

## Agenda Item 04

### Supplementary Information Planning Committee on 28 April, 2021

Case No.

18/4767

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Location	Access Storage, First Way, Wembley, HA9 0JD
Description	Demolition of the existing building and erection of five buildings comprising self-storage space (Use Class B8), office space (Use Class B1) and retail/commercial space (A1/A3), with residential units (Use Class C3) on the upper levels, new landscaping and public realm, ancillary servicing and plant, car and cycle parking, and associated works.

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#### Further representations

The Greater London Authority have provided further representations having reviewed the Committee report, as follows:

They have highlighted that the profit levels set out in Annex G of the London Plan Viability Study assessed profit levels of 12-13 % for this scale of Build to Rent scheme, rather than 15 % as suggested in paragraph 32 of the report. They have also said that the GLA consider that the use of a blended rate is the most appropriate approach to profit on Build to Rent schemes and have not suggested a different approach for this application. They have advised that the GLA's view is that the profit assumptions should be considered in the round alongside the approach to delivery, which for most schemes coming forward in London is forward funded and which also impacts on finance costs. The overall allowance for profit and finance in both BNPPs and DS2's assessments are excessive and impact on the delivery of affordable housing in this scheme.

With regard to the additional viability review discussed at paragraph 33 of the report, the GLA have advised that *"a forward funded approach reduces finance costs which in this case are in the region of £30m. In this approach, the operator/investor pays the developer for the Build to Rent asset over the construction period rather than the 100% debt funded approach adopted by both DS2 and BNPP where there is no income at all until practical completion. This approach significantly improves viability."*

The GLA have also advised that "The proposed review would not address this point as finance costs would not be reassessed. If the LPA agree that such a review should be included, this should be at substantial implementation, would need to occur regardless of the model adopted and would need to be a whole scheme review. This would include full disclosure by the developer of all the development and financing documentation (including the payment of stamp duty) to ensure the correct costs were reflected in assessing whether the scheme could provide additional affordable housing above that assessed at application stage."

#### Consideration of the GLA further representations

Blended profit levels would normally reflect the level of risk and associated levels of profit associated with the different tenures of housing within a scheme. While the Council and its advisers, BNPP, do not agree that an appropriate blended profit level for the scheme is 12.5 %, the 12.5 % profit level was used by the Council when appraising the scheme and it was found that the scheme would be in significant deficit (approximately £7.9 million) even when using this profit level. This appraisal also took into account the potential forward funding of the scheme, which improves scheme viability. As such, the GLA's comments are noted, and these levels had been tested and the scheme shown to deliver the maximum reasonable amount of Affordable Housing.

With regard to finance, the officers agree that the costs and timing of finance are critical to scheme viability and that these factors should be considered if the scheme is to be forward funded. While an early stage review will be required should the scheme be "forward funded", the S106 Heads of Terms also refers to both early and late stage reviews within point (e). This is intended to capture early stage reviews as required in line with London Plan Policy H5 and the GLA SPG on Affordable Housing, which requires such a review to be undertaken if progress on implementation is not made within 2 years of the permission being granted.

The Football Association have also made further representations, raised on their behalf by Lichfields. The issues raised re-iterate concerns expressed during the initial consultation exercise, however they are also

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reflected in the suggested amendments to the conditions which are detailed below.

#### Amendments to main report

Under part 1(c) of the 'recommendations' section on page 2 of the report, reference to Discount Market Rent levels being capped at Local Housing Allowance rates has been omitted to correctly reflect the position as outlined in para. 27 of the report. Part 1(c) is therefore revised to read as follows:

*'10% affordable housing by unit (12.4% affordable housing by habitable room) on a nil grant basis broken down as 36 x 3-bedroom units at London Living Rent levels and 24 x 1-bedroom units at Discount Market Rent levels (including service charges where applicable) subject to an appropriate Affordable Rent nominations agreement with the Council, securing 100% nomination rights for the Council.'*

#### Amendments to conditions

The Football Association (FA) have raised concerns regarding construction and delivery management during event days, and requested amended conditions which require the applicant to engage with, and agree, appropriate management strategies with the FA and the Stadium.

While the FA's concerns are noted, the Council would not normally require agreement with a third party on such matters. Nevertheless officers are aware of the particular management concerns on event days, and these have been raised on adjoining schemes within the Wembley Park Masterplan area. Therefore in order to mitigate concerns, officers recommend the following amendments to conditions 17 and 26 respectively (additional wording in bold):

*'17. Prior to the commencement of the development, a Construction Logistics Plan shall be submitted and approved by the Local Planning Authority (in writing through the submission of an application for approval of details reserved by condition) outlining measures that will be taken to address issues such as delivery of materials, lorry routeing, staff parking etc., whilst also minimising lorry movements by recycling on site and back loading spoil and aggregates. The plan will need to comply with TfL's guidance on Construction Logistics Plans and in specific relation to this site, will need to carefully consider co-ordination with other development projects in the area **and key stakeholders, including the stadium, and shall ensure that no construction deliveries take place between four hours prior to the start of an event, to four hours after the end of an event.** The approved statement shall be implemented throughout the duration of demolition and construction.*

*Reason: To safeguard the amenity of the neighbours by minimising impacts of the development that would otherwise give rise to nuisance.*

*Pre-commencement Reason: The condition relates to details of construction, which need to be known before commencement of that construction.'*

*'26. Prior to the first occupation of any commercial element of the development hereby approved, a final Delivery and Servicing Management Plan shall be submitted to and approved in writing by the Local Planning Authority (in writing through the submission of an application for approval of details reserved by condition). The Delivery and Servicing Plan shall include details of how adopted footways would be protected and how arrangements can be made for safe and efficient operations without detrimental impact on pedestrian movement, and confirmation that there would be specific areas for refuse storage on the day of collection identified, which otherwise could have an impact on amenity. The plan shall include a strategy for the management of delivery and servicing on event days at Wembley National Stadium **which shall be worked on up in consultation with the stadium, and shall ensure that no deliveries take place between four hours prior to the start of an event, to four hours after the end of an event.***

*The development shall thereafter operate in accordance with the approved delivery and servicing management plan unless an alternative arrangement is first agreed in writing by the Local Planning Authority.*

*Reason: To minimise negative impacts associated with servicing demand of the commercial units.'*

Finally, condition 3 has been re-worded to read as follows:

*'No development shall take place (excluding enabling works, site clearance and preparation works) until a phasing plan has been submitted to and approved in writing by the Local Planning Authority. The*

*development shall be implemented in accordance with the approved phasing plan unless otherwise agreed in writing by the Local Planning Authority.'*

Additional condition:

Due to the proximity of the site to the Stadium, the following condition is recommended in order to ensure compliance with London Plan policy GG6:

*Prior to the commencement of works (excluding demolition, site clearance, the laying of foundations and below ground works), details shall be submitted to and approved in writing confirming that the developer has consulted the MET Police Counter Terrorism Security Advisors (CTSAs) officers with regard to any measures required to ensure a safe and secure environment that is resilient to the impact of emergencies including terrorism (in accordance with London Plan Policy GG6 paragraph C), including confirmation that any mitigation measures required by the MET Police will be implemented within the development.*

*Reason: To ensure a satisfactory development that accords with London Plan policy GG6.*

**Recommendation: Officers continue to recommend that planning permission is granted, subject to the amended and additional conditions and informatives set out above and in the original committee report.**

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