



ISLINGTON

Development Management Service
 Planning and Development Division
 Community Wealth Building
 Town Hall
 LONDON N1 2DU

COMMITTEE REPORT

PLANNING COMMITTEE		AGENDA ITEM	B2
Date:	08 March 2022	NON-EXEMPT	

Application number	P2021/3273/FUL
Application type	Full Planning Application, with Environmental Impact Assessment
Site Address	Site of the former HM Prison Holloway, Parkhurst Road, London N7 0NU
Proposal	Phased comprehensive redevelopment including demolition of existing structures; site preparation and enabling works; and the construction of 985 residential homes including 60 extra care homes (Use Class C3), a Women's Building (Use Class F.2) and flexible commercial floorspace (Use Class E) in buildings of up to 14 storeys in height; highways/access works; landscaping; pedestrian and cycle connection, publically accessible park; car (blue badge) and cycle parking; and other associated works.
Ward	St George's
Listed building	No
Conservation area	Within 50m of Tufnell Park Conservation Area Within 50m of Hillmarton Conservation area
Development Plan Context	Designated Brownfield Site Holloway Prison Site (HPS) SPD Emerging Site Allocation NH7 (November 2018). Local view corridor from Archway Road (LV4) Local view form Archway Bridge (LV5). Not in a location identified as suitable for tall buildings (>30m) LL4 Local Landmark Camden Road New Church tower and Spire Within 100m of Strategic Road Network and Transport for London Road Network Major cycle route
Licensing Implications	None
Case Officer	Elizabeth Reynolds

Applicant	Peabody
Agent	Avison Young

1. RECOMMENDATION

1.1. For the reasons set out in Sections 22.1 to 22.26 of the Committee Report of 10 February 2022 the Planning Committee is asked to resolve to **GRANT** planning permission:

1. Subject to any direction by the Mayor of London to refuse the application or for it to be called in for the determination by the Mayor of London (Recommendation A as set out in Appendix 1 of the Addendum Report).
2. Conditional upon the prior completion of a Deed of Planning Obligation made under section 106 of the Town and Country Planning Act 1990 securing the Heads of Terms as set out in Recommendation B in Appendix 1 of the Addendum Report.
3. Subject to the Conditions as set out in Recommendation C as set out in Appendix 1 of the Addendum Report); and
4. Conditional upon a £2.9 million contribution to the fit out of the Women's Building being secured.

2. REASONS FOR DEFERRAL

2.1. This application was presented to the meeting of the Planning Committee on the 10th February 2022. The determination of the application was deferred because the Members of the Planning Committee wanted further clarification of eight key matters relating to the application.

2.2. These eight matters are listed below and further considered in this report:

- 1) Viability;
- 2) London Living Rent;
- 3) Residents Facility;
- 4) Facilities for teenagers and young people;
- 5) Women's building (fit out);
- 6) Women's building (running costs);
- 7) Access to neighbouring sites; and
- 8) Equitable housing quality across tenures.

2.3. Further to the above matters, a question was also asked regarding the provision of wireless internet to the future residents of the development – this is addressed in section 11 of this report.

2.4. The applicants responded to the eight matters raised by the Committee in a letter dated 23 February 2022. This letter has been appended to this report as Appendix One. Additional information has also been provided by the applicants. Both the letter and the additional information have been uploaded to the council's website. These documents largely either: restate the applicant's current position; or clarify or add further detail to information that has

already been presented to the Committee. In particular, details of the proposed play facilities for teenagers and young people have been clarified.

- 2.5. The exception to this is that the applicant has amended the distribution of shared ownership and market homes. This change is explained within Section 10 of this report. This change is considered to be an improvement on the previous proposal. For this reason and the reasons stated in section 2.4 above, no further public consultation on the information submitted by the applicants has been carried out.
- 2.6. In coming to its decision on this application, the Planning Committee must consider the information set out in this report, the Committee Report and Addendum Report and any other material considerations. The Planning Committee must also consider the verbal representations made to the Committee by both the applicants and the objectors at its meeting on 10 February 2022 and any further verbal representations made at its meeting on 8 March 2022.
- 2.7. Objections to the application continue to be received and these must also be considered. The Committee will be updated on these objections at its meeting on 8 March 2022 with any new matters being brought to its attention in particular.

3. **VIABILITY**

Viability

- 3.1. Section 19 of the Committee Report sets out the main issues in relation to the delivery of affordable housing on the site and the financial viability of the scheme. Section 3.34 of the Addendum Report provides an update on viability matters.
- 3.2. The applicants' letter dated 23 February 2022 addresses the eight reasons given by the Planning Committee for deferring its decision. This letter confirms that their position on viability has not changed.

Key Matters

- 3.3. The key matters relating to viability as set out in the Committee Report and the Addendum Report are summarised below.
- 3.4. Section 19.1.42 of the Committee Report notes that the 'proposed scheme fully complies with the affordable housing policies of the adopted development plan'. Nonetheless a viability appraisal of this scheme was requested because the proposals fail to meet other relevant policies in the Development Plan. In particular, a viability appraisal was considered necessary to assess whether the breach of the relevant development plan policies in relation to tall buildings was justified by the applicants' offer of affordable housing.
- 3.5. The applicants' viability appraisal was submitted in November 2021. This was carried out by the applicant's viability consultants 'DS2'. The council appointed BPS consultants to undertake an independent viability appraisal of the proposed scheme. Both appraisals have been published on the council's website.
- 3.6. Both appraisals followed a common methodology as follows:

- The **gross development value** was calculated (this includes all income generated from residential and commercial properties on the site).
- The **gross development cost** was calculated (this includes all the costs associated with the scheme including for example construction costs including contingencies, developer profit, fees finance costs, s106 and CIL).
- The gross development cost was taken away from the gross development value to calculate the **residual land value**. The residual land value is considered to be the money left over from a development to buy the land.

3.7. As noted in the Committee Report, there was broad agreement between BPS and DS2 in relation to the gross development value.

3.8. However, whilst there was also agreement on most of the components of the gross development cost including the construction costs, there was one notable area of disagreement. This was that the applicants did not include the cost of the fit out of the Women's Building within their construction costs because they did not consider this to be a policy requirement. The fit - out costs of the Women's Building are however included within the construction costs calculated by BPS. This inclusion reflects the council's position that the fit out of the Women's Building is a policy requirement.

