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CITY OF LONDON

Planning and Transportation Committee

Date: **TUESDAY, 11 JANUARY 2022**

Time: **9.00 am**

Venue: **INFORMAL HYBRID PUBLIC MEETING (ACCESSIBLE REMOTELY)**

Members:
Deputy Alastair Moss (Chair)
Oliver Sells QC (Deputy Chairman)
Randall Anderson
Douglas Barrow
Peter Bennett
Mark Bostock, Cripplegate
Deputy Keith Bottomley
Thomas Clementi
Deputy Peter Dunphy
John Edwards, Farringdon Within
Sophie Anne Fernandes
John Fletcher
Marianne Fredericks
Tracey Graham
Graeme Harrower
Christopher Hayward
Christopher Hill, Farringdon Within
Deputy Tom Hoffman
Deputy Jamie Ingham Clark
Shravan Joshi
Alderman Alastair King
Alderwoman Susan Langley
Oliver Lodge
Deputy Edward Lord, Farringdon Without South Side
Natasha Maria Cabrera Lloyd-Owen
Alderman Bronek Masojada, Billingsgate
Andrew Mayer, Bishopsgate Within
Deputy Brian Mooney (Chief Commoner)
Deputy Barbara Newman
Graham Packham
Susan Pearson, Cripplegate
Judith Pleasance
Deputy Henry Pollard
James de Sausmarez
Alderman Sir David Wootton

Enquiries: **Gemma Stokley**
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Accessing the virtual public meeting
Members of the public can observe this public meeting at the below link:
https://youtu.be/dCCmPzut8rk

This meeting will be a hybrid meeting with participation virtually and from a physical location. Any views reached by the Committee today will have to be considered by the Assistant Town Clerk or the Comptroller and City Solicitor after the meeting in accordance with the Court of Common Council's Covid Approval Procedure who will make a formal decision having considered all relevant matters. This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court of Common Council's decision of 16th December 2021, to recommence hybrid meetings and take formal decisions through a delegation to the Town Clerk and other officers nominated by him after the informal meeting has taken place and the will of the Committee is known in open session. Details of all decisions taken under the Covid Approval Procedure will be available online via the City Corporation's webpages.

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**

   To agree the public minutes and summary of the meeting held on 14 December 2021.

   For Decision
   (Pages 5 - 28)

4. **15 AND 16 MINORIES AND LAND FRONTING ALDGATE HIGH STREET, 62 ALDGATE HIGH STREET: DEED OF VARIATION IN RESPECT OF AFFORDABLE HOUSING MATTERS; PLANNING PERMISSION 15/01067/FULL**

   Report of the Chief Planning Officer and Development Director.

   For Decision
   (Pages 29 - 126)

5. **SENIOR OFFICER RECRUITMENT**

   Report of the Executive Director, Environment.

   For Information
   (Pages 127 - 128)

6. **OUTSTANDING ACTIONS**

   Report of the Town Clerk.

   For Information
   (Pages 129 - 132)

7. **DELEGATED DECISIONS OF THE CHIEF PLANNING OFFICER AND DEVELOPMENT DIRECTOR**

   Report of the Chief Planning Officer and Development Director.

   For Information
   (Pages 133 - 148)

8. **VALID PLANNING APPLICATIONS RECEIVED BY DEPARTMENT OF THE BUILT ENVIRONMENT**

Report of the Chief Planning Officer and Development Director.

For Information
(Pages 149 - 154)

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

10. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

11. **EXCLUSION OF THE PUBLIC**

MOTION – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-public Agenda

12. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 14 December 2021.

For Decision
(Pages 155 - 156)

13. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

14. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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PLANNING AND TRANSPORTATION COMMITTEE

Tuesday, 14 December 2021

Minutes of the meeting of the Planning and Transportation Committee held at the Guildhall EC2 at 10.30 am

Present

Members:
Deputy Alastair Moss (Chair)
Oliver Sells QC (Deputy Chairman)
Randall Anderson
Douglas Barrow
Mark Bostock
Deputy Peter Dunphy
John Edwards
John Fletcher
Marianne Fredericks
Christopher Hill
Deputy Tom Hoffman
Deputy Jamie Ingham Clark
Shravan Joshi
Alderwoman Susan Langley
Deputy Edward Lord
Deputy Brian Mooney (Chief Commoner)
Deputy Barbara Newman
Graham Packham
Susan Pearson
Judith Pleasance
Alderman Sir David Wootton

Officers:

Gemma Stokley	-	Town Clerk's Department
Polly Dunn	-	Town Clerk's Department
Joseph Anstee	-	Town Clerk’s Department
Aqib Hussain	-	Technology Support Partner
Shani Annand-Baron	-	Media Officer
Simon Owen	-	Chamberlain's Department
Dipti Patel	-	Chamberlain’s Department
Deborah Cluett	-	Comptroller and City Solicitor's Department
Alison Bunn	-	City Surveyor’s Department
Nicholas Welland	-	City Surveyor’s Department
Gwyn Richards	-	Chief Planning Officer and Development Director
Juliemma McLoughlin	-	Executive Director, Environment
David Horkan	-	Department of the Built Environment
Paul Beckett	-	Department of the Built Environment
Ian Hughes	-	Department of the Built Environment
Elisabeth Hannah	-	Department of the Built Environment
Samantha Tharme	-	Department of the Built Environment
Neel Devlia	-	Department of the Built Environment
Adrian Roche	-	Department of the Built Environment
Peter Shadbolt	-	Department of the Built Environment
Bruce McVean	-	Department of the Built Environment
Simon Glynn	-	Department of the Built Environment
Kieran Mackay	-	Department of the Built Environment

Kerstin Kane	-	Department of the Built Environment
Maureen Joyce	-	Department of the Built Environment
Janet Laban	-	Department of the Built Environment
Kathryn Stubbs	-	Department of the Built Environment
Amrith Sehmi	-	Department of the Built Environment
Philip Carroll	-	Department of the Built Environment
Lara Sims	-	Department of the Built Environment
Amy Williams	-	Department of the Built Environment
Rachel Pye	-	Department of Markets and Consumer Protection
Robin Whitehouse	-	Department of Markets and Consumer Protection

Welcome

The Chair welcomed Deputy Edward Lord to their first meeting of the Committee as the new representative of Farringdon Without in place of William Upton QC. He noted that they had spent time earlier this week undertaking the necessary refresher training with Officers.

1. **APOLOGIES**

Apologies for absence were received from Peter Bennett, Deputy Keith Bottomley, Graeme Harrower, Christopher Hayward, Alderman Alistair King, Oliver Lodge, Alderwoman Susan Langley, Natasha Lloyd-Owen, Alderman Bronek Masojada, Andrew Mayer, Deputy Henry Pollard and James de Sausmarez.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

For the avoidance of doubt, Deputy Jamie Ingham Clark declared a non-pecuniary interest in that he is a member of the Clothworker’s Company and noted that the papers at Agenda Item 5 were in the name of the Clothworker’s Company Limited which was one removed from this.

3. **MINUTES**

The Committee considered the public minutes of the last meeting held on 16 November 2021 and approved them as a correct record.

4. **14-21 HOLBORN VIADUCT 32-33 & 34-35 FARRINGDON STREET LONDON EC1A 2AT**

The Committee considered a report of the Chief Planning Officer and Development Director concerning 14-21 Holborn Viaduct, 32-33 & 34-35 Farringdon Street London EC1A 2AT – specifically demolition of existing buildings at 14-21 Holborn Viaduct, 34-35 and 32-33A Farringdon Street, and construction of a new building arranged over 2 basement levels, ground and 10 upper floors to Holborn Viaduct and 12 upper floors to Farringdon Street to provide a new Commercial, Business and Service (Class E) building; new publicly accessible lift to provide step-free access between Holborn Viaduct and Farringdon Street, hard and soft landscaping works and other works incidental to the development.

The Town Clerk introduced the item and also referenced the Officer slide pack and two late addendums published and circulated.

Officers presented the application highlighting that the site comprised three existing buildings which fronted onto both Holborn Viaduct and Farringdon Street. One of these – Kimberley House – was described as an unremarkable 12 storey 1970s office building with some retail at ground floor level with 32-35 Farringdon Street comprising a pair of six storey office buildings dating from the 1920s which, whilst of some character, were considered to be of low historic and architectural significance. Members were informed that the site did not sit within a Conservation Area and that none of the buildings concerned were listed. However, the adjoining gatehouse and Holborn Viaduct itself are both Grade II listed. It was highlighted that Turnagain Lane and Newcastle Close were both areas of public highway, albeit used for servicing buildings only and not providing through routes. Officers reiterated that planning permission was sought for the demolition of the existing buildings and erection of a single new office building consisting of a ground floor and ten upper storeys on Holborn Viaduct and 12 upper storeys on Farringdon Street. Turnagain Lane would, under these proposals, be stopped up with Newcastle Close retained to provide servicing access to the proposed development and the adjoining site of One Fleet Place to the rear of the development site. Two new areas of public realm would be created adjacent to the two main entrances on Holborn Viaduct and on Farringdon Street and a new lift access would be provided within the site adjacent to the gatehouse to provide an accessible public route between Farringdon Street and Holborn Viaduct.

Members were shown a proposed ground floor plan on the Farringdon Street frontage depicting the new area of public realm to be created here in front of the proposed new entrance. Access to the public lift was also shown which would take users up to Holborn Viaduct. Next, the proposed ground floor plan on Holborn Viaduct was shared showing a second new area of public realm and the area where the public lift would exit – in full visibility of pedestrians using Holborn Viaduct. Officers shared some upper floor plans which provided a sense of the proposed setbacks which would have no impact upon strategic views. Members were shown graphics of the proposed front elevation from Farringdon Street with Officers commenting that the scheme proposed an uplift of 19,000 square meters of office floorspace which would result in a building of 36,000 square meters, commercial floorspace which was welcomed and in accordance with existing and emerging policy and, as stated in the report, it was intended that the building would be occupied by a single tenant as a headquarters building. Officers went on to state that the building design would incorporate nine digital screens on both the Holborn Viaduct and Farringdon Street facades which would incorporate artwork as part of the cultural offer. Given the proximity of the site to the proposed new Museum of London site, the applicant had also undertaken to digitise the artifact collection of the Museum which would take the form of digital public art across the site and would provide vibrant and engaging active frontages .It was noted that the digital screens would be significant in scale. The proposed elevation from Holborn Viaduct again depicted the new digital screens as well as the cut-out area of new public realm and associated greening adjacent to the gatehouse.

In terms of representations received, it was noted that a number of historic amenities societies including the 20th Century Society had objected to the demolition of the Farringdon Street buildings due to their contribution to the townscape as non-designated heritage assets. It was reported that Historic England had made no comment on the application and that letters of support had been received from the Fleet Street Quarter, the Museum of London and the Central District Alliance Addendum reports also contained late representations received – one from a City resident, the grounds of which were addressed within the report and also from the London Borough of Islington who had expressed concerns as to the height and bulk of the development. Officers stated that, as set out within the report, the height, bulk and massing of the proposals were considered acceptable. A second addendum circulated contained a response to the first addendum report from the same City resident but did not raise any substantive new issues.

In terms of the design of the proposed scheme, Members were shown an existing image taken from Holborn Viaduct depicting Kimberley House which was described as unremarkable and as providing a poor setting for the existing gatehouse. Its demolition was therefore considered acceptable. It was recognised that the Farringdon Street buildings were of some character and were therefore considered to be non-designated heritage assets, albeit with a low level of architectural and historic significance. It was highlighted that the applicant had explored the reuse options which demonstrated that the existing buildings were unsuitable for being transformed into an attractive and sustainable development for a 60 plus year period. It was reported that the sustainability credentials, combined with the modest historic and architectural significance of the buildings were therefore considered to warrant their redevelopment with a high-quality replacement scheme. Members were shown a CGI of the proposed development from this same viewpoint. It was stated that the proposed development would respond in both scale and context to both the historic gatehouse and the surrounding large commercial developments. The stone-based fronting on Farringdon Street would provide a successful townscape datum height with the gatehouse and the façade would be richly articulated with new and reclaimed Portland stone from the existing buildings. The curved façade had been designed to accommodate the canopy of the existing mature plane trees and create a new area of public realm on Farringdon Street. Above the base, a curved, linear façade of glass and metal fins would wrap continuously around both Farringdon Street and Holborn Viaduct frontages and these fins would be perforated to allow for passive ventilation as well as to provide solar shading and wind mitigation. It was reported that the upper pavilion section would be set back and include extensive vertical greening, maintaining the vertical rhythm across the development and also reinforcing the classical hierarchy of the proposed development itself.

Officers talked the Committee through some before and after CGIs to provide a better overall sense of the proposed scheme and the quality of the architecture being proposed. Members were shown images from Farringdon Street looking south, depicting Kimberley House behind the gatehouse. From here, the shoulder height of the proposed development was shown as correlating to Bath House on the opposite side of Holborn Viaduct. Images from Holborn Viaduct looking back towards the site depicted the proposed development with a very subtle and refined façade to provide a very neutral and appropriate backdrop to the gatehouse building. From Farringdon Street looking north with the application site on the right-hand side, one could see the two existing plane trees which were to be retained. From here the curved linear façade would curve away so that it would be invisible in this view, making Bath House visible in the background. From Holborn Viaduct with City Thameslink on the left-hand side and Kimberley House just beyond, the scale of the proposed development with its setbacks and pavilion at the top which was very much recessed and diminished was fully visible. A closer image from Holborn Viaduct showed the digital screens and the impact that they would have on the vibrant street frontage as well as the green wall which would be adjacent to the listed gatehouse.

Members were shown an aerial view of the proposed development depicting how the overall scale had been developed in this part of the City, sitting with Goldman Sachs opposite Farringdon Street and Bath House on the opposite side of Holborn Viaduct as well as New Street Square and the taller buildings in this location.

With regard to the proposed stopping up of Turnagain Lane, Officers remarked that this was an historic street and was the remnant of a street pattern which had been altered with the construction of Holborn Viaduct and the Fleet Valley improvements. It was noted that the existing, dead-end road was of low quality in terms of visual amenity, accessibility and permeability, used principally for service vehicles and contributing little to the City's public realm. By contrast, the new area of public realm would incorporate artistic, cultural and educational digital art displays which would enliven the space and provide a greater understanding of historical development of the area and its historic street pattern. The new route through the site and public lift bridging the level change between Holborn Viaduct and Farringdon Street with step free access would be a significant benefit offered by the development, as would the removal of the existing service vehicle crossover point. As such, the loss of Turnagain Lane public realm was considered to be compensated for and justified by the gain of a new attractive and inclusive accessible route through the site and the merits of the proposed development itself. Whilst there would be a net loss in public highway of 122 square meters, there would in fact be an overall net gain in public realm of 10 square meters. Members were shown further images depicting the quality and generosity of the space proposed in front of the entrance on Farringdon Street with the existing trees alongside additional planting to create a place to dwell. It was noted that there were also very generous street greening proposals (up to 29 planters) along Farringdon Street towards Ludgate Circus.

Officers went on to explain that, in applying the planning balance to the proposals, the identified harm to the designated and non-designated heritage assets were fully detailed within the report and had been given great weight in this case but it was considered that the overall, less than substantial harm, was outweighed by the wider public benefits. The principal benefits were set out within the report but included the new public lift providing an accessible route between Farringdon Street and Holborn Viaduct, the cultural offer of the extensive public art displays and digitisation of the Museum of London collection, the proposed public realm improvements and extent of street greening, enhancements to the listed gatehouse including lighting and CCTV to enhance the vertical pedestrian route and finally a local Community Outreach Programme secured through a Section 106 agreement and would include engaging with local schools for access to career insight sessions, education and employability workshops. It would also include hosting sustainable education programmes for local schools, including access to the roof terraces and biodiversity training as well as hosting green skills training for SMEs in association with organisations such as Heart of the City.

In terms of sustainability, Members were informed that the proposal demonstrated that whole life cycle carbon emissions were significantly reduced, exceeding industry benchmarks including the GLA's aspirational benchmark. It was reported that the existing buildings on site had been assessed and found to be unsuitable to be transformed into an attractive and sustainable development for a 60 plus year period. However, significant operational carbon savings could be achieved over the lifetime of the proposed building and circular economy principles had therefore been positively applied to achieve an exemplary long-term, low-carbon, flexible and adaptable development. The scheme would achieve BREEAM 'outstanding', with the building design also addressing climate change resilience by reducing solar gain, incorporating natural ventilation, water saving measures and various opportunities for urban greening and biodiversity whilst passive energy saving measures and low energy technologies would be employed to significantly reduce operational carbon emissions beyond London Plan requirements. In conclusion it was therefore considered that the proposal would deliver a scheme of high-quality architectural design, creating a sustainable 21st century workplace with extensive public realm improvements and a cultural offer that would provide vibrant and engaging active frontages and a strong connection to the wider cultural context of this part of the Square Mile. Officers consequently recommended that planning permission be granted subject to the conditions of the Section 106 agreement as set out within the papers.

The Town Clerk confirmed that there were no objectors registered to address the meeting and went on to introduce the applicant team who would be speaking – Mr Philip Sutton, Head of Development at Royal London Asset Management, Mr Lee Polisano,founder and president of PLP Architecture, Mr Vince Ugarow, Design Director at environmental engineering consultants Hilson Moran and Ms Sherry Dobbin, partner at Future City.

Mr Sutton began by explaining that Royal London was the UK's largest mutual insurance company with a property portfolio currently valued at circa £10 billion, including a large estate in central London. He went on to state that Royal London believed that the site in question had the potential to make a much greater contribution to the City's position as a global business centre, whilst also becoming a highly sustainable development with a wide-ranging set of public benefits. He stated that the proposals responded to proven demand and that Royal London had agreed terms and were in advanced discussions with Hogan Lovells for a pre-let. As noted in Hogan Lovell's letter of support, they viewed this development as key to their future in the City. Mr Sutton explained that all refurbishment and redevelopment options had been considered with a focus on delivering the broadest possible set of sustainability benefits – BREEAM 'outstanding', implementation of circular economy principles and an urban greening factor of 0.44 (well in excess of the policy requirements). Mr Sutton enthused that this project provided the ability to transform the public realm through a new step-free connection between Farringdon Street and Holborn Viaduct, with new public spaces, public art, culture, community outreach and landscaping providing long lasting benefits for this area. He underlined that Royal London had a track record of responsible property development, with market-leading sustainability standards. He added that they were committed to ensuring the long-term future of their development was highly sustainable and was the reason why they had appointed a best-in-class, internationally renowned team with a proven track record in London to design and deliver this project.

Mr Polisano spoke of how this project marked a gateway to the cultural mile through high-quality architecture and active frontages and would serve as a platform for cultural engagement and community learning. He added that the development would deliver world-class, sustainable, adaptable and healthy new workplace environments. He reported that a holistic approach had been taken to sustainability and reducing carbon emissions with circular economy principles embedded in the design decisions. He explained that, in this instance, the qualitative benefits and future adaptability of the new build far outweighed the refurbishment alternatives and that, at the heart of these proposals, was human comfort and well-being which were considered paramount for creating sustainable environments that enhanced people's health, foster creativity and spark innovation. He reiterated that the project would deliver a BREEAM 'outstanding' rating and would be a WELL platinum building where tenants would have access to adaptable modern workplace environments, openable windows for natural ventilation, biodiverse green terraces promoting outdoor working and high-quality facilities for fitness, cycling and active commuting. He added that the high-quality architecture was a response to the special context and was shaped to enhance the setting of the listed gatehouse. Portland stone would be reused from the existing buildings to form a new masonry base on Farringdon Street and weave the gatehouse back into the streetscape. Both the massing and the façade articulation had been informed by passive design principles with the façade depth and details minimising solar gain, maximising daylight and providing natural ventilation. The proposals had been designed for long-term adaptability and disassembly by adapting a layered design and installation approach to the building's components which would allow individual elements to be adapted and replaced in response to changing climate and future occupational requirements. He stressed that the design delivered transformable public realm improvements well beyond the application's boundaries. Two new high-quality public spaces were to be delivered on Holborn Viaduct and Farringdon Street, connected by a new public lift that would significantly enhance accessibility across this nine-meter height difference. The existing mature planes trees that sat at the heart of the scheme would inform the introduction of meaningful and accessible urban greening that would substantially exceed the City's and the GLA's requirements. Mr Positano stated that consenting this scheme would allow for the realisation of this exemplar for a high-quality, sustainable development befitting of the City of London.

Mr Ugarow reported that the whole team, including the clients and the prospective tenants, had worked closely together to design a building that maximised the contribution to sustainability. He stated that an extensive whole-life carbon assessment had been undertaken considering a number of alternative refurbishment and extension possibilities alongside the option to redevelop this site. He underlined that the comparative results confirmed that all options, including the proposed redevelopment scheme before the Committee today, would meet the London Plan's embodied carbon benchmark of 900 kilograms of carbon per square meter. He highlighted that, crucially, they had worked incredibly hard to ensure that the predicted whole-life carbo emissions for the proposed development were very similar to the assessed alternative refurbish and extend options. He stressed that this was the case even when ignoring the structural constraints of the existing buildings which could only support one or two additional floors. Taking into account the additional qualitative benefits that this proposal could provide, it had been concluded by both City Corporation Officers and the GLA that it represented the most appropriate approach to redevelopment in terms of sustainability, future adaptability and accessibility. Mr Ugarow stated that pertinent features of the proposal that warranted mentioning at this stage was the fact that the scheme would minimise waste generation during the dismantling and construction process by prioritising reuse of materials and components and recycling programmes. He explained that the applicant was targeting 95% of strip out demolition, construction and fit out waste to be diverted from landfill. He reported that key circular economy strategies included reuse of foundations, repurposing of existing stone façade elements, minimising finishes and reuse of internal materials such as raised floor tiles, specifying responsibly sourced materials which consider the lowest carbon options including low environmental impact concrete and developing a material passport system to intelligently inform how materials and components can be reused and recycled in the future. In conclusion, Mr Ugarow reiterated that what would be delivered was a BREAAM 'outstanding' building with exemplar sustainability credentials that would optimise the development of the site and realise the wider environmental, economic, social and cultural benefits in comparison to any alternatives.

Finally, Ms Dobbin reported that Future City had examined the cultural sustainability for this area through a collaborative and a research-based approach to place making and public art commissioning. She explained that a cultural plan focused on a public art strategy that defined location as a creative and identifiable beacon for the Cultural Mile, to engage and captivate audiences and to maximise the exposure of the culture found locally and within Smithfield, the new home for the Museum of London. It would do so via the high visibility contemporary public art and the investment for the needed roles. The intention was for the development to become a gallery without walls with the permanent installation of the large digital murals spanning the nine high quality screens on both Holborn Viaduct and Farringdon Street ground floors. It would also fund a new, needed, four-year post for a Digital Archivist to accelerate the digitisation of the Museum of London collection. This content would then be used by an artist to create the art for the digital mural and leave an open online resource for all age learning. There would be funding for artist in residence who would build upon the legacy of Smithfield public realm artists in residence to help secure the cultural objectives for the long-term. There would be commissioning for the local wayfinding and street furniture that would reference the heritage of the river fleet, Turnagain Lane and the building of Holborn Viaduct. The further Cultural Management Plan would secure the benefits of the work and detail the governance, including how the public could access the new auditorium and the process for commissioning and maintaining the art to ensure long-term success. Ms Dobbin explained that the plan established the site as the Culture Mile gateway with the digital art mural, the street furniture commissions and a new online permanent exhibition bringing the Museum of London's artifacts to a much wider audience. A new digital archivist and artists in residence would sustainably celebrate the culture and commerce of the City of London for all.

The Chair thanked the speakers for their contributions and invited any questions that Members might now have of the applicant team.

A Member raised concerns as to the proposed nine digital screens and questioned whether the maintenance and brightness of these would be conditioned. He also questioned what would happen should the screens need to be removed at some point in the building's 60 plus year life and queried the building finish underneath these. Finally, he questioned whether the displays would be passive or animated and expressed concern around the potential for them to distract drivers and be overbearing. Ms Dobbin responded to state that the digital murals would be displayed in accordance with highway conditions and that stipulations within the Section 106 agreement specified and demonstrated a commitment to the ongoing maintenance of the screens. The way that the screens were to be positioned would see them sat slightly underneath the overhang of the building to avoid them being overbearing. The digital technology to be employed would allow the content of the screens to be changed regularly and the City Arts initiative as well as other cultural institutions would feed into this to ensure the quality of what was displayed. Essentially, it was intended to be a digital display to bring the Museum of London to the wider public. If there was ever a strong desire to move away from the screen display, Ms Dobbin assured the Committee that this could easily be transformed into something like a mosaic and not adversely affect the aesthetics of the building as a whole.

Another Member focused on the proposals for Turnagain Lane and questioned whether the developer might be willing to install a plaque on the new building to record that this was where the Lane was once situated. Ms Dobbin responded to state that this was part of what the applicant wanted to do with the commissions for the street furniture and the public realm here and provide a deeper sense of the history of this site that the public could engage with.

Another Member posed a question on Newcastle Close and asked whether any ventilation was proposed here to mitigate against air pollution now that the space was to be enclosed. Mr Tim Hall of DP9 reported that there was no ventilation proposed but that the over sail here was just over 7 metres high with open air at both ends.

The Chair asked that the Committee now move to debate the application and to ask any outstanding questions that they might have of Officers.

A Member remarked that Officers had described the proposed building as subtle within their presentation – something which he strongly disagreed with, describing the massing of the building as massive and something that would dwarf the nearby Goldman Sachs building and be at least two storeys higher than buildings on the opposite side of Holborn Viaduct. He questioned why it was felt that this was appropriate. Secondly, he questioned the proposed overhang on Holborn Viaduct and why this was being permitted when the effect of this would be to bring forward, beyond the Thameslink Station building to the east, and to completely obscure the view of the listed gatehouse from Holborn Viaduct. Finally, he questioned whether the proposed art screens were desirable on Farringdon Street. The Member clarified that he was of the view that the site was in desperate need of redevelopment but questioned why Officers were not taking a more robust approach with developers to prevent them from taking these extra inches in terms of overhang and the like and rendering their proposals too overbearing. The Chief Planning Officer reported that this application had been the subject of very long and detailed discussions on the height and massing and that it had been reduced and nuanced down as a result of these. Officers were now therefore comfortable that the bulk and height and massing of this scheme was appropriate to its townscape context. Members were informed that this was also the result of a very rigorous views assessment throughout. Officers were keen to ensure that the scheme did not over dominate the gatehouse and highlighted that a fairly neutral canvass was therefore proposed to sit behind this. Officers felt that the design proposed was appropriate and restrained in this regard. In terms of the screens, it was reported that the Section 106 agreement was a very robust tool to be able to control the light levels and content and it was felt by Officers that this would be a very dynamic element and a gateway to the Culture Mile as one approached the Museum of London allowing all of the artefacts held here and currently hidden from public view to be widely celebrated.

Another Member echoed these points and questioned whether the Chief Planning Officer was concerned that the west end of the City was being over bulked by this and other previously approved applications in the same area.

A Member stated that he was generally favourably disposed to this application but added that he had some concern as to the loss of retail proposed here given that retail had already been lost along Farringdon Street. He questioned why Officers felt that this was a good idea. Officers highlighted that details on the loss of retail were set out within the report and had been discussed at the pre-application stage where Officers worked with the developer to try and ensure that the frontage was as active as possible and that there was as much permeability as possible through to the new public access lift. Public outreach and engagement were also an important part of the negotiations and ensuring that the auditorium and roof were opened to local schools and also SMEs. Whilst it was therefore recognised that the loss of retail was a compromise in terms of policy, the numerous other benefits that had been negotiated had led to the conclusion that this was acceptable on balance.

Another Member questioned sustainability and when the building would ‘break even’ in terms of carbon emissions. She went on to question whether, when applications were presented to the Committee in future, Officers could always use the same metrics around this so that they could be more easily compared and understood by Members. With regard to the wider point around how sustainability information was presented, Officers undertook to reflect on this and work on a consistent approach. Members were reminded that a Sustainability SPD was currently being developed at present and that this could appropriately address this point for developers and Officers/Members alike. Officers went on to state that details on the whole-life cycle carbon of the building were detailed within the report (paragraph 331) .

Another Member requested that the Sustainability SPD also address the change in utilisation of the land as well as the recycling of materials/recycling plans. Officers agreed that this information around the circular economy should feature and was routinely requested from applicants at the early design stage before being secured by condition.

A Member stated that he welcomed the emphasis on culture and was of the view that this particular location created a wonderful opportunity to create a western gate into what he hoped would develop into a major cultural quarter for London. He went on to seek assurances from Officers that the commitment that the applicant had made in terms of managing and financing this cultural offer were firmly secured by condition. Officers assured the Committee that the Section 106 agreement would be very detailed in terms of the provision, maintenance and ongoing obligations.

Another Member referred to the abandoned arches under Farringdon Street, recognising that Officers had spent a lot of time exploring how these might be accessed through this building but had concluded that this was not possible. He was keen, however, that this issue should not be forgotten given the amount of space here that was currently vacant. Officers reiterated that this had been extensively discussed throughout the process and that, whilst it could not be processed as part of this scheme, they undertook to liaise with the City Surveyor to look at the use of the vaults separately.

Another Member commented on the loss of retail which she viewed as a more serious issue given that city workers using the Thameslink station would have relied upon this.

A Member spoke to express concerns at the height, mass and bulking of the building, describing it as ‘greedy’ given that it would not only overhang Holborn

Viaduct by 2.4 meters but would also over sail Newcastle Close which was bound to increase air pollution levels here. The Member also expressed disappointment at the stopping up of Turnagain Lane and the fact that this area had not been more creatively reimagined. This would also give 332 square meters of airspace to the developer which would equal a rental of just under £3 million per annum (based on an average City of London rent) – a considerable extra benefit in exchange for one public lift, some digital screens, an archivist post funded for four years, and some greening further along Farringdon Street. The Member was of the view that this was not a good deal for the City Corporation and underlined that she would therefore be voting against this application.

Having fully debated the application, the Committee proceeded to vote on the recommendations before them.

Votes were cast as follows: IN FAVOUR – 17 Votes
OPPOSED – 3 Votes
There were no abstentions.

RESOLVED –

(1) That planning permission be granted for the above proposal in accordance with the details set out in the attached schedule subject to:
   (a) Planning obligations and other agreements being entered into under Section 106 of the Town and Country Planning Act 1990 and Section 278 of the Highway Act 1980 in respect of those matters set out in the report, the decision notice not to be issued until the Section 106 obligations have been executed.

