40 The table shows ranges based on different jobs densities and floorspace assumptions to provide a reasonable range. Overall, the Development could accommodate 545 to 758 jobs. This would be a net uplift of jobs of between 80 and nearly 300.

Table 7.2: Employment Summary

Indicative Use	Use Class	Min floorspace		Max floorspace		Min floorspace		Max floorspace	
		GIA	NIA (estimated)	GIA	NIA (estimated)	Min jobs	Max jobs	Min jobs	Max jobs
Retail	E(a)	6,593	5,604	7,193	6,114	281	373	306	407
Food and drink	E(b)	1,114	947	1,114	947	48	63	48	63
Financial and Professional Services	E(c)	655	557	655	557	35	35	35	35
Indoor sport & recreation	E(d)	1,200	1,020	1,200	1,020	18	18	18	18
Medical services	E(e)	1,000	850	1,200	1,020	38	38	46	46
Creche	E(f)	300	255	300	255	19	19	19	19
Office and workspace	E(g)	550	468	800	680	36	47	52	68

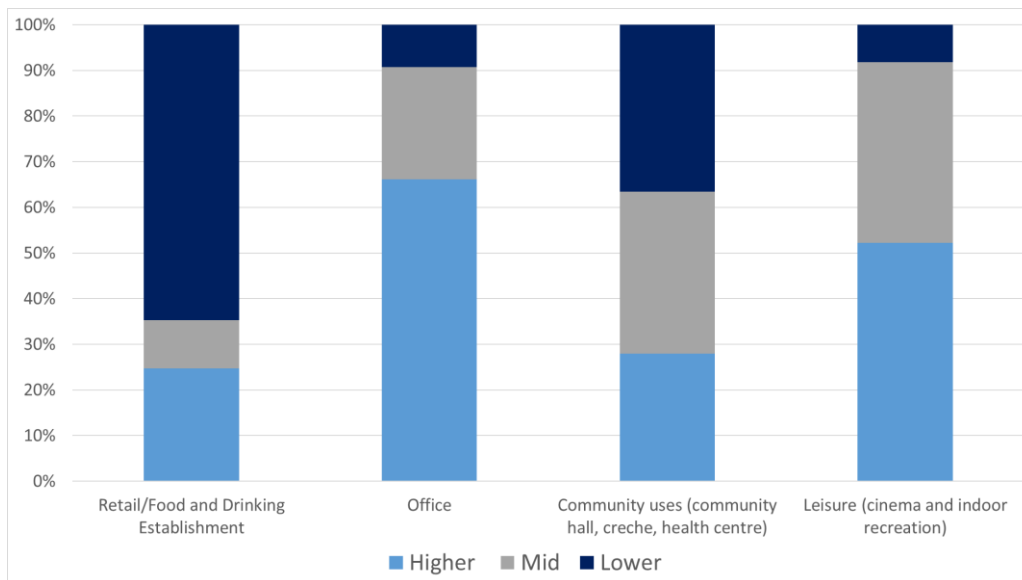
²⁰ Homes and Communities Agency (2015) Employment Density Guide, 3rd Edition.

Sui generis drinking establishment	E(g)(i)	900	765	900	765	38	51	38	51
Community hall	F2	270	230	270	230	5	5	5	5
Cinema	SG	1,250	1,063	3,050	2,593	6	6	15	15
Detailed Proposals Built to Rent	C3	-	-	-	-	20	30	20	30
Total		13,832	11,757	16,682	14,180	545	686	603	758

* Totals may not sum due to rounding.

7.41 These jobs will provide opportunities across a variety of industries across a broad spectrum of skills. Figure 7.4 overleaf, shows the skills breakdown by the main employment sectors that will be on the O2 Site. This demonstrates the balance between entry level and higher skilled jobs to meet the varied needs of the local labour market. The Applicant will seek to work with businesses and local groups to ensure that local people are able to access these jobs.

Figure 7.4: O2 Masterplan Employment Sectors: Skills Profile



Source: Quod Analysis of ONS Occupation by Industry Data

Additional Spending

7.42 New homes and businesses on the Site will also generate significant benefits and is one of the reasons for promoting a greater diversity of uses in town centres in the future. Additional spending by these people would be captured within the shops and businesses in the surrounding area.

7.43 Workers in the UK spend an estimated £12.59 per day in the local area around their place of employment²¹. On this basis 545 – 758 jobs could generate up to £1.5 to £1.9 million per year in additional spending.