3.9. The greatest area of disagreement between BPS and DS2 is in relation to the **benchmark land value**.

3.10. Once the residual land value has been calculated, it is compared to a benchmark land value. Where a residual land value is equal to or greater than the benchmark land value the scheme is considered to be viable. Where the residual land value is less than the benchmark land value it is considered be unviable. A benchmark land value can be calculated using an **existing use value plus a premium** approach or **alternative use value** approach.

Holloway Prison SPD Benchmark Land Value

3.11. To support the preparation of the Holloway Prison SPD in 2017, the council developed a number of indicative development scenarios and tested the financial viability of these scenarios in July 2017.

3.12. As part of this exercise, the Existing Use Value of the site was calculated using a depreciated replacement cost valuation methodology. This approach is defined in the 2014 RICS Valuation Professional Standards ("Red Book") as "*The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.*"

3.13. This methodology produced a depreciated replacement cost of £27 million. A premium of 116% was added to this figure in order to form a benchmark land value for the site. The premium was informed by the residual land value generated by an indicative development scenario which was considered to reflect a fully policy compliant scheme. This established a benchmark land value of £58,380,000.

Why the Holloway Prison SPD benchmark land value is no longer relevant

3.14. The DS2 appraisal has effectively 'borrowed' the benchmark land value that was calculated to support the development of the SPD in 2017. DS2 then compare their calculated residual

land value of the scheme (£14,392,745) to the 'borrowed' benchmark land value (£58,380,000) and estimate that the scheme is in deficit by circa £44 million.

- 3.15. Officers consider that the 2017 benchmark land value of £58,380,000 is not relevant or appropriate for the following reasons.
- 3.16. First, the 2017 benchmark land value relates to the residual land value generated by an indicative development scenario from 2017 which is markedly different from the detailed 985-unit scheme proposed by the applicant.
- 3.17. Secondly, in the period since 2017, build costs and sales values have changed, and there has also been the introduction of the Mayor's MCIL2 charge. These changes should be reflected in land value.
- 3.18. Thirdly, DS2 has used current day costs and values to calculate the residual land value for the 985-unit proposed scheme. It is considered illogical to compare the residual land value that has been calculated on current day costs against a Benchmark Land Value which is static and wholly unresponsive to changes in sales values and construction costs.
- 3.19. Fourthly, RICS guidance published in 2018 states that a depreciated replacement cost valuation should not be used where there is clearly no market for the existing use of a site – in this case a prison.
- 3.20. Fifthly, there have been significant planning policy changes in relation to viability since 2017 as set out in the NPPF and the London Plan (both updated in 2021). These changes would be expected to be reflected in benchmark land value.

Alternative Use Value Approach

- 3.21. To calculate the benchmark land value for this site BPS applied an **alternative use value** approach. This approach sought to establish a benchmark land value for the site based upon the residual land value generated by an indicative policy compliant scheme. This considered an indicative scheme that did not breach the tall buildings policy but delivered 911 new homes. 50% of these homes were affordable at a policy compliant affordable housing tenure split of 70% social rent and 30% intermediate housing in line with the affordable housing policies of the adopted Development Plan.
- 3.22. This approach is consistent with the position that the prison has closed and there is considered to be no likelihood that someone will come forward to use the site as a prison – particularly as the council has allocated the site for a residential led scheme in its emerging Local Plan.
- 3.23. Based on an alternative use value approach BPS has calculated a benchmark land value of £10,495,719.
- 3.24. The table below sets out the respective positions of BPS and DS2.

Table: Comparison of BPS and DS2 positions

Appraisal	Benchmark Land Value	Deficit
DS2	£58,380,000	(£43,987,255)

BPS	£10,495,719	(£3,275,186)
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3.25. Although there is disagreement on the Benchmark Land Value, both BPS and DS2 agree that the scheme is in deficit by circa £3.275 million and circa £44 million respectively. This means that the scheme cannot currently afford to fund the fit out of the Women’s Building or deliver additional benefits such as London Living Rent homes.

Review Mechanism

3.26. As noted in Sections 19.1.86 to 19.9.91 of the Committee Report the scheme will be subject to an early - stage review mechanism (as required by policy H5 of the London Plan).

3.27. This review would be triggered if the applicants fail to make sufficient progress with the implementation of the scheme within 24 months of planning permission being granted. This review mechanism will be secured in the s106 agreement.

3.28. If an early-stage review mechanism is triggered a full review of scheme viability will not be required. This review will only consider any changes in the Gross Development Value and build costs between the date of the BPS financial viability assessment and the point at which the review is triggered. Any disagreement on the benchmark land value would not be relevant to this assessment.

3.29. If an early-stage review mechanism is triggered and this demonstrates that the scheme has a financial surplus, this surplus will be used to switch shared ownership homes to London Living Rent homes. The homes to be switched in the event of a surplus will be listed in a schedule contained within the s106 agreement. See section 19.1.90 of the Planning Committee report that summarises the GLA’s position on this matter.

3.30. Because the scheme is considered to be policy compliant in terms of affordable housing delivery no further review mechanism would be triggered throughout the course of its implementation.

3.31. However, it is not unusual for developers to revise their schemes to increase housing delivery. This can be achieved by, for example, seeking more efficient floorplans to replace larger homes with a greater number of smaller homes. In this case, a new detailed financial viability assessment would be required. The benchmark land value would be based upon the residual land value generated by the extant planning permission for the site as this would form an alternative use value for the site.

3.32. A scheme deficit of circa £44 million raises concerns about the deliverability of the scheme. If at a later stage, the applicants indicate that 60% affordable housing cannot be delivered for viability reasons, a new planning application and hence planning balance would be required.

3.33. Furthermore, the GLA Stage One referral report refers to the offer of 60% affordable housing and states that *“given that public subsidy is included in the affordable housing offer, the applicant should commit unconditionally to providing this level of affordable housing in the s106 agreement without reference to grant funding”*.

The Response of the Applicants

- 3.34. The applicants have responded to the Planning Committee's concerns about viability in their letter dated 23 February 2023. Their approach to the benchmark land value and scheme viability as outlined above has not changed. Having taken advice from BPS and from Counsel, it is considered that the applicant's position continues to be flawed.

