

# Mondial House, 90-94 Upper Thames Street

in the City of London

planning application no. 05/00653/FULEIA

## Strategic planning application stage 1 referral

Town & Country Planning Act 1990 (as amended); Greater London Authority Act 1999; Town & Country Planning (Mayor of London) Order 2000

## The proposal

The demolition of Mondial House and replacement with two new buildings of six and twelve storeys together with basement parking, an extension to the existing fire station, works to the pedestrian walkway, hard and soft landscaping and alterations to the vehicular access.

## Strategic issues

The demolition of Mondial House and its replacement with buildings of a higher design standard will **vastly improve the image of the City** when viewed from the river. It will accommodate 3,284 additional workers and will contribute to the pipeline of prime offices floorspace in the City **underpinning London's World City Role**. It has **high aspirations in terms of sustainability** but falls below the Mayor's 10% renewable energy target having satisfied the methodology set out in the London Plan. To be acceptable, the proposals should make a greater contribution to transport and affordable housing than currently envisaged.

**Applicant:** UBS Global Asset Management. **Architect:** Fletcher Priest.

## Recommendation

That the City of London Corporation be advised that the referred application is likely to be acceptable provided a greater level of finance is provided for public transport and affordable housing in pursuance of London Plan policy.

## Context

1 On 13 September 2005 the City of London Corporation consulted the Mayor of London on a proposal to develop the above site for the above uses. Under the provisions of the Town & Country Planning (Mayor of London) Order 2000 the Mayor has the same opportunity as other statutory consultees to comment on the proposal. This report sets out information for the Mayor's use in deciding what comments to make.

2 The application is referable under two categories of the Schedule of the Order 2000: 1B, "development in the City of London with a total floorspace of more than 30,000 square metres;" and 1C, "a building more than 25 metres high and is adjacent to the River Thames."

3 If the Local Planning Authority subsequently decides that it is minded to grant planning permission, it must first allow the Mayor an opportunity to decide whether to direct the Council to refuse permission.

4 The environmental information for the purposes of the Town and Country Planning (Environmental Impact Assessment) (England and Wales) Regulations 1999 has been taken into account in the consideration of this case.

5 The Mayor of London's comments on this case will be made available on [the London Website](#).

## **Site description**

6 Mondial House was planned in 1970 as an international telecommunications switching centre. Construction started in 1975 and it was completed in 1978. It was designed by Hubbard, Ford and Partners in such a way that it would not obscure views of St Paul's. Its structure is extremely sound but the main elevations of the zigurat upper floors are clad in fibreglass.

7 The site is within the 'City Heights' policy area, which imposes a maximum height on buildings to the south of St. Paul's so that its rotunda and peristyle can be viewed from various locations in the city. It is also within two strategic viewing corridors of St Paul's Cathedral from Blackheath Point and Greenwich Park.

8 Prior to its construction in 1975, the site of the Mondial House and the Fire Station were the tower and churchyard of All Hallows the Great. The church itself has been razed in the Great Fire, was rebuilt by Wren, then was sold and mostly demolished until the remaining tower was demolished during WW2. The Churchyard remained until 1969.

9 Upper Thames Street is a busy road, which is part of the Transport for London Road Network. It is currently a barrier to pedestrian movement and can only be crossed via the City Walkway Bridge close by. Access across the walkway bridge is currently impossible for many disabled people.

10 The site is within the Central Activities Zone as defined in the London Plan and the East London Sub-Region. It has excellent access to public transport, with a PTAL (Public Transport Accessibility Level) of 6, the highest possible rating. Upper Thames Street is served by route 344, whilst a further 3 routes run along Cannon Street and 4 on King William Street. Cannon Street station is adjacent to the site and provides access to National Rail (serving South East England) and to Underground services (District and Circle lines). Within walking distance are Bank and Monument (Central, Circle, District, Northern, Waterloo & City and Docklands Light Rail), Mansion House (District and Circle lines) and London Bridge stations (National Rail & Jubilee and Northern Underground lines).

## **Details of the proposal**

11 The proposal is made by UBS Asset Management using Fletcher Priest Architects. The proposal is for offices on the site of the former telephone exchange amounting to an uplift in office floorspace of 68,557 sq. m. There will also be retail type uses at ground floor level amounting to 1,824 sq. m.

12 The proposal is for two buildings facing the river using a third of the existing structure of Mondial House. The Fire Station would be retained but re-clad during the works and connected to the office development on four floors.

13 When completed, it will employ 4,300 employees on the site in office employment with 160 temporary jobs during construction. The Environmental Statement refers to the maximum historic occupation of the existing building being 1,000 workers with 15 currently on the site.

## Case history

14 Planning permission was granted in 1995 to allow office use in parts of the building. This was implemented in stages after the exchange was shut down in 1995.