²¹ Visa Europe (2014) UK Working Day Spending Report. (Daily spending rate has been adjusted to account for inflation based on Bank of England inflation rate change since 2014).

- 7.44 The residents accommodated by the new homes would also generate additional spending. Households in London spend an average of £290 per week²². On this basis, the new residents would bring an additional £27.1 million per year in household spending – given the Site’s location within the town centre it can be expected that a significant proportion of this would be retained locally.
- 7.45 Additional spending from these works and residents would support further retail, facilities and overall amenity of the area.

Gross Value Added

- 7.46 Gross Value Added (GVA) is a measure of the increase in value to the economy from the production of goods and services. This is the local equivalent of GDP.
- 7.47 Using data on regional level GVA by sector²³, the new jobs are estimated to generate between £25.1 million and £34.6 million in GVA depending on the exact mix of uses that will be accommodated by the Proposed Development. The actual level of GVA will fall within this range.

Council Tax and New Homes Bonus

- 7.48 New homes on this Site will increase council tax revenue collected by the council. Based on the average council tax rate (band D) for 2021/22 in LB Camden, the 1,796 new homes would generate £3 million in council tax each year. Of this approximately £2.4 million would go to LB Camden and £655,000 would go to the GLA.
- 7.49 The Proposed Development would also generate £3.34 million in New Homes Bonus, which is a grant paid to local authorities by the Government to top up the council tax collected on new homes in the first year. Local Authorities can choose which priorities to spend their New Homes Bonus on.
- 7.50 Together this level of investment and spending will boost the local economy and stimulate knock-on effects in supporting local businesses in the western end of the estate, as well as funding public spending on local infrastructure.

Community Infrastructure Levy

- 7.51 It is expected that the development will make Community Infrastructure Levy payments of around £43.5 million. This funding will contribute to investment in infrastructure to support development in Camden, including 25% (over £10 million) on local projects in the area around the development site.

²² Office for National Statistics (2021) Household Expenditure Survey 2018-2020.

²³ ONS (2019) Regional gross value added by industry (London): NUTS1 / ONS, 2019. Business Register and Employment Survey.

New Homes and Community Facilities

New Homes

- 7.52 The Proposed Development will provide around 1,800 new homes providing a mix of housing type and tenure to help address the acute housing needs which the borough faces.
- 7.53 The Detailed Proposals include:
- 608 homes of which 188 homes would be in affordable tenure (104 Low Cost Rent and 84 Intermediate Rent).
 - 82 family sized homes (3 or more bedrooms) equating to 13% of all homes (54 Low Cost Rent and 11 Intermediate Rent).
- 7.54 The remaining c.1,200 homes in the Outline Phases are not yet defined. However, the Applicant has committed to provide a minimum of 35% affordable housing by floorspace (GIA) across the Outline Proposals. This housing would be split 60:40 between Low Cost Rent and Intermediate Rent respectively. 45% to 50% of Low-Cost Rent homes would be family sized.
- 7.55 The new homes will make a significant contribution to meeting the urgent need for additional homes in LB Camden, representing 17% of the borough's London Plan target to deliver 10,380 new homes by 2028/29.
- 7.56 Provision of build-to-rent homes specifically will meet identified need for high-quality rented homes as set out in the **Affordable Housing Statement** submitted with the Application. That highlights the role of private rented housing on the site in: meeting the demand generated by younger people including key workers for high-quality rented homes; and in turn freeing up space in the general housing market including family housing that may otherwise be subdivided and used by sharers.
- 7.57 The Applicant's commitment to remain as long-term landlord for the homes on-site will secure the quality of accommodation, management and maintenance of the Site – addressing issues of management and quality that have been reported in LB Camden's wider private rented sector²⁴, a priority for LB Camden.
- 7.58 Secure and longer-term tenancies will contribute to supporting a longstanding, stable community on-site. Data from existing build-to-rent homes elsewhere in London indicates the tenure is attractive to a mix of families, couples, singles and sharers, and is more attractive to under 35s than other private rented sector alternatives (79% of residents in built-to-rent homes are aged 34 and under, compared to 71% across the private rented sector as a whole)²⁵. As demonstrated earlier in this report, LB Camden has a particular problem in attracting and retaining working age residents, particularly in the 25 to 49 age group. Again, enabling more stable communities is a key LB Camden objective.