4. **LONDON LIVING RENT**

Converting Shared Ownership homes to London Living Rent

- 4.1. As noted in Section 3.25 above, both the applicants and the council agree that the current proposals are in a position of financial deficit although there is disagreement on the level of financial deficit. This means that it is not currently possible to secure London Living Rent homes on this site.
- 4.2. The GLA's Stage 1 Referral Report states that the application is eligible to progress down the Mayor of London's 'fast track' route provided that 60% affordable housing and an early-stage review mechanism is secured. The Mayor's fast track route does not require any further review of viability at a later stage of the scheme. The GLA response also states that *"given that the scheme exceeds planning policy requirements and tenure mix, the purpose of the review would be to consider if the affordability of the proposed intermediate homes could be secured"*.
- 4.3. The scheme will be subject to an early-stage review mechanism if the applicants fail to achieve sufficient progress in implementing the scheme within 24 months of planning permission being granted.
- 4.4. If the need for this review is triggered and it indicates that the scheme generates a financial surplus, this surplus will be used to switch some shared ownership homes to London Living Rent homes.
- 4.5. Section 2.4 of the Heads of Terms for the s106 agreement therefore secures an early-stage review mechanism in accordance with GLA policy. In the event, that an early-stage review mechanism is triggered and demonstrates that there is a financial surplus, a schedule of properties that could be switched from shared ownership to London Living Rent will be included in the s106 agreement.
- 4.6. The Greater London Authority (GLA) describes the shared ownership tenure as:
- 'An affordable home ownership home where purchasers buy a proportion of the home, usually with a mortgage and deposit and pay rent to a landlord on the remaining unsold share'.*
- 4.7. Paragraph 56 of the GLA's response to the Stage 1 referral said:
- 'London Shared Ownership units should be affordable to households on incomes up to a maximum of £90,000 a year. A range of affordability levels should be provided below the maximum £90,000 household income cap for an initial marketing period of three months. Furthermore, intermediate tenure households should not be required to spend*

more than 40% of their net income on overall housing costs, including service charges. These requirements should be secured via Section 106 obligations.

4.8. London Living Rent is described by the GLA as:

'An intermediate rented home where rent is set at or below a third of local household incomes. Residents have the opportunity to save and purchase the home on a shared ownership basis within 10 years.

4.9. To be eligible for a London Living Rent home, prospective tenants must:

- live or work in London;
- either have a formal tenancy (for example, in the private rented sector) or live in an informal arrangement with family or friends as a result of struggling with housing costs;
- have a maximum household income of £60,000;
- not own any other residential home; and
- be unable to currently buy a home (including through shared ownership) in their local area.

4.10. The amount of rent paid for a London Living Rent home varies depending on where in London the housing is based. The GLA publishes maximum monthly rents (inclusive of service charges) by number of bedrooms for new London Living Rent homes in every ward in London, and updates these figures each year. The latest update was provided in January 2022, for London Living Rent homes to be let in financial year 2022-23.

4.11. Using the two-bedroom rents for each ward as a benchmark, the rent for a 1-bedroom home is 10% lower; for a 3-bedroom home a maximum of 10% higher; and for a 4-bedroom home a maximum of 20% higher. Housing providers have the flexibility to set rents below these levels if they wish. However, rent levels must not exceed the benchmarks at the time of each new tenancy. As a final affordability safeguard, the rent for any individual home must be at least 20% below its assessed market rent. In addition, London Living Rent benchmarks are capped at £1,400 a month for all homes (inclusive of service charges), which ensures that the homes remain affordable to household incomes up to £60,000.

4.12. For the area in which the site is based the monthly 2022-3 London Living Rents are as follows:

- One bedroom home - £1,011.
- Two-bedroom home - £1,123.
- Three-bedroom home - £1,236.
- Four-bedroom home - £1,348.

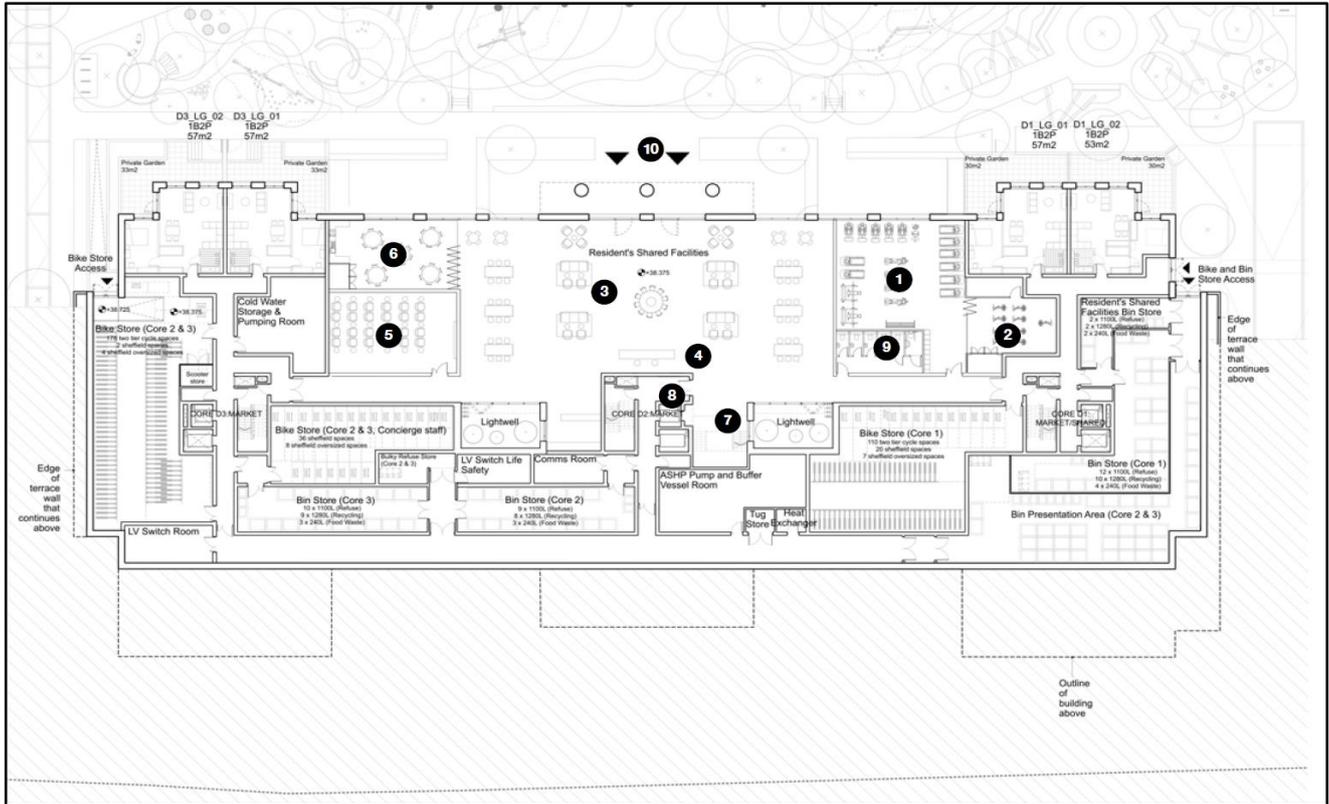
4.13. In their letter referring to the reasons for deferral dated 23 February 2022, the applicants state:

'We are aware of Members' concerns on the affordability of London Shared Ownership homes and can confirm that these homes would be available for a range of incomes. For example, the 1-bed London Shared Ownership homes for occupation by two persons would be affordable to households on joint salaries starting from £58k (equal to each person having an income of £29k). This is lower than the income eligibility for London Living Rent. London Living Rent is only an intermediate rent product for a short

period of time, as residents can purchase their home on a London Shared Ownership basis at any time they wish, or Peabody can after 10 years. Therefore, London Living Rent only delays these homes from becoming London Shared Ownership, when sales values are likely to be higher’.

5. RESIDENTS’ FACILITY

5.1. The indicative layout of the residents’ facility is shown on page 348 of the Design and Access Statement and is reproduced in Figure 1 opposite. All of the areas will be accessible to all residents, irrespective of tenure.



- | | |
|---|------------------------------------|
| <p>Residents Shared Facilities - Lower Ground Floor
The plan opposite shows an indicative layout for the resident's shared facilities located at lower ground floor.</p> | |
| ① | Gym |
| ② | Studio for classes |
| ③ | Lounge / Workspace |
| ④ | Concierge Desk |
| ⑤ | Screening Room |
| ⑥ | Rentable Dining Space |
| ⑦ | Stair access to upper ground floor |
| ⑧ | Lift access to upper ground floor |
| ⑨ | Toilets |
| ⑩ | Main Entrance |

5.2. In their letter dated 23 February 2022 the applicants have clarified the terms on which this space can be used i.e.:

“In relation to on-site residents’ facilities, Plot D provides a facility available for use by all residents of the proposed development, irrespective of tenure. This will provide further opportunity for all residents to meet and socialise, in addition to the public park and communal gardens within the scheme. This facility is not for profit and will be run at cost. The final uses of the spaces are yet to be determined and will be specified in response to resident requirements at the time of construction. As part of the application,

we have shown how potential uses could occupy the space, including a residents' lounge, residents' workspace, screening room, dining room, and gym.

We are also offering the use of a space within the facility free of charge for one day per week for residents and/or resident groups within the development, and this is secured in the s106 Heads of Terms. For example, the space could be used for children's birthday parties, a homework club, or a yoga club."

5.3. Section 6.1 of the Heads of Terms for the s106 agreement (as set out in the Addendum Report) secures the use of this space for all residents of the development. Details of the management arrangements, the booking system and charges will be secured within the S106 Agreement (section 6.2 of the Heads of Terms as set out in the Addendum Report). The community use of part of the facilities for one day a week free of charge will also be secured in the s106 agreement.

5.4. The applicants' letter of 23 February 2022 further notes that:

"As stated at the meeting, we fully support the creation of a Tenant and Residents' Association (TRA) for this development and are experienced in working with TRAs across our estates to great effect."

5.5. Section 6.3 of the Heads of Terms for the s106 agreement requires the submission of a community engagement plan relating both to the residents of the development and the wider local community. The commitment to support the creation of a TRA will be secured in this part of the s106 agreement.

5.6. As noted by the applicants, there are 15 community centres and the Cat and Mouse Library with its community room located within a 30-minute walking distance of the site. It is agreed that there is no need for a further community centre in this area.

5.7. A total CIL fee of £13,622,376.72 will be secured on this site for investment in community infrastructure. If necessary, this could be invested to improve existing local community facilities that are located in close proximity to the site.

6. **FACILITIES FOR TEENAGERS AND YOUNG PEOPLE**

Outdoor activities

6.1. The proposed development provides 5,292 sq. m of play space for all ages, including young people, and this quantum exceeds local and GLA policy requirements. However, much of this space is provided within the public open spaces that will be shared with the wider community.

6.2. The play is not segregated by tenure. With respect to young people aged 12+ years, the development specifically provides over 1,200 sq. m of space with the following facilities:

- Table tennis tables.
- Web nest (rope-based equipment that individuals can climb and balance on).
- Lawn areas which could be used for socialising and games.
- Outdoor board game tables.
- Supernova (a large circular piece of equipment that spins as individuals sit or climb it).

- Hammocks.

6.3. The nature garden also provides community growing opportunities for all ages. Condition 52 (Playspace Maintenance and Provision) requires details of play spaces to be submitted **and approved** prior to the occupation of each phase of the development. This Condition requires that all age groups must be catered for on site.

6.4. In response to the Planning Committee's concerns regarding recreational opportunities for teenagers and young people, the applicant has provided a 'Play Strategy Addendum' that is contained within Appendix Two of this report. This strategy identifies where an outdoor gymnasium could be located, and the types of equipment that could be contained within it.

6.5. In response to the specific challenges faced by young women in public spaces, the strategy also provides conceptual designs that 'Make Space for Girls' stating that:

'Not all recreation needs to be active. Space for teenagers and young adults should be provided for passive recreation and socialising.'