(2) That Officers be instructed to negotiate and execute obligations in respect of those matters set out in "Planning Obligations" under Section 106 and any necessary agreements under Section 278 of the Highway Act 1980.

(3) The Mayor of London be given 14 days to decide whether or not to direct the City Corporation to refuse planning permission (under Article 5(1)(a) of the Town and Country Planning (Mayor of London) Order 2008).

(4) That the Committee agree in principle that the land affected by the proposal which is currently public highway and land over which the public have right of access (comprising the entire area of Turnagain Lane) may be stopped up to enable the development to proceed and, upon receipt of the formal application, officers be instructed to proceed with arrangements for advertising and making of a Stopping-up Order for the various areas under the delegation arrangements approved by the Court of Common Council.

5. **STOPPING UP APPLICATION: SITE BOUNDED BY FENCHURCH STREET, MARK LANE, DUNSTER COURT AND MINCING LANE, LONDON EC3M 3JY**

The Committee considered a report of the Executive Director, Environment concerning an application for stopping up of public highway for areas Fenchurch Street, Mark Lane, Mincing Lane and Star Alley, relating to the development of the site bound by these streets for which this Committee resolved to grant planning permission on 14 May 2020.

Officers explained that this report followed a report to this Committee on 26 January 2021 where Members had authorised the commencement of the process for the stopping up of the highway to enable the development of 50 Fenchurch Street. They had also agreed that unresolved objections to the proposed stopping up should be reported back to this Committee for their consideration. This report therefore considered the two unresolved objections and provided recommendations at paragraph 26 on how to now proceed.

RESOLVED – That the Committee:

1. Agrees that it is minded to make the order;
2. Acknowledges the objections and accepts that the objectors appear to be affected by the order;
3. Authorises the Executive Director Environment to notify the Mayor of London of the objections;
4. Authorises the Executive Director Environment to arrange for a local inquiry to be held, unless the Mayor of London decides that, in the special circumstances of the case, the holding of such an inquiry is unnecessary or the objection is withdrawn;
5. Instructs the Executive Director Environment to report to this Committee on the report of the person holding the local inquiry should such an inquiry take place; and
6. Instructs the Executive Director Environment to make the order should the Mayor of London decide that a local inquiry be dispensed with, or the objection is withdrawn.

6. **CITY FUND HIGHWAY DECLARATION: 50 FENCHURCH STREET, EC3M 3JY**

The Committee considered a report of the City Surveyor seeking approval to declare a portion of City Fund freehold land/subsoil (421 sq. ft.) and a volume of airspace (741 sq. ft.) situated around 50 Fenchurch Street, EC3M 3JY to be surplus to highway requirements to allow its disposal in conjunction with the permitted development.

A Member stated that she understood that airspace above the streets could have a value in places such as New York and questioned whether the City also placed a value on this and, if so, whether this was a standard value or one which changed according to location. Officers reported that they did seek best value from the developer for highway transactions but that there was no fixed rate applied. Officers looked at individual schemes and site rates – if this involved airspace only then it was slightly discounted but, where land was required, a full site rate was charged. Officers undertook to provide greater detail on this outside of the meeting to those Members who would like it. The Chair highlighted that it would be for the Corporate Asset Sub and Finance Committees to look at the financial implications of this matter as detailed at paragraph 15 of the report.

RESOLVED – That Members:

- Resolve to declare a volume of City Fund land (held for highway purposes) measuring a total of 421 sq. ft. situated around 50 Fenchurch Street, EC3M, to be surplus to highway requirements to enable its disposal upon terms to be approved by the Corporate Asset Sub Committee and Finance Committee.
- Resolve to declare a volume of City Fund airspace (held for highway purposes) measuring a total of 741 sq. ft. situated around 50 Fenchurch Street, EC3M, to be surplus to highway requirements to enable its disposal upon terms to be approved by the Corporate Asset Sub and Finance Committee, subject to the vertical extent of the airspace being first agreed by the Deputy Director of Transportation and Public Realm.
- Delegate authority to the City Surveyor and the Deputy Director of Transportation and Public Realm to determine the relevant ordnance datum levels to suitably restrict the vertical extent of the leasehold airspace demise.

7. **REVENUE AND CAPITAL BUDGETS 2022/23**

The Committee considered a joint report of the Chamberlain and the Executive Director Environment presenting for approval the revenue and capital budgets for the Planning and Transportation Committee for 2022/23.

The Chamberlain reported that the budget proposed for 2022/23 had seen a net reduction of just under £1.1 million. In setting the budget, Officers had stayed within the resource envelope set by the Resource Allocation Sub Committee. This included a 2% update for inflation, offset by 2% efficiency savings and therefore a flat cash budget. Pay increases for staff at grades A-C only of 1.525%, employer national insurance contribution increases of 1.25% and some budget adjustments for previously agreed Fundamental Review savings had also been factored in. As detailed at paragraph 7 of the report, this Committee currently had a budget of £1.885 million to identify for next year. In other areas under the Director’s remit, Port Health had a further £1million to identify, giving an overall budget pressure of just under £3 million still to identify. Members were informed that this did not, however, take into account the recent work being undertaken on the Target Operating Model where the Director had earmarked a number of initiatives concerning salary restructuring, efficiency savings and increased income streams which would enable the Department as a whole to reduce this budget pressure to approximately £0.5 million. This had recently been highlighted at the Member ‘Deep Dive’ sessions hosted by the Efficiency and Performance Sub Committee. It was reported that the Director was looking to further balance the budgets once she had been through the details of the Target Operating Model with the Open Spaces Department. Consideration was also being given to commencing a five-year plan to address various working practices and opportunities for the Department with a view to further negating budget pressures.

Officers went on to report that things had been steadily improving this year and that previously forecast large overspends had been addressed by keeping a number of staff posts vacant and with some large upturns in some income streams – most notably planning, building control and other areas such as the Heathrow Animal Reception Centre and the Ports. However, with the recent onset of Omicron and recovery from the pandemic, there were still uncertain times ahead.

A number of capital bids that the Department had proposed as detailed at paragraph 14 had successfully passed through the Corporate Asset Sub and Finance Committee subject to some amendments to fine-tune what was essential and these were now progressing to the Court of Common Council for final agreement.

RESOLVED – That Members:

i) Approve the proposed revenue budget for 2022/23 for submission to the Finance Committee;
ii) Approve the proposed capital budgets for 2022/23 for submission to the Finance Committee;
iii) Authorise the Chamberlain, in consultation with Executive Director Environment, to revise the budgets to allow for any further implications arising from subsequently approved savings proposals, Target Operating Model (TOM) implementation, changes to the Cyclical Works Programme (CWP), or changes to the resource envelope, and
iv) Agree that any amendments for 2021/22 and 2022/23 budgets arising from changes to recharges during budget setting be delegated to the Chamberlain.

8. **CITY PLAN: UPDATE ON PROGRESS AND NEXT STEPS**

The Committee considered a report of the Executive Director Environment summarising the outcome of the consultation exercise on the City Plan and highlighting the key issues arising.

Officers reminded the Committee that they had agreed a draft plan for public consultation last Spring. Consultation had had to take place virtually owing to the ongoing pandemic and a very high number of responses had been received to this – over 1,300 representations which were summarised within the appendix to this report. Among these responses, it was highlighted that the Mayor of London considered that the Plan needed to be more prescriptive in terms of the City Corporation’s approach to tall buildings in order to achieve general conformity with the London Plan. It was noted that there was also a substantive group of responses in relation to heritage concerns and the need to strike the correct balance between development pressures and heritage issues. It was reported that the result of all of this was that it was now felt appropriate to pause the process and revisit the draft Plan accordingly to ensure that it was found to be sound at examination and did take into account new issues that have arisen in the past 12 months. The report set out six policy areas where it was suggested that the Plan now be sense checked – tall buildings as per the Mayor’s concerns, climate change where Officers could now build upon the momentum of COP26 and further embed the organisation’s own Climate Action Strategy, offices and office floor space given the changing nature of work and the increase in hybrid working, the role of retail and town centres in a changing environment, housing and housing delivery and finally health and inclusivity which the pandemic had brought to the forefront more so than ever before.

Officers proposed that next steps would involve refining the Plan, consulting on it further in 2022 and then submitting this to the Secretary of State. A draft timetable for the Plan preparation process was suggested at Appendix B. This included the need to ensure that evidence collected pre-pandemic was updated and still valid. This would also include a call for housing sites to ensure that if there was private sector interest in more housing in the City, Officers were made aware of this. The process also encouraged member involvement to help steer any policy refinements. The proposal that the end date for the Plan be rolled forward to 2040 would mean that it was consistent with the end date for the London Plan and would also bring it into line with the evolving end date for the Transport Strategy.

A Member commented that he was pleased that there would now be a further opportunity to consider the housing issues. He went on to refer to the risks stipulated within the report particularly around the weight attached to the emerging City Plan. He expressed the view that the emerging Plan was a lot better than the existing Plan in a number of areas such as carbon and therefore questioned how, during this pause, the emerging Plan policies might still be applied. Officers responded to clarify that the emerging plan would, unfortunately, now carry less weight than when it had been intended to submit it. However, Members were provided with some reassurance in that the policies within the draft plan did carry some weight given that many were hung upon strategic policies within the London Plan or national policy guidance. Officers added that it was the case that, when an application was considered, the development Plan and any other material considerations were relevant.

Another Member commented that the responses to the consultation had come as no surprise, particularly in relation to tall buildings, heritage and residential amenity. She added that she was, however, surprised that, given that the Secretary of State had directed the Mayor of London to amend the London Plan with regard to tall buildings back in December 2020 and that this consultation exercise had concluded in May 2021, it had taken this report seven months to be brought to this Committee. She expressed concern that, in the meantime, this Committee had approved planning applications for the construction of seven tall office buildings which would impact upon heritage assets and residential amenity. With regard to the comments on health and wellbeing, the Member stressed the need to use the planning system to ensure that proper gains were made for the City of London in terms of health centres and the like. She added that she was pleased to see the number of responses received and hoped that those respondents would continue to engage with the process. Officers apologised for the delay in bringing forward this report but explained that there were 1300 responses to process before that could happen. In relation to the tall buildings implications, Officers reiterated that the GLA’s comment was that the City should be more prescriptive in its policy approach here and not necessarily that tall buildings should not be permitted per se.

A Member noted that the Barbican association had responded to note that the spatial strategy aspirations did not include protecting residential amenity. He questioned whether Officers had subsequently made any adjustment to the Plan as a result of this representation. Officers clarified that this would be a process for Members to work through when considering all of the responses received and changes to the Plan in 2022. It was highlighted that there were policies within the draft Plan to protect residential amenity and that it would be for Members to decide upon the degree of importance that those policies should have when weighed against other policies.

A Member raised a question on office space, recognising that the organisation was aiming for a cumulative total. She questioned where the City were in this process at present and how close they were to reaching this target. She queried how the provision might be more evenly spread throughout the lifetime of the Plan. Officers reported that the existing Local Plan had a target of 2 million square meters of growth and that, at present, this target was halfway met. The existing, adopted 2015 Plan contained phasing to reflect what the pipeline looked like at the time of adoption and progress was being made broadly in line with this. Going forward, a key consideration would be what type of office space would be needed and how much of it. It was recognised that the introduction of hybrid working may well have consequences. Officers added that their professional opinion was that the City would continue to be an attractive place to do business and that it would therefore continue to need more office space and not less. However, this proposed pause would now allow this matter to be revisited and for further evidence gathering to take place so that an informed decision could be taken as to the appropriate amount and type of office space required going forward.

Another Member questioned the City Corporation's real ability to control the pace of office delivery in the City. He stated that once an application had been approved, whether or not it then proceeded presumably depended upon economic conditions and the developer's view as to whether or not it was actually needed. Officers stated that this was correct and that the pace of delivery was a private sector driven process. This was seen as a positive in terms of surplus stock not being needlessly delivered with developers taking a view as to viability. One consequence of this however was that a healthy pipeline of schemes permitted was needed, in excess of the target, to allow for those schemes which subsequently fell away.

A Member questioned the sources that were to be used as part of the intelligence gathering exercise to estimate future office demand. He referred back to the fact that the City was already halfway to meeting its target of 2 million square meters of growth in office floorspace from 2015-2035. Officers reported that one key component of office needs in the future was how office floorspace would be used and the nature of office occupation going forward. A second key component would be employment projections – how many would be working in the City and on what basis/how often. It was noted that the GLA employment projections were due to be revised and reissued in the New Year which would be the first indication from such a body as to the impact of the pandemic on employment in London as a whole and its key sub-markets such as the City.

A Member stated that this future Plan would seek to guide developers, something which the current Plan did not seem to do given the number of times that planning applications that were in contradiction to its policies were brought forward. He questioned how this Committee and Officers could ensure that any future Plan was more stringently upheld. He went on to express concern that the end date for the future plan was to be moved from 2036 to 2040 and stated that he hoped that this would not unduly delay its adoption. He added that there was a clear need to have the Plan in place to protect the City's genuine heritage assets. Officers stressed that the Plan was a large document containing various different policies and that was to be read as a whole. Members were informed that it was inevitable that most applications were a compromise that complied with many but not all policies. Officers made recommendations based on this and it was then for Members to make a judgement as to whether or not the correct balance had been achieved in terms of policy application.

RESOLVED – That Members:

- Note the summary of key issues raised during consultation on the Proposed Submission draft City Plan 2036 set out in Appendix A;
- Agree the revised City Plan timetable proposed at Appendix B; and
- Agree to amend the City Plan end date to 2040 to align with the Climate Action Strategy.

<u>Thank you to Paul Beckett</u>
The Chair wished to place on record his thanks to Paul Beckett for his counsel ahead of his imminent retirement. He reported that Paul had started at the Corporation 33 years ago, initially on a temporary contract. He added that Paul had served under numerous Chairs of this Committee as well as several different Chief Planning Officers and described him as very wise, persuasive and steady with an encyclopaedic knowledge which had been hugely appreciated by all. In terms of the City's position on planning policy, the Chair highlighted that the Corporation was seen as a leader in London and that much of this was due to Paul and his team's very hard work and dedication. The Chair, on behalf of the Committee, wished Paul a very happy retirement.

9. **TRANSPORT STRATEGY UPDATE: QUARTER 2 2021/22**
The Committee received a report of the Executive Director Environment providing an update on delivering the City of London Transport Strategy for quarter 2 of 2021/22 (July-September 2021).

A Member spoke to praise the continued efforts of Officers in attempting to introduce a 15mph speed limit and descried it as one of the best ways to guarantee that the City would achieve its vision zero in terms of deaths and serious injuries on its roads.

Another Member commented that he felt that vision zero was an aspirational target but was not necessarily achievable. He added that a big part of working towards this was emphasising personal responsibility.

Officers thanked Members for their words of support on the 15mph campaign, stating that they were disappointed with the outcome of this. They highlighted that they remained committed to vision zero which was about saying that no deaths were acceptable on the City's road and that they would therefore continue to work hard alongside City Police and consider what other work could be done around design speeds to improve the way that people move around the City.

A Member questioned work on St Paul's Gyratory stating that he had thought that this was now dormant and was therefore surprised to see mention of delays affecting the existing programme within the appendix to the report. He also referred to the Barbican & Golden Lane Zero Emission Zone and Healthy Streets Plan where the end date was marked as 2021/22 and questioned whether this was correct given that the works had hardly begun at present. Officers reported that it was still hoped that the Barbican & Golden Lane works would be significantly progressed during this financial year but that it was accepted that this might now also lapse into 2022/23. With regard to St Paul's Gyratory, Officers clarified that the project was previously on hold because of the uncertainty around the Centre for Music but that this had been restarted in April 2021 following a report to the Streets and Walkways Sub-Committee and progress with the London Wall West project on the former Museum of London site and the redevelopment of 81 Newgate Street. It was underlined that these two developments presented a great opportunity to rethink how this space (one of the priority areas for road danger reduction initiatives) worked, particularly for pedestrians and cyclists.

The Deputy Chairman referred to a recent report on air quality in the City which had indicated a reduction of 42% in the past 18 months and questioned if Officers could confirm this. Officers reported that they did not have the up-to-date figures to hand today but undertook to follow up on this. They added that this reduction was not surprising due to the changes in traffic flow throughout the pandemic. A report on traffic figures gathered this Autumn would be brought to this Committee early in the new year and details of air quality could be incorporated into this.

A Member referred to the pedestrian priority scheme at Kings Street where posts had now been removed and replaced with painted lines to denote the carriageway, pedestrian and cyclist lanes. She commented that cyclists here failed to understand that pedestrians could also use the carriageway and that she had some concerns as to pedestrian safety here as a result. She went on to refer to TfL's bus gates at Bishopsgate and stated that she understood that these would be consulted upon. She questioned when this matter would come back to this Committee for comment. Officers reported that the approach taken when the Covid-19 measures had originally been rolled out was that, in areas where there was space for walking or a cycle lane against live traffic, posts would be installed. Where cycle lanes were next to walking space, posts/'wands' had not been installed. Officers were now progressing towards experimental schemes as part of the pedestrian priority programme funded through the Climate Action Strategy and, as part of this, pavements would be properly built out so that painted lines would not need to be relied upon to secure additional walking space. It was envisaged that this would address many of these concerns and avoid any ongoing confusion. With regard to

Bishopsgate, Members were informed that TfL were progressing with an experimental scheme that would largely replicate what was originally introduced as part of the street space scheme. A report on this was recently submitted to the Streets and Walkways Sub-Committee to outline the approach being taken. Officers clarified that, with experimental traffic orders, a six-month public consultation and monitoring period was necessary. They clarified that they would be working with TfL throughout this period to understand how the changes on Bishopsgate related to the City's own projects and aspirations. Reports with further details on this would come forward to the Streets and Walkways Sub-Committee in due course.

A Member referred to Moor Lane stating that it was of great concern to residents that the originally proposed project in 2011, funded by Section 106 monies from London Wall Place, had been refined down to what was now being presented as a result of Deutsche Bank now requiring security which would take up road space which they did not appear to be paying any extra for. The Member sought further clarification on this.

Another Member spoke on this, adding that he understood that the original plan had been for the very substantial greening of Moor Lane and building out into the highway, expanding the pavement. What appeared to be happening now was that consultation was being undertaken on just a part of this proceeding which was extremely disappointing. The Member continued by stating that his understanding of security measures was that these should be designed into the building from the outset and not outside of it. Officers reported that this scheme had indeed been in the pipeline since 2011 now and that they had been patiently waiting for Deutsche Bank and the scheme at 21 Moorfields to reach a point where it was possible to access the space and deliver the permanent scheme. Officers confirmed that they had recently received a number of questions from residents regarding the funding available including the interest on the Section 106 balance and that this figure was currently awaiting confirmation from the Chamberlain. It was also reported that ongoing discussions were being had with the developer at 21 Moorfields and that Members were correct in stating that the current proposals which would predominantly affect the eastern footway had meant that Officers had had to adapt the original scheme. It was, however, felt that a significant amount of greening could still be delivered in Moor Lane, particularly on the western side. Options for security measures were being discussed with developers which included things such as low-level planters and other greening elements. Officers were still keen to see as much greening as possible delivered here and welcomed any support that the Chair, Deputy Chair and other members of the Committee might be able to offer in these negotiations. Members underlined their political support for Officers to push back on this. It was suggested that the Chair and Deputy Chairmen of this and the Streets and Walkways Sub-Committee further engage with this in the first instance.

RESOLVED – That Members note the report.

10. **OUTSTANDING ACTIONS**
The Committee received a report of the Town Clerk detailing the Committee's list of outstanding actions.

RECEIVED.

11. **PUBLIC LIFT REPORT**
The Committee received a public lift report of the City Surveyor for the period 30/10/2021 – 26/11/2021.

A Member observed that the London Wall down escalator had been available for 97.83% of the time during this period according to the report but questioned how this was calculated since he had known it to be out of operation very frequently in recent months. Officers stated that the Member appeared to be referring to the escalators that came down onto Wood Street which were not the responsibility of the City but of the developer. Officers undertook to follow up on this matter.

Members were informed that there was currently an issue with one of the escalators on London Wall which was out of operation at present and would therefore feature on the next public lift report. It was however expected that the fault would be fixed later this week.

RESOLVED – That Members note the report.

Thank You to Alison Bunn
The Chair reported that Alison was soon to leave her post as Head of Facilities at the City Corporation after securing a senior role at Cambridge University looking at how they use their workspace. He thanked her for her attendance at this Committee on this matter and, on behalf of the Committee, wished Alison lots of luck in her new role.

12. **DELEGATED DECISIONS OF THE CHIEF PLANNING OFFICER AND DEVELOPMENT DIRECTOR**
The Committee received a report of the Chief Planning Officer and Development Director detailing development and advertisement applications determined by the Chief Planning Officer and Development Director or those so authorised under their delegated powers since the report to the last meeting.

RESOLVED – That the report be noted.

13. **VALID PLANNING APPLICATIONS RECEIVED BY DEPARTMENT OF THE BUILT ENVIRONMENT**
The Committee received a report of the Chief Planning Officer and Development Director detailing development applications received by the Department of the Built Environment since the report to the last meeting.

RESOLVED – That the report be noted.

14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

Barbican Podium Phase Two Works

A Member stated that he was concerned about the messaging going to the public and residents about these works highlighting that those living nearby had received nothing in the mail pertaining to the public consultation that was taking place on this. An email as part of the regular, monthly City Resident newsletter had been sent describing the waterproofing membrane priority and pinpointing where residents could view plans or ask questions had been distributed but, again, this failed to reference the public consultation. The Member remarked that this seemed very odd and insensitive.

The Chair reported that he and the Deputy Chairman would soon be meeting with Officers and others to discuss how this matter could be progressed governance wise. The Comptroller and City Solicitor reiterated that the issue here was around separation of functions as discussed at the last meeting and concerns that the Committee could not be the promoting Committee as well as the Committee that decided the planning application – something which applied to Officers and Members alike. She added that, ultimately, the question being posed today related to the promotion of the application and should therefore be put to the Committee responsible for advancing this in due course. Officers cautioned that, for this Committee to engage in the way in which the proposals were being developed prior to the submission of the planning application would risk it being involved in the promotion of the proposals and thereby remove any possibility of it being able to eventually consider the application itself.

The Chair undertook to keep the Committee informed of any progress around governance arrangements for this matter going forward.

Suspended Parking Bays

A Member stated that she had received a number of complaints from residents who had legally parked and paid to park for the duration of the weekend on a Friday evening only to find that they had been ticketed the following day and to see a suspension notice in place. This often led to residents appealing these tickets and having to provide evidence of suspension signs having been erected at 7 o'clock in the evening. The Member stressed that bays should only be suspended with plenty of notice and not once people had already parked.

Officers undertook to look into these specific cases in greater detail outside of the meeting but explained that the basis of suspensions was that there was still a Saturday paid for period in terms of pay and display parking. This meant that suspensions in place on a Friday evening would only be enforceable from Saturday morning. Officers clarified that the processes around this had not changed for some time now and that this was something that they traditionally received very few complaints about.

Department of the Built Environment Users Panel

A Member stated that she had only recently discovered that this group existed and asked for further clarification as to its role and membership. She also questioned whether there were any other similar user groups within the

Department which Members ought to be aware of and how it was possible to join these. The Chief Planning Officer reported that the DBE Users Panel was made up of residents in the form of the residents' associations, developers, agents and the CPA as well as anybody with an interface within the department and its services. It was essentially a sounding board to share ideas and any issues. He undertook to send the Member further details on the Panel composition and objectives.

At this point, the Chair sought approval from the Committee to continue the meeting beyond two hours from the appointed time for the start of the meeting, in accordance with Standing Order 40, and this was agreed.

15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no additional, urgent items of business for consideration.

16. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Item No(s)	**Paragraph No(s)**
17	3, 5 &7
18	3 & 5
19 – 20	-

17. **DEBT ARREARS - ENVIRONMENT DEPARTMENT (P&T COMMITTEE)**
The Committee received a report of the Executive Director Environment informing Members of arrears of invoiced income as at 30th September and providing an analysis of this debt.

18. **REPORT OF ACTION TAKEN**
The Committee received a report of the Town Clerk advising Members of action taken by the Town Clerk since the last meeting in consultation with the Chair and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and (b).

19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions raised in the non-public session.

20. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
Target Operating Model Proposals
The Committee agreed to delegate authority to the Executive Director, Environment in consultation with the Chair and Deputy Chairman to take these proposals forward owing to time pressures. It was requested that all Members of the Committee be given the opportunity to view and comment upon the detailed proposals prior to their sign-off.

The meeting closed at 12.35 pm

Chair

Contact Officer: Gemma Stokley
gemma.stokley@cityoflondon.gov.uk

Committee:	Dated:
Planning and Transportation	11th January 2022
Subject: 15 and 16 Minories and land fronting Aldgate High Street, 62 Aldgate High Street: Deed of Variation in respect of Affordable Housing matters; planning permission 15/01067/FULL	Public
Ward: Tower and Portsoken	For Decision
Conservation Area: No	Listed Building: No

Summary

Planning permission was granted in June 2014 for a mixed use development at 15-16 Minories and 62 Aldgate High Street, comprising a new hotel, office and residential development (reference 13/01055/FULMAJ). A subsequent amendment to the layout and design of the residential block was permitted in August 2016 (reference 15/01067/FULL).

The residential element of the scheme comprised 87 units, of which 27 were to be on-site affordable housing (31% of the total) and would occupy the first 3 floors of the building. Construction of the housing element of the scheme commenced alongside the hotel development. The substructure and concrete frame of the residential block have been completed, but the developer has not progressed to full completion.

In December 2018, the applicant submitted a viability assessment and marketing report to support a proposal for a Deed of Variation to the agreed s106 planning obligation, to allow the affordable housing requirement to be discharged by means of an off-site commuted sum payment. The marketing report detailed a soft marketing exercise with housing associations and the City Corporation but indicated no interest in purchasing and managing the units for affordable housing. An off-site commuted sum would also support delivery of new affordable housing by the City Corporation on other sites.

Two further iterations of the viability assessment were submitted in 2019 and 2020, suggesting a financial contribution significantly below a Local Plan policy-compliant commuted sum figure. The City Corporation appointed an independent consultant to review the applicant's viability assessment. The City's consultant reported at the end of 2020, indicating that the maximum viable off-site contribution would be £7,485,000, above the figure of £6,207,120 offered by the applicant, but below the Local Plan policy compliant figure of £9,483,635.

Since the completion of the viability assessment process, in 2021 the applicant has provided evidence of the lack of demand from housing associations and the City Corporation to purchase and manage on-site affordable housing but has increased the offered commuted sum to provide a Local Plan policy compliant off-site commuted sum payment of £9,483,635, subject to it being paid in instalments.

Recommendation

That a Deed of Variation be approved to the s106 planning obligation under application number 15/01067/FULL, allowing the meeting of the required affordable housing contribution via a commuted sum payment of £9,483,635, to be paid in 3 instalments as set out in paragraph 3 of this report.

Main report

Site

1. Planning application 13/01055/FULMAJ was approved in June 2014, and permits the construction of a hotel, office and residential development on a site at 15 and 16 Minories and 62 Aldgate High Street. The residential element of this scheme comprises 87 apartments, 27 of which are to be on-site affordable housing, occupying the first 3 floors of the building. A s106 planning obligations agreement requires 60% of the affordable housing to be provided for social rent and 40% to be provided for intermediate rent (at up to 80% of the market rate). This represents a 2015 Local Plan policy compliant figure of 31% affordable housing. A subsequent s73 permission in August 2016, under application 15/01067/FULL, made changes to the design and layout of the residential block but did not result in any changes to the number of apartments or the requirements for affordable housing.

Proposals

2. Construction of the residential commenced alongside construction of the hotel and shared basement box. The substructure and concrete frame of the residential block have been completed but the applicant has not progressed to full completion.
3. The applicant is now seeking a Deed of Variation to the s106 planning obligation agreement for this development, to replace the provision of on-site affordable housing, with an off-site commuted sum payment of £9,483,635. Payment of this sum would be phased as follows:
    - 30% on implementation
    - 35% on 50% sales
    - 35% on 75% sales

Policy Context

4. At the time of the grant of planning permission under application number 15/01067/FULL and the submission of the viability information in support of the Deed of Variation, the relevant planning policy context was provided by the City of London Local Plan 2015 and the Planning Obligations Supplementary Planning Document 2014.
5. Local Plan Core Strategic Policy CS21: Housing requires the provision of 30% affordable housing on site or, exceptionally, the equivalent of 60% off-site as a financial contribution if a viability study demonstrates to the City Corporation’s satisfaction that on-site provision is not viable. The Planning Obligations SPD sets out that a financial contribution should be made at a figure of £165,000 for each off-site unit, subject to indexation. Applying this calculation to the application site would require a commuted sum payment of £9,483,635.

Considerations

6. The principal issues in considering this proposal are:

   - The extent to which it would be feasible and viable to provide on-site affordable housing.
   - If an off-site contribution is agreed in principle, whether the level of commuted sum offered meets or exceeds the Local Plan policy requirement.

Whether on-site provision would be feasible or viable

7. Soft marketing of the affordable housing apartments began in the autumn of 2018 to a number of housing associations known to be active in the City or in nearby areas. This included the owners of the adjacent Mansell Street Estate. A total of 6 housing associations were approached, only 2 of whom expressed initial interest. Key concerns expressed by the housing associations were the high level of the service charge, the shared core access with the market housing and that the number of affordable units being offered did not meet associations' development requirements. The applicant subsequently reduced the proposed service charge by 38% to a figure of approximately £5,50 per square foot, but this was still regarded by the 2 associations who had previously expressed an interest as being too high, and neither proceeded to a sale. The applicant also approached the City Corporation at this time, but the Department of Community and Children's Services indicated that it was not interested in taking on the affordable units and that a commuted sum would offer better value and a better fit with other strategic estate regeneration plans.

8. In early 2021, the applicant entered into a development partnership agreement with an established London-based residential developer. A further marketing exercise was undertaken in 2021 by this development partner and considered the potential to provide the affordable units as on-site shared ownership housing in place of social rented and intermediate rented units. Again, 6 housing associations were approached and invited to bid. None of the associations expressed any interest, with reasons quoted being the size of the development, i.e. too few a number of units to be economically viable for the associations, and the projected price point of the shared ownership units which was considered to be too high for the projected market. At the request of the City Corporation, further discussions were held with the Mansell Street Estate owner and with the Community and Children's Services Department, but there was no interest in taking the proposed units.