15 A certificate of lawful use was subsequently issued by the City of London, which confirms that the use of the building as offices would be immune from prosecution. BT Openworld was at that time occupying the 3<sup>rd</sup> and 4<sup>th</sup> floors. As such, the applicant is inviting the Local Planning Authority to take the view that the increase in office use is in the region of 10,000 sq. m. The building was sold to UBS in 2005.

## Strategic planning issues and relevant policies and guidance

16 The relevant issues and corresponding policies are as follows:

- World city role *London Plan; London's Economic Development Strategy*
- Design Issues *London Plan; PPS1; PPG15; RPG3A; draft London Views Management Framework SPG*
- Resources/Mix of uses *London Plan; Circular 5/05*
- Transport & Parking *London Plan; the Mayor's Transport Strategy; PPG13*
- Sustainable development *London Plan; PPS1, PPG3; PPG13; PPS22; the Mayor's Energy Strategy; Draft SPG on sustainable design and construction*
- Employment and Training *London Plan; London's Economic Development Strategy*
- Equalities *London Plan; Accessible London SPG*

17 For the purposes of Section 38(6) of the Planning and Compulsory Purchase Act 2004, the development plan in force for the area is the City of London Unitary Development Plan 2002 and the London Plan 2004.

18 The application site lies within the City's Thames Policy Area, wherein all developments featuring in the City's riverside are required to have the highest quality of design, regard to the existing built and natural environment, and important river views in Central London. The relevant UDP policies aim to enhance the environment, vitality and metropolitan character of the River Thames; encourage the highest quality of design on new developments featuring in the City's riverside; complete and enhance the riverside walk to ensure improved accessibility to the river; encourage activities which will increase public use and enjoyment of the river and its use for passenger and freight transportation. The whole of the site is within the St. Paul's Heights Limitations Policy (ENV 23).

## World City role

19 The London Plan aims to ensure that London's growth is accommodated within its borders but recognizes that it must fulfill its potential as a World City in the national interest. Accommodating the anticipated growth in London would be beneficial both to London and the rest of the UK based on the three balanced and interwoven themes of strong, long-term and diverse economic growth, social inclusivity and fundamental improvements in the environment and use of resources.

20 The finance and business services sector stands out in the structure of the London economy owing to its exposure to increased global openness and technological change, its contribution to GDP and its ongoing dynamism. This is particularly true of the international business part of the sector and its role in making markets and providing financial services in foreign currencies.

21 This sector has accounted for 65% of the gross job growth in London in the last thirty years and is the key economic sector in the city. For structural reasons, it is projected to make the most significant contribution to economic growth in London over the next 15 years with around 440,000 further jobs, just over half the anticipated growth of 854,000.

22 Using London Plan floorspace to employment ratios, this development will support London's financial and business services sector by providing the capacity for a further 3,284 jobs on the site over its previous maximum occupancy of 1,000 or 4,300 jobs in total. This needs to be considered together with temporary construction employment and other jobs that are considered to be induced by the development.

23 This prestige riverside building will also be an attractive venue as a global headquarters operation for firms wishing to establish themselves in London and, as such, the development will undoubtedly support London's World city role.

## **Design issues**

24 Mondial house is a bold piece of architecture but unloved and cannot be usefully put to another purpose without the kind of wholesale redevelopment envisaged in this application. It is also an obstacle to the appreciation of the towers and abutments of Canon Street Station which are listed buildings. The design of Mondial House was reduced in height and set back late in the design stage to accord with the St Paul's Heights Limitations policy but is still visible over the threshold. Mondial House also overhangs the river walkway, is taller than Canon Street and has an oppressive impact on Angel Passage next to it.

25 This proposal, which seeks to demolish the majority of the building replacing it with two blocks, will enable a greater appreciation of the listed buildings and will provide a more considered response to the challenge presented by the St Paul's Heights Limitations policy area. The new design will address these issues by setting back the building lines. It will also include a new 'L' shaped pedestrian thoroughfare that will provide valuable circulation space on the river walkway and is a significant design benefit. Retail type uses at ground floor level will enliven the public realm making the new open space more pleasant and safe.

26 The new buildings have been designed to respect the St Paul's Heights Limitations and the cones of the strategic viewing corridors described in RPG3A. The proposal is for two buildings facing the river using a third of the existing structure of Mondial House. This will provide one 'L' shaped buildings and another small, square, stand alone building. The L shaped building is set further back from the line of the river and is also set back from its current flank building line to make Angel Passage wider. The impression is given that the 'L' shaped building is two buildings because the upper levels facing Upper Thames Street form a coherent office block that can be read as a single building. Those parts of the building facing the Thames are lower than the abutments of the Canon Street Station and designed to respect the building height thresholds in place.

27 In architectural terms, the proposal is of a very high standard. The bulk is distributed sensitively so that the larger part of the building could read as a large building in its own right or part of a wider development. The larger block is split with a central Atrium that will be visible from the river. The proposed bulk distribution and elevation treatments will give an impression of three

distinct buildings. All of the elevations are of the highest standard. The riverside elevation of the larger 'L' shaped building will be enlivened with a system of cantilevered laminated veneer lumber beams that provide additional solar protection as well as visual interest to the elevation. The riverside elevation of the smaller building will have internal sliding louvers behind curtain walling.