'Make Space for Girls' is an initiative that has been set up to campaign for parks and public spaces to be designed for girls and young women, not just boys and young men. The group raises awareness of the issue, as well as uses research and campaigning to ensure that the voices of girls and young women are heard in the planning process. The initiative has been a key consideration in the design of the play space within the landscape for Holloway.'

The examples below illustrate some of the features that have been included within the current proposals, alongside the more active recreational opportunities, to provide a balanced and inclusive play environment.'

Make Space for Girls will continue to be considered as part of the final landscape proposals, which will be determined through resident and stakeholder engagement.'

6.6. The applicants have also stated in their letter of 23 February 2022 that:

"Mindful of the comments from Members, we intend to consult with residents, including young people, as these open spaces are delivered to determine the final play and outdoor gymnasium equipment. We have undertaken this collaborative approach on other developments, which has been welcomed by residents and helps our wider objective of building connections between residents, and to establish a sense of community ownership. We are happy to secure this via condition or obligation."

We are also happy to allow residents access to all ground/podium level amenity spaces within the development, and we will work with the Met Police under Condition 46 to ensure they are comfortable with this approach in terms of security. All communal open spaces, play spaces and public open spaces across the scheme are high quality, to ensure there is equitable play provision for all residents. There is no segregation of play by tenure."

6.7. The Chambers Road play space, 150m north-east of the site, contains: a multi-functional sports court; swing; slide; and some fitness equipment. £53,000 is secured within the Heads of Terms of the section 106 agreement for an upgrade to this space. There is the potential

for community consultation to inform the design of any upgrades to the space, perhaps through an expansion of the court to enable more team sports.

Indoor

- 6.8. The residents' facility will be staffed during opening hours and available for use by residents under the age of 18 without parental supervision.

Non-recreational activities

- 6.9. Beyond recreation, there are also opportunities for young residents in the earlier phases to secure apprenticeships or training within the green construction skills hub. There will also be employment opportunities within the commercial units. The Women's Building and garden will also provide spaces to deliver services and activities to young women and girls

7. WOMEN'S BUILDING – FIT OUT

- 7.1. The main considerations in relation to the fit out of the Women's Building are set out in:

- Sections 8.1.1 to 8.1.121 of the case officer's report dated 10 February 2022; and
- Sections 3.17 of the case officer's Addendum Report.

- 7.2. As noted in these reports, the applicants currently propose to deliver the Women's Building to a shell and core standard only. There is no universally accepted definition of a shell and core standard although this is generally held to mean that the construction of the exterior of the building is complete but that the interior would be a shell with no lighting or other facilities.

- 7.3. For the reasons set out in Sections 8.1.69 to 8.1.118 of the Committee Report a building that is fitted out to a shell and core standard only is not considered to meet the policy requirement for a Women's Building on the site.

- 7.4. To meet the council's planning policy requirements, the building must be fitted out to a Category B standard. Again, there is no single agreed definition of a Category B fit out. However, this is generally held to mean the fit out of a building so that it is available for the tenant to move into and that has been fitted out for their specific needs and requirements. The cost of this fit out is estimated to be circa £2.9 million.

- 7.5. The s106 Heads of Terms therefore require the Category B fit out of the Women's Building with the cost being capped at £2.9 million (index linked).

- 7.6. Furthermore, the recommendation set out in this report states that the Planning Committee is recommended to grant planning permission for the development conditional upon 'a £2.9 million contribution to the fit out of the Women's building being secured'. This recommendation therefore requires that planning permission cannot be granted on this site until the Local Planning Authority is certain that the fit - out costs of the Women's Building have been secured.

- 7.7. In their letter relating to the reasons for deferral dated 23 February 2022, the applicants make four main points in relation to the fit out of the Women's Building. These are set out below together with the planning officer's response.

1. The fit out of the building is not a policy requirement and the viability appraisal for the Holloway Prison SPD does not include the fit-out costs of the Women's Building.

Consideration of whether or not the fit out of the Women's Building is a policy requirement is set out in Sections 8.1.69 to 8.1.118 of the case officer's report.

The relevance of the viability appraisal for the Holloway Prison site SPD is considered in Section 3 of this report.

2. The costs of the fit out of a building would typically be funded by the end occupier.

The applicants state that:

'It is typical across development proposals that non-residential accommodation is constructed to shell and core. Fit out is typically paid for by an occupier (as will be the case with the other non-residential accommodation in the scheme) who may be provided with a rent-free period, or by the developer provided full rent is secured. Given that we have made the long-term commitment that the Women's Building will be provided at a Peppercorn rent in perpetuity, there is no ability to do this. It should further be noted that the market investment value of the Women's Building under Use Class F2 is c. £3m. This value has been forgone by Peabody offering the Women's Building at a Peppercorn rent.'

It is accepted that the occupants of commercial buildings may typically pay for their fit out. However, this is not a commercial building. It is social infrastructure that in part replaces some of the community-based facilities provided by the former Holloway Prison.

Paragraph 5.1.8 of the London Plan states that "a realistic proposal for replacement social infrastructure should be able to demonstrate funding, appropriate site availability and timely delivery of adequate facilities". Policy DM4.12 states that applicants must demonstrate that "any replacement/relocated facilities for the specific use provide a level of accessibility and standard of provision at least equal to that of the existing facility". A building that is fitted out to a shell and core state only is not considered to meet the policy requirements.

Furthermore, it is highly likely that the end occupier of this building will come from the community, charitable or voluntary sector. The £2.9 million cost of the fit out of the building is likely to act as a significant barrier to its occupation for organisations within these sectors.

3. The scheme is unable to afford the fit out of the Women's Building for financial viability reasons.

The applicants state that:

'Members at the meeting asked why we could not make the £2.9m contribution to the fit out of the Women's Building. Our response to this is that having regard to the deficit that already exists, which is significant, there is simply no further monies available to do so. The only alternative approach would be to reduce the level of

affordable housing but given the priority housing need this is not in our view an appropriate remedy when there is another available’.

Peabody has submitted a viability appraisal that indicates that the Holloway Prison site development has a deficit of circa £44 million. The council has appointed BPS consultants to undertake an independent review of the financial viability of the proposals. BPS advise in a report dated 4 February 2022 that the scheme is in deficit by £3,375,186. It is therefore currently agreed by both the council and the applicants that the scheme is in deficit.