9. The Department for Community and Children's Services has commented as follows:

   "DCCS Housing currently has five 'live' housing projects that will deliver 272 new homes by 2024 at a nett cost of £87million.

   The costs for these projects have risen for several reasons, most notably, as a result of the Covid 19 pandemic. The commuted sum from the Minories will therefore ensure that all of these projects proceed and the City takes advantage of the available GLA grant funding and host authority contributions for these projects, which combined, currently stands at over £26million.

The provision of new housing that the commuted sum will help fund has several advantages over an on-site provision by another Registered Social Landlord including the following:

- the 272 new homes we are building, are for social rent and, will go some way to addressing the needs of residents on our housing waiting list which, currently stands at over 800 households who have registered for accommodation.
- the new homes will be managed as part of our existing estate management service.
- the rental income stream received from these new homes is vital to the Corporation's Housing Revenue Account (HRA) going forward, in helping ensure that we can continue to meet our repairs and maintenance obligations, as well as, carrying out essential fire safety improvements to our existing housing stock.

If the on-site provision was to be managed by an RSL, the HRA would not receive the rental income. The Corporation may receive nomination rights for some of the units however, these may not be at a rent that is affordable to our housing applicants and, as such, our housing need provisions would not be addressed."

10. In conclusion, it is accepted that the applicant has taken reasonable steps to secure the sale of the affordable housing units to accord with the s106 planning obligation requirement for on-site affordable housing. This has considered both the demand for affordable rented units and shared ownership units. It has been demonstrated that on-site provision is both not feasible or viable due to the design of the scheme, the high level of the proposed service charge, the number of units on offer and the proposed price point for shared ownership. An off-site commuted sum payment would also better meet the housing requirements of the Department for Community and Children's Services, supporting other City Corporation planned housing delivery. The need to consider an off-site solution in line with Local Plan Policy CS21 has therefore been demonstrated.

Whether the Off-site commuted sum payment is policy compliant

11. In December 2018, the applicant submitted a financial viability analysis in support of an off-site commuted sum payment. This assessment considered that the maximum viable financial contribution that could be made was £3,360,768. This figure represents 35% of the 2015 Local Plan policy compliant financial contribution set out in paragraph 5 above.

12. In 2019, the City Corporation requested an updated viability analysis from the applicant to ensure that it reflected the most recent construction costs and residential sales values. This updated viability assessment was received in October 2019 and concluded that the maximum off-site contribution that could be made had reduced significantly to £1,700,000, approximately 18% of the 2015 Local Plan policy compliant financial contribution.

13. Officers indicated to the applicant that the August 2019 financial offer would not be acceptable and that a policy compliant contribution should be provided. The applicant subsequently submitted a 3rd iteration of the viability analysis in March 2020, with an increased commuted sum offer of £2,606,000, representing 27% of the 2015 Local Plan policy compliant financial contribution.

14. The City Corporation appointed an independent consultant to review the applicant's financial viability analysis and to provide advice on the maximum viable contribution that could be expected from this development. Through the review process, the applicant's viability consultant accepted that an increased level of off-site contribution could be made, but this remained below the policy compliant figure. The City Corporation's independent consultant report was received in December 2020 and indicated that the maximum viable off-site commuted sum that could be delivered by this scheme would be £7,485,000. This would be below the 2015 Local Plan policy compliant requirement but was in excess of the increased offer from the applicant of £6,700,000.

15. The viability assessments assumed that the applicant would construct and deliver the residential block. In 2021, the applicant entered into a joint venture with an established London-based residential developer and subsequently agreed to meet in full the City Corporation's 2015 Local Plan policy compliant commuted sum figure of £9,483,635. The Deed of Variation that is sought aligns with the policy compliant figure.

16. The commuted sum offer complies with the policy requirements in the 2015 Local Plan policy CS21 and the 2014 Planning Obligations SPD. These policy documents were the relevant policy requirements applicable to the 2016 planning permission for residential development under 15/01067/FULL. The 2015 Local Plan and 2014 SPD were also the relevant policy documents during consideration of the feasibility of delivering on-site affordable housing and assessing the viability of an off-site commuted sum between 2018 and 2020. There has been a delay in bringing the proposed Deed of Variation to this Committee as

officers were seeking further clarification of the lack of interest in delivering on-site affordable housing from housing associations and also to allow the applicant time to consider the potential for delivering on-site affordable housing as shared ownership accommodation rather than as rented accommodation. These additional clarifications and options were considered by officers to be essential to confirm that on-site provision in line with the planning permission could not be achieved.

17. It is also relevant to consider that the off-site commuted sum currently being offered is above the level that the City's independent viability expert recommended as being the maximum viable contribution.

Conclusions

18. Planning permission for the construction of 87 apartments at 15-16 Minories was granted in 2014 (13/01055/FULMAJ) and amended in 2015 (15/01067/FULL). This permission required the on-site delivery of 27 units of affordable housing, representing a Local Plan policy compliant figure of 31% of total housing provision on this site. Marketing of the affordable units to housing associations and the City Corporation has demonstrated that the need for shared access, the level of the service charge and the number of units is not attractive to the affordable sector, that it would not be feasible or viable to deliver the affordable units on-site and that a commuted sum payment would enable the delivery of much needed homes by the City Corporation on other sites.

19. The applicant has requested a Deed of Variation to the agreed s106 planning obligations legal agreement which would enable the affordable housing requirement to be discharged by means of a commuted sum payment of £9,483,635, a figure which meets in full the policy requirement set out in the 2015 Local Plan and 2014 Planning Obligations SPD. It is recommended that this Deed of Variation be agreed.

Background Papers

Report to Planning & Transportation Committee, 10 June 2014: 5 - 16 Minories & 62 Aldgate High Street London EC3N 1AX. Demolition of 15 Minories and 62 Aldgate High Street and redevelopment to provide a Class B1 office building with Class A1 retail (18,537sq.m). Extension and recladding of 16 Minories and change of use from offices (Class B1) to a hotel (Class C1), Class A3 restaurant and Class D1 (health)/ Class D2 (community) use (17,367sq.m.). Erection of new residential building (Class C3) providing 87 units (7829sq.m.). Relandscaping of open space and public realm improvements.

Delegated decision, 19 August 2016: 5 - 16 Minories & 62 Aldgate High Street London EC3N 1AX. Application under S73 of the Town and Country Planning Act 1990 to vary Condition 70 of planning permission dated 30.06.2014 (13/01055/FULMAJ) to incorporate minor material amendments to the layout and design of the building to be used for residential

Appendix A

15 Minories & 62 Aldgate Street, London, EC3N 1AX: Independent Viability Review. BPS for City of London Corporation 28 August 2020

15 Minories & 62 Aldgate Street, London, EC3N 1AX: Addendum Viability Review. BPS for City of London Corporation 23 December 2020

15 Minories & 62 Aldgate Street, London, EC3N 1AX

Independent Viability Review

Prepared on behalf of the City of London

28th August 2020

Planning reference: 13/01055/FULMAJ

BPS Chartered Surveyors

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Contents

1.0 INTRODUCTION

1.1 BPS Chartered Surveyors have been instructed by the City of London ('the Corporation') to undertake a review of a Financial Viability Assessment (FVA) prepared by Affordable Housing Solutions (AHS) on behalf of 4C Hotels Ltd ('the Applicant') in connection with an appeal to reduce the affordable housing contribution in a consented development at the above site.

1.2 The site has an extant planning permission (reference: 13/01055/FULMAJ) for:

Demolition of 15 Minories and 62 Aldgate High Street and redevelopment to provide a Class B1 office building with Class A1 retail (18,537sq.m). Extension and recladding of 16 Minories and change of use from offices (Class B1) to a hotel (Class C1), Class A3 restaurant and Class D1 (health)/ Class D2 (community) use (17,367sq.m.). Erection of new residential building (Class C3) providing 87 units (7829sq.m.). Relandscaping of open space and public realm improvements.

1.3 Subsequently the Council granted a S73 application 15/01067/FULL in relation to the residential element of the scheme:

Application under S73 of the Town and Country Planning Act 1990 to vary Condition 70 of planning permission dated 30.06.2014 (13/01055/FULMAJ) to incorporate minor material amendments to the layout and design of the building to be used for residential purposes.(Class C3).

1.4 The S73 consent only relates to minor design modifications to the residential scheme. It is clear that there remains a single shared S106 Agreement and that clearly viability of the consent should in our view be taken in conjunction with the all the elements of the original consent. At this stage no viability information has been submitted in respect of the other elements to inform this wider viability assessment.

1.5 We understand the hotel conversion and extension is close to completion however the standalone office has not yet begun beyond works to the joint basement box which serves all three buildings. The applicant would need to submit a fresh application for the residential element of the site which would potentially need to be viewed as a stand alone application. We assume the requirements of the original S106 Agreement would remain a material consideration. The obligations in this document were dependent on the scheme's viability as a whole, however whether a stand alone application could reference the viability of the earlier consent is unclear to us as a matter of law and recommend the Council take appropriate legal advice in this regard.

1.6 The financial viability assessment prepared by AHS is focused purely on the residential element of this permission which has been substantially implemented and the frame of the building constructed but we understand construction work has been stalled for some time.

1.7 The residential element of the permission provides for 27 affordable units (30% overall contribution) which occupy the first 3 floors and constitutes a policy compliant affordable housing contribution. These units have been secured through a S106 agreement dated 30 June 2014 and reflect a tenure split of 70/30 between social/affordable and intermediate rent.

1.8 There have been several subsequent applications relating to the same proposed development including a S73 application (ref 15/01067/FULL) referred to above. This application did not seek to reduce the affordable provision although it does alter the unit mix for both the private units and affordable housing element. There has also been a subsequent planning permission (ref 18/01261/NMA) which proposes alterations to the windows of the residential building although this is yet to be determined.

1.9 The subject site is set back from both The Minories and Aldgate Street and is adjacent to open green space which is accessible to the public during the day and gated at night. The site is approximately 100m from Aldgate station on the City Fringe in a mixed use area.

1.10 The basis of our report is the Financial Viability Review prepared by Affordable Housing Solutions (AHS), dated February 2020, which concludes that if the residential element of the scheme were delivered as 100% private housing it would show a current deficit of approximately £2.61 million and therefore on this basis no affordable housing could viably be delivered. To make this assessment AHS have compared the residual value derived from the current residential consent with a notional alternative development comprising office use. This is referred to as an alternative use assessment. AHS have provided Counsel's opinion in support of this approach.

1.11 AHS suggest that an application to modify the consent to remove the affordable obligation would be appropriate in light of their viability assessment with the affordable housing obligations commuted to a payment in lieu to the sum of £2.61 million.

1.12 We have also downloaded documents available on the Corporation's planning website. We have received a live version of the Argus appraisals included in the report. We have assessed the cost and value inputs within the financial appraisal in order to determine whether the scheme can viably make any affordable housing contributions. AHS have also provided subsequent updates to the AUV and affordable housing values which we reference in our report.

1.13 We have searched the Corporation's planning website and have not identified any other recent or outstanding planning applications relating to the site beyond the extant scheme and its variations including the S73 amendment and a separate standalone application for the office building in the northern section of the site. A Land Registry search shows that the developer does currently own the property and paid £32.5 million for the site on 23rd April 2012.

1.14 We note as yet that there is no formal application to amend this scheme but we assume that such an application would follow resolution of the viability position.

Coronavirus – Material uncertainty

1.15 The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

1.16 Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

1.17 Our valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.

2.0 CONCLUSIONS AND RECOMMENDATIONS

2.1 We have reviewed the Financial Viability Review prepared by AHS on behalf of the applicant for the consented scheme which concludes that the proposed scheme generates a residual value of £1,068,439 million reflecting the current requirement to deliver affordable housing on site which compares to the suggested benchmark land value of the site reflecting notional office development of £3,682,795. In view of the residual value being below the suggested benchmark AHS conclude the scheme is in deficit.

2.2 AHS's report suggests that a 100% private tenure scheme could deliver a PIL of £2.61m. However, AHS has subsequently updated the benchmark land value from their original report to the sum of £4.98 million and therefore both the consented and proposed schemes are in deficit. They have also provided a further update on their affordable housing values in the consented scheme which is now approximately £1.5 million lower than previously reported, therefore the consented scheme as judged by AHS is likely to produce a negative residual value although we have not been provided with an updated appraisal verifying these figures.

2.3 Although AHS's assessment of benchmark land value and affordable housing value has changed no comment has been in respect of the potential impact this would have on the suggested payment in lieu.

2.4 We have been provided with a live version of the Argus appraisal included in AHS report to which we have applied our amendments which include:

Increased affordable housing values
Reduced sales period
Reduced construction period
Reduced developer profit target
Altered ground rental value
Removed commuted sum from 100% private scenario
Fixed land cost at EUV

2.5 We have fixed the land cost to the EUV of £4.487 million which is based on the residential core and substructure that currently occupies the site. We consider that as it remains the intention of the applicant to deliver a residential scheme on this site in accordance with the built form permitted by the current consent, it is appropriate to place a value on the works undertaken to date as representing a cost saving to the development and therefore represents the minimum value of the site to a residential developer and have adopted this approach to establishing a site EUV.

2.6 Our appraisals show the surplus or super profit as "PROFIT". The results of our appraisals in comparison can be seen in the table below with the 100% private and consented development columns showing the surplus/deficit available:

Viabiltiy Assessor	Benchmark Land Value	100% Private	Consented Development
BPS	£4.487 million	£9.669 million	£3.715 million
AHS	£4.977 million	-£1.293 million	-£3.903 million

2.7 Overall we consider the consented development can be delivered with the full affordable housing provision and delivering a significantly positive land value and our appraisal summaries can be seen in Appendices Three and Four. The most significant points of difference are in the development timings which impact on finance charges and developer profit allowance. We also consider the financial impact of the wider development, including the hotel and office developments, should be factored in to this assessment as they would have been at the original planning application stage and their absence presents a potentially distorted view of whole scheme viability.

2.8 In the instance of an offsite payment (PIL) being made in lieu of affordable housing the Corporations adopted Planning Obligations SPD (July 2014) requires a level equivalent to 60% of the units provided to be affordable at £165,000 per unit which is to be indexed using TPI. This contribution amounts to £8.58 million and when adjusted for TPI a contribution of £9,483,635 is required. The difference in value between the 100% private and consented schemes is £5.954 million which represents the maximum possible contribution in lieu of affordable housing, therefore the calculated PIL of £9,483,635 cannot viably be made.

Benchmark Land Value

2.9 We consider that in accordance with NPPG an EUV plus based approach should be adopted as the basis for assessing current site value. This is discussed in more detail below. Equally we consider office use for the site as a basis of establishing site value to be inappropriate and even if viewed as reasonable we consider AHS's residual value to be flawed. We have assessed the AUV office scenario which generates a residual land value of £8.813 million with the Appraisal summary shown in Appendix Two. We do however question whether office development complies with the spirit of London Plan policies and NPPG to resist changes of use from C3, especially in circumstances where a viable residential development can come forward.

2.10 The land currently has no consent beyond the current residential consent and therefore the site's value is determined in this context by the residual land value of the consented policy compliant scheme, allowing that we have valued the part completed works on site to derive an EUV.

2.11 To test the viability of the current residential consent against a notional option to develop the site as offices simply serves to undermine the ability of the residential use to deliver affordable housing by approximately £4.3m, without any apparent intention to bring forward a planning application for this use.

2.12 The potential application to change the scheme's viability through reducing the affordable obligation seeks to insulate the developer from what appears to be misjudgements in the scheme's original viability which apparently underpins the decision to pause the development. Developer profit is intended reward developers for taking on risk and it is not the role of the planning system to insulate developers from this risk when developments prove less viable.

2.13 NPPG states:

How should viability be reviewed during the lifetime of a project?

As the potential risk to developers is already accounted for in the assumptions for developer return in viability assessment, realisation of risk does not in itself necessitate further viability assessment or trigger a review mechanism. Review mechanisms are not a tool to protect a return to the developer, but to strengthen *local authorities' ability to seek compliance with relevant policies over the lifetime of the project.*

See related policy: National Planning Policy Framework paragraph 57

Paragraph: 009 Reference ID: 10-009-20190509

Revision date: 09 05 2019

How should a return to developers be defined for the purpose of viability assessment?

Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.

See related policy: National Planning Policy Framework paragraph 57

Paragraph: 018 Reference ID: 10-018-20190509

Revision date: 09 05 2019 S

2.14 The comparison to an office residual value suggests that at any point through a development planning obligations can be adjusted to suit the potential of other markets and uses even though they are not sought as a planning use for the site. If this approach is considered acceptable it serves to totally undermine the purpose of S106 Agreements but would also suggest that developer profit margins should be radically reduced because of the apparent ability to mitigate risk in this fashion. Adding back £4.3m to the residential appraisal serves to increase the return to the developer on the current consented scheme by circa 8% and as such there should be a reciprocal adjustment of profit target to at least this extent.

2.15 AHS has not provided any assessment of the site in current use as an EUV plus assessment but has leapt to an assumption of alternative use. We consider this approached to be flawed in a number of respects. Our reasoning and further conclusions are set out in the relevant section of the report and are further considered in part below.

2.16 The relevant guidance in support of an EUV plus approach is set out below:

How should land value be defined for the purpose of viability assessment?

To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+)….

Paragraph: 013 Reference ID: 10-013-20190509

Revision date: 09 05 2019 See previous version

What factors should be considered to establish benchmark land value?

Benchmark land value should:

be based upon existing use value

allow for a premium to landowners (including equity resulting from those building their own homes)

reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees

Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners….

Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).

Paragraph: 014 Reference ID: 10-014-20190509

Revision date: 09 05 2019 See previous version

How should the premium to the landowner be defined for viability assessment?

The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.

2.17 It is quite clear that EUV is not a minor consideration or can simply be overlooked as an approach if it is considered by the land owner that an AUV approach may provide a more beneficial land value from which to argue a viability position.

2.18 It is not clear if AHS have formed a view as to the site's EUV. We have approached this assessment from two perspectives. We also note that substantial works have been undertaken on the site resulting in completion of the substructure and building's frame. We have identified from our Cost Consultant's elemental cost analysis that this element would cost £4.487 million deliver after allowing for inflation, overheads, preliminaries and contingencies.

2.19 The proposed variation to the current residential consent relates to the affordable element and not the design and we understand it remains the applicant's intention to build out the consented residential scheme subject amending the affordable housing element. In consequence we consider it reasonable to assume that a residential led development on this site in the form consented would build upon the existing frame and not seek its demolition and reconstruction. Therefore, any such residential scheme would benefit from the presence of the frame which would otherwise cost £4.487m to deliver. We have taken the cost of the frame as a minimum a developer of this site would be willing to pay up to the value of the completed works as site value. Therefore, on this basis we consider the EUV to be £4.487m.

2.20 In accordance with NPPG we have considered the issue of a land owner premium. Paragraph 17 of NPPG contains the following statement:

Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV.

2.21 We consider this statement to be relevant as the EUV derived from the value of the works undertaken to date is dependent on completion of the development to generate worth from the existing frame as such no premium would be applicable to this figure.

2.22 Consideration of EUV is also highly relevant in that the approach taken by AHS places no value on the frame or the site as a residential development opportunity and assumes that an office development could come forward with only its residual value being the determinant of site value. It is quite clear that given the frame exists and the site has a valid and implemented residential consent that a reasonable land owner in contemplating a sale for office development would also require as a minimum the value of the works on site.

2.23 AHS have approached the Benchmark Land Value on an Alternative Use Value (AUV)/ basis. They suggest that the site could be used for office use and have provided a planning statement, drawings and a valuation for the office use.

2.24 We have assessed the AHS appraisal of the site for office use and consider most of the inputs to be reasonable. We find the rental values and yield adopted by AHS to be in line with market evidence and have applied a rental value based on the plans provided by ACME which increases the total estimated rent. AHS have allowed for a 20 month rent free / void period and we have allowed for an increased rent free period of 29 months on the basis of Savills valuation report. We find most of the development costs adopted by AHS and the CIL and S106 costs to be reasonable. We have reduced the developer profit target to 15% on the commercial GDV and have reduced the development timings to be more closely aligned with BCIS construction duration estimates.

2.25 AHS have considered legal advice from Charles Banner QC in order to justify the AUV approach to benchmark land value as opposed to the NPPG directed route of EUV plus.

2.26 In summary Mr Banner considers the AUV scheme can be used to assess benchmark land value. This is not a surprising opinion and accords with NPPG which sees that in some circumstances an AUV approach be accepted as a means of driving a suitable benchmark figure. We note however in this context the Mayor's Affordable Housing and Viability SPG sets tests for the application of an AUV approach as follows:

3.*51*

If an applicant seeks to use an 'alternative use value' (AUV) approach it must fully reflect policy requirements. Generally the Mayor will only accept the use of AUV *where there is an existing implementable permission for that use. Where there is no existing implementable permission, the approach should only be used if the alternative use would fully comply with development plan polices, and if it can be demonstrated that the alternative use could be implemented on the site in question and there is market demand for that use.*

3.52

In order to demonstrate the value of a policy compliant alternative that does not benefit from an implementable permission but does have a realistic prospect of achieving planning permission, the applicant should provide a detailed alternative proposal, incorporating current day costs and values. The applicant should also explain why the alternative use has not been pursued. Where all these conditions are met and the AUV is being used, there is no requirement for an additional 'plus' element. It is for the applicant to weigh up the different options and risk profiles of the potential schemes for a site and decide which one to pursue.

2.27 It is for the Council to determine whether the information provided represents an adequate basis from which to assess whether the proposed notional office scheme would be recommended for approval. We have no doubt there would be demand for office use in this location, however there is no explanation why if the applicant considers office use to be much more viable than residential use, there is no intention to pursue this use which is a clear requirement of the SPG.

2.28 Mr Banner's opinion also touches on the potential for loss of residential use. His assessment is that that as the development is not capable of residential occupation it cannot be considered a loss of that use if it came forward for office use.

2.29 We consider that the implemented permission clearly designates the land for housing use which if lost would entail the potential loss of housing. It is not clear from Mr Banner's advice whether the Policies of the London Plan should be applied in principle to loss of housing land as opposed to simply constructed units. This is a matter where the Council may wish to take further legal advice.

2.30 Although we consider an AUV approach to be flawed we have undertaken our own assessment of the residual value generated by this approach and identify a residual value of £8.813m.

2.31 More information on our analysis of the benchmark land value can be found in section 7 of this report.

Proposed Scheme

2.32 The consented scheme includes 87 residential units of which 60 are private and 27 are designated as affordable. The development is a 15 storey development which is set back from major roads and is located on the city fringe in the immediate proximity of Aldgate station.

2.33 AHS have relied on a valuation report by Savills dated 19th July 2019 to value the proposed units. We have analysed the evidence provided by Savills and have updated the achieved sales values where necessary. We consider the values adopted by AHS to be broadly reasonable in light of the available evidence and have accepted them for the purposes of this assessment. We have updated the ground rental valuation in accordance with the AHS report which is inconsistent with their appraisals.

2.34 We view the sales rates adopted by AHS to be slower than we would expect in light of the evidence provided by Savills and current evidence of strong market emerging from the Covid Pandemic. We have accordingly adopted an assumption of off plan sales of 80% and a sales rate of 5 units per month for the unsold units.

2.35 AHS have used their bespoke affordable housing valuation model to value the proposed units. Their original report reflects a value of £350 per sq ft (£6.193 million total) however they have provided an update to this valuation in email format dated 6th August 2020 which gives a revised value of £266 per sq ft (£4.715 million total). We have used our bespoke affordable housing valuation model and adopted a total value of £7 million for the affordable units which is explained in greater detail in section 5 of this report.

<u>Development Costs</u>

2.36 Our Cost Consultant, Neil Powling, has analysed the cost plan for the proposed scheme prepared by Alinea, dated 29th May 2019, and concludes that:

Our benchmarking results in an adjusted benchmark of £4,965/m² that compares to the Applicant's £4,927/m². We therefore consider the Applicant's costs to be reasonable.

2.37 Mr Powling's full cost report can be found at Appendix 1. We accordingly adopt the costs as proposed by Alinea. Alinea have also allowed for a reduction of £2.572 million in the consented scheme appraisal to reflect the lower specification of the affordable housing units which Mr Powling has considered to be a reasonable allowance.

2.38 We have accepted the additional cost assumptions proposed by AHS to be broadly reasonable and have adopted them in our own assessment. AHS have not included CIL charges while the Corporation have informed us the site is liable for mayoral CIL which we have included. We have adopted the same S106 charges across all three appraisals for consistency.

2.39 The proposed developer profit target of 20% of private residential GDV to be higher than we would expect and have reduced this to 17.5% in accordance with evidence base supporting the London Plan and in line with the approach identified in the NPPG in this regard.

2.40 AHS have adopted a 3 month pre construction period and 24 month construction period. We have reduced the construction duration period to 20 months in accordance with BCIS construction duration estimates and to account for the substructure and concrete frame being already completed.

3.0 PRINCIPLES OF VIABILITY ASSESSMENT

3.1 Development appraisals work to derive a residual value. This approach can be represented by the formula below:

Gross Development Value – Development Costs (including Developer's Profit) = Residual Value

3.2 The residual value is then compared to a benchmark land value. Existing Use Value (EUV) and Alternative Use Value (AUV) are standard recognised approaches for establishing a land value as they help highlight the apparent differences between the values of the site without the benefit of the consent sought.

3.3 The rationale for comparing the scheme residual value with an appropriate benchmark is to identify whether it can generate sufficient money to pay a realistic price for the land whilst providing a normal level of profit for the developer. In the event that the scheme shows a deficit when compared to the benchmark figure the scheme is said to be in deficit and as such would be unlikely to proceed.

3.4 Development appraisals can also be constructed to include a fixed land value and fixed profit targets. If an appropriate Benchmark Land Value is included as a fixed land value within a development appraisal, this allows for interest to be more accurately calculated on the Benchmark Land Value, rather than on the output residual value. By including fixed profit targets as a cost within the appraisal, programmed to the end of development so as not to attract interest payments, the output represents a 'super' profit. This is the profit above target levels generated by the scheme which represents the surplus available towards planning obligations.

4.0 PRIVATE RESIDENTIAL VALUES

4.1 The residential element of the consented scheme as per the consented planning permission is for 87 residential units comprising the following accommodation:

Beds	Persons	Count	Sq Ft	Savills Price	£ Sq Ft
1	1	19	429	£551,579	£1,280
1	2	30	590	£718,167	£1,225
2	4	31	868	£944,839	£1,091
2	D	2	1,453	£1,925,000	£1,325
3	5	2	971	£1,125,000	£1,159
3	6	3	1,290	£1,541,667	£1,198
Total		**87**	**61,468**	**£72,040,000**	**£1,172**

4.2 In the consented development 27 units are allocated as affordable housing while AHS have also modelled a scenario where all 87 units are for private market sale as per the prices shown in the table above where the D indicates the duplex penthouse units on the top level. AHS have relied on a valuation report by Savills, dated 19th July 2019, for their valuation of the consented units.

4.3 The site is on the edge of the City of London in Aldgate and is approximately 150m from Aldgate underground station, 500m from Liverpool Street station and 650m from Bank station. The residential block is at the southern edge of the site and is set back from roads, positioned between two hotels to the north and west, office space to the south and landscaped gardens and Guinness Court (20th century affordable housing blocks operated by the Guinness Trust).

4.4 It is accessed through a private gated garden which is shared with the office space and includes basement car parking for 11 blue badge spaces. The design is of high quality and the units will be finished to a very high specification with 2.6m floor to ceiling heights, optimal natural light, underfloor heating, video entry door and air conditioning. Residents also have access to a private gym, games room and guest room in the basement. There are two lifts providing access to all floors. Savills suggest units on floors 8-14 will benefit from impressive views across the city and there are duplex penthouse units on the upper two floors.

4.5 Savills suggest that the design is comparable to local competition and is of reasonable scale in a popular sub market, therefore there would be a good level of demand for the units. They suggest that the specification is suitable for the target market and would appeal to a wide range of purchasers including professionals, overseas and domestic investors.

4.6 We understand that concrete frame is completed and that completion is scheduled for the beginning of 2021 although this is likely to have been delayed due to the Covid-19 pandemic and the apparent unviability of the scheme.

Savills approach

4.7 Savills have provided comparable evidence from several local developments including:

Aldgate Place, 7 Leman Street, (LB Tower Hamlets), E1

4.8 British Land and Barratt Homes acquired the site which is being delivered in two phases with phase one having completed. The scheme provides a total of 463 units, 312 of which are private, in three towers between 22-26 storeys and several smaller buildings between 6-9 storeys as well as office, hotel, retail and leisure uses. Sales launched June 2014 and was sales completed 30 months later, reflecting a sales rate of 5.13 units per month and with 74% units being pre sold. The site is adjacent to Aldgate East station, partly fronting the busy A11, approximately 200m east of the subject.

4.9 Savills have provided asking prices from 2014-2018 and transactional evidence from 2016 which we consider too historic for relevance which they acknowledge.

4.10 Savills suggest that Aldgate Place provides good comparable evidence due to its proximity to the subject however suggest Aldgate Place is superior to the subject due to its scale and height and therefore will benefit from superior views. Although it will benefit from height premiums we consider the subject's location to be superior, being set back from busy roads and fronting green space, therefore values are likely in our views to be similar, however given the historic dates of the evidence provided we do not consider the evidence provided by Savills to be particularly relevant.

Goodman's Fields, Lehman Street, Whitechapel, E1 8PU

4.11 This is a large mixed use development across several phases including up to 783 private units total, ground floor commercial, hotel. It is a Berkeley Homes development located at the junction of Mansell Street and Prescot Street, 200m east of the subject within 200m of Aldgate East station, in a mixed use area. It is built across 6 phases, construction beginning on the first phase in September 2011 and the final phase being completed in January 2020 with 100% of units sold off plan. It comprises several blocks of up to 23 storeys located around plaza courtyards and including rooftop gardens on some blocks, 253 basement car parking spaces, spa, gym, swimming pool, communal gardens, water features.