Community Uses

- 7.59 The Community Uses within the proposals form an essential part of the approach to ensure a diverse and active town centre, as recommended in policy Guidance from national

²⁴ LB Camden, 2014. Private renting in Camden – does it work for you? Consultation and evidence base.

²⁵ British Property Federation, London First, UKAA, 2020. Who Lives in BTR.

Government, the London Mayor and London Borough of Camden. It will play an important role in creating a new community on site and integrating with the existing residential communities to the east and west.

- 7.60 The Community Uses are integrated into the Masterplan, the detailed phase by the Central Square and in the west, community focussed, outline phase, adjacent to the new Linear Park and Community Square. They will encourage people through the site and complement existing uses on West End Lane.
- 7.61 The potential for a new Health facility on the site has been raised during consultation and is included in the Fortune Green and West Hampstead Neighbourhood Plan and the Draft Site Allocations Plan. The Applicant has been engaging with the Council and the NHS in developing its proposals for the Site to ensure that such provision can be accommodated. It has provided capacity for such facility as part of the Outline (West) phase of the scheme. This would not only provide valuable local provision but also complement the surrounding uses and provide another driver for footfall to support West Hampstead Town Centre. A nursery/creche is also proposed in this phase.
- 7.62 A community hall/centre will also be provided within the detailed phases of the Proposed Development. This would provide 270 sqm (GIA) of Class E(a) floorspace for use by the local community. The management of the community hall would be specified within a specific community management plan within a condition discharge. The Applicant will be exploring opportunities to partner with local community groups to ensure the suitability of the centre along with building on their existing management experience of the O2 Centre facilities which allows a range of community groups and local residents to all utilise the space.
- 7.63 The initial designs have been reviewed against best practice schemes across London to utilise the frontage onto the park to create opportunities for different uses within the same space provisions, along with meeting rooms and space for local gatherings or parties, along with accommodating the sports and community uses that the current community hall had previously been used for.

8 Conclusion

- 8.1 The O2 Masterplan Site is identified in LB Camden policy as a critical site for the delivery of LB Camden's Local Plan, and in particular town centre regeneration and the delivery of new homes, including affordable homes in the borough. The O2 Masterplan proposals will transform the site bringing in new uses and integrating them into the site
- 8.2 The proposals will see the opening up of the Site to Finchley Road, retaining a strong retail frontage to complement the town centre but also creating a Town Square off the High Street with shops and services giving people space to dwell and encouraging linked trips to both High Streets.
- 8.3 They will mean that the site becomes a vital connector, rather than a blockage, between West End Lane and Finchley Road, as required by the Council's recent (2021) SPD. A Linear Park, with active uses, will run across the site, delivered on a phased basis replacing the current in inviting route through a Car Park and between blank facing walls and the railway line. It will connect new public parks in each phase, a Community Square close to West End Lane, a Central Square in the first detailed phase, and a new Town Square.
- 8.4 This will result in the replacement of approximately 34,500 sqm (GEA) of current floorspace and 3 hectares of roads and car parking, with 132,000 sqm of new mixed use floorspace and 3.1 hectares of Open Space and Public Realm.
- 8.5 Overall, the Proposed Development provide the holistic and comprehensive approach required by policy, optimising the use of an accessible site with a range of uses, embracing high quality design and minimising vehicle access to only essential users.
- 8.6 The development will bring significant economic benefits including:
- an average of 380 full time equivalent (FTEs) jobs per month over the duration of the 15 year construction period
 - the provision of between 545 and 758 FTE jobs in the completed development, an uplift of between 80 and nearly 300 on the current on site employment
 - Around £30 million a year of additional expenditure from resident households and workers
 - Gross Value Added (GVA) of between £25.1 and £34.6 million
 - Council Tax income of c. £3 million per year and around £3 million of New Homes Bonus
 - Community Infrastructure Levy payments of around £43.5 million, 25% of which Camden is committed to spending on 'local projects'
- 8.7 It will also provide around 1,800 new homes providing a mix of housing type and tenure to help address the acute housing needs which the Borough faces.
- 8.8 Community Facilities form an essential part of the mix, with a Health Centre and Nursery/Creche, close to the Community Square and Linear Park in the west and a Community Centre in the first, detailed, phase.

8.9 Taken as a whole, the Proposed Development responds to the challenges set by policy makers to re-imagine a town centre as a sustainable focus for a community, removing cars, and bringing in new uses.