Notwithstanding this, officers remain of the view that the fit out of the Women’s Building is necessary.

4. The council should fund the fit out of the building via CIL including the CIL payable on this site.

For the reasons set out above, it is considered that planning permission should not be granted unless it ensures that the cost of fitting out the Women’s Building is secured. However, by whom that cost is funded is not a material planning consideration. Consequently, provided there is sufficient certainty that funding would be available from CIL or other sources, this would provide an acceptable way forward. However, decisions on the allocation of CIL are not a matter for the planning committee.

Section 3.17 of the addendum report states that:

“The council wishes to secure both the 60% affordable housing and the fit out of the Women’s Building. It is willing to consider funding the fit out of the Women’s Building from the CIL payable on the site subject to the necessary approvals. A formal decision confirming this payment would be required subject to planning permission being granted.”

On 21 February 2022 the council’s Borough Investment Panel was consulted on a proposal for the council to underwrite the fit - out costs of the Women’s Building if the applicants are unable to secure this funding from other sources. This proposal was supported by the Borough Investment Panel.

The Borough Investment Panel recommended that:

- Up to £2.9m of strategic CIL is allocated to fund the fit - out costs of the women’s building on the Holloway Prison site subject to planning permission being granted on the site.
- This allocation is subject to the insertion of a clause within the S106 Agreement requiring Peabody, working with partners including the council, to take all practical steps to raise the £2.9m. The council is therefore purely underwriting the costs of the fit out in the event that this funding cannot be secured from other funding bodies.
- The phasing of any payments will need to be carried out in such a way as to ensure that the council does not incur any financial loss in relation to for example interest or indexation.

The Borough Investment Panel noted that:

- Allocation of the funding is subject to a formal decision by the Executive on 24 March 2022.
- If the Planning Committee resolves to grant planning permission on 8 March 2022 the application will be subject to consultation with the GLA. The Local Planning Authority can only issue planning permission once: the Executive has made a decision on the allocation of £2.9 million; the s106 agreement has been completed; and the GLA consultation response has been received.

7.8. In principle, therefore, the possibility of funding the cost of the fit out from CIL exists. However, it is not proposed that (if agreed by the Executive) the council's offer of £2.9 million should be made unconditionally. The s106 agreement will require Peabody, working closely with the council and other partners, to take all reasonable steps to raise the £2.9 million necessary for the funding of the fit out of the Women's Building. In the event that Peabody is unable to secure all or some of this funding from other sources the council will make up to £2.9 million (index linked) available to fund the fit-out costs of the Women's Building. This section of the s106 agreement is currently being drafted in detail and the Planning Committee will be updated on any progress that is made prior to its meeting on 8 March 2022.

8. WOMEN'S BUILDING – RUNNING COSTS

8.1. In resolving to defer its determination of this planning application, the Committee raised concerns about the financial sustainability of the future operator of the Women's Building.

8.2. The Women's Building will be secured in perpetuity at a peppercorn rent. The operator will however be required to pay insurance and service charges. Based on the current programme the building will open in 2026.

8.3. In their letter commenting on the reasons for deferral the applicants state that:

'Based on typical rent levels for a facility of this nature, there would be an opportunity cost to Peabody, and therefore a running cost saving to the future operator, of c. £220k-£300k per year based on a rent of £15-20 per sq. ft. This rental advice was provided by CBRE'.

8.4. In the same letter the applicant states:

'The Council's adopted SPD seeks the provision of a Women's Building as part of the development but places no requirement on us to support this through revenue funding. This would go beyond land use planning principles. It is the case that any future operator of the Women's Building would be funded by other means.'

8.5. This is considered to be a planning policy matter. Paragraph 5.1.8 of the London Plan states that *'a realistic proposal for replacement social infrastructure should be able to demonstrate funding, appropriate site availability and timely delivery of adequate facilities'*. Nonetheless for viability reasons it is accepted that the applicants cannot afford to fund the future operations of the Women's Building.

8.6. The applicants' letter states that:

'We have committed to working with the Council to undertake the feasibility study for the Women's Building, which will look at the capital expenditure and operational costs'

of the Building. The brief for the study has been agreed with the Council, and it will identify the most effective, inclusive and financially sustainable arrangements for:

- *Commissioning an organisation to run and manage the building;*
- *Identifying which services should be delivered within the building;*
- *Funding any services within the building; and*
- *Any implications of the above for the proposed internal layout and fit out of the building.*

We look forward to commencing the Women's Building feasibility study with the Council on receipt of planning permission and will remain conscious of comments raised by Members surrounding the ongoing running costs.

- 8.7. The study will be commissioned through a joint steering group involving the council, the applicants and independent experts. The Community Plan 4 Holloway group was invited to participate in the study and the steering group but has declined to do so for the time being.
- 8.8. As noted in the case officer's report the council has appointed a senior female manager to act as the council's champion for the Women's Building. This officer has expertise in the field of commissioning services. She will lead on the study for the council and taking forward its recommendations.
- 8.9. Again, the details of the process for selecting and commissioning an operator for the Women's Building will be set out in the s106 Agreement. These details are the subject of a continuing negotiation with the applicant. The Committee will be updated on the progress of these negotiations at its meeting on 8 March 2022.
- 8.10. Once appointed the women's building operator will be consulted on the internal fit out of the building to ensure that the internal arrangements of the building support their service delivery model and business plan.
- 8.11. It must further be noted that the current plans for the Women's Building were developed following extensive consultation with the operators of women's buildings and similar buildings and following research and site visits to similar buildings. The views of future potential operators with professional expertise in this area have therefore informed the development of the current proposals.

9. ACCESS TO NEIGHBOURING STREETS

- 9.1. The Concept Plan prepared for the Holloway Prison SPD indicated one 'Key Pedestrian Route' (via Trecastle Way) and seven 'Potential New Pedestrian Connections'. In accordance with the SPD, all of the pedestrian connections indicated in the Concept Plan were explored between mid-2019 to early-2020. All of these connections include land outside the applicant's control.
- 9.2. As a result of the further assessment of these routes, the 'Key Pedestrian Route' (Trecastle Way where the council is the landowner) and three of the 'Potential New Pedestrian Connections' were subject to further consideration. The three 'Potential New Pedestrian Connections' are:
- Dalmeny Avenue (where the council is the landowner)

- Crayford Road (where the City of London is the landowner)
- Bakersfield Estate (where Peabody is freeholder but Notting Hill Genesis is the long leaseholder on a 999-year lease)

9.3. These routes are shown on the plan below. Section 9 of the Heads of Terms for the s106 agreement as set out in the Addendum Report secure obligations in relation to each of these four routes.