4.12 Savills have provided the following summary of average sales prices from 2018 onwards:

Unit Type	Average Achieved Price	Average Achieved Price £ psf
Studio	£761,000	£1,509
1 bedroom	£862,000	£1,488
2 bedroom	£1,432,000	£1,516
3 bedroom	£1,560,000	£1,530
Overall 2018 Average		£1,507

4.13 They also provide specific unit sales from 2017-2018 by unit type which we consider to be too historic for relevance.

4.14 Savills suggest that given the proximity, similarly good transport links to the subject, Goodman's Fields provides strong comparable evidence. They also note it has a more desirable quiet campus style layout, significantly more amenities and larger scale than the subject which will warrant higher achieved values than at the subject. They suggest that the phased nature of the development makes direct comparison challenging due to changes in the City fringe residential market and provide the following price list which provides averages from 41 sales between September 2017 and May 2018:

Beds	Goodmans's Fields Most Recent Sales			Subject Property GDV		
	Av sq ft	Av £ psf	Av Sales Price	Av sq ft	Av £ psf	Ave Market Value
Studio	508	£1,491	£757,000	429	£1,284	£551,579
1 bed	596	£1,506	£867,000	590	£1,218	£718,167
2 bed	956	£1,413	£1,335,000	903	£1,112	£1,004,242
3 bed	1,082	£1,430	£1,495,000	1,162	£1,183	£1,375,000
Average	786	£1,418	£1,115,044	707	£1,172	£828,046

4.15 We have also identified evidence from Molior for transactions from the start of 2019 onwards. We have assumed the number of bedrooms based on the size of the unit from the asking prices listed on Molior, which for studios and one bedroom units is more accurate than for the two and three bedroom units which interchange more. This can be summarised as follows:

Beds	Count	Av Price	Sq M	Sq Ft	£ sq ft	Max	Min
S	48	£685,227	45	484	£1,415	£796,050	£577,150
1	88	£856,846	56	601	£1,427	£1,043,000	£650,000
2	55	£1,214,668	83	899	£1,349	£1,501,950	£997,500
3	41	£1,400,280	102	1,102	£1,267	£3,248,250	£1,069,200

4.16 It can be seen that the achieved prices are broadly consistent with those identified by Savills while the prices for studios are broadly lower than we would expect. There is large variation in prices as shown by the maximum and minimum columns which in most instances reflect higher values for units on the upper floors.

4.17 Overall, we consider that the units in Goodman's Fields would achieve a marginal premium on those in the subject given the scale and greater amenity provision, although we consider the set back location from busy roads to be similarly desirable.

<u>London Square, Spitalfields, Gunthorpe Street, E1 7RW</u>

4.18 The scheme provides 63 residential units, 49 of which are private, over 5 storeys. It is a scheme by London Square with an adjacent office building. Construction commenced Q3 2017 and completed Q3 2019 with all bar two units sold off plan. Seven car parking spaces at £70,000 per space with only one sold since April 2019 at the time of reporting. Approximately 500m north east of the subject on the corner of two relatively quiet roads, close to Aldgate station.

4.19 Savills have provided the following transactional evidence:

Plot	Floor	Unit Type	Area Sq Ft	Price	£/sqft	Date
47	3	1 Bed	564	£700,000	£1,241	June 2019
7	1	1 Bed	586	£660,000	£1,126	May 2019
5	1	1 Bed	601	£693,000	£1,153	May 2019
11	2	1 Bed	601	£700,000	£1,165	May 2019
23	4	1 Bed	583	£695,000	£1,192	May 2019
37	3	1 Bed	586	£660,000	£1,126	April 2019
18	3	1 Bed	586	£695,000	£1,186	Feb 2019
06	1	1 Bed	586	£650,000	£1,109	Nov 2018
08	1	1 Bed	567	£725,000	£1,279	Aug 2018
12	1	1 Bed	586	£650,000	£1,109	Aug 2018
1 bed Average			585	£682,800	£1,168	
54	4	2 Bed	817	£865,000	£1,059	May 2019
10	2	2 Bed	927	£1,080,000	£1,165	Aug 2018
47	2	2 Bed	773	£834,000	£1,079	Aug 2018
2 bed Average			839	£926,333	£1,104	
55	4	3 Bed	1,093	£1,114,000	£1,019	Dec 2018
01	G	3 Bed	1,006	£1,050,000	£1,044	Feb 2018
3 Bed Average			1,050	£1,082,000	£1,030	

4.20 We have also identified transactional evidence from Molior for transactions from the start of 2019 onwards. We have assumed the number of bedrooms based on the size of the unit from the asking prices listed on Molior, which for one bedroom units is more accurate than for the two and three bedroom units which interchange more. This can be summarised as follows:

Beds	Count	Av Price	Sq M	Sq Ft	£ sq ft	Max	Min
1	14	£686,638	54	579	£1,187	£806,975	£648,000
2	17	£901,459	76	823	£1,101	£1,080,000	£792,000
3	3	£1,203,938	104	1,119	£1,079	£1,325,000	£1,113,814

4.21 It can be seen that the achieved values are broadly similar to the evidence provided by Savills.

4.22 Savills suggest the subject is in a less desirable location given it is further from Liverpool Street station and the City core although suggest it still provides good comparable evidence. While it is slightly further from Liverpool Street station the subject is closer to the City core and benefits from being set back from the road. Savills also suggest that London Square Spitalfields is surrounded by cafes, restaurants and shops, and is closer to the vibrant Brick Lane and Shoreditch, while it is popular with the owner occupier market given the boutique level of development.

4.23 Overall, despite the smaller scale, timing and lesser specification of London Square Spitalfields it makes good comparable evidence to the subject and Savills suggest the subject development would achieve slightly higher values. We find this to be a reasonable assumption.

London Dock, Pennington Street, E1W 2SG

4.24 This is a mixed use development with 1,800 residential units of which 1,314 are private units spread across 4 blocks/phases of up to 25 storeys. Berkeley Homes are the developer and the scheme includes a gym, swimming pool, sauna, virtual golf, cinema, concierge, and squash courts. Some car parking available but unclear as to the price attached to spaces. First phase launched 2014 as construction began with over 98% of units having been sold off plan so far on the first 3 phases. 700m south east of the subject in Wapping, not immediately close to any underground stations and further from the city.

4.25 Savills have provided marketing and transactional evidence. We consider the transactional evidence to be most relevant and it can be seen below:

1 beds

Plot	Floor	Unit Type	Area Sq Ft	Price	£psf	Date
Confidential	7	1 Bed	590	£840,000	£1,424	Feb 2019
Confidential	9	1 Bed	587	£813,100	£1,385	Jan 2019
456 Cashmere	1	1 Bed	613	£835,000	£1,362	Oct 2018
337 Emery	5	1 Bed	578	£699,950	£1,211	June 2018
Average 1 Bed			592	£797,000	£1,346	

2 beds

Plot	Floor	Unit Type	Area Sq Ft	Price	£psf	Date
Confidential	9	2 Bed	900	£1,283,586	£1,426	Jan 2019
Confidential	9	2 Bed	900	£1,173,788	£1,304	Jan 2019
Confidential	13	2 Bed	1,241	£1,599,000	£1,288	Nov 2018
Confidential	3	2 Bed	900	£1,192,400	£1,325	Nov 2018
149 Alexander	6	2 Bed	775	£920,000	£1,187	Jan 2018
Average 2 Bed			945	£1,233,000	£1,304	

3 beds

Plot	Floor	Unit Type	Area Sq Ft	Price	£psf	Date
Confidential	24	3 Bed	1,443	£2,268,000	£1,572	Feb 2019
Confidential	20	3 Bed	1,315	£2,100,000	£1,597	Dec 2018
231 Clipper	7	3 Bed	1,282	£2,199,950	£1,716	Oct 2018
575 Cashmere	20	3 Bed	1,493	£2,430,000	£1,628	Oct 2018
72 Admiral	13	3 Bed	1,237	£1,724,950	£1,394	Oct 2018
Average 3 Bed			1,354	£2,145,000	£1,536	

4.26 We have also identified transactional evidence from Molior for transactions from the start of 2019 onwards. We have assumed the number of bedrooms based on the size of the unit from the asking prices listed on Molior, which for studios and one bedroom units is more accurate than for the two and three bedroom units which interchange more. This can be summarised as follows:

Beds	Count	Av Price	Sq M	Sq Ft	£ sq ft	Max	Min
S	24	£544,486	42	452	£1,207	£595,000	£520,752
1	5	£697,846	53	568	£1,230	£750,000	£676,526
2	17	£1,033,062	81	871	£1,190	£1,090,000	£960,251
3	4	£3,246,250	169	1,814	£1,665	£4,875,000	£1,260,000

4.27 The average prices we have identified are slightly below the evidence provided by Savills and prices range substantially for three bedroom units.

4.28 Savills suggest London Dock is superior due to its size and greater amenities although suggest that the location is slightly inferior being further from the City and closer to Shadwell. Overall, they suggest that the values at London Dock would be higher than the subject property.

4.29 We agree that the amenity and size of the subject are inferior compared to London Dock however suggest that given the location values in the subject could be broadly similar and given the difference in location other comparable evidence is more suitable.

The Lofts (Ordnance Survey Building), Dock Street, E1 8JP

4.30 This is an 89 unit scheme (80 private units) arranged over three blocks between 7-13 storeys. The development includes residents gym and concierge, units are finished to a high specification. Approximately 700m south east of the subject, on a relatively quiet road close to the Fenchurch Street railway tracks, further from train stations by comparison to the subject. Construction began May 2017 and 59% of units were sold off plan, construction completed March 2019 and currently 3 units remain on the market.

4.31 Savills have provided marketing prices per block and recent transactions from September 2018 onwards, the latter of which can be seen below:

Unit	Floor	Unit Type	Area Sq Ft	Price	£psf	Date
A0101	1	1 Bed	503	£580,000	£1,153	Mar-19
A0105	1	1 Bed	498	£580,000	£1,165	Mar-19
A0106	1	1 Bed	598	£585,000	£978	Mar-19
A0205	2	1 Bed	498	£585,000	£1,175	Mar-19
A0301	3	1 Bed	555	£590,000	£1,063	Mar-19
A0405	4	1 Bed	498	£595,000	£1,195	Mar-19
B0803	8	1 Bed	490	£599,995	£1,224	Mar-19
C0402	4	1 Bed	482	£475,000	£985	Mar-19
1 Bed Average			515	£573,750	£1,113	
C0101	1	2 Bed	855	£750,000	£877	Jun-19
A0502	5	2 Bed	606	£719,995	£1,188	Jun-19
B0104	1	2 Bed	695	£665,000	£957	Jun-19
A0104	1	2 Bed	684	£675,000	£987	Mar-19
A0501	5	2 Bed	631	£710,000	£1,125	Mar-19
B1103	11	2 Bed	1028	£1,325,000	£1,289	Mar-19
A0601	6	2 Bed	627	£725,000	£1,156	Mar-19
B0101	1	2 Bed	779	£725,000	£931	Mar-19
B0304	3	2 Bed	672	£695,000	£1,034	Mar-19
B0404	4	2 Bed	672	£699,995	£1,042	Mar-19
B0204	2	2 Bed	672	£709,000	£1,055	Sep-18
A0204	2	2 Bed	684	£725,000	£1,060	Sep-18
BG01	G	2 Bed	888	£850,000	£957	Sep-18
Average 2 Bed			730	£767,230	£1,051	

4.32 We have also identified transactional evidence from Molior for transactions from February 2019 onwards. We have assumed the number of bedrooms based on the size of the unit from the asking prices listed on Molior. This can be summarised as follows:

Beds	Count	Av Price	Sq M	Sq Ft	£ sq ft	Max	Min
S	16	£511,428	36	390	£1,328	£589,500	£399,000
1	40	£612,932	54	586	£1,063	£808,000	£540,000
2	17	£811,337	75	803	£1,019	£1,010,000	£730,000

4.33 It can be seen that the achieved values on Molior are slightly higher than the asking prices although these do vary greatly.

4.34 Savills suggest that the Lofts is inferior in comparison to the subject given the location, roadside setting, proximity to railway lines and lower quality specification, therefore prices in the subject will be higher. We agree with this position.

<u>Royal Mint Gardens, Royal Mint Street, E1 8LG</u>

4.35 A large mixed use scheme of 333 private units in 3 phases and up to 14 storeys, developed by Malaysian Developer IJM Land. Residents facilities include 24 hour concierge, leisure facilities, cinema, gym, swimming pool and courtyard garden. 400m south of the subject, partially developed over DLR lines and adjacent to Fenchurch Street tracks, close to Tower Hill and Tower Gateway stations.

4.36 First sales launched in 2013 and were predominantly marketed in Malaysia, largely sold off plan. Savills provide average achieved prices between 2013 and 2015 which they acknowledge is too historic for relevance. They also provide current marketing evidence for which the averages are as follows:

- Studios: 404 sq ft, £523,000 asking price, £1,294 per sq ft
- 1 bed: 560 sq ft, £715,000 asking price, £1,281 per sq ft
- 2 bed: 739 sq ft, £806,000 asking price, £1,098 per sq ft

4.37 There is a range in price which presumably reflects the aspect of the unit, where units facing the railway lines are considerably lower in price.

4.38 We have also identified sales evidence from Molior for transactions from October 2019 onwards. We have assumed the number of bedrooms based on the size of the unit from the asking prices listed on Molior. This can be summarised as follows:

Beds	Count	Av Price	Sq M	Sq Ft	£ sq ft	Max	Min
S	12	£516,583	39	416	£1,241	£595,000	£465,000
1	69	£689,073	56	603	£1,143	£945,000	£590,000
2	27	£926,341	78	835	£1,108	£1,285,000	£755,000
3	8	£1,327,500	103	1,110	£1,187	£1,910,000	£1,075,000

4.39 The achieved values from Molior are slightly higher than those suggested in the asking prices identified by Savills.

4.40 Savills suggest that the units currently on the market are unpopular with investors and acknowledge that the sales evidence provided was too historic for relevance. They suggest that although the additional amenities make Royal Mint Gardens more attractive the location of the subject is more desirable and that the subject will achieve slightly higher values.

4.41 We consider the subjects location to be more desirable given that it is not next to the railway line, however the amenity provision in Royal Mint Gardens is more desirable, therefore overall, the values will be only slightly higher. This is highly dependent on the location within the Royal Mint Gardens development as the units adjacent to the railway tracks will be significantly lower value than units facing the road.

<u>Atlas Building, 10 East Road, Hoxton, EC1V 1LP</u>

4.42 This scheme comprises a 38 storey tower in Hoxton, adjacent to Old Street station, 1 mile north of the subject. The development includes concierge, gym, swimming pool and cinema. Savills have provided marketing evidence and applied a 3.5% discount to reflect assumed achieved values.

4.43 Savills suggest that given the similar distance to the city it provides a strong basis for comparison although suggest it has stronger marketability given the Hoxton/Shoreditch location and greater offering of amenities, therefore they would expect it to achieve higher values than the subject. We consider this to be in a different location and given the extensive height premium it will not be comparable to the subject and we have relied evidence from more relevant schemes for our valuation.

Landmark Place, 1 Water Lane, London, EC3R 6DU

4.44 A 165 unit (100% private) scheme developed by Barratt Homes in an 11 storey riverside development with 24 hour concierge, lounge, swimming pool, spa, gym and underground parking. Approximately 500m south east of the subject on the river front, prime location.

4.45 Launched 2016 and 87% sold by practical completion in February 2019. Savills have provided marketing evidence for the units that are still available and the following achieved values from August 2018 onwards:

1 Bed

Plot	Floor	Unit Type	Area Sq Ft	Price	£psf	Date
2	1	1 Bed	622	£872,999	£1,404	Sep 2018
107	6	1 Bed	573	£877,780	£1,532	Aug 2018
Average 1 Bed			598	£875,390	£1,468	

2 Bed

Plot	Floor	Unit Type	Area Sq Ft	Price	£psf	Date
Confidential	Confidential	2 Bed	1,142	£1,499,995	£1,313	Reserved
29	2	2 Bed	1,338	£1,832,800	£1,370	Jan 2019
52	3	2 Bed	1,142	£1,331,106	£1,166	Dec 2018
74	4	2 Bed	873	£1,150,000	£1,317	Dec 2018
Average 2 Bed			1,124	£1,453,475	£1,292	

3 Bed

	Floor	Unit Type	Area Sq Ft	Price	£psf	Date
Confidential	Confidential	3 Beds	1,847	£4,416,000	£2,391	Reserved
141	8	3 Bed	1,847	£2,990,000	£1,619	Oct 2018
Average 3 Bed			1,847	£3,703,000	£2,005	

4.46 We have also identified transactional evidence from Molior for transactions from 2019. We have assumed the number of bedrooms based on the size of the unit from the asking prices listed on Molior, which for studios and one bedroom units is more accurate than for the two and three bedroom units which interchange more. This can be summarised as follows:

Beds	Count	Av Price	Sq M	Sq Ft	£ sq ft	Max	Min
S	1	£900,000	39	420	£2,143	£900,000	£900,000
1	1	£1,000,000	57	614	£1,629	£1,000,000	£1,000,000
2	24	£1,791,046	112	1,206	£1,497	£3,000,000	£1,230,000
3	7	£4,583,536	205	2,202	£2,038	£8,062,500	£2,545,750

4.47 It can be seen that the majority of the units sold in 2019 were two and three bedroom units which again varied greatly in value, reflecting pricing differential for units with views over the river.

4.48 Savills suggest that Landmark Place is superior to the subject given the river frontage, views and amenities while it is also closer to the City core and still well connected for transport, therefore the prices will be higher than for units in the subject. We agree with this assumption.

Conclusion

4.49 Savills have created a full pricing schedule which is summarised as follows:

No. of beds	Aggregate Market Value	Number of Units	% of Value	Total Area sq ft	Average Size Sq ft	Average Market Value	Average Per Sq Ft	Minimum Market Value	Maximum Market Value
Studio	£10,480,000	19	14.5%	8,160	429	£551,579	£1,284	£450,000	£675,000
1 bed	£21,545,000	30	29.9%	17,693	590	£718,167	£1,218	£625,000	£950,000
2 bed	£33,140,000	33	46.0%	29,804	903	£1,004,242	£1,112	£865,000	£1,950,000
3 bed	£6,875,000	5	9.5%	5,811	1,162	£1,375,000	£1,183	£1,100,000	£1,650,000
Total/Avg	£72,040,000	87	100.0%	61,468	707	£828,046	£1,172		

4.50 We have summarised this by unit at a further breakdown in a full pricing schedule where D indicates a duplex penthouse unit.

Beds	Persons	Count	Sq Ft	Savills Price	£ Sq Ft
1	1	19	429	£551,579	£1,280
1	2	30	590	£718,167	£1,225
2	4	31	868	£944,839	£1,091
2	D	2	1,453	£1,925,000	£1,325
3	5	2	971	£1,125,000	£1,159
3	6	3	1,290	£1,541,667	£1,198
Total		**87**	**61,468**	**£72,040,000**	**£1,172**

4.51 This gives a total value of £72.04 million (average £1,172 per sq ft).

BPS Approach

4.52 Overall, we consider the evidence presented by Savills to be comprehensive. We have identified one further comparable scheme:

Osborn Apartments, Osborn Street, London, E1 6TD

4.53 Permitted Development Rights conversion from office use with ground floor retail, 16 flats over 6 storeys (large penthouse on the top floor). Mid terrace block, fronting the road, units at the rear include balconies and are finished to a high specification. Approximately 500m north east of the subject at the southern end of Brick Lane, close to Aldgate East station.

4.54 We have identified the following asking prices from Rightmove:

- 1 bed: 635 sq ft, 2nd floor, £635,000 (£635 per sq ft)
- 1 bed: 624 sq ft, 3rd floor, balcony, £665,000 (£1,065 per sq ft)
- 2 bed: 747 sq ft, 1st floor, balcony, £765,000 (£1,024 per sq ft)
- 3 bed: 1,206 sq ft, 3rd floor, balcony, £1.3 million (£1,078 per sq ft)

4.55 Overall, we consider prices in the subject will be at a premium to those in Osborn Apartments given the amenities, purpose built design, setting and location.

Summary

4.56 Generally, we have found that the values proposed by Savills are broadly reasonable. With regard to the comparable evidence we consider the permitted units would achieve values higher than London Square Spitalfields, The Lofts, Royal Mint Gardens and Osborn Apartments, similar to London Dock and lower than Goodmans Fields and Landmark Place. The Savills pricing schedule loosely reflects these assumptions and we agree with their analysis of the comparable evidence in comparison to the subject in most cases. It could be argued that the desirable location of the subject scheme could bring values closer to those achieved at Goodmans Fields, which is of a slightly less desirable location but has superior scale and amenities. For the purposes of this assessment we consider it reasonable to adopt the values proposed by Savills for the consented scheme.

Sales Rates

4.57 Savills provide the following summary of sales rates for the comparable evidence:

Scheme	Pre Sale Rate Units per month	% Pre Sold	Sales Rate Units per month
Aldgate Place	4.56	74%	5.13
Goodman's's Fields	8.10	100%	8.10
London Fields	1.10	90% (completion due in August 2019)	1.10
London Dock	7.98	74% (completion due in March 2022)	7.98
The Lofts	1.95	59%	2.06
Royal Mint Gardens	N/a	N/a	N/a
The Atlas Building	5.95	93% (completion due in September 2019)	5.95
Landmark Place	4.00	87%	4.30

4.58 Savills also suggest that the market has weakened over the last 12 or so months which has adversely impacted off plan sales market. This comment should be seen as being more relevant at the time of Savills report with most commentators agreeing 2020 was showing signs of a return to significant house price demand and growth until Covid 19 outbreak. Nonetheless they would expect the scheme to be launched 12 months prior to practical completion and suggest that 50% of units would be sold off plan with the balance of units to be sold within 12 months of completion, reflecting a sales rate of 3.6 units per month.

4.59 We note that the sales rates included in the above table represent off plan and post completion sales. We would anticipate off plan sales rates to be slower than sales rates post completion due to the stronger marketing potential of a unit that is already completed.

4.60 We are in agreement that the market demand for high end flats has suffered in recent years which can be accredited to stamp duty reforms and Brexit. Given the above evidence we consider the off plan sales assumption of 50% to be pessimistic for such a desirable scheme and have adopted an off plan sales rate of 80% which we consider to be more realistic. For the remaining units we have adopted a sales rate of 5 units per month which gives a sales period of 3 months for the consented scheme and 5 months for the 100% private scheme. We consider our assumptions to be more closely aligned with the evidence provided than those provided by Savills given the desirability of the subject development against much of the comparable evidence.

Ground Rents

4.61 Ground rents have been included at the following rates by AHS:

Beds	No Units	Ground Rent PA	Total PA
1	31	£150	£4,650
2	25	£200	£5,000
3	4	£250	£1,000
Total	**60**		**£10,650**

4.62 AHS have capitalised this income at a yield of 4.5% but have used inconsistent figures in their report and their appraisals. For the purposes of consistency we have accepted their figures adopted in the report as per the table above. We calculate the total capital value of the ground rental income to be £240,000 in the consented scheme and £340,000 in the proposed scheme.

4.63 AHS note that Savills have not included any ground rental income in their assessment given the governments proposals to remove the receipt of ground rental income and accordingly AHS reserve their position as to whether it is appropriate to omit ground rental income. The proposal to restrict ground rental income have now been around for more than a year with no sign of Parliamentary time to consider a Bill in this regard.

Parking

4.64 The proposed plans include 11 disabled spaces which are located in the basement and are to be shared between hotel guests and residents. The Design & Access statement states these are not to be sold off with flats which we find to be in accordance with valuation standards. We have accordingly not included any additional value for a car parking element.

5.0 AFFORDABLE HOUSING VALUES

5.1 The consented development includes a policy compliant 30% affordable housing contribution by unit. This is agreed in the S106 agreement which specifies that the units are to be provided on the first three floors of the development. The tenure split is for 60% of the units to be social rented housing of which 50% are at capped rates and 50% are at discounted rent, with the remaining 40% of the affordable units to be for intermediate rent with agreed nomination rights for the City Corporation. The requirement of the S106 Agreement does not individually specify which units need to be in each use class. AHS have informed us of the units they have allocated for affordable housing in their appraisal which we have applied to a full accommodation schedule which can be summarised below:

Beds	Persons	Private	Intermediate	Social Rent	Affordable Rent
1	1	12	7	0	0
1	2	19	4	0	7
2	4	23	0	7	1
2	D	2	0	0	0
3	5	2	0	0	0
3	6	2	0	1	0
Total		**60**	**11**	**8**	**8**

5.2 The value of the 60 private units is £52.24 million which is consistent with their pricing schedule of the proposed scheme. In their report AHS state they have used their own bespoke in house affordable housing valuation model to assess the prices a registered provider (RP) would pay for the consented content. This produces a blended value of £350 per sq ft (£6.193 million total) for the affordable element.

5.3 AHS have subsequently described their valuation assumptions in an email dated 6th August 2020 which are updated from their original report and reflect a blended rate of £266 per sq ft (£4.715 million total) which is a significant decrease from their previous approach. We have utilised the updated valuations as the basis of our analysis as they are the most recent and detailed calculations.

5.4 AHS have used a spreadsheet to value the proposed units and have allowed for running costs of 22% and a service charge of £5.54 per sq ft. They have capitalised the net income at a yield of 4.5% and have deducted RP costs of 9% which constitute legal, consultants and other costs. They have also tested the affordability of each unit at maximum incomes at various levels depending on tenure.

5.5 AHS have raised significant concern over the service charges that would be applicable to the affordable housing units. They consider that due to the single core access to all of the units an affordable housing occupier would have to bear the same full cost of the service charge as the occupiers of the private units. They have calculated this to be £5.14 per sq ft (£490,000 pa for the entire building). We find this to be an unrealistic assumption as tenants of the affordable units do not require access to the gym and games room and there are numerous examples where affordable units are serviced from a single access core with private apartments using smart card lift access, however we do expect that RPs would wish to ensure the affordable element comprises whole floors as this allows for control of the service charge element. We consider AHS's figure to include a measure of overlap in terms of duplication of charges and therefore presents an overly pessimistic view of operating costs.

5.6 We analyse each tenure of affordable as follows using our bespoke affordable housing valuation model. We have also included a golden brick payment for the affordable housing in the appraisal in which 25% of the value is paid at the start of construction and the remaining revenue is received on completion. Our appraisal adopts a 60 year cash flow and a discount factor of 5% while making the following allowances on cost per unit pa:

Assumption	Figure
Annual cost of management (rented homes, market rent)	£655
Annual cost of day to day and cyclical maintenance (rented homes, market rent)	£1,386
cost of major repairs (rented homes, market rent) 8 yearly cycle	£1,131
Voids and bad debts as %age of receivables (Affordable Rent homes)	4%

Intermediate

5.7 AHS have valued the intermediate units at intermediate rents due to the unaffordability of the area for shared ownership which is in accordance with the requirements of the S106 agreement. AHS have assumed rental values of £280 per week for studio units and £345 per week for one bedroom units. They have tested the units for affordability at incomes of £50,000 pa for studio units and £66,000 pa for one bedroom units. They arrive at a total value of £2.164m (£421 per sq ft) for the intermediate element.

5.8 We have used our bespoke affordable housing valuation model. This generates a value of £3.39 million (£660 per sq ft) for the consented units which is a considerable increase on the values adopted by AHS and is still within the affordability caps of £60,000 per unit. While this appears to be a high value per sq ft they are still at a considerable discount to market value and are small units. We do note however pricing units at this level would place the units at the upper end of the household income bracket of £90,000 per annum as such we usually find that RP's will take a view of the market and capacity to absorb units at the upper income bracket and adjust ricing accordingly, as such actual pricing is likely to be between our respective figures.

Social Rent

5.9 AHS have used current GLA affordable rent levels which are exclusive of service charges at £168.67 for two bedroom units and £178.05 for the three bedroom unit per week. They have assumed required incomes at £47,000 pa for two bedroom units and £60,000 pa for three bedroom units.

5.10 When using our bespoke affordable housing valuation model we arrive at a broadly similar overall values to AHS of £1.193m (£162 per sq ft). Therefore, we accept the AHS valuation of the social rented units. It should be noted that our assumed yield of 5% is relatively soft and we have seen RP pricing which reflects yields as keen as 3.5%. For this reason it is recommended that the applicant engage with an RP to firm up these values.

Affordable Rent

5.11 AHS have adopted rental values equivalent to LHA rates at £295.50 for one bedroom units and £346 for two bedroom units per week. The rental value for the two bedroom units has been lowered to ensure that they are affordable with an income of £70,000 and the one bedroom units have been tested at an income of £54,000. There appears to be in error in the AHS valuation as they have adopted 2x two bedroom units where as we consider the plans in our accommodation schedule would warrant 1x 2 bedroom unit as affordable rent.

5.12 Our bespoke affordable housing valuation model has identified a higher value than those proposed by AHS. We arrive at a total value of £2.448 million (£470 per sq ft) for the affordable rent units which is an increase of approximately £1 million on the values proposed by AHS and we consider to still be within the same affordability criteria.

6.0 DEVELOPMENT COSTS

6.1 Our Cost Consultant, Neil Powling, has analysed the build cost plan for the proposed scheme prepared by Alinea, dated 29th May 2019, and concludes that:

Our benchmarking results in an adjusted benchmark of £4,965/m² that compares to the Applicant's £4,927/m². We therefore consider the Applicant's costs to be reasonable.

6.2 Mr Powling's full cost report can be found at Appendix 1. We accordingly adopt the costs as proposed by Alinea. Alinea have also allowed for a reduction of £2.572 million in the consented scheme appraisal to reflect the lower specification of the affordable housing units which Mr Powling has considered to be a reasonable allowance for a deduction.

6.3 The applicant's consultants have applied the following additional cost assumptions:

- Professional fees of 10%
- Sales agent and marketing fees of 2.5%
- Legal Fees of 0.5%
- Disposal fees of 4.8% on ground rents

6.4 Generally, we accept that these percentages are realistic and in line with market norms.

6.5 S106 charges have been assumed at £640,870 which is aligned with the S106 agreement. AHS state there was no CIL liability when the planning permission for the consented scheme was introduced and therefore has not been included for the proposed scheme.

6.6 We have been informed by the council that a CIL payment (inclusive of indexation) of £225,000 is liable for the proposed scheme and £305,941 would be liable for a 100% private housing scenario. The S106 payment for the entire development (all phases) is £1.174 million and it appears that AHS have used a pro rata rate to calculate the £640,870 sum in their appraisals. We have adopted in all of our appraisals for consistency although should be noted is not reflective of the exact contribution from this element.