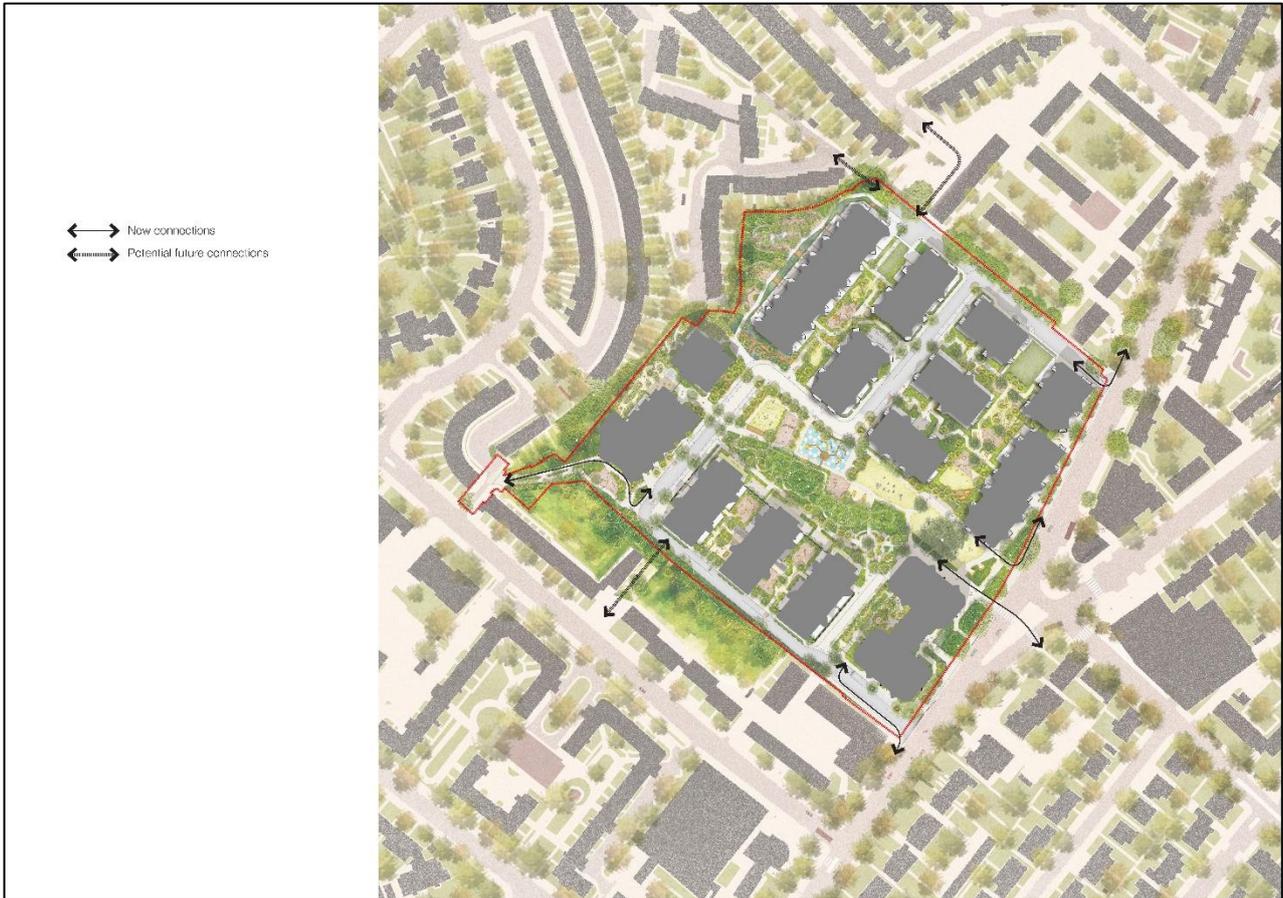


Figure 2: Access to neighbouring streets

Trecastle Way

9.4. With respect to Trecastle Way the land required for this connection is included in the application boundary. Peabody will deliver this pedestrian and cycle connection to an adoptable standard once the relevant obligations are satisfied by the Council as set out in section 9.2.1.1 of the S106 Heads of Terms (see the Addendum Report). The Heads of Terms also provide a fallback position for the council to build and maintain the connection on this land subject to the applicant providing the funding.

Dalmeny Avenue

9.5. With respect to Dalmeny Avenue, this connection is not currently being sought as part of the application because:

- A high level of objection was received from neighbouring residents.
- The Trecastle Way connection will be secured in close proximity to this connection.

- The Trecastle Way connection will be fully accessible whereas the Dalmeny Avenue connection will require steps due to level changes.
- Nevertheless, the S106 Heads of Terms includes an obligation for Peabody not to construct anything on the connection land that would inhibit a future connection via Dalmeny Avenue (see section 9.2.1.4 of the s106 Heads of Terms).

Crayford Road and Bakersfield Estate

9.6. The connections to Crayford Road and the Bakersfield Estate include land outside the applicants' and the council's control. The applicants have met several times with the City of London Corporation and Notting Hill Genesis to discuss connections to Crayford Road and the Bakersfield Estate, respectively, with the most recent meetings taking place in December 2021.

Bakersfield Estate

9.7. In terms of the Bakersfield Estate, there is currently a gate between the Prison site and the Estate. The applicants have ensured provision for a connection in the landscape design within the site boundary (so that the scheme is 'connection ready') and have committed to an entrance/opening at such time that the adjoining landowners permit, in accordance with the S106 Heads of Terms (see Section 9.2.1.3).