6.7 Finance has been included at 6.5% assuming that the scheme is 100% debt financed. We consider this to be a reasonable assumption.

6.8 The developer profit target adopted by AHS is 20% on private residential GDV and 6% on affordable housing GDV. AHS consider this to be a reasonable return given the number of homes and that banks and providers of development finance often require a higher return of 25% on GDV. They also suggest this is a speculative development and note the current uncertainty in the market surrounding Brexit.

6.9 We do not consider this to be a purely speculative development as the concrete frame has been constructed and it is realistic to assume that in line with all other large residential developments it would be realistic to assume that the developer had secured a significant level of off plan sales which serve to reduce overall risk. Annex G of the London Plan Viability Study Technical Report (December 2017) produced by Three Dragons advises a return on GDV of 17.5% for developments between 6 and 20 storeys in height. We do not consider this scheme by comparison to be an overly high risk development due to the consented permission and desirable location. Furthermore most construction risk is encountered through the early phases and substructure which are most vulnerable to unknown factors which have already been addressed in this instance, therefore we consider 17.5% to be a reasonable target.

6.10 AHS have allowed for a 3 month pre construction period and a 24 month construction period. Our Cost Consultant has used the BCIS construction duration estimate and suggested an 80 week (20 month) construction period which also accounted for the substructure and concrete frame being completed.

7.0 BENCHMARK LAND VALUE

7.1 We note the Planning Policy Guidance, published May 2019, states:

Benchmark land value should:

- *be based on existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*

Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. These may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

The evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

[…] Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement).

7.2 We find the Market Value approach as defined by RICS Guidance Viability in Planning 2012 if misapplied is potentially open to an essentially circular reasoning. The RICS Guidance promotes use of a modified standard definition of "Market Value" by reference to an assumption that the market values should reflect planning policy and should disregard that which is not within planning policy. In practice we find that consideration of compliance with policy is generally relegated to compliance somewhere on a scale of 0% to the policy target placing land owner requirements ahead of the need to meet planning policy.

7.3 There is also a high risk that the RICS Guidance in placing a very high level of reliance on market transactions is potentially exposed to reliance on bids which might

a) Represent expectations which do not mirror current costs and values as required by PPG.

b) May themselves be overbids and most importantly

c) Need to be analysed to reflect a policy compliant position.

To explain this point further, it is inevitable that if site sales are analysed on a headline rate per acre or per unit without adjustment for the level of affordable housing delivered then if these rates are applied to the subject site they will effectively cap delivery at the rates of delivery achieved of the comparable sites. This is an essentially circular approach which would effectively mitigate against delivery of affordable housing if applied.

7.4 The NPPF recognises the need to provide both land owners and developers with a competitive return. In relation to land owners this is to encourage land owners to release land for development. This is set out in PPG as follows:

To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+)

7.5 Guidance indicates that the sale of any premium should reflect the circumstances of the land owner. We are of the view that where sites represent an ongoing liability to a land owner and the only means of either ending this liability or maximising site value is through securing a planning consent this should be a relevant factor when considering whether a premium is applicable. This view is corroborated in the Mayor of London's Affordable Housing and Viability SPG which states:

Premiums above EUV should be justified, reflecting the circumstances of the site. For a site which does not meet the requirements of the landowner or creates ongoing liabilities/ costs, a lower premium of no premium would be expected compared with a site occupied by profit-making businesses that require relocation. The premium could be 10 per cent to 30 per cent, but this must reflect site specific circumstances and will vary.

<u>The site</u>

7.6 We understand the concrete frame of the extant residential tower has been built out but construction has since stalled. We consider the construction of the frame to be evidence of the consented planning permission being implemented.

7.7 We are unsure of the previous use of the residential site at the time the planning application was made however it appears to have been cleared land.

<u>AHS approach</u>

7.8 AHS have approached the benchmark land valuation using the Alternative Use Approach (AUV) approach on the basis of an office building being constructed on the site of the residential building.

7.9 In order to assess this AUV the applicants planning architect, ACME, have produced a scheme design planning document which is complete with sketches. They have relied on Savills for the valuation of the AUV office space.

7.10 The plans provided indicate 15 floors of open plan office space which are served by three lifts and have toilet facilities on each floor. There are plans for two roof terraces and the design document indicates that the space will be finished to a high quality. The Savills valuation report assumes the space will be finished to Grade A standard with high quality finished as would be expected for a new office building in this location.

AUV office appraisal

Valuation

7.11 Savills have provided a detailed market commentary to base their valuation of the AUV office development. They note that rents in the city fringe submarket are between £70-£75 per sq ft and identify comparable evidence which range between £55 and £65 per sq ft. They have created a pricing schedule for the proposed scheme which is as follows:

Floor	Sq Ft	Sq M	£ sq ft	Rent PA
0	4,725	439	£52.50	£248,063
1	4,844	450	£54.00	£261,576
2	6,684	621	£55.00	£367,620
3	6,684	621	£56.00	£374,304
4	6,684	621	£57.00	£380,988
5	6,684	621	£58.00	£387,672
6	6,684	621	£59.00	£394,356
7	4,553	423	£60.00	£273,180
8	4,553	423	£62.00	£282,286
9	4,553	423	£62.00	£282,286
10	3,531	328	£63.00	£222,453
11	3,531	328	£63.00	£222,453
12	3,531	328	£64.00	£225,984
13	3,531	328	£64.00	£225,984
14	2,034	189	£65.00	£132,210
Total	**72,806**	**6,764**	**£58.81**	**£4,281,415**

7.12 Most of the comparable evidence provided by Savills is for units with a superior presence (not 'tucked away') and are mostly recently refurbished with similar lease lengths and tenant incentives. Some of the comparable evidence is from more prominent locations in the City core while the units at 18 Mansell Street and Walsingham House are the most comparable in terms of location. We consider the rental value to be broadly reasonable given the comparable evidence provided by Savills and accept the rental valuation for the hypothetical office space. The AHS appraisal has adopted an incorrect rental area of 69,195 sq ft for the office space which has decreased the rental value in their appraisal, we have included the revised rental area of 72,806 sq ft s per the Alinea plans and Savills report.

7.13 Savills anticipate the units will be let on a floor by floor basis or perhaps grouped into several floors. They assume there will be a mix of 5 and 10 year leases with break options every five years. They suggest rent free periods will be between 9-12 months for 5 year leases and 10 year leases with tenant break options (with an added rent free if the break option is not exercised) and 21-24 months for ten year leases, however these will range depending on the tenant covenant strength, and that units on upper floors will have shorter rent free periods due to superior views. They do not expect any further tenant incentives beyond these rent free periods.

7.14 Savills anticipate the scheme would be launched 6-9 months in advance of completion to secure pre lets which is reflective of the size of the units. They anticipate 20% of the space will be pre let with the balance spread equally over the next 12 months.

7.15 In the Argus development appraisal AHS have allowed for a 20 month rent free period. They have submitted a revised appraisal which has altered the development timings to exclude a void period, whereas in the previous appraisal they had allowed for a 9 month tenant void. We have allowed for a 9 month tenant void and 20 month rent free period void in accordance with the advice from Savills.

7.16 Savills have used an all risks yield which is based on the comparable evidence they have provided in their report. Savills note they have softened their prime benchmark yields from 4% to 4.25% in January 2019 where they had been consistent for 24 months before. They expect a WALT of 6 to 7 years and note that city equivalent yields range between 5.41% and 5.59%. They have provided investment transactional evidence which ranges between 4.25% and 5%.

7.17 Based on the evidence provided they assume the AUV office development would command a net initial yield of 5% which is a 75 bps discount on the benchmark prime yield of 4.25%. They have applied a 25 bps deduction for the city fringe location, 15 bps deduction for the "tucked away" micro location which lacks presence and 35 bps deduction for the expected lease lengths to fair/reasonable covenants due to the small floor plates. We accept the yield of 5% that has been adopted by Savills.

7.18 This gives a total value of £80.2 million for the AUV office development before tenant incentives and voids are accounted for.

Costs

7.19 Our Cost Consultant, Neil Powling, has analysed the build cost plan for the proposed scheme prepared by Alinea, dated 29th May 2019, and concludes that:

Our benchmarking of the office AUV scheme results in an adjusted benchmark of £4,028/m² that compares to the Applicant's £3,907/m². We therefore consider the Applicant's costs to be reasonable.

7.20 Mr Powling's full cost report can be found at Appendix 1. We accordingly adopt the costs as proposed by Alinea. AHS have also included a £4 million (£55 per sq ft) fit out for the category A office space and a £1.75 million demolition cost for the existing concrete frame. Mr Powling considers the fee for the Category A fit out to be reasonable and we have not reviewed the cost of the demolition although reserve the right to revisit this.

7.21 The applicant's consultants have applied the following additional cost assumptions:

- Professional fees of 10%
- Letting agent fee of 10% on ERV
- Letting legal fee of 5% on ERV
- Purchasers costs of 6.8% on the GDV
- Disposal fees of 3% on the GDV

7.22 We accept that these percentages are realistic and in line with market norms.

7.23 S106 charges have been assumed at £640,870 which is aligned with the S106 agreement. We have not verified this although consider for an office development it would be lower than for a residential development. We consider this point should be revisited with further clarification from the council.

7.24 AHS have made the following allowance for MCIL and Borough CIL:

- Mayoral CIL: £425,000. With indexation £1,544,716
- Borough CIL: £637,650. With indexation £880,43

7.25 The corporation have confirmed the CIL contribution is broadly accurate and we have adopted it in our appraisal. AHS have included the same S106 contributions as per the 100% private scenario. We have not verified this position although consider it reasonable to suggest the S106 contributions would be lower in an office development than a residential development. For the purposes of consistency we have adopted this S106 contribution in the AUV scenario.

7.26 Finance has been included at 6.5% assuming that the scheme is 100% debt financed. We find this to be a reasonable assumption.

7.27 The developer profit target adopted by AHS is 17% on GDV. We would expect a developer profit target of 15% on a commercial element and we have accordingly reduced this.

7.28 AHS have allowed for a 22 month (64 week) construction period. Our Cost Consultant considers the development length would be decreased due to the substructure being completed, as with the consented development, which would reduce the time by approximately two months, therefore we adopt a 15 month construction period and left the 3 month pre construction period to allow for alterations to the core.

Summary

7.29 Overall, our appraisal shows a residual land value of £8.83 million for the AUV approach. This is an increase of c £4.3 million on the value adopted by AHS which can be accredited to the changes to rental value and decreased construction period and resulting lower finance charges and the lowered developer profit. The appraisal summary can be seen in Appendix Two.

Validity of the AUV approach

Applicants Approach

7.30 There is concern that the AUV approach to benchmark land value adopted by AHS is not in accordance with policy and would not be applicable. The applicant has sought advice from Charles Banner QC who has provided opinion in a letter dated 20th January 2020 which AHS have included as an appendix to their report. The subject of the letter is whether the AUV approach for office use is justified rather than the considering the relevance of an EUV based approach and whether the use of the land is now lawfully C3 residential given the implementation of the consented development. We consider these two points to be the main contention for the adoption of AUV in assessing and discuss the issues separately below:

<u>Use of AUV</u>

7.31 Mr Banner provides excerpts from NPPF (2019), NPPG (2019), RICS guidance note on financial viability in planning (2019), Draft London Plan 2019 and the Mayor of Londons SPG on affordable housing and viability. He also mentions several appeal decisions including Parkhurst Road in LB Islington.

7.32 Mr Banner concludes:

The PPG and the SPG do provide support for the use of AUV methodology for assessing benchmark land value in certain limited cases. Whilst EUV+ is the starting-point, AUV can be used in certain circumstances. There are a number of recent instances of use of AUV for calculating BLV set out above.

Subject to the requirements set out in policy being satisfied for the use of AUV, we can see force in the use of that method of assessing Benchmark Land Value being acceptable. The comments in the recent RICS Draft Guidance Note about partially implemented development is important in this context.

7.33 We consider this to be confirmation that AUV is an acceptable approach to benchmark land valuation which is not surprising as it highlighted as a potential approach in NPPG however it crucially overlooks NPPG's requirement that an EUV plus approach is regarded as the appropriate basis for establishing a land value benchmark. Mr Banner also fails to highlight the steps for application of an AUV approach identified within the Mayor's affordable Housing and Viability SPG which in accordance with NPPG sets tests for the application of this approach. One of these being to address the reason why a higher AUV is not being pursued as a land use in comparison to the proposed scheme.

7.34 AHS comment on the circumstances which must be fulfilled for the legitimate use of AUV. These are as follows:

- **AUV scheme fully complies with the up to date local plan policies**
  The planning statement provided by Gerald Eve has considered all relevant planning policies. Gerald Eve note that the site is within the Central Activities Zone (CAZ) of the London Plan, and the current City Plans acknowledgement of Aldgate as having "particular potential for office led regeneration". They quote policy CS8 relating to Aldgate:

  "1. Promoting the Aldgate area as an attractive office and residential

location to assist in its regeneration".

While there is no evidence to suggest that office development would be in contravention of any planning policy, its location in the wider CAZ is not specific to the site. Policy CS8 of the City Plan confirms that the area is suitable for office development as well as being suitable to residential development.

There are several policies including the London Plan and Draft London plan which are clear that the loss of housing should be resisted, therefore the AUV approach can be contested at this level. This is revisited in the next section.

- **AUV scheme could be implemented on the site in question**
  The applicant has provided a sketch scheme, plans and schedule of accommodation to show that the proposals can be implemented given the existing site constraints.

  We consider this to be reasonable and accept that the scheme could feasibly be provided on the site although this is clearly a matter for Planning Officer's to consider.

- **There is market demand for the AUV office scheme**
  The Savills valuation report includes market commentary which demonstrates that there is demand for new office space in the City Fringe location.

  We agree that there is demand for office space in the location.

- **Explanation as to why the AUV has not been pursued**
  AHS suggest that at the time of planning application for the consented permission the applicant considered that a residential scheme was the most appropriate commercial solution for the site however they had not fully considered the financial implication of including a policy compliant affordable housing contribution. The scheme has since stalled due to it being unviable with the current affordable housing requirement. In hindsight they suggest that an office development would have been a better option however the landowner is committed to developing the consented scheme at the point it becomes viable.

  We do not consider it credible that a reasonable developer would not take into consideration the impact of planning obligations in promoting a housing led scheme. It is apparent that for whatever reason the developer appears to have miscalculated the viability of the scheme or ran out of funding resulting in the scheme stalling. However, it is clear that the Planning System is not intended to provide a buffer to insulate developers from commercial risk. Developer profit is in part set at a level which rewards developers for taking on developer risk.

  The approach taken by AHS serves to protect the developer from this risk by seeking to rebase the affordable housing obligations to ensure the profit target is achievable which appears to run contrary to the requirements of NPPG which state:

Where contributions are reduced below the requirements set out in policies to provide flexibility in the early stages of a development, there should be a clear agreement of how policy compliance can be achieved over time. As the potential risk to developers is already accounted for in the assumptions for developer return in viability assessment, realisation of risk does not in itself necessitate further viability assessment or trigger a review mechanism. Review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities' ability to seek compliance with relevant policies over the lifetime of the project.

We also do not consider that the applicant is proposing an office development on site, as no planning application has been submitted. The applicant has produced a planning statement, commissioned a high level sketch and produced a cost plan for such a scenario but this does not mean the applicant intends to use the land for this purpose.

7.35 AHS accordingly see this as reasonable grounds to adopt the AUV.

7.36 NPPG (2019) states:

Supporting more effective use of land

What evidence can be used to help determine whether land should be reallocated for a more deliverable use?
When considering whether there is a realistic prospect of an allocated site being developed for its intended use, it may be relevant to take into account factors such as:

- *the length of time since the site was allocated in the development plan;*
- *the planning history of the site including any planning applications or pre-application enquiries;*
- *whether there is evidence that the site has been actively marketed for its intended use for a reasonable period, and at a realistic price; and*
- *whether there are any changes of circumstance that mean that take-up of the site for its intended use is now unlikely.*

Where an alternative use for the allocated site is proposed, it will also be relevant to consider the extent to which evidence suggests the alternative use would address an unmet need, as well as the implications for the wider planning strategy for the area and other development plan policies.

Paragraph: 001 Reference ID: 66-001-20190722
Revision date: 22 07 2019

7.37 The site has consented use for residential purposes, not office use. The adoption of the AUV would not be addressing an unmet need and in fact would be hindering the need for housing on site.

7.38 We consider that AUV is not the most appropriate method of approaching benchmark land value. Policy in the London Plan prevents the loss of housing and land allocated for housing cannot be ignored, while we are not satisfied that the applicant intends to pursue the AUV office development given the lack of planning permission or application.

Loss of existing housing

7.39 Mr Banner provides reviews of relevant case law and concludes that the building cannot be classified as existing housing given that the building is unusable for residential purposes in its existing form. He also references RICS guidance and National Planning Policy guidance and frameworks. Therefore, the AUV office development is legally plausible and is not in contradiction to Local Plan policies CS21 and DM21.2 which prevent the loss of existing housing. This is also included in Policy HS2 in the emerging City Plan.

7.40 Mr Banner argues that the existing building cannot be described as existing housing or existing housing units as it does not have a shell so cannot fall within the protection of the afore mentioned policies.

7.41 We are of the opinion that while the units are not currently habitable they can be considered intended for residential use due to the implemented planning consent of the land for residential development. Policy at both London and City levels is clear that the loss of housing should not be permitted due to the demand for housing in the area.

7.42 The reasons for the policies in the City are due to the limited opportunities to replace housing in the city with exceptions being made for poor quality units or units in areas that suffer noise disturbance or nuisance. The reason for the policies included in the London Plan are in place to address London's housing need. The loss of the residential units, which are partially implemented here, would in our view be in contradiction with the spirit of the London and City Plan which seek to protect residential units and would be in contrast to the wider needs.

7.43 Paragraph 007 of the 2019 NPPG states that a site that has granted planning permission can be considered as a deliverable housing site. We consider that the site is still reasonably deliverable as a housing site and that this is not impeded by the affordable housing provision which can be seen by the positive land value achieved by the site.

Market Value (Residential Land Sales)

7.44 AHS reference NPPG which suggests that market value can be used as a crosscheck of benchmark land value. They also reference the Parkhurst Road case (2018) (crucially this case predates the July 2018 and subsequent 2019 revisions of the NPPF and NPPG) which allows for a comparison of sites without being affected by differing levels of affordable housing provision. The result of the Parkhurst case is to reduce the strength given the market value by land transactions.

7.45 Savills have provided the following residential land transactions as evidence:

LOCAL LAND TRANSACTION	Total Units	Borough	Local Plan AH %	Policy AH Unit Component	Policy Market Component	Sale Price £k	£k Adjusted Value per Market Plot
Lavington Street SE1	173	Southwark	35%	60.55	112.45	87100	775
Mount Pleasant EC1	681	Islington	50%	340.5	340.5	190000	558
Dock Street E1	89	Tower Hamlets	35%	31.15	57.85	21500	372
Vallance Road E1	144	CoL	30%	43.2	100.8	22700	225
Landmark Place EC3	165	CoL	30%	49.5	115.5	54975	476
Hopton Street SE1	489	Southwark	35%	171.15	317.85	317000	997
Bishopsgate EC2	160	CoL	30%	48	112	95000	848
Wood Street EC2	90	CoL	30%	27	63	4500	71
						Mean	540
						CoL Mean	405

7.46 AHS suggest that even if the lowest value per unit form the evidence, £71,000 at Wood Street, were taken then a benchmark land value of £4.33 million which is some way above their previously adopted benchmark land value.

7.47 We consider this to be a high level assessment of benchmark land value which serves as more of a sense check than a basis for valuation. As with all analysis of sites it is essential to ensure the transaction refences consented land and that the level of realised developer profit is known to ensure sense is made of the land price when being analysed.

EUV

7.48 We also considered an EUV approach to benchmark land valuation using the Direct Replacement Cost (DRC) method of valuation. This is based on the existing concrete frame and substructure that have been implemented on the site. We have used our Cost Consultants inflated cost of £3,429,507 and made allowances for Preliminaries, OHP and contingency in accordance with the elemental cost plan. We do not consider a premium to be necessary. This generates a value of £4,487,163 which we have fixed as the land cost in the appraisals for the proposed scheme and included as a fixed construction cost in the AUV scenario so as to generate a residual land value.

Conclusion

7.49 We do not consider the AUV approach to benchmark land value to be in accordance with relevant guidance in this instance. The AUV scenario is not being proposed by the applicant as an intended land use and has used solely as abasis from which to inflate land value to reduce the affordable housing provision. Given that the consented permission for residential use has been implemented we consider the land to be a deliverable housing site as per NPPG and the use of the land for the AUV purpose would be reducing the supply of housing which is much needed in this location.

8.0 QUALITY STANDARDS CONTROL

This report is provided for the stated purpose and for the sole use of the named clients. This report may not, without written consent, be used or relied upon by any third party.

The author(s) of this report confirm that there are no conflicts of interest and measures have been put in place to prevent the risk of the potential for a conflict of interest. In accordance with the RICS Professional Statement *Financial Viability in Planning: Conduct and Reporting* September 2019, this report has been prepared objectively, impartially, and with reference to all appropriate sources of information.

The following persons have been involved in the production of this report:

[redacted]

Arthur Boulding	**Andrew Jones MRICS**
RICS Membership no. 6878828	RICS Membership no. 0085834
For and on behalf of BPS	For and on behalf of BPS
Chartered Surveyors	Chartered Surveyors

9.0 LIMITATION OF LIABILITY/ PUBLICATION

This report is provided for the stated purpose and for the sole use of the named clients. It is confidential to the clients and their professional advisors and BPS Chartered Surveyors accepts no responsibility whatsoever to any other person.

Neither the whole nor any part of this valuation report nor any reference hereto may be included in any published document, circular, or statement, or published in any way, without prior written approval from BPS of the form and context in which it may appear.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review.

Appendix One – Build Cost Report

Project: 15-16 The Minories & 62 Aldgate High Street, City of London EC3N 1AX

Independent Review of Assessment of Economic Viability

Interim Draft Report
Appendix A Cost Report

1 SUMMARY

Residential Scheme

1.1 The cost update for the proposed residential scheme has been produced at an earlier base date that has not been stated and updated by 15.044% to 1Q2019. We have included the updated figure in our elemental analysis but are unable to verify the amount of the % adjustment.

1.2 The allowance for Design & Build Risk for the proposed residential scheme is 3% and construction risk 5.2%. We consider a total contingency (risk allowance) for new build works of 5% reasonable. We therefore consider the total allowance by the Applicant high by 3%.

1.3 The GIA of the residential scheme is 88,085ft² and the NIA used in the appraisal is 61,468ft² giving an efficiency of 69.8%. This is the low end of the range we would expect.

1.4 There is no substructure included in the Cost Update (as this part of the structure has already been constructed). We have made a deduction in our benchmarking to allow for this.

1.5 Our benchmarking results in an adjusted benchmark of £4,965/m² that compares to the Applicant's £4,927/m². We therefore consider the Applicant's costs to be reasonable.

AUV Office scheme

1.6 The Feasibility Cost Estimate has been adjusted by 4% to 1Q2019; the earlier base date on which the costs are based has not been stated. We have included the updated figure in our elemental analysis but are unable to verify the amount of the % adjustment.

1.7 The allowance for Design & Build Risk is 2.5% and construction risk 7.34%. We consider a total contingency (risk allowance) for new build works of 5% reasonable. We therefore consider the total allowance by the Applicant high by 4.8%.

1.8 The GIA is 91,515ft² and the NIA used in the appraisal is 69,195ft² giving an efficiency of 75.6%. This is in the middle of the range we would expect.

1.9

There is no substructure included in the estimate (as this part of the structure has already been constructed), there is a small allowance for modifying the existing structure. We have made a deduction in our benchmarking to allow for this.

1.10 Our benchmarking of the office AUV scheme results in an adjusted benchmark of £4,028/m² that compares to the Applicant's £3,907/m². We therefore consider the Applicant's costs to be reasonable.

2 METHODOLOGY

2.1 The objective of the review of the construction cost element of the assessment of economic viability is to benchmark the Applicant's costs against RICS Building Cost Information Service (BCIS) average costs. We use BCIS costs for benchmarking because it is a national and independent database. Many companies prefer to benchmark against their own data which they often treat as confidential. Whilst this is understandable as an internal exercise, in our view it is insufficiently robust as a tool for assessing viability compared to benchmarking against BCIS. A key characteristic of benchmarking is to measure performance against external data. Whilst a company may prefer to use their own internal database, the danger is that it measures the company's own projects against others of its projects with no external test. Any inherent discrepancies will not be identified without some independent scrutiny.

2.2 BCIS average costs are provided at mean, median and upper quartile rates (as well as lowest, lower quartile and highest rates). We generally use mean or occasionally upper quartile for benchmarking. The outcome of the benchmarking is little affected, as BCIS levels are used as a starting point to assess the level of cost and specification enhancement in the scheme on an element by element basis. BCIS also provide a location factor compared to a UK mean of 100; our benchmarking exercise adjusts for the location of the scheme. BCIS Average cost information is available on a default basis which includes all historic data with a weighting for the most recent, or for a selected maximum period ranging from 5 to 40 years. We generally consider both default and maximum 5 year average prices; the latter are more likely to reflect current regulations, specification, technology and market requirements.

2.3 BCIS average prices are available on an overall £ per sqm and for new build work on an elemental £ per sqm basis. Rehabilitation/conversion data is available an overall £ per sqm and on a group element basis ie. substructure, superstructure, finishings, fittings and services – but is not available on an elemental basis. A comparison of the applicants elemental costing compared to BCIS elemental benchmark costs provides a useful insight into any differences in cost. For example: planning and site location requirements may result in a higher than normal cost of external wall and window elements.

2.4 If the application scheme is for the conversion, rehabilitation or refurbishment of an existing building, greater difficulty results in checking that the costs are reasonable, and the benchmarking exercise must be undertaken with caution. The elemental split is not available from the BCIS database for rehabilitation work; the new build split may be used instead as a check for some, but certainly not all, elements. Works to existing buildings vary greatly from one building project to the next. Verification of costs is helped greatly if the cost plan is itemised in reasonable detail thus describing the content and extent of works proposed.

2.5 BCIS costs are available on a quarterly basis – the most recent quarters use forecast figures, the older quarters are firm. If any estimates require adjustment on a time basis we use the BCIS all-in Tender Price Index (TPI).

2.6 BCIS average costs are available for different categories of buildings such as flats, houses, offices, shops, hotels, schools etc. The Applicant's cost plan should ideally keep the estimates for different categories separate to assist more accurate benchmarking. However if the Applicant's cost plan does not distinguish different categories we may calculate a blended BCIS average rate for benchmarking based on the different constituent areas of the overall GIA.

2.7 To undertake the benchmarking we require a cost plan prepared by the applicant; for preference in reasonable detail. Ideally the cost plan should be prepared in BCIS elements. We usually have to undertake some degree of analysis and rearrangement before the applicant's elemental costs can be compared to BCIS elemental benchmark figures. If a further level of detail is available showing the build-up to the elemental totals it facilitates the review of specification and cost allowances in determining adjustments to benchmark levels. An example might be fittings that show an allowance for kitchen fittings, bedroom wardrobes etc that is in excess of a normal BCIS benchmark allowance.

2.8 To assist in reviewing the estimate we require drawings and (if available) specifications. Also any other reports that may have a bearing on the costs. These are often listed as having being used in the preparation of the estimate. If not provided we frequently download additional material from the documents made available from the planning website.

2.9 BCIS average prices per sqm include overheads and profit (OHP) and preliminaries costs. BCIS elemental costs include OHP but not preliminaries. Nor do average prices per sqm or elemental costs include for external services and external works costs. Demolitions and site preparation are excluded from all BCIS costs. We consider the Applicants detailed cost plan to determine what, if any, abnormal and other costs can properly be considered as reasonable. We prepare an adjusted benchmark figure allowing for any costs which we consider can reasonably be taken into account before reaching a conclusion on the applicant's cost estimate.

2.10 We undertake this adjusted benchmarking by determining the appropriate location adjusted BCIS average rate as a starting point for the adjustment of abnormal and enhanced costs. We review the elemental analysis of the cost plan on an element by element basis and compare the Applicants total to the BCIS element total. If there is a difference, and the information is available, we review the more detailed build-up of information considering the specification and rates to determine if the additional cost appears justified. If it is, then the calculation may be the difference between the cost plan elemental £/m² and the equivalent BCIS rate. We may also make a partial adjustment if in our opinion this is appropriate. The BCIS elemental rates are inclusive of OHP but exclude preliminaries. If the Applicant's costings add preliminaries and OHP at the end of the estimate (as most typically do) we add these to the adjustment amounts to provide a comparable figure to the Applicant's cost estimate. The results of the elemental analysis and BCIS benchmarking are generally issued as a PDF but upon request can be provided as an Excel spreadsheet.

3 GENERAL REVIEW OF PROPOSED RESIDENTIAL SCHEME

3.1 We have been provided with and relied upon the Financial Viability Report together with appendices issued February 2020 by Affordable Housing Solutions. We have particularly relied on Appendix 10 the Stage 4 Cost Update for the Proposed Residential Scheme - TPI Update issued 29th May 2019 by Alinea and Appendix 12 the Feasibility Cost Estimate for the Alternative Use Office Scheme - TPI Update issued 29th May 2019 by Alinea.

3.2 The cost update for the proposed residential scheme has been produced at an earlier base date that has not been stated and updated by 15.044% to 1Q2019. We have included the updated figure in our elemental analysis but are unable to verify the amount of the % adjustment. Our benchmarking uses current BCIS data which is on a current tender firm price basis. The BCIS all-in Tender Price Index (TPI) for 1Q2019 is 332 (Equivalent sample 68) and for 3Q2020 332 (forecast).

3.3 The design information used to produce the cost plan has been scheduled. The MEP Services and Lift relies on RED Engineering Stage 4 Design information and Civils/ Structural Engineering relies on AKT II Stage 4 Design information.

3.4 The cost plan includes an allowance of 15% for preliminaries. The allowance for overheads and profit (OHP) is 5%. We consider both of these allowances reasonable.

3.5 The allowance for Design & Build Risk for the proposed residential scheme is 3% and construction risk 5.2%. We consider a total contingency (risk allowance) for new build works of 5% reasonable. We therefore consider the total allowance by the Applicant high by 3%. All the % figures are based on a calculation of a conventional arrangement of the sums in the analysis.

3.6 We have extracted the cost information provided by the Applicant into a standard BCIS/NRM format to facilitate our benchmarking.

3.7 Sales have been included in the Appraisal at average figures of £1,172/ft^2 (Net Sales Area).

3.8 We have downloaded current BCIS data for benchmarking purposes including a Location Factor for The City of London of 122 that has been applied in our benchmarking calculations.

3.9 We have adopted the same GIA used in the Applicant's Stage 4 Cost Update; we assume this to be the GIAs calculated in accordance with the RICS Code of Measurement 6th Edition 2007. The GIA of the residential scheme is 88,085ft^2 and the NIA used in the appraisal is 61,468ft^2 giving an efficiency of 69.8%. This is the low end of the range we would expect.

3.10 The building is an 18 storey building of flats (including two basement levels); BCIS average cost data is given in steps: 1-2 storey, 3-5 storey, 6 storey or above. We have benchmarked as 6 storeys or above.

3.11 There is no substructure included in the Cost Update (as this part of the structure has already been constructed). We have made a deduction in our benchmarking to allow for this.

3.12 Our benchmarking results in an adjusted benchmark of £4,965/m² that compares to the Applicant's £4,927/m². We therefore consider the Applicant's costs to be reasonable.

3.13 The costs included in the appraisal are consistent with the costs in the Stage 4 Cost Update.

4 GENERAL REVIEW OF ALTERNATIVE USE OFFICE SCHEME

4.1 The review in section 3 above is relevant to the AUV scheme with differences identified in the paragraphs below.

4.2 The Feasibility Cost Estimate has been adjusted by 4% to 1Q2019; the earlier base date on which the costs are based has not been stated. We have included the updated figure in our elemental analysis but are unable to verify the amount of the % adjustment. Our benchmarking uses current BCIS data which is on a current tender firm price basis. The BCIS all-in Tender Price Index (TPI) for 1Q2019 is 332 (Equivalent sample 68) and for 3Q2020 332 (forecast).

4.3 The design information used to produce the cost estimate has been provided and is based on information provided by ACME, RED and structural assumptions.

4.4 The cost plan includes an allowance of 16% for preliminaries. The allowance for overheads and profit (OHP) is 5%. We consider both of these allowances reasonable.

4.5 The allowance for Design & Build Risk is 2.5% and construction risk 7.34%. We consider a total contingency (risk allowance) for new build works of 5% reasonable. We therefore consider the total allowance by the Applicant high by 4.8%. All the % figures are based on a calculation of a conventional arrangement of the sums in the analysis.

4.6 We have extracted the cost information provided by the Applicant into a standard BCIS/NRM format to facilitate our benchmarking.

4.7 We have adopted the same GIA used in the Applicant's estimate; we assume this to be the GIAs calculated in accordance with the RICS Code of Measurement 6th Edition 2007. The GIA is 91,515ft² and the NIA used in the appraisal is 69,195ft² giving an efficiency of 75.6%. This is in the middle of the range we would expect.

4.8 The building is a 15 storey building of offices; BCIS average cost data is given in steps: 1-2 storey, 3-5 storey, 6 storey or above either air conditioned or not. We have benchmarked as air conditioned 6 storey or above.

4.9 There is no substructure included in the estimate (as this part of the structure has already been constructed), there is a small allowance for modifying the existing structure. We have made a deduction in our benchmarking to allow for this.

4.10 Our benchmarking of the office AUV scheme results in an adjusted benchmark of £4,028/m² that compares to the Applicant's £3,907/m². We therefore consider the Applicant's costs to be reasonable.

4.11 The costs included in the appraisal are consistent with the costs in the Stage 4 Cost Update.

BPS Chartered Surveyors
Date: 20th July 2020

15-16 The Minories & 62 Aldgate High Street, City of London EC3N 1AX

Elemental analysis proposed residential & BCIS benchmarki **115.05%**

All these detailed costings are at 1Q2017 price levels

					GIA ft²	88,085		65,729						
		1Q2017	**inc inflatn**	**8,183**	**GIA m²**	**8,183**		**6,106**		**6,106**		**6,106**	**Flats Def**	
		TOTAL			**Shell & core**		**Apt fit-out**		**Amenity fit-out**		**Communal fit-out**		**LF100**	**LF122**
		£	**£**	**£/m²**	**£**	**£/m²**	**£**	**£/m²**	**£**	**£/m²**	**£**	**£/m²**	**£/m²**	**£/m²**
	Demolitions													
1	**Substructure - excluded**												**147**	**179**
2A	Frame	2,981,000	3,429,507	419	2,981,000	364							129	157
2B	Upper Floors												80	98
2C	Roof	321,000	369,296	45	321,000	39							91	111
2D	Stairs	207,000	238,144	29	162,000	20	45,000	7					30	37
2E	External Walls	7,130,000	8,202,745	1,002	7,130,000	871							188	229
2F	Windows & External Doors												90	110
2G	Internal Walls & Partitions	1,998,000	2,298,609	281	241,000	29	1,687,000	276			70,000	11	67	82
2H	Internal Doors	416,000	478,589	58					20,000	3	396,000	65	50	61
2	**Superstructure**	**13,053,000**	**15,016,890**	**1,835**	**10,835,000**	**1,324**	**1,732,000**	**284**	**20,000**	**3**	**466,000**	**76**	**725**	**885**
3A	Wall Finishes	790,000	908,860	111			479,000	78	8,000	1	303,000	50	73	89
3B	Floor Finishes	1,367,000	1,572,672	192			994,000	163	41,000	7	332,000	54	60	73
3C	Ceiling Finishes	700,000	805,319	98			467,000	76	37,000	6	196,000	32	39	48
3	**Internal Finishes**	**2,857,000**	**3,286,850**	**402**	**0**	**0**	**1,940,000**	**318**	**86,000**	**14**	**831,000**	**136**	**172**	**210**
4	**Fittings**	**3,329,000**	**3,829,865**	468			**2,999,000**	491	**125,000**	**20**	**205,000**	**34**	**61**	**74**
5A	Sanitary Appliances												29	35
5B	Services Equipment (kitchen, laundry)												24	29
5C	Disposal Installations	230,000	264,605	32	230,000	28							13	16
5D	Water Installations	159,000	182,922	22	159,000	19							32	39
5E	Heat Source - CEC?												50	61
5F	Space Heating & Air Treatment	892,000	1,026,206	125	892,000	109							104	127
5G	Ventilating Systems, smoke extract & control	221,000	254,251	31	221,000	27							19	23
5H	Electrical Installations (power, lighting, emergency lighting, standby generator, UPS)	4,024,000	4,629,431	566	540,000	66	3,484,000	571					87	106
5I	Fuel Installations												7	9
5J	Lift Installations	775,000	891,603	109	775,000	95							37	45
5K	Protective Installations (fire fighting, dry & wet risers, sprinklers, lightning protection)	278,000	319,827	39	278,000	34							11	13
5L	Communication Installations (burglar, panic alarm, fire alarm, cctv, door entry, public address, data cabling, tv/satellite, telecommunication systems, leak detection, induction loop)	572,000	658,060	80	572,000	70							23	28
5M	Special Installations - (window cleaning, BMS, medical gas) - refuse chute	85,000	97,789	12	85,000	10							44	54
5N	BWIC with Services	362,000	416,465	51	188,000	23	174,000	28					14	17
5O	Management of commissioning of services													
5	**Services**	**7,598,000**	**8,741,158**	**1,068**	**3,940,000**	**481**	**3,658,000**	**599**	**0**	**0**	**0**	**0**	**494**	**603**
6A	Site Works													
6B	Drainage													
6C	External Services													
6D	Minor Building Works													
6	**External Works**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
	SUB TOTAL	**26,837,000**	**30,874,764**	**3,773**	**14,775,000**	**1,805**	**10,329,000**	**1,691**	**231,000**	**38**	**1,502,000**	**246**	**1,599**	**1,951**
7	**Preliminaries 15%**	**4,026,000**	4,631,732	566										
	Overheads & Profit 5%	**1,543,000**	1,775,152	217										
	SUB TOTAL	**32,406,000**	**37,281,648**	**4,556**	**14,775,000**	**1,805**	**10,329,000**	**1,691**	**231,000**	**38**	**1,502,000**	**246**		
	Design Development risks - Design & build r isk 3%	972,000	1,118,242	137										
	Construction risks 5.2%	1,669,000	1,920,110	235										
	Employer change risks													
	Employer other risks													
	TOTAL	**35,047,000**	**40,320,000**	**4,927**	**14,775,000**	**1,805**	**10,329,000**	**1,691**	**231,000**	**38**	**1,502,000**	**246**		
	Inflation to 1Q2019 15.044% - inc rounding	5,273,000	**inflation**											
	TOTAL	**40,320,000**	**included**	**4,927**	**14,775,000**	**1,805**	**10,329,000**	**1,691**	**231,000**	**38**	**1,502,000**	**246**		
				4,927		1,805		1,691		38		246		

Benchmarking		2,225
Adjust for substructure	-179	
Add additional cost of frame & upper floors	164	
Add additional cost of external walls & windows	663	
Add additional cost of internal walls & int dorrs	197	
Add additional cost of wall finishes	22	
Add additional cost of floor finishes	119	
Add additional cost of ceiling finishes	51	
Add additional cost of fittings	394	
Add additional cost of ventilating installations	8	
Add additional cost of electrical installations	460	
Add additional cost of lift installations	64	
Add additional cost of protective installations	26	
Add additional cost of communication installations	52	
Add additional cost of BWIC	34	
	2,073	
Add prelims 15%	311	
Add OHP 5%	119	2,503
		4,729
Add contingency 5%		236
Total adjusted benhmark		4,965

15-16 The Minories & 62 Aldgate High Street, City of London EC3N 1AX
Alternative Office Scheme
Elemental analysis & BCIS benchmarking

			GIA ft²	91,515		
			104.01%		Offices def	
	GIA m²		Inc inflation	8,502	LF100	LF122
		£	£	£/m²	£/m²	£/m²
	Demolitions					
1	**Substructure - modify existing structure**	**366,000**	**380,668**	**45**	**156**	**190**
2A	Frame	4,726,000	4,915,395	578	132	161
2B	Upper Floors				72	88
2C	Roof	598,000	621,965	73	128	156
2D	Stairs	330,000	343,225	40	39	48
2E	External Walls	7,057,000	7,339,810	863	193	235
2F	Windows & External Doors				122	149
2G	Internal Walls & Partitions	732,000	761,335	90	61	74
2H	Internal Doors				38	46
2	**Superstructure**	**13,443,000**	**13,981,730**	**1,645**	**785**	**958**
3A	Wall Finishes	291,224	302,895	36	43	52
3B	Floor Finishes	509,642	530,066	62	75	92
3C	Ceiling Finishes	72,806	75,724	9	36	44
	Fit out basement	268,000	278,740	33		
3	**Internal Finishes**	**1,141,672**	**1,187,425**	**140**	**154**	**188**
4	**Fittings & finishings**	**2,258,000**	**2,348,490**	**276**	**26**	**32**
5A	Sanitary Appliances				16	20
5B	Services Equipment (kitchen, laundry)				16	20
5C	Disposal Installations				11	13
5D	Water Installations	3,893,000	4,049,013	476	30	37
5E	Heat Source	2,181,280	2,268,695	267	47	57
5F	Space Heating & Air Treatment				162	198
5G	Ventilating Systems, smoke extract & control				56	68
5H	Electrical Installations (power, lighting, emergency lighting, standby generator, UPS)				168	205
5I	Fuel Installations				5	6
5J	Lift Installations	588,000	611,564	72	35	43
5K	Protective Installations (fire fighting, dry & wet risers, sprinklers, lightning protection)				18	22
5L	Communication Installations (burglar, panic alarm, fire alarm, cctv, door entry, public address, data cabling, tv/satellite, telecommunication systems, leak detection, induction loop)				42	51
5M	Special Installations - (window cleaning, BMS, medical gas)				30	37
5N	BWIC with Services				18	22
5O	Management of commissioning of services					
5	**Services**	**6,662,280**	**6,929,272**	**815**	**654**	**798**
6A	Site Works					
6B	Drainage					
6C	External Services					
6D	Minor Building Works					
6	**External Works**	**0**	**0**	**0**		
	SUB TOTAL	**23,870,952**	**24,827,584**	**2,920**	**1,775**	**2,166**
7	**Preliminaries 16%**	**3,819,792**	**3,972,871**	**467**		
	Overheads & Profit 5%	**1,384,187**	**1,439,659**	**169**		
	SUB TOTAL	**29,074,932**	**30,240,113**	**3,557**		
	Design Development risks - Design & build risk 2.5%	727,023	756,159	89		
	Construction risks 7.34%	2,135,047	2,220,609	261		
	Employer change risks					
	Employer other risks - rounding	2,999	3,119	0		
	TOTAL	**31,940,000**	**33,220,000**	**3,907**		
	Inflation to 1Q2019 4%	1,280,000				
	TOTAL	**33,220,000**		**3,907**		

		3,907
Benchmarking		2,732
Adjust for substructure (existing to be modified)	-146	
Add additional cost of frame & upper floors	329	
Add additional cost of external walls & windows	479	
Add additional cost of fittings	245	
	907	
Add prelims 16%	145	
Add OHP 5%	53	1,105
		3,837
Add contingency 5%		192
Total adjusted benhmark		4,028
Difference		-121

Appendix Two – AUV Appraisal

Minories AUV

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Office	1	72,806	58.81	4,281,721	4,281,721	4,281,721

Investment Valuation

Office					
Market Rent	4,281,721	YP @	5.0000%	20.0000	
(2yrs 5mths Rent Free)		PV 2yrs 5mths @	5.0000%	0.8888	76,109,851

GROSS DEVELOPMENT VALUE			**76,109,851**
Purchaser's Costs		(5,175,470)	
Effective Purchaser's Costs Rate	6.80%		
			(5,175,470)
NET DEVELOPMENT VALUE			**70,934,381**
NET REALISATION			**70,934,381**

OUTLAY

ACQUISITION COSTS			
Residualised Price		8,813,008	
			8,813,008
Stamp Duty		430,150	
Effective Stamp Duty Rate	4.88%		
Agent Fee	1.00%	88,130	
Legal Fee	0.80%	70,504	
			588,785

CONSTRUCTION COSTS

Construction	**Units**	**Unit Amount**	**Cost**	
Office				
- Construction Breakdown			33,220,000	
				33,220,000
Demolition			1,750,000	
s106			640,870	
Mayoral CIL			1,544,716	
Borough CIL			880,438	
				4,816,024
Other Construction				
Cat A fit out			4,000,000	
				4,000,000

PROFESSIONAL FEES			
Professional Fees	10.00%	3,322,000	
			3,322,000
MARKETING & LETTING			
Letting Agent Fee	10.00%	428,172	
Letting Legal Fee	5.00%	214,086	
			642,258
DISPOSAL FEES			
Sales Agent Fee	2.50%	1,773,360	
Sales Legal Fee	0.50%	354,672	
			2,128,031
FINANCE			
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)			
Land		899,531	
Construction		1,864,587	
Total Finance Cost			2,764,118
TOTAL COSTS			**60,294,224**

Minories AUV

PROFIT

		10,640,157

Performance Measures

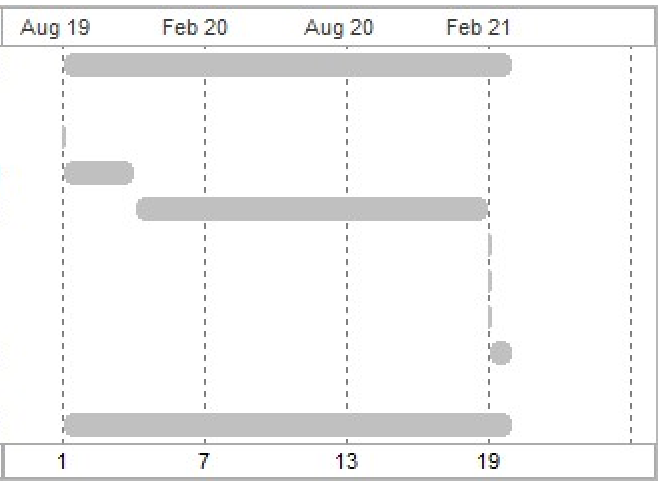
Profit on Cost%	17.65%
Profit on GDV%	13.98%
Profit on NDV%	15.00%
Development Yield% (on Rent)	7.10%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	28.82%
Rent Cover	2 yrs 6 mths
Profit Erosion (finance rate 6.500)	2 yrs 6 mths

Minories AUV

Project Timescale	
Project Start Date	Aug 2019
Project End Date	Feb 2021
Project Duration (Inc Exit Period)	19 months

Phase 1

	Start Date	Duration	End Date
Project	Aug 2019	19	Feb 2021
Purchase	Aug 2019	0 Month(s)	
Pre-Construction	Aug 2019	3 Month(s)	Oct 2019
Construction	Nov 2019	15	Jan 2021
Post Development	Feb 2021	0 Month(s)	
Letting	Feb 2021	0 Month(s)	
Income Flow	Feb 2021	0 Month(s)	
Sale	Feb 2021	1 Month(s)	Feb 2021
Cash Activity	Aug 2019	19	Feb 2021



Appendix Three – 100% Private Appraisal

Minories - all private

Appraisal Summary for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Private residential	1	61,468	1,171.99	72,040,000	72,040,000
Rental Area Summary	**Units**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	
Ground rents	87	175	15,200	15,200	
Investment Valuation					
Ground rents					
Current Rent	15,200	YP @	4.5000%	22.2222	337,778
GROSS DEVELOPMENT VALUE				**72,377,778**	
Purchaser's Costs			(18,240)		
Effective Purchaser's Costs Rate		5.40%			
				(18,240)	
NET DEVELOPMENT VALUE				**72,359,538**	
NET REALISATION				**72,359,538**	
OUTLAY					
ACQUISITION COSTS					
Fixed Price			4,487,163		
				4,487,163	
Stamp Duty			213,858		
Effective Stamp Duty Rate		4.77%			
Agent Fee		1.00%	44,872		
Legal Fee		0.80%	35,897		
				294,627	
CONSTRUCTION COSTS					
Construction	**ft²**	**Build Rate ft²**	**Cost**		
Private residential					
- Construction Breakdown			35,832,837		
				35,832,837	
s106			640,870		
CIL			305,941		
				946,811	
PROFESSIONAL FEES					
Professional		10.00%	3,583,284		
				3,583,284	
DISPOSAL FEES					
Sales Agent and Marketing Fee		2.50%	1,809,444		
Sales Legal Fee		0.50%	361,798		
				2,171,242	
Developer's Profit					
Developer's Profit		17.50%	12,662,919		
				12,662,919	
FINANCE					
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)					
Land			514,264		
Construction			2,070,448		
Other			127,423		
Total Finance Cost				2,712,135	
TOTAL COSTS				**62,691,018**	
PROFIT					
				9,668,520	

Performance Measures

Minories - all private

Profit on Cost%	15.42%
Profit on GDV%	13.36%
Profit on NDV%	13.36%
Development Yield% (on Rent)	0.02%
Equivalent Yield% (Nominal)	4.50%
Equivalent Yield% (True)	4.63%
IRR% (without Interest)	25.54%
Rent Cover	636 yrs 1 mth
Profit Erosion (finance rate 6.500)	2 yrs 3 mths

Minories - all private

Project Timescale	
Project Start Date	Aug 2019
Project End Date	Aug 2021
Project Duration (Inc Exit Period)	25 months

Phase 1

	Start Date	Duration	End Date	Aug 19	Feb 20	Aug 20	Feb 21	Aug 21
Project	Aug 2019	25	Aug 2021					
Purchase	Aug 2019	0 Month(s)						
Pre-Construction	Aug 2019	0 Month(s)						
Construction	Aug 2019	20	Mar 2021					
Post Development	Apr 2021	0 Month(s)						
Letting	Apr 2021	0 Month(s)						
Income Flow	Apr 2021	0 Month(s)						
Sale	Apr 2021	5 Month(s)	Aug 2021					
Cash Activity	Aug 2019	25	Aug 2021					
				1	7	13	19	25

Appendix Four – Consented Scheme Appraisal

Minories - 27 affordable Consented Scheme

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Private residential	1	43,773	1,193.43	52,240,000	52,240,000
Affordable	27	17,965	391.42	260,436	7,031,780
Totals	**28**	**61,738**			**59,271,780**

Rental Area Summary	**Units**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Ground rents	60	178	10,650	10,650

Investment Valuation

Ground rents					
Current Rent	10,650	YP @	4.5000%	22.2222	236,667

GROSS DEVELOPMENT VALUE				**59,508,447**
Purchaser's Costs			(11,360)	
Effective Purchaser's Costs Rate		4.80%		
				(11,360)
NET DEVELOPMENT VALUE				**59,497,087**
NET REALISATION				**59,497,087**

OUTLAY

ACQUISITION COSTS				
Fixed Price			4,487,163	
				4,487,163
Stamp Duty			213,858	
Effective Stamp Duty Rate		4.77%		
Agent Fee		1.00%	44,872	
Legal Fee		0.80%	35,897	
				294,627

CONSTRUCTION COSTS

Construction	**ft²**	**Build Rate ft²**	**Cost**	
Private residential				
- Construction Breakdown			33,258,137	
				33,258,137
s106			640,870	
Statutory/LA			225,000	
				865,870
PROFESSIONAL FEES				
Professional		10.00%	3,325,814	
				3,325,814
DISPOSAL FEES				
Sales Agent and Marketing Fee		2.50%	1,311,917	
Sales Legal Fee		0.50%	297,542	
				1,609,459
Developer's Profit				
Developer's Profit		16.14%	9,602,830	
				9,602,830
FINANCE				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			512,687	
Construction			1,764,267	
Other			61,607	
Total Finance Cost				2,338,562
TOTAL COSTS				**55,782,461**
PROFIT				
				3,714,625

Minories - 27 affordable Consented Scheme

Performance Measures

Profit on Cost%	6.66%
Profit on GDV%	6.24%
Profit on NDV%	6.24%
Development Yield% (on Rent)	0.02%
Equivalent Yield% (Nominal)	4.50%
Equivalent Yield% (True)	4.63%
IRR% (without Interest)	15.12%
Rent Cover	348 yrs 9 mths
Profit Erosion (finance rate 6.500)	12 mths

Minories - 27 affordable Consented Scheme

Table of Profit Amount and Profit on GDV%

	Construction: Gross Cost				
Sales: Gross Sales	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
	31,595,230	32,426,684	33,258,137	34,089,590	34,921,044
-5.000% 49,628,000	£1,585,123 2.786%	£1,585,123 2.786%	£1,585,123 2.786%	£1,585,123 2.786%	£1,585,123 2.786%
-2.500% 50,934,000	£2,649,874 4.553%	£2,649,874 4.553%	£2,649,874 4.553%	£2,649,874 4.553%	£2,649,874 4.553%
0.000% 52,240,000	£3,714,625 6.242%	£3,714,625 6.242%	£3,714,625 6.242%	£3,714,625 6.242%	£3,714,625 6.242%
+2.500% 53,546,000	£4,779,376 7.859%	£4,779,376 7.859%	£4,779,376 7.859%	£4,779,376 7.859%	£4,779,376 7.859%
+5.000% 54,852,000	£5,844,128 9.408%	£5,844,128 9.408%	£5,844,128 9.408%	£5,844,128 9.408%	£5,844,128 9.408%

Sensitivity Analysis : Assumptions for Calculation

Construction: Gross Cost
Original Values are varied by Steps of 2.500%.

Heading	Phase	Amount	No. of Steps
Private residential	1	£33,258,137	2.00 Up & Down

Sales: Gross Sales
Original Values are varied by Steps of 2.500%.

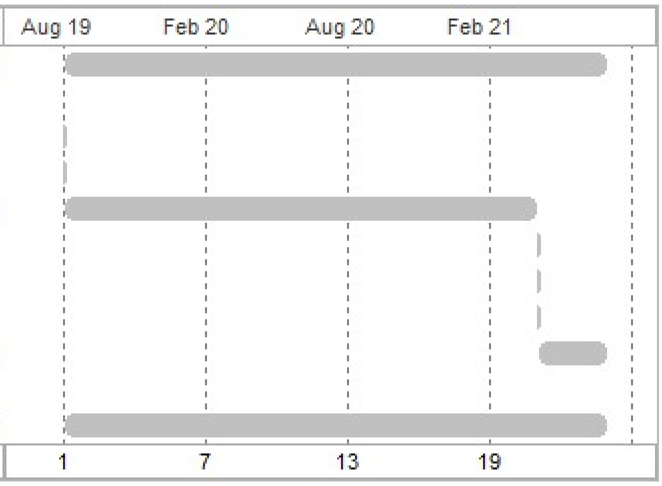
Heading	Phase	Amount	No. of Steps
Private residential	1	£52,240,000	2.00 Up & Down

Minories - 27 affordable Consented Scheme

Project Timescale	
Project Start Date	Aug 2019
Project End Date	Jun 2021
Project Duration (Inc Exit Period)	23 months

Phase 1

	Start Date	Duration	End Date
Project	Aug 2019	23	Jun 2021
Purchase	Aug 2019	0 Month(s)	
Pre-Construction	Aug 2019	0 Month(s)	
Construction	Aug 2019	20	Mar 2021
Post Development	Apr 2021	0 Month(s)	
Letting	Apr 2021	0 Month(s)	
Income Flow	Apr 2021	0 Month(s)	
Sale	Apr 2021	3 Month(s)	Jun 2021
Cash Activity	Aug 2019	23	Jun 2021



15 Minories & 62 Aldgate Street, London, EC3N 1AX

Addendum Viability Review

Prepared on behalf of the City of London Corporation

23rd December 2020

Planning reference: 13/01055/FULMAJ

BPS Chartered Surveyors

215a High Street, Dorking, RH4 1RU
www.bps-surveyors.co.uk
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Contents

1.0 INTRODUCTION

1.1 BPS Chartered Surveyors have been instructed by the City of London ('the Corporation') to undertake a review of a Financial Viability Assessment (FVA) prepared by Affordable Housing Solutions (AHS) on behalf of 4C Hotels Ltd ('the Developer') in connection with an appeal to reduce the affordable housing contribution in a consented development at the above site.

1.2 The site has an extant planning permission (reference: 13/01055/FULMAJ) for:

Demolition of 15 Minories and 62 Aldgate High Street and redevelopment to provide a Class B1 office building with Class A1 retail (18,537sq.m). Extension and recladding of 16 Minories and change of use from offices (Class B1) to a hotel (Class C1), Class A3 restaurant and Class D1 (health)/ Class D2 (community) use (17,367sq.m.). Erection of new residential building (Class C3) providing 87 units (7829sq.m.). Relandscaping of open space and public realm improvements.

1.3 We understand the hotel conversion and extension is close to completion however the standalone office has not yet begun beyond works to the joint basement which serves all three buildings. The developer would need to submit a fresh application for the residential element of the site which would potentially need to be viewed as a stand alone application. We assume the requirements of the original S106 Agreement would remain a material consideration. The obligations in this document were dependent on the scheme's viability as a whole, however whether a stand alone application could reference the viability of the earlier consent is unclear to us as a matter of law and recommend the Council take appropriate legal advice in this regard.

1.4 The financial viability assessment prepared by AHS is focused purely on the residential element of this permission which has been substantially implemented and the frame of the building constructed but we understand construction work has been stalled for some time.

1.5 The residential element of the permission provides for 27 affordable units (30% overall contribution) which occupy the first 3 floors and constitutes a policy compliant affordable housing contribution. These units have been secured through a S106 agreement dated 30 June 2014 and reflect a tenure split of 70/30 between social/affordable and intermediate rent. We understand that the maximum Payment in Lieu (PIL) for affordable housing in accordance with the Corporations policy is £8.58 million and when adjusted for TPI a contribution of £9,483,635 is required.

1.6 The basis of our original report was the Financial Viability Review prepared by Affordable Housing Solutions (AHS), dated February 2020, which concluded that if the residential element of the scheme were delivered as 100% private housing it would show a current deficit of approximately £2.61 million and therefore on this basis no affordable housing could viably be delivered. To make this assessment AHS have compared the residual value derived from the current residential consent with a notional alternative development comprising office use. This is referred to as an alternative use assessment. AHS have provided Counsel's opinion in support of this approach.

1.7 We responded with our independent viability review, dated 28th August 2020, which concluded made the following amendments to the AHS appraisals:

a) Increased affordable housing values
b) Reduced sales period
c) Reduced construction period
d) Reduced developer profit target
e) Altered ground rental value
f) Removed commuted sum from 100% private scenario
g) Fixed land cost at EUV

1.8 We concluded that both the consented development and proposed scheme produced a viability surplus.

1.9 AHS responded on 1st October 2020 and accepted several of the changes proposed in our addendum. At this stage the EUV of £4.487 million was accepted by both parties and the report focused on calculating a payment in lieu (PIL) for affordable housing which is to be calculated on the difference in residual profit between the consented scheme and a 100% private scenario. AHS drew the following conclusions:

5.0 Results

Using the BPS approach and assuming the BPS' fixed land cost, as it is the same for both appraisals, our revised appraisals show:

All-private scheme profit (*Appendix 1*):	£6,727,321
Consented scheme profit (*Appendix 2*):	£1,545,332
Affordable Housing Contribution:	**£5,181,989**

6.0 Conclusion

In order to reach a swift conclusion our client is willing to make an increased offer of £5,180,765 as a commuted payment in lieu of affordable housing on-site.

1.10 We responded to this in an email dated 26th October which is attached in Appendix One for reference. This email highlighted our own estimated PIL as set out below:

Viability Assessor	Benchmark Land Value	100% Private	Consented Development	Maximum PIL
BPS	£4.487 million	£9.669 million	-£138,109	£8.58 million
AHS	£4.487 million	£6.727 million	£1.545 million	£5.180 million

1.11 Our updated PIL reflected a reduction in the affordable housing valuation in accordance with additional evidence provided by the developer which suggested that the service charge for the scheme would be £8.54 per sq ft and that no Registered Providers (RPs) were interested in taking the affordable element in light of this. The valuation of the affordable element remains the most significant area of disagreement.