Crayford Road

9.8. With respect to Crayford Road, during the course of early pre-application discussions, it was considered whether the Compulsory Purchase Order (CPO) process could be used to secure the connection. However, following consideration of the constraints (as listed below), it was determined that the connection was 'severely constrained' (confirmed in the 27th Feb 2020 Pre-app Response) and a CPO was not the appropriate method to secure this connection.

9.9. The constraints can be summarised as follows:

- A basement car park, with stepped access to the basement lies directly adjacent to the site boundary (within the City of London owned land). This is the biggest constraint due to its size.
- The route would need to cut through existing allotments.
- The route would be in close proximity to the Bunning House ground floor homes which would need to be provided with defensible space.
- There is a level change between the Prison site and the City of London land.
- There is a decommissioned substation on the site boundary that would need to be relocated.

9.10. Provision for a connection in the landscape design within the Prison site boundary ('connection ready' land) has been secured in the Heads of Terms for the s106 agreement

(see Section 9.2.1.2). This will enable the level change to be accommodated on the Prison site.

- 9.11. The applicants have committed to an entrance/opening at such time that land ownership permits the provision of open and unrestricted access, in accordance with the S106 Heads of Terms.

Camden / Parkhurst Road

- 9.12. Beyond the creation of new connections, the current pedestrian crossing on Camden / Parkhurst / Hillmarton Road is to be upgraded to make it safer and more convenient for people to cross. This will be secured through a s278 agreement.

10. TENURE DISTRIBUTION

- 10.1. At the meeting of the Planning Committee on 10 February 2022, Members of the Planning Committee and local residents raised concerns about the location and quality of the social rented homes. Concerns were also expressed about the need to ensure that the scheme is 'tenure-blind'. This means that anyone visiting the site should not be able to distinguish between affordable homes particularly social rented homes and private homes. As noted at the meeting, there is nothing in terms of the external appearance of the buildings or the design and location of their doors and entrances that would allow a distinction between the different tenures to be made.
- 10.2. Concerns were raised about a perceived over - concentration of social rented homes on Parkhurst and Camden Roads.
- 10.3. The applicants have submitted an updated tenure distribution plan and schedule of accommodation. They note in their letter dated 23 February 2022 that:

“There is a mix of all tenures across the Blocks that are positioned along Camden/Parkhurst Road (Blocks C1, C2, B4, B5 and B6).

Blocks C1 and C2, which also deliver the Women’s Building, specifically provide 100% social rent homes as this was sought during community consultation. Plot C is richly designed and of exceptional quality as noted at Paragraph 10.6.14 in the Committee Report, and we consider it fitting that this landmark building provides social rent homes given the objectives of the SPD.

On Blocks B4, B5 and B6, the homes facing Camden/Parkhurst Road comprised of 22% Social Rent, 63% Shared Ownership, and 15% market. We have listened to the comments made by Members and have redistributed the tenures on Block B3 and Block B4 to convert Block B4 to a 100% market home building, as shown in the enclosed axonometric view. Blocks B4, B5 and B6 now provide a market sale building, a London Shared Ownership building and a Social Rent building. The homes within the blocks that face Camden/Parkhurst Road now comprise 22% Social Rent, 49% London Shared Ownership, and 29% market. By moving the London Shared Ownership homes from Block B4 to Block B3, we have been able to ensure that six of the 11 buildings that have a direct view of the public park, still have affordable accommodation.”

- 10.4. These changes are shown in the axonometric views included in Appendix Three. These views compare the previously and currently proposed locations of the different housing tenures on the site.
- 10.5. The number of social rented homes on Camden and Parkhurst Roads has not changed, although the number of private homes on these roads has increased. This has been achieved by relocating some of the shared ownership homes away from Parkhurst and Camden Roads to the 'interior' of the site.
- 10.6. The applicants also note in their letter that:

"We are providing excellent quality homes that have been designed every step of the way to be tenure blind. Across the scheme we have maximised the number homes which have views in two directions which creates demonstrably improved daylight and ventilation. This is achieved by providing homes to the corner of buildings (corner aspect) and stepping elevations of buildings to allow for large windows at 90 degrees to each other (stepped aspect). 99% of the Social Rent homes have either stepped aspect or corner aspect, the best performing tenure compared to 84% of the London Shared Ownership homes and 93% of the market homes."

- 10.7. Whilst this redistribution of the tenures is supported, its recent submission does make any further analysis of the amenity of the different tenures more complex. The Planning Committee will be updated if any further investigations indicate that the quality of the social rented homes or shared ownership homes is not as good in any respect as the other tenures. There is nothing to suggest that this is the case at present, and in some respects such as the size of the new homes and their aspect, the social rented homes are considered to be superior to the other tenures.

11. **INTERNET ACCESS**

- 11.1. In their letter dated 23 February 2022 the applicants have stated that:

"As confirmed in the meeting, all homes will be provided with fibre optic broadband infrastructure. This will enable residents to access to over 25 broadband providers, offering a variety of internet packages at a range of prices to suit their needs. 4G home broadband will also be available to residents as a flexible alternative, with data plan contracts as short as 30 days. It was suggested that we should provide Wi-Fi/broadband services to the occupiers of the development. However, this is neither a policy requirement nor practical. It is for individual occupiers in any form of tenure to decide what digital services they require, in the context that there are multiple service provision operators available to them.

Nevertheless, having listened to the concerns raised by Members, we are now working with a broadband provider to agree terms for a central agreement with Peabody as the landlord for this site, which would secure discounted internet packages for our residents on this development.

Further to this, and as confirmed in the meeting, free Wi-Fi will be provided to the resident's facility in Plot D, available for use by all residents of the proposed development. Free Wi-Fi

will also be provided to the public park, available to all visitors, and this is secured by condition.

It is also noted that the Cat and Mouse Library lies adjacent to the site and offers free Wi-Fi and free public computers for use.”

12. **CONCLUSION**

- 12.1. In coming to its decision on this application, the Planning Committee must consider the information set out in this report, the Committee Report and Addendum Report. The Planning Committee must also consider the verbal representations made to the Committee by both the applicants and the objectors at its meeting on 10 February 2022 and any further verbal representations made at its meeting on 8 March 2022.
- 12.2. Objections to the application continue to be received. The Committee will be updated on these objections at its meeting on 8 March 2022 with any new matters being brought to its attention in particular. Any new objections must also be considered by the Committee.