1.12 AHS have submitted another rebuttal dated December 2020. This provides the following updated conclusions:

4.0 Results

Using the BPS approach and assuming the BPS' fixed land cost figure, our revised appraisals show the additional profit as:

All-private scheme profit (*Appendix 1*):	£6,491,177
Consented scheme profit (*Appendix 2*):	£284,057

Affordable Housing Contribution: **£6,207,120.**

5.0 Conclusion

This scheme has been stalled since April 2019. There is a window to now conclude this matter and our client is willing to make an increased offer of £6,207,120 as a commuted payment in lieu of affordable housing on-site, subject to formal agreement and Board approval.

1.13 The following appraisal inputs were not agreed between ourselves at the time of last reporting and form the basis of this report:

a) *Sales Rates*
b) *Ground Rents*
c) *Affordable Housing Value*
d) *Construction Period*
e) *Finance*
f) *Developer Profit*

2.0 CONCLUSIONS AND RECOMMENDATIONS

2.1 The City Corporation has published a Draft Planning Obligations SPD dated October 2020. Paragraph 34 of this SPD outlines the provision of commuted sums in lieu of on site affordable housing delivery:

provision of a commuted sum, also known as a cash in-lieu payment, to enable the City Corporation to provide suitable affordable housing elsewhere in the City, or within reasonable travel distance of the City, normally on City Corporation-owned or manged housing estates. The level of this contribution will be calculated on a site by site basis, to ensure that the full uplift in value when delivering a 100% market scheme is reflected in the contribution and that there is no financial incentive to the developer deliver the affordable housing by means of a commuted sum. The Local Plan Viability Assessment indicates that a viable contribution to off-site provision should lie in the range of £440,000 to £460,000 per unit. Developers proposing a commuted sum must submit 2 appraisals of the development scheme – one incorporating a policy compliant level of affordable housing on-site and a separate appraisal of the same scheme but with all units provided as private/market housing. The required commuted sum payment will be the greater of £440,000 per unit or the difference between these two submitted appraisals.

2.2 This approach identifies a payment in lieu of £12.15 million for the 27 affordable units in the proposed scheme as this is lower than the difference between the two appraisals. We appreciate that this SPD is at the draft stage and is not yet adopted therefore we continue to consider the £9.48 million PIL as calculated from the 2014 SPD to be the relevant approach at this point in time.

2.3 In light of this report, we have now reached agreement on ground rental value and construction timings. We have been provided with a live version of the Argus appraisals included in the AHS report to which we have applied our amendments. The differences between the two approaches are summarised in the table below:

Input	AHS	BPS
Off plan sales	50%	80%
Affordable Housing Value	£6.075 million	£4.313m
Finance	7%	6.5%
Private residential profit	20%	17.5%

2.4 Our appraisal summaries for the consented scheme and 100% private scheme with policy compliant PIL can be found in Appendices Two and Three. The table below outlines the residual surpluses produced by each appraisal and the resulting PILs:

Viability Assessor	Benchmark Land Value	100% Private	Consented Development	Maximum PIL
BPS	£4.487 million	£9,140,884	£602,206	£7,485,000
AHS	£4.487 million	£6,491,177	£248,057	£6,207,120

2.5 The developer has made it clear that no RPs are interested in taking on the consented affordable housing in view of the high service charge and on this basis we consider a nil value could potentially be argued for this element. However our computation of the affordable housing value is based on the service charge costs as advised and as can be seen from the table above represents a positive value.

2.6 The residual surplus of the 100% private scheme less the surplus of £602,000 produced by consented scheme is £8.539 million which is the first step in calculating the PIL. However we have assumed that any PIL would be payable at start of construction as such the appraisal would need to reflect the interest costs accruing on the PIL. On this basis we have identified the maximum viable PIL of £7,485,000 within our appraisal, timed as a payment to coincide with the start of construction. It can be seen that our appraisal generates a residual surplus equal to the extant scheme. This conclusion allows for a developer profit allowance.

2.7 The appraisal summaries can be found in Appendices Two, Three and Four.

3.0 DEVELOPMENT REVENUES

Sales Rates

AHS: 50% off plan, 3.6 per month PC

BPS: 80% off plan, 5 per month PC

3.1 AHS have provided updated evidence from Savills which shows completions of schemes near the subject have off plan sales rates ranging between 29-100%. The schemes range in quality and all are above 50% apart from Pink Mews, completed July 2018 and described by Savills as being inferior to the subject. The schemes that are described as being comparable with the subject have off plan sales rates of 58% and 89%. We consider The Lofts to be marginally inferior to the subject, and note it achieved 74-96% off plan sales.

3.2 The Savills report also provides sales velocities per month both prior to and post completion. For the comparable Barts Square development the post completion sales rate was 1 unit per month, for the The Lofts development it was 2.5 per month for the first 12 months and for the inferior London Square Spitalfieds it was 0.67 units per month post completion. Savills also suggest that the market has weakened over the last 24 months and during 2020 which has adversely impacted the off plan sale market, which is mainly targeted towards the foreign market.

3.3 AHS have provided further evidence from Molior which details other schemes in the LPA. They note that sales rates and off plan sales have decreased dramatically in the last 24 months and particularly from Q1 2020 onwards.

3.4 While we appreciate the market has weakened over the last 24 months the evidence provided by Savills does not support their recommendation for off plan sales of 50%. We consider our target of 80% of sales off plan to still be reasonable, especially given the length of time this scheme has been consented and in accordance with the evidence provided we maintain this assumption. Also in accordance with the evidence provided by AHS and Savills we have adopted a sales rate of 3.6 units per month post completion as proposed by AHS. This gives a total sales period of 5 months in the proposed scheme and 4 months in the consented scheme.

Ground Rents

AHS: Willing to include if profit is accounted for

BPS: Previously no profit

3.5 For the purposes of reaching an agreement AHS have stated they are willing to include ground rents if a profit allowance is included due to the uncertainty surrounding their receipt. We consider this to be reasonable and note that the argus appraisal currently includes the ground rental income in its calculation of developer profit, therefore we are in agreement with AHS on this matter.

Affordable Housing Values

AHS: £6.075 million

BPS: £4.313 million

3.6 In our previous response we updated our affordable housing values to take into consideration the increased services charges, reducing our affordable housing valuation by c £4 million. AHS initially adopted an affordable housing value of c £4 million which they have now increased to £6.075 million based on a report provided by Red Loft. The main dispute over the affordable housing valuation surrounds the computation of the impact of service charges on the value of the affordable element.

3.7 AHS have previously argued that no RP would purchase take the 27 consented affordable housing units for a variety of reasons, one of which being the lack of an additional core/entrance meaning that the affordable units will have to share the high service charge costs. The service charge estimate provided by JLL shows a total service charge of £752,400 pa.

3.8 AHS has identified on the JLL schedule that not all service charge items would be chargeable to the affordable element given that access to some facilities would be restricted to the private element only. The items potentially rechargeable to the affordable element on this basis total £540,700 before apportionment. We accept that the percentage share of these costs to the affordable element is 31.35% based on a pro-rata split by floor area. Applying this percentage shows a net service charge cost to the affordable element of £169,304.

3.9 Dividing this sum by the total affordable floor area on an NIA basis of 17,695 sq ft equates to a cost per £/sqft of £9.37 per annum. It is not clear how AHS using the same schedule have arrived at a service charge cost of £4.10 per sq ft which we assume incorporates an error.

3.10 We have reviewed the valuation provided by Red Loft. We note they have adopted the AHS service charge figure of £4 per sq ft and the following valuation assumptions:

Social Rent and Affordable Rent key inputs and assumptions:

- 4.5% discount rate
- 40-year discount period
- £600 management cost per unit per annum
- £600 maintenance cost per unit per annum
- 4% voids and bad debts
- 0 – 1% of rebuild costs for major repairs
- CPI plus 1% rental inflation.

Shared Ownership key inputs and assumptions:

- 4.5% discount rate
- 40-year discount period
- £100 management cost per unit per annum
- 25% initial equity sale
- 1.15% rent on unsold equity
- Maximum £66,000 income threshold across all units.

The discount rate sits within a range of benchmarked figures between 4% and 5%.

3.11 For the shared ownership valuation we consider the assumed rent on unsold equity of 1.15% to be significantly lower than we would expect which is typically upward of 2.5%-2.75%. We assume this reduced rent is to maintain the assumed affordability of this tenure. We have tested the inputs as adopted by Red Loft and consider the 1 bedroom units values do not sit within affordability criteria for an income of £65,000 pa. We calculate affordability at this income threshold requires an adjusted rent of 0.5% on the unsold equity. We do not consider rents at this level to be a realistic proposition for an RP and this is echoed across many authorities in London where shared ownership is widely regarded as not practical where the market value of the unit is at levels similar or above the subject and has resulted in the introduction of intermediate rented tenures. In view of this we have continued to include a rented product for the intermediate tenure.

3.12 It has become clear that the social rented units would not be able to charge any significant rental value and the capital value for the units has reduced to £575,000 when affordability is considered. This reaffirms the position taken by AHS that there is no demand from RPs for the units due to the high service charges.

3.13 Computing an affordable value incorporating the service charge cost of £9.57 per sq ft is in our view a generous approach to valuing the affordable element in an on site scenario, noting there is no apparent RP demand, a position on which the developer and AHS have been very clear. The revisions to the service charge produce a total value of £4.313 million for the affordable housing element.

3.14 If as suggested by AHS the affordable housing units have a value of £6.075 million it is not clear why they developer cannot realise this figure or something close to it. We consider a position which argues for a high value to be contrary to the argument there is no demand for the product.

4.0 Development Costs

Construction Period

AHS: 3 + 24 month

BPS: 20 months

4.1 AHS have adopted a 3 month pre construction and 24 month construction period which we have reduced to 20 months to account for the substructure and frame being already complete. They have provided a detailed contract programme which confirms these time estimates. On the basis of the contract programme we accept the construction timings as proposed by AHS.

Finance

AHS: 7%

BPS: 6.5%

4.2 AHS and Red Loft consider 7% to be the current cost of finance in Central London. This was not discussed by AHS in their previous review.

4.3 The Bank of England reduced base interest rates from 0.75% to 0.1% in March 2020 as a result of the Covid-19 Pandemic. While there is potentially increased risk to lenders in the current market the decrease of 0.65% imposed by the Bank of England will reflect a significant decrease in the cost of development finance. The Knight Frank Investment Yield guide notes that between November 2019 and November 2020 LIBOR has decreased from 0.8% to 0.04%, 10 year Gilts from 0.71% to 0.27% and 5 year swaps from 0.86% to 0.22%. The resilience of the property market over the course of the pandemic provides lenders with little incentive to dramatically increase interest rates.

4.4 Appraisal inputs should reflect the current market. In light of the lowering interest rates adopted by banks we consider a 0.5% decrease interest costs to be reasonable. We accordingly continue to adopt a 6.5% all in cost of finance as being reasonable.

Developer Profit

AHS: 20%

BPS: 17.5%

4.5 AHS and Red Loft consider there to be abnormal risk in the current market due to the pandemic and Brexit. We appreciate both of these events potentially influence the market however the effect of this is yet to be shown as house prices and sales volumes both of which have remained relatively stable post lockdown. We do not therefore consider such a significant change in risk profile to be warranted, especially given that the scheme has already been substantially commenced.

4.6 To be clear we have at no point stated that any of the units have been sold off plan. We consider there is lower risk than in other schemes as the substructure has been completed which is where the potential for significant cost risks often arise and accordingly consider 17.5% to be a reasonable developer profit target. This is in accordance with evidence support of the London Plan as mentioned in our previous response.

5.0 QUALITY STANDARDS CONTROL

This report is provided for the stated purpose and for the sole use of the named clients. This report may not, without written consent, be used or relied upon by any third party.

The author(s) of this report confirm that there are no conflicts of interest and measures have been put in place to prevent the risk of the potential for a conflict of interest. In accordance with the RICS Professional Statement *Financial Viability in Planning: Conduct and Reporting* September 2019, this report has been prepared objectively, impartially, and with reference to all appropriate sources of information.

The following persons have been involved in the production of this report:

[redacted]

Arthur Boulding RICS Membership no. 6878828 For and on behalf of BPS Chartered Surveyors	**Andrew Jones MRICS** RICS Membership no. 0085834 For and on behalf of BPS Chartered Surveyors

6.0 LIMITATION OF LIABILITY/ PUBLICATION

This report is provided for the stated purpose and for the sole use of the named clients. It is confidential to the clients and their professional advisors and BPS Chartered Surveyors accepts no responsibility whatsoever to any other person.

Neither the whole nor any part of this valuation report nor any reference hereto may be included in any published document, circular, or statement, or published in any way, without prior written approval from BPS of the form and context in which it may appear.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review.

Appendix One - BPS Email 26th October 2020

Hi Anna,

Thanks for the response dated 1st October. It appears there are not many points of disagreement so hopefully we can conclude this relatively swiftly, I thought email would be easier than sharing a report. Addressing each outstanding point:

Sales Rates

AHS have assumed 50% of sales will occur off plan with the remaining units being sold at a rate of 3.6 units per month (12 month sales period) which is maintained in the most recent response. We have assumed 80% of sales will occur off plan and a sales rate of 5 units per month for the remaining units.

AHS provided the following summary of sales rates from the Savills residential valuation report:

Scheme	Pre Sale Rate Units per month	% Pre Sold	Sales Rate Units per month
Aldgate Place	4.56	74%	5.13
Goodmans's Fields	8.10	100%	8.10
London Fields	1.10	90% (completion due in August 2019)	1.10
London Dock	7.98	74% (completion due in March 2022)	7.98
The Lofts	1.95	59%	2.06
Royal Mint Gardens	N/a	N/a	N/a
The Atlas Building	5.95	93% (completion due in September 2019)	5.95
Landmark Place	4.00	87%	4.30

Only Aldgate Place, London Dock and The Lofts achieved off plan sales below 80%, the lowest of which was The Lofts at 59% and therefore none of the comparable evidence was close to the 50% adopted by AHS. We consider the subject site is considerably more desirable than The Lofts and note it is significantly smaller than London Dock and Aldgate Place therefore it is likely that a higher percentage of units will be sold off plan. We consider our assumption of 80% off plan sales to be reasonable. The sales rates per month on completion range between 1.1-8.1 per month. Given the desirability of the subject scheme we consider a sales rate of 5 units per month to be reasonable. We have accordingly not changed our assumptions on sales rates.

Ground Rents

AHS have provided a response from Savills regarding the inclusion of ground rents. AHS suggest that given the estimated completion of the project is 3-5 years there is a risk the income stream won't be available when the scheme is completed which we consider to be a reasonable position.

Although there is an intention to bring a private members bill before Parliament concerning this issue, there is as yet no Parliamentary timescale for its reading. It is also not clear if Parliamentary time will be given to the bill. Consequently, it remains current practice for developers to generate revenue through this source and since our assessment is on a current day costs and values basis, we consider income should therefore be included in the appraisals.

We accordingly continue to adopt ground rental income in our appraisals. If the developer is willing to provide a legal undertaking in the S106 agreement that prevents ground rents being charged we would be happy to exclude this element from our appraisals.

Construction Timings

AHS have allowed for a 3 month lead in period and 24 month construction period. We had adopted a 20 month construction period based on the advice of our QS. The substructure and frame are completed which is why we do not consider a lead in period to be necessary, although we do understand there may be some mobilisation period. The construction duration estimate produced by our QS is inclusive of the cost to construct the concrete frame and substructure which are already in place therefore the actual construction period will be significantly shorter than his estimate. We accordingly do not find reason to alter our position on construction timings.

Developer Profit

AHS have adopted a developer profit target of 20% on private residential GDV while we consider a target of 17.5% to be more reasonable.

AHS suggest that our lower profit level is a reflection of off plan sales having been achieved, which is incorrect, we noted that the site has obtained permission and development has begun and any issues relating to substructure have been overcome, reducing the risk to the developer. AHS suggest that developer profit should not be a reflection of the risk covered by cost contingencies (such as substructure) and should be a reflection of market risk, which we do not consider to be the case and suggest that developer return reflects the risk across the whole scheme delivery. AHS consider the evidence base for the Draft London Plan to be outdated and suggest there is increased market risk resulting from the pandemic and a possible no deal Brexit. We consider our current assumption on developer target to be reasonable further note that contrary to many claims the residential market has in fact demonstrated high levels of sales volumes with rising values in many areas, part encouraged by initiatives such as the stamp duty holiday which we understand the Government is giving consideration to extending. In consequence the Pandemic is not in our view simply a negative factor increasing risk.

On Site Affordable Delivery

AHS state they have adopted our affordable housing values in their appraisal for the consented scheme, although the AHS appraisal reflects a slight increase of £100,000.

AHS have raised considerable concern over the ability of the scheme to deliver on site affordable housing. In the original report they highlighted the implications on service charge that sharing a core with the private units has. They have subsequently contacted Six RPs about taking on the units, none of whom were interested and have raised the following reasons for not being able to take on the scheme:

Unit numbers too few (50%)
Not operating in the LPA (50%)
Mix of Units (33%)
Shared Core (33%)

As a result of this AHS recommend that a Payment in Lieu (PIL) for affordable housing is to be made to the Corporation in order to provide off site affordable in a more suitable location. AHS have provided a breakdown of service charges from JLL which gives a total service charge of £252,400 pa (£8,650 per unit pa). For the GIA of the whole building this represents a charge of £8.54 per sq ft pa which is higher than the estimate of £5.54 per sq ft assumed by AHS in the original report.

The Corporation have informed us that the Guinness Trust (who operate affordable housing in an adjacent building to the subject) were contacted and are not interested in taking the units on. We consider the reasons that RPs are not interested in the scheme to be reasonable, however we consider that design flaws in the scheme should not warrant secured planning obligations being bypassed.

If the on site units cannot be used for affordable housing as consented then their value as affordable housing would be significantly reduced, potentially to de minimis levels.

We have updated our affordable housing valuation to allow for the increased service charges. We have ensured that the units remain within the affordability caps as suggested by AHS. This gives a revised value of £3,053,000 for the affordable units which is a significant reduction (c £4 million) on the value we had previously adopted. We note that the affordability calculation adopted in our previous report had an error in the affordability calculation which meant to the units being previously overvalued. We are happy to share the revised affordable housing calculations on request.

Conclusion & Results

It should be noted that the remaining inputs we are not in agreement on will influence both the extant and consented schemes, and aside from developer profit are likely to have only small influence on the maximum PIL that is contributable.

We maintain our appraisal for the 100% private scheme and have changed only the affordable housing valuation from the consented scheme which is attached. The results of the appraisals from both viability consultants are summarised in the table below:

Viability Assessor	Benchmark Land Value	100% Private	Consented Development	Maximum PIL
BPS	£4.487 million	£9.669 million	-£138,109	£8.58 million
AHS	£4.487 million	£6.727 million	£1.545 million	£5.180 million

We accordingly suggest that the maximum PIL as calculated by the Corporations policy of £8.58 million can viably be made. We consider the revised affordable housing valuation taken by us to reflect the evidenced service charges however given the lack of interest in the units it is feasible that a lower value could be adopted given the lack of demand from RPs.

Kind Regards,

Arthur Boulding

Appendix Two - Consented Scheme Appraisal

Minories - 27 affordable Consented Scheme

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Private residential	1	43,773	1,193.43	52,240,000	52,240,000
Affordable	27	17,965	240.05	159,723	4,312,516
Totals	**28**	**61,738**			**56,552,516**

Rental Area Summary	**Units**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Ground rents	60	178	10,650	10,650

Investment Valuation

Ground rents					
Current Rent	10,650	YP @	4.5000%	22.2222	236,667

GROSS DEVELOPMENT VALUE			**56,789,183**
Purchaser's Costs		(11,360)	
Effective Purchaser's Costs Rate	4.80%		
			(11,360)
NET DEVELOPMENT VALUE			**56,777,823**
NET REALISATION			**56,777,823**

OUTLAY

ACQUISITION COSTS				
Fixed Price			4,487,163	
				4,487,163
Stamp Duty			213,858	
Effective Stamp Duty Rate		4.77%		
Agent Fee		1.00%	44,872	
Legal Fee		0.80%	35,897	
				294,627
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Private residential				
- Construction Breakdown			33,258,137	
				33,258,137
s106			640,870	
Statutory/LA			225,000	
				865,870
PROFESSIONAL FEES				
Professional		10.00%	3,325,814	
				3,325,814
DISPOSAL FEES				
Sales Agent and Marketing Fee		2.50%	1,311,917	
Sales Legal Fee		0.50%	283,946	
				1,595,863
Developer's Profit				
Developer's Profit		16.62%	9,436,474	
				9,436,474
FINANCE				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			707,110	
Construction			2,175,950	
Other			28,609	
Total Finance Cost				2,911,669
TOTAL COSTS				**56,175,616**
PROFIT				
				602,206

Minories - 27 affordable Consented Scheme

Performance Measures

Profit on Cost%	1.07%
Profit on GDV%	1.06%
Profit on NDV%	1.06%
Development Yield% (on Rent)	0.02%
Equivalent Yield% (Nominal)	4.50%
Equivalent Yield% (True)	4.63%
IRR% (without Interest)	7.27%
Rent Cover	56 yrs 7 mths
Profit Erosion (finance rate 6.500)	2 mths

Appendix Three – 100% Private Appraisal

Minories - all private

Appraisal Summary for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Private residential	1	61,468	1,171.99	72,040,000	72,040,000
Rental Area Summary	**Units**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	
Ground rents	87	175	15,200	15,200	
Investment Valuation					
Ground rents					
Current Rent	15,200	YP @	4.5000%	22.2222	337,778
GROSS DEVELOPMENT VALUE				**72,377,778**	
Purchaser's Costs			(18,240)		
Effective Purchaser's Costs Rate		5.40%			
				(18,240)	
NET DEVELOPMENT VALUE				**72,359,538**	
NET REALISATION				**72,359,538**	
OUTLAY					
ACQUISITION COSTS					
Fixed Price			4,487,163		
				4,487,163	
Stamp Duty			213,858		
Effective Stamp Duty Rate		4.77%			
Agent Fee		1.00%	44,872		
Legal Fee		0.80%	35,897		
				294,627	
CONSTRUCTION COSTS					
Construction	**ft²**	**Build Rate ft²**	**Cost**		
Private residential					
- Construction Breakdown			35,832,837		
				35,832,837	
s106			640,870		
CIL			305,941		
				946,811	
PROFESSIONAL FEES					
Professional		10.00%	3,583,284		
				3,583,284	
DISPOSAL FEES					
Sales Agent and Marketing Fee		2.50%	1,809,444		
Sales Legal Fee		0.50%	361,798		
				2,171,242	
Developer's Profit					
Developer's Profit		17.50%	12,662,919		
				12,662,919	
FINANCE					
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)					
Land			717,094		
Construction			2,522,677		
Total Finance Cost				3,239,770	
TOTAL COSTS				**63,218,653**	
PROFIT					
				9,140,884	
Performance Measures					
Profit on Cost%		14.46%			

Minories - all private

Profit on GDV%	12.63%
Profit on NDV%	12.63%
Development Yield% (on Rent)	0.02%
Equivalent Yield% (Nominal)	4.50%
Equivalent Yield% (True)	4.63%
IRR% (without Interest)	21.91%
Rent Cover	601 yrs 4 mths
Profit Erosion (finance rate 6.500)	2 yrs 1 mth

Appendix Four - 100% Private Appraisal with PIL

Minories - Private with PIL

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Private residential	1	61,468	1,171.99	72,040,000	72,040,000

Rental Area Summary	**Units**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Ground rents	87	175	15,200	15,200

Investment Valuation

Ground rents					
Current Rent	15,200	YP @	4.5000%	22.2222	337,778

GROSS DEVELOPMENT VALUE			**72,377,778**	
Purchaser's Costs		(18,240)		
Effective Purchaser's Costs Rate	5.40%			
			(18,240)	
NET DEVELOPMENT VALUE			**72,359,538**	
NET REALISATION			**72,359,538**	

OUTLAY

ACQUISITION COSTS			
Fixed Price		4,487,163	
			4,487,163
Stamp Duty		213,858	
Effective Stamp Duty Rate	4.77%		
Agent Fee	1.00%	44,872	
Legal Fee	0.80%	35,897	
			294,627

CONSTRUCTION COSTS

Construction	**ft²**	**Build Rate ft²**	**Cost**	
Private residential				
- Construction Breakdown			35,832,837	
				35,832,837
s106			640,870	
CIL			305,941	
AH PIL			7,485,000	
				8,431,811

PROFESSIONAL FEES			
Professional	10.00%	3,583,284	
			3,583,284
DISPOSAL FEES			
Sales Agent and Marketing Fee	2.50%	1,809,444	
Sales Legal Fee	0.50%	361,798	
			2,171,242
Developer's Profit			
Developer's Profit	17.50%	12,662,919	
			12,662,919
FINANCE			
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)			
Land		717,094	
Construction		3,507,518	
Other		70,500	
Total Finance Cost			4,295,112
TOTAL COSTS			**71,758,995**
PROFIT			
			600,543

Minories - Private with PIL

Performance Measures

Profit on Cost%	0.84%
Profit on GDV%	0.83%
Profit on NDV%	0.83%
Development Yield% (on Rent)	0.02%
Equivalent Yield% (Nominal)	4.50%
Equivalent Yield% (True)	4.63%
IRR% (without Interest)	6.96%
Rent Cover	39 yrs 6 mths
Profit Erosion (finance rate 6.500)	2 mths

Committee(s) Planning & Transportation	**Dated:** 11/01/2022
Subject: Senior Officer Recruitment	**Public**
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	**1, 2, 3, 4, 9, 10, 11, 12**
Does this proposal require extra revenue and/or capital spending?	**N**
If so, how much?	**NA**
What is the source of Funding?	**NA**
Has this Funding Source been agreed with the Chamberlain's Department?	**NA**
Report of: Executive Director Environment	**For Information**
Report author: Juliemma McLoughlin	

Summary

Under the Senior Officer Recruitment Procedure, a Chief Officer should report the resignation/retirement of a senior officer and propose a suggested recruitment timeframe. This report notes the retirement of a senior officer and proposes a recruitment plan.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. The Policy & Performance Director retired effective 1 January 2022.

Current Position

2. The post is a critical senior leadership position and its role and responsibilities have been assessed internally within the Department and considered to form an indivisible and key part of any future TOM.

3. The job description for the Policy & Performance Director has been updated to better reflect the duties of the post holder within the new Environment structure.

4. The TOM review may result in subtle nuances of emphasis of responsibilities, title and reporting lines but as confirmed with HR, it is not expected to change to the extent that it alters the main purpose of the post, its grade or duties and responsibilities.

Proposals

5. In accordance with the Senior Officer Recruitment Procedure, the Chair and Deputy Chairman of the Planning and Transportation Committee will be involved in the recruitment process. The level of involvement will be agreed with the Chair and Deputy Chairman.

Corporate & Strategic Implications

6. This is a key senior managerial specialist professional post critical to and leading and providing a strategic overview of the City's statutory Local Plan duty. The Local Plan underpins the City's planning approach to development schemes and strategies and is an essential statutory tool to facilitate planning in the City and to ensure the City is responsive to economic and wider changes. It therefore has a critical strategic role in the City maintaining its international standing and ensuring a flourishing economy..

7. There will be a small cost associated with the recruitment campaign and this will be met from the Department's Local Risk budget.

Conclusion

8. It is intended to have recruited to the post of Policy & Performance Director by Spring 2022.

Juliemma McLoughlin
Executive Director Environment
Environment Department

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PLANNING AND TRANSPORTATION COMMITTEE – OUTSTANDING ACTIONS			
Item	**Date**	**Action/ Responsible Officer**	**Progress Update and Date to be progressed/completed**
1	18 March 2019 2 April 2019 30 April 2019 24 May 2019 18 June 2019 9 July 2019 30 July 2019 10 Sept 2019 1 Oct 2019 22 Oct 2019 5 Nov 2019 12 Dec 2019 28 Jan 2020 18 Feb 2020 6 March 2020 2 June 2020 23 June 2020 14 July 2020 8 Sept 2020 6 Oct 2020 27 Oct 2020 17 Nov 2020 15 Dec 2020 5 Jan 2021 26 Jan 2021 16 Feb 2021 24 Feb 2021 9 March 2021	**Daylight/Sunlight – Alternative Guidelines** **Chief Planning Officer and Development Director** A Member argued that the Committee should separate out the desire for Member training and the desire for alternative guidelines on daylight/sunlight and requested that a report be brought to Committee setting out how the City of London Corporation might go about creating alternative guidelines, including timescales, if Members were so minded and the legal implications of this.	**UPDATE (20 July 2021) – see action 1a)**

	30 March 2021 22 April 2021 12 May 2021 8 June 2021 29 June 2021 20 July 2021 7 Sept 2021 21 Sept 2021 26 Oct 2021 16 Nov 2021 14 Dec 2021		
1a)	5 March 2020 30 March 2021 22 April 2021 12 May 2021 8 June 2021 29 June 2021 20 July 2021 7 Sept 2021 21 Sept 2021 26 Oct 2021 16 Nov 2021 14 Dec 2021	**<u>Radiance Studies</u>** **Chief Planning Officer and Development Director** A Member referred to a training session that had taken place for the Committee earlier this morning, and in which a consultant had expressed a view that radiance studies were the best way for laymen to assess the impact of developments on daylight where there was a genuine concern about this issue. The consultant felt that, in appropriate cases, the applicant should be asked to provide a radiance study. In view of this, the Member asked Officers to undertake, when future applications were received in which daylight will be an issue, to ask the applicant to prepare a radiance study to be provided to this Committee so that Members could make an informed assessment of the issue.	**UPDATE (21 September 2021) -** The Chief Planning Officer and Development Director underlined that, ultimately, Officers would be producing a planning advice note in order to create more clarity on the methodology and that they were still working through this with the BRE and other stakeholders to deliver this. He added that, to date, Officers had not had any pushback from the industry when requiring the provision of radiance studies for relevant planning applications. **To be completed: Further report to Committee setting out/providing updates on these points by Winter 2021.**
2	6 March 2020 2 June 2020 23 June 2020 14 July 2020 8 Sept 2020	**<u>Member Training</u>** **Chief Planning Officer and Development Director / Director of the Built Environment**	UPDATE: (17 November 2020): Members were of the view that more formal training should be offered by the Department to any newly appointed members of the Committee in line with the principles of the Planning Protocol.

	6 Oct 2020 27 Oct 2020 17 Nov 2020 15 Dec 2020 5 Jan 2021 26 Jan 2021 16 Feb 2021 24 Feb 2021 9 March 2021 30 March 2021 22 April 2021 12 May 2021 8 June 2021 29 June 2021 20 July 2021 7 Sept 2021 21 Sept 2021 26 Oct 2021 16 Nov 2021 14 Dec 2021	A Member questioned whether there would be further training provided on Daylight/Sunlight and other relevant planning matters going forward. She stated that she was aware that other local authorities offered more extensive training and induction for Planning Committee members and also requested that those sitting on the Planning Committee signed dispensations stating that they had received adequate training. The Chair asked that the relevant Chief Officers consider how best to take this forward. He also highlighted that the request from the Town Clerk to all Ward Deputies seeking their nominations on to Ward Committees states that Members of the Planning & Transportation Committee are expected to undertake regular training.	**To be completed: Training offering for new Members to be considered in 2021 with a view to implementing this for the new municipal year.**
4	23 June 2020 14 July 2020 8 Sept 2020 6 Oct 2020 27 Oct 2020 17 Nov 2021 15 Dec 2021 5 Jan 2021 26 Jan 2021 16 Feb 2021 24 Feb 2021 9 March 2021 30 March 2021 22 April 2021 12 May 2021	**<u>Barbican and Golden Lane Conservation Area SPD</u>** **Chief Planning Officer and Development Director** A Member highlighted that a Conservation Management Plan was still awaited for this area in the form of a Supplementary Planning Document. He added that this was originally approved by this Committee in October 2018 and that he had requested an update on progress on several occasions since. He asked that this also now be included within the list of Outstanding Actions so that it was not lost sight of entirely.	**UPDATE (7 September 2021) -** The Chief Planning Officer and Development Director reported that a significant number of consultation responses had been received, some of which were very detailed and would now require additional meetings with stakeholder. The final document would then have to be presented to the three Barbican Committees for input before being finalised by this Committee. The Chair stressed the need for and importance of proper consultation on this piece of work.

	8 June 2021 29 June 2021 20 July 2021 7 Sept 2021 21 Sept 2021 26 Oct 2021 16 Nov 2021 14 Dec 2021		**To be completed: Amended draft document to Committee for final approval by February 2022.**

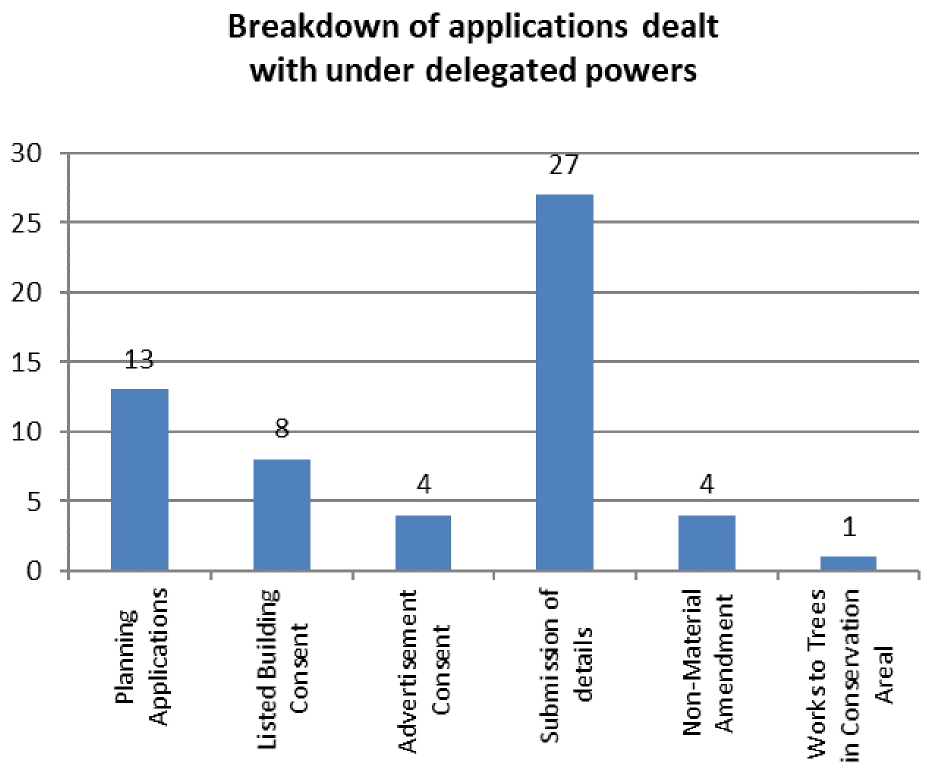
Committee(s)	Dated:
Planning and Transportation	11th January 2022
Subject: Delegated decisions of the Chief Planning Officer and Development Director	**Public**
Report of: Chief Planning Officer and Development Director	**For Information**

Summary

Pursuant to the instructions of your Committee, I attach for your information a list detailing development and advertisement applications determined by the Chief Planning Officer and Development Director or those so authorised under their delegated powers since my report to the last meeting.

In the time since the last report to Planning & Transportation Committee Fifty Seven (57) matters have been dealt with under delegated powers. Eight (8) relate to works to Listed Buildings, Four (4) applications for Advertisement Consent, Twenty Seven (27) relate to conditions of previously approved schemes, Four (4) applications for Non-Material Amendments, and One (1) application for works to trees in a Conservation area.

Thirteen (13) Full applications for development have been approved including Two (2) change of use and 9922sq.m of created floorspace.



Any questions of detail arising from these reports can be sent to plans@cityoflondon.gov.uk.

Details of Decisions

Registered Plan Number & Ward	Address	Proposal	Decision & Date of Decision	Applicant/ Agent Name
21/00741/LBC Aldersgate	100 Aldersgate Street London EC1A 4LX	Installation and display of one internally illuminated projecting sign measuring 0.6m by 0.6m at a height above ground of 2.75m.	Approved 02.12.2021	Nuffield Heath
21/00742/LBC Aldersgate	97 Aldersgate Street London EC1A 4JR	Installation and display of i) one internally illuminated projecting sign measuring 0.6m by 0.6m at a height of 2.75m above the pavement; and ii) one internally illuminated fascia sign measuring 14.5m (w) and 0.49m (h).	Approved 02.12.2021	Nuffield Heath
21/00872/LDC Aldgate	Bevis Marks Synagogue Heneage Lane London EC3A 5DQ	Submission of details of all mechanical services layout details and locations pursuant to condition 4 (g) (in part) of listed building consent dated 7 June 2019 (19/00142/LBC).	Approved 02.12.2021	Bevis Marks Synagogue Heritage Foundation
21/00922/FULL Aldgate	Planter No. 2 60 - 70 St Mary Axe London	Permanent retention of the sculpture The Garden of Floating Words by Elisa Artesero, previously installed under planning permission 19/00358/FULLR3 on a temporary basis.	Approved 16.12.2021	70 St Mary Axe Unit Trust

21/00899/LBC Bassishaw	The Chartered Insurance Institute 20 Aldermanbury London EC2V 7HP	Repair works to the south elevation and pavement vaults comprising (i) replacement of corroding lintel support to basement windows (ii) removal of up-stands (iii) repair of the supporting slab over the basement vault (iv) application of waterproofing material and (v) associated external paving and drainage works.	Approved 07.12.2021	The Mayor And Commonalty And Citizens of The City of London
21/00966/NMA Bread Street	Warwick Court 5 Paternoster Square London EC4M 7DX	Non-material amendment under Section 96A of the Town and Country Planning Act 1990 (as amended) to planning permission 19/01362/FULL (dated 19.05.2020) for an additional AOV smoke vent on the level 08 terrace, related to the firefighting lobby at level 7.	Approved 10.12.2021	Mitsubishi Estates London Limited
21/00594/FULL Bishopsgate	63 St Mary Axe London EC3A 8AA	Shopfront works comprising: removal of the stall risers, replacement of shopfronts with new shopfront windows and doors, installation of glazed fascia's; and other associated and ancillary works.	Approved 21.12.2021	Arcium B.V C/o AXA Real Estate Investment
21/00855/LBC Bishopsgate	9A Devonshire Square London	Internal fit out of office space including the removal of existing partitions and	Approved 14.12.2021	Natilik

	EC2M 4YN	installation of new light weight partitions.		
21/00908/MDC Bishopsgate	1 - 2 Broadgate London EC2M 2QS	Submission of details of a programme of archaeological work (Phase 2) pursuant to condition 7 (in part) of planning permission dated 28/03/2019 (application number 18/01065/FULEIA) and planning permission dated 30/03/2021 (application number 20/00462/FULL)	Approved 16.12.2021	Bluebutton Properties UK Limited
21/00612/MDC Bridge And Bridge Without	Adelaide House London Bridge London EC4R 9HA	Submission of a Site Logistics Plan (Demolition Phase), a Site Environmental Management Plan (Demolition Phase) and Demolition Management Plan pursuant to partial discharge of condition 2, 5 and 6 of planning permission dated 03 June 2021 (19/01338/FULL)	Approved 21.12.2021	St Martins Property Investments Ltd
21/00957/MDC Bridge And Bridge Without	Fishmongers' Hall London Bridge London EC4R 9EL	Submission of an Acoustic Assessment pursuant to condition 2 of planning permission 20/00912/FULL dated 11.02.2021.	Approved 21.12.2021	Fishmongers' Company
21/00557/LBC Broad Street	23 Great Winchester Street London EC2P 2AX	Segregation of 3, 5 and 7 Throgmorton Avenue from 23 Great Winchester Street and 15, 17 - 19 Throgmorton Avenue through construction of structural	Approved 09.12.2021	Deutsche Bank AG

		compartmentation walls and shaft walls to internal separation walls/doorways. Internally, the infills will be to the structural openings where doorways are being removed, installation of door stops or shaft walls where doors are retained, removal of redundant steps, directional signage, reinstatement of existing conditions/finishes and other associated works to 23 Great Winchester Street (amended).		
21/00786/PODC Broad Street	60 London Wall London EC2M 5TQ	Submission of the Travel Plan pursuant to Schedule 3 Paragraph 9.3 of the Section 106 Agreement dated 27 April 2017 (Planning Application Reference: 16/00776/FULMAJ).	Approved 07.12.2021	LaSalle Investment Management
21/00653/NMA Candlewick	120 Cannon Street London EC4N 6AS	Non-Material Amendment under Section 96A of the Town and Country Planning Act 1990 to planning permission (application no. 18/01122/FULL) dated 22.03.2019 to amend Condition 12 to allow for amendments to be made to the type of stone used below the curtain wall on the ground floor from	Approved 07.12.2021	Design Delivery Unit

		Basalt to Dark Granit.		
21/00730/FULL Castle Baynard	Peterborough Court 133 Fleet Street London EC4A 2BB	External alterations including: (i) installation of: new glazing, new entrances and associated reconfigurations; (ii) new plant equipment and associated enclosure; (iii) new louvres, associated facade refurbishment works; and (iv) associated external works.	Approved 23.12.2021	Regis Fleet Street Limited
21/00902/MDC Castle Baynard	Land Bounded By Fleet Street, Salisbury Court, Salisbury Square, Primrose Hill & Whitefriars Street, London, EC4Y	Submission of a Local Procurement Strategy and a Local Training Skills and Job Brokerage Strategy (Demolition) Strategy pursuant to condition 2 (in part) and 3 of planning permission 20/00997/FULEIA dated 25th August 2021.	Approved 16.12.2021	City of London Corporation
21/00967/MDC Castle Baynard	Robert Waithman Obelisk Salisbury Square London	Submission of details of a Method Statement for the dismantling and storage of the Robert Waithman obelisk pursuant to condition 2(a) and (b) of the Listed Building Consent dated 30 July 2021 (application number 20/00996/LBC)	Approved 16.12.2021	City of London Corporation

21/00980/MDC Castle Baynard	Kildare House 3 Dorset Rise London EC4Y 8EN	Details of plant noise and plant mounting pursuant to conditions 2 and 3 of planning permission ref 21/00001/FULL dated 13th April 2021.	Approved 16.12.2021	Designs By HB Ltd
21/00246/MDC Cheap	Dauntsey House 4A & 4B Frederick's Place London EC2R 8AB	Submission of details of the SuDS components and measures taken to prevent flooding during the course of the construction works pursuant to condition 17 of planning permission dated 14/05/2020 (app. no. 17/01057/FULMAJ).	Approved 14.12.2021	The Mercers' Company
21/00608/ADVT Cheap	8 Frederick's Place London EC2R 8AB	Installation and display of one externally illuminated projecting sign measuring 0.7m high by 0.6m wide at a height above ground of 2.75m.	Approved 02.12.2021	STUDIO PARIS LIMITED
21/00699/MDC Cheap	20 King Street London EC2V 8EG	Details of the demolition and construction management plan pursuant to condition 2 and details of the proposed balustrades pursuant to condition 9 of planning permission 19/01311/FULL dated 19/03/2020.	Approved 09.12.2021	Shanghai Land (City) Ltd.
21/00858/MDC Cheap	81 Newgate Street London EC1A 7AJ	Submission of details of a scheme for the provision of sewer vents within the building pursuant to	Approved 02.12.2021	NG Devon Limited

		condition 42 of planning permission 20/00311/FULMAJ dated 11.09.2020.		
21/00896/MDC Cheap	81 Newgate Street London EC1A 7AJ	Submission of details of a scheme of environmental protection during construction pursuant to condition 10 of planning permission 20/00311/FULMAJ dated 11.09.2020.	Approved 09.12.2021	NG Devon Limited
20/00903/MDC Coleman Street	21 Moorfields, Land Bounded By Moorfields, Fore Street Avenue, Moor Lane & New Union Street London EC2P 2HT	Submission of details of the highwalk lighting artwork pursuant to condition 20 of planning permission dated 04/05/2018 (app. no. 17/01095/FULEIA).	Approved 09.12.2021	LS 21 Moorfields Development Management
21/00585/MDC Coleman Street	21 Moorfields London EC2Y 9AE	Submission of details and samples of soffits, louvres, and roof materials pursuant to condition 19 (a) and (b) (in part) of planning permission dated 04/05/2018 (app. no. 17/01095/FULEIA).	Approved 21.12.2021	LS 21 Moorfields Development Management
21/00714/MDC Coleman Street	63 - 66 Coleman Street & 35 - 39 Moorgate London EC2R 5BX	Submission of a geotechnical and geo-environmental site assessment pursuant to condition 9 of planning permission dated 01/12/2020 (app. no. 16/01010/FULL).	Approved 21.12.2021	CLI-DARTRIVER

21/00807/FULL Coleman Street	Tenter House 45 Moorfields London EC2Y 9AE	Replacement of existing railings and plinth surrounding the car park ramp, replacement surface treatment to the car park ramp and bell mouth, and replacement surface treatment to the pedestrian accesses to City Point Plaza, including revisions to levels and gradients, a new pedestrian ramp, new public seating and planting and associated works to public highway.	Approved 21.12.2021	Metropolitan Properties (City) Limited
21/00827/MDC Coleman Street	63 - 66 Coleman Street & 35 - 39 Moorgate London EC2R 5BX	Submission of details of design and method statements for all the foundations, basement and ground structures pursuant to condition 11 of planning permission dated 01/12/2020 (app. no. 16/01010/FULL).	Approved 21.12.2021	CLI-DARTRIVER
21/00834/MDC Coleman Street	63 - 66 Coleman Street & 35 - 39 Moorgate London EC2R 5BX	Submission of details of a scheme of protective works pursuant to condition 6 of planning permission dated 01/12/2021 (app. no. 16/01010/FULL).	Approved 23.12.2021	CLI-DARTRIVER 8
21/00600/ADVT Cordwainer	72 Watling Street London EC4M 9BJ	Installation and display of one non-illuminated projecting sign measuring 0.6m by 0.6m by 0.1m, at a height above ground of 3.12m.	Approved 02.12.2021	Mr Wesley Clements

21/00754/LBC Cripplegate	905 - 906 Frobisher Crescent London EC2Y 8HD	Internal alterations including amended layout of entrance lobby and removal of stud wall and WC, new kitchen, and reconfiguration of built in cupboard.	Approved 02.12.2021	Amanda Chorn
21/00779/FULL Cripplegate	905 - 906 Frobisher Crescent London EC2Y 8HD	Replacement of one fixed semi-circular window with new openable window at tenth floor.	Approved 02.12.2021	Amanda Chorn
21/00780/LBC Cripplegate	905 - 906 Frobisher Crescent London EC2Y 8HD	Replacement of one fixed semi-circular window with new openable window at tenth floor.	Approved 02.12.2021	Amanda Chorn
21/00833/LBC Cripplegate	408 Gilbert House Barbican London EC2Y 8BD	Internal refurbishment including removal of wall between living room and bedroom and installation of pocket doors; removal of 2no. doors in hallway including 1no. replacement with full height pivot door; removal of wall between kitchen and living room; and removal of 2no. doors to kitchen incl. 1no replacement pocket door.	Approved 02.12.2021	Angus and Shuai Cepka and Li
21/00265/MDC Farringdon Within	The Penthouse Amen Lodge Warwick Lane London EC4M 7BY	Submission of a Construction Traffic Management Plan, completed Code of Practice for Construction Sites and design details pursuant to condition 2, 3 and 4 (a, b, c and e) of planning permission	Approved 02.12.2021	Mr Latif

		20/00477/FULL, dated 08 October 2020.		
21/00526/FULL Farringdon Within	Livery Hall Apothecaries' Hall Black Friars Lane London EC4V 6EJ	Removal of a fixed window and replacement with a double door, removal of adjacent part fixed window and door and replacement with a fixed window, north Courtyard elevation, relocation of a store room door to east courtyard elevation to better suit access and equality requirements.	Approved 21.12.2021	Pulsar Building Consultancy
21/00692/MDC Farringdon Within	7 Newgate Street London EC1A 7NX	Submission of Construction Management Plan pursuant to conditions 2 and 3 of planning permission 20/00487/FULL dated 15th July 2021.	Approved 21.12.2021	GENO 7 Newgate Street GmbH & Co. KG
21/00738/FULL Farringdon Within	41 - 42 Cloth Fair London EC1A 7JQ	Alterations to the external roof lights and terrace.	Approved 14.12.2021	Mr Matthew Bell
21/00778/FULL Farringdon Within	4 Lindsey Street London EC1A 9HP	Installation of metal frame pergola with louvres to existing roof terrace.	Approved 16.12.2021	Bytedance
21/00782/MDC Farringdon Within	150 Aldersgate Street 3-4 Bartholomew Place London EC1A	Details of site survey levels for the proposed development pursuant to condition 8 of the planning permissions dated 20 May 2021 (RN: 20/00371/FULMAJ)	Approved 16.12.2021	Arindel Properties Limited

21/00910/MDC Farringdon Within	Fleet Place House 2 Fleet Place London EC4M 7RF	Submission of Construction and Environmental Management Plan pursuant to condition 2 of planning permission ref: 21/00545/FULL dated 19/10/2021	Approved 09.12.2021	Heron Trustees 1 & 2 Ltd As Trustees of The Fleet Place Unit
21/00934/MDC Farringdon Within	150 Aldersgate Street 3 - 4 Bartholomew Place London EC1A	Submission of a detailed Circular Economy Statement and a Material Audit pursuant to condition 4 and 6 of planning permission 20/00371/FULMAJ dated 20 May 2021	Approved 09.12.2021	Arindel Properties Limited
21/01003/PODC Farringdon Within	Stonecutter Court 1 Stonecutter Street London EC4A 4TR	Submission of the Local Procurement Strategy (Construction) and the Local Training Skills and Job Brokerage Strategy (Construction) pursuant to Schedule 3 Paragraph 3.1 and 4.5 of the Section 106 Agreement dated 28 March 2019 (Planning Application Reference 18/00878/FULMAJ).	Approved 16.12.2021	Stonecutter Court Unit Trust
21/00707/MDC Farringdon Without	Chancery House 53 - 64 Chancery Lane London WC2A 1QS	Details of a construction management plan, including a scheme to protect nearby residents from dust, noise and other environmental effects pursuant to condition 5 of planning permission 20/00910/FULL dated 08/07/2021.	Approved 14.12.2021	Chancery House London Nominee 1 And 2 Limited

21/00713/ADVT Farringdon Without	St Bartholomews Hospital West Smithfield London EC1A 7BE	Installation and display of: (i) one non-illuminated fascia sign measuring 0.476m high by 3.5m wide at a height above ground of 3.125m; (ii) one non-illuminated fascia sign measuring 0.26m high by 1.9m wide at a height above ground of 3.29m; (iii) two non-illuminated projecting signs measuring 0.6m high by 0.6m wide at a height above ground of 2.75m.	Approved 16.12.2021	St Barts Hospital
21/00810/PODC Farringdon Without	Inner Temple Treasury Building The Terrace Crown Office Row London EC4Y 7HL	Submission of the Interim Travel Plan and the Delivery and Service Management Plan pursuant to Schedule 3 Paragraphs 5.1 and 6.1 of the Section 106 Agreement dated 14 February 2018 (Planning Application Reference 17/00077/FULMAJ).	Approved 07.12.2021	Mr Richard Snowdon
21/00913/TCA Farringdon Without	Inner Temple Garden Crown Office Row London EC4Y 7HL	Pruning works to Tree ref 64 -London Plane (Platanus x acerifolia) and Tree ref 72- Magnolia (Magnoliaceae); and removal of Tree ref 33-Ornamental Crab Apple (Malus sylvestris) and Tree ref 56-Winter flowering cherry (Prunus subhirtella 'Autumnalis'. Re-placement trees are	No objections to tree works - TCA 21.12.2021	The Honourable Society of The Inner Temple

		planned to be planted in their place.		
21/00914/FULL Farringdon Without	Sterling House 12 Dyer's Buildings London EC1N 2JD	Proposed change of use of the premises at basement level and part ground level from Class E Restaurant to Class Sui Generis Hot food takeaway.	Approved 14.12.2021	Midcity Investment Ltd .
21/00917/MDC Farringdon Without	100 Fetter Lane London EC4A 1ES	Submission of details of a Scheme of Protective Works Management Plan pursuant to condition 10 of planning permission dated 30/09/2021 (app. no. 21/00454/FULMAJ).	Approved 23.12.2021	Stratford City Car Parks Ltd
21/00926/NMA Lime Street	35 Great St Helen's London EC3A 6AP	Non-Material Amendment to planning permission reference 21/00559/FULL to allow for change to the existing canopy and associated horizontal band at ground floor to be re-clad in bronze to match approved upper floor infill bays.	Approved 21.12.2021	GPAD London Ltd
21/00504/NMA Queenhithe	Ocean House, Fur Trade House, Queensbridge House, 10 Little Trinity Lane, London EC4	Non-Material Amendment under Section 96A of the Town and Country Planning Act 1990 to planning permission (application no. 11/00572/FULMAJ) dated 20/03/2012 in order to remove Condition 14 "Management Scheme for the retention,	Approved 09.12.2021	Pinboard ltd

		maintenance and renewal of the footbridge".		
21/00669/FULL Tower	60 Fenchurch Street London EC3M 4AD	Alterations to the facade to create new and amended entrances including new service entrance to lift to cycle and refuse store.	Approved 02.12.2021	Royal London UK Real Estate Fund
21/00716/ADVT Tower	14 Trinity Square London EC3N 4AA	Installation and display of: (i) one externally illuminated projecting sign measuring 0.9m high by 0.6m wide at a height above ground of 3.2m; (ii) one externally illuminated metal canopy sign above the main entrance measuring 2.2m wide by 1.2m high at a height above ground of 3m; (iii) six externally illuminated awnings measuring 2.2m wide by 1.2m high at a height above ground of 3m; (iv) two internally illuminated menu boards either side of the main entrance at ground floor level measuring 0.297m wide by 0.42m high.	Approved 09.12.2021	McMullen & Sons Ltd
21/00876/FULL Tower	Lloyds Chambers 1 Portsoken Street London E1 8BT	Change of use of first, second and third floors and part of the ground floor from office (Class E) to flexible use for either higher education (Class F1) or office use (Class E) and	Approved 23.12.2021	AE Portsoken Property Holdings S.A.R.L

		provision of external cycle parking spaces.		
21/00610/FULL Vintry	Victoria House 1 - 3 College Hill London EC4R 2RA	Alterations to replace one window at the back courtyard with louvers and replace two grilles on a window on College Hill. Installation of a external an air conditioning unit within the internal courtyard.	Approved 09.12.2021	German Dental Clinic & Premier Laser Clinic UK
21/00921/FULL Walbrook	8 Old Jewry London EC2R 8DN	Installation of a new HVAC condenser unit at roof level.	Approved 16.12.2021	Modus Group
21/00946/MDC Walbrook	The Bank Of England Threadneed le Street London EC2R 8AH	Submission of details pursuant to condition 2 of Planning Permission 21/00516/FULL and Listed Building Consent 21/00517/LBC, both dated 26.08.2021, relating to samples and particulars of the roof lanterns including glazing bar profile, and new roof covering.	Approved 21.12.2021	The Bank of England

Committee(s)	Dated:
Planning and Transportation	11th January 2022
Subject: Valid planning applications received by Department of the Built Environment	**Public**
Report of: Chief Planning Officer and Development Director	**For Information**

Summary

Pursuant to the instructions of your Committee, I attach for your information a list detailing development applications received by the Department of the Built Environment since my report to the last meeting.

Any questions of detail arising from these reports can be sent to plans@cityoflondon.gov.uk.

Details of Valid Applications

Application Number & Ward	Address	Proposal	Date of Validation	Applicant/ Agent Name
21/01004/FULL Bread Street	Christchurch Court, 10 - 15 Newgate Street, London, EC1A 7HD	Replacement of the existing hoarding and railings with a new set of metal anodised aluminium railings.	23/11/2021	Shiying Property London Limited
21/00947/FULL Broad Street	60 London Wall, London, EC2M 5TQ	Our proposal is for the installation and placement of furniture, fixtures and fitting to the external terrace areas of the 9th & 10th Floors at 60 London Wall. This includes fixed joinery items with built-in low-level lighting, such as a Laptop High Table and a Meeting Bar, plus free-standing seating, tables, planters and lighting features. The proposal also includes a glazed	16/11/2021	Mondrian Investment Partners

		shelter (canopy) integrated within one of the existing planters.		
21/00990/FULL Castle Baynard	1 Knightrider Court, London, EC4V 5BJ	Replacement of existing plant equipment at roof level and alterations to ground floor entrance elevation.	29/11/2021	St Martins Property Investments Ltd
21/00985/FULL Cheap	81 Newgate Street, London, EC1A 7AJ	Application under Section 73 of the Town and Country Planning Act 1990 to vary condition 54 (floor areas by land use) and condition 56 (approved plans) of planning permission date 11/09/2020 (app. no. 20/00311/FULMAJ) to incorporate minor material amendments comprising: (i) creation of two separate office entrances and lobbies, (ii) alterations to the building core, (iii) winter gardens and terraces within the existing single glazed east, west and south atriums, (iv) amendments to the east west route at ground floor level, (v) relocation of the access point to the roof terrace and restaurant, (vi) relocation of the arrival point to the public roof terrace and restaurant at level 13, (vii) alterations to plant enclosures at top floor levels on the north elevation, (viii) reduction in basements from three	20/11/2021	NG Devco Limited

		levels to two, (ix) amendments to the massing of the building along the west and south elevations and minor alterations to all elevations, (x) reduction in the exceedances to the St Pauls Height Grids, and (xi) changes to the internal arrangement of the building.		
21/01024/FULL Cheap	17 - 20 Ironmonger Lane, London, EC2V 8EP	Installation of new timber full height replacement windows at ground floor rear elevation.	14/12/2021	City Arts Club
21/00993/FULL Coleman Street	118A London Wall, London, EC2Y 5JA	Refurbishment and like for like upgrade works to four windows associated with the second floor office of a Grade II Listed building.	22/11/2021	Prewett Bizley Architects
21/01008/FULL Coleman Street	Basildon House, 7 - 11 Moorgate, London, EC2R 6AF	Refurbishment works to basement, lower ground and ground floor levels of Basildon House, including (i) removal of external non-original goods lift and associated making good to north elevation with new railings and window to match, (ii) replacement cabling boxes, and (iii) new external lighting to basement level.	23/11/2021	7 Moorgate SARL
21/01013/FULL Cordwainer	3 Queen Victoria Street, London, EC4N 4TQ	Change of use to class E to accommodate partial separate building access/egress and	24/11/2021	Del King

		partial TV studio and ancillary functions.		
21/00830/FULL Farringdon Without	4 Staple Inn, London, WC1V 7QH	Installation of air conditioning unit in 3 offices on the top floor of 4-6 Staple Inn and installation of external unit in lightwell at the rear of 7 Staple Inn	29/10/2021	CIS LONDON & PARTNERS LLP
21/00643/FULL Farringdon Without	19 Fleet Street, London, EC4Y 1AA	Installation of 10no A/C units and ventilation system to basement and ground floor internal lightwell.	11/11/2021	Barclays Bank PLC
21/00845/FULL Farringdon Without	3 Pair North, 3 Dr Johnson's Buildings, Inner Temple, London, EC4Y 7BA	Change of use from residential flat (Use Class C3) to overnight accommodation (Use Class C1) (64sq.m).	19/11/2021	The Honourable Society of The Inner Temple
21/00978/FULL Farringdon Without	40 Chancery Lane, London, WC2A 1JA	Retention of a change of use from restaurant (Class E(b)) [246sq.m GEA] and private land to which the public have access (Sui Generis) [247.5sq.m GEA] to a drinking establishment (Sui Generis) with an associated external seating area and a fixed 'jumbrella'.	01/12/2021	Chancery Ltd
21/00904/FULL Farringdon Without	Museum And Archives, St Bartholomews Hospital, West Smithfield, London, EC1A 7BE	Installation of 1no. replacement air handling unit, 1no. condenser unit associated duct work and enabling works.	01/12/2021	Barts NHS Trust
21/00793/FULMAJ Tower	Ibex House, 42 - 47 Minories, London, EC3N 1DY	(i) Extension of the building at ground and lower ground floor on Haydon Street and Portsoken Street (1016sq.m GEA), to	28/10/2021	HP Ibex Investment S.A.R.L.

		incorporate external 'winter gardens' at lower ground floor; (ii) extension at 8th and 9th floors (645sq.m GEA); (iii) alteration to the ground floor Minories facades; (iv) creation of external roof terraces; (v) replacement of external balustrades on all elevations; and (vi) internal reconfiguration of lower levels to incorporate new mezzanine level, internal cycle store, and refuse store.		

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