28 The proposal would not be unsympathetic within the important riverside views or any of the London Panoramas designated by the London plan and amplified in emerging guidance: 'Draft London View Management Framework SPG, Mayor of London, April 2005"

29 The building will undoubtedly meet the very highest design standards and brings significant design benefits.

## **Resources, mix of uses**

30 When considering planning applications of potential strategic importance the Mayor will take into account, among other issues, the content and existence of planning obligations. Strategic priorities, such as increasing the supply of affordable housing and funding public transport, rely on a substantial contribution being made through the negotiation of planning obligations on a consistent basis throughout London.

31 The London Plan contains guidance on the allocation of planning obligation finance and requires affordable housing and public transport improvements generally to be given the highest importance with priority also given to learning and skills and health facilities and service and childcare provisions. More specifically, in terms of London Plan mixed-use policy, there is a requirement for mitigation to address the absence of residential uses within the Central Activities Zone.

32 Many developments have impacts beyond borough boundaries, such as those involving public transport improvements facilities. Constraints on the public transport system mean that all developments make an incremental impact upon the overall needs of the city. A strategic approach is needed in respect of these wider impacts. The Mayor wants to reconcile strategic with more local impacts and the London Plan highlights the need for pooling of contributions in cases where partial contributions towards a larger objective may be appropriate such as public transport investment and affordable housing provision. This approach is affirmed by the Secretary of State in Circular 5/05.

33 The City of London Unitary Development Plan was adopted in 2002 and contains policies aimed at securing planning obligations that meet the tests set out in circular 1/97. It also includes a policy for requiring affordable housing through the planning system. The Corporation produced Supplementary Planning Guidance in June 2004, which informs developers of the likely need to provide planning obligations and gives guidance as to their scale. It states that as a basis for negotiation, a planning obligation of a minimum of £70 per sq. m. of additional gross floor area would be consistent with recent achievements. It is not a maximum and individual site characteristics may lead to a different outcome.

34 The City Corporation proposes to disburse 50% of finances thus raised on local community facilities and the environment, including health, childcare provision and street scene improvements. This includes improvements to the pedestrian realm. 30% of the money would be spent on affordable housing with 15% to be used for transport improvements. The remaining 5% will be used for training and skills.

35 On 22 October 2003, the Mayor wrote to the City Corporation regarding its then draft supplementary planning guidance on planning obligations. In his letter, the Mayor stated that there were fundamental areas of the approach to planning obligations that did not reflect his

then emerging policies. He stated that: "It is unclear what the basis is of £70 per square metre planning obligation sought. Each case should be considered on its merits and the potential for planning obligations to be generated from site value will vary between sites. There is therefore a risk in including a figure in supplementary planning guidance that this will become the norm, which may take the place of site-specific appraisals of impact, which considered a more appropriate application. The use of a benchmark figure, not related to specific impact of a scheme nor to the impact on scheme development viability, may not conform with the requirements of circular 1/97." TfL stated that it was keen to ensure that where a development results in an impact that warrants a planning obligation in excess of £70 per square metre, the appropriate mechanism is in place.

36 The London plan states that: *"within the Central Activities Zone and Opportunity Areas, wherever increases in office floorspace are proposed they should provide for a mix of uses, including housing, unless such a mix would demonstrably conflict with other policies in this plan."* Paragraph 3.125 of the London Plan states that such a mix may undermine strategic policy in parts of the City and Isle of Dogs, and hence that, *"In such areas, off site provision of housing elsewhere on suitable land will be required as part of the planning agreement."*

37 Research into the Mayor's mixed-use policy has indicated that by far, the City of London is likely to produce the greatest levels of housing, including affordable housing, through the Mayor's mixed-use policy. The report, "Mixed-use Development and Affordable Housing Study," by London Residential Research (January 2004), recommends that housing in the City which arises from the mixed-use policy should be provided off-site.

38 The study goes on to say that assuming that the City office market rebounds, there is scope for substantial volumes of commuted payment to be generated in all areas of London, without threatening the viability of office development on a scale necessary to support projected employment growth.

39 It is not clear if the finance that would be provided for housing under the City Corporation's formula would be used for additions to the dwelling stock. One of the purposes of the Mayor's mixed-use policy, policy 3B.5, is to require adequate housing provision to sustain growth. Lack of housing, especially affordable housing, is already one of the key issues facing London employers. Thus, as a general principle, the mixed-use policy requires new dwellings rather than stock improvements.

40 The average level of public grant for an affordable housing unit was around £98k<sup>1</sup> in 2004. Housing Corporation analysis shows that this covers a range from around £79k as the average input for a home housing 2 persons, £92k for a home housing 3 persons to £202k as the average grant for a home housing 8 persons (normally a 4 or a 5 bed home).

41 The proposal would provide £300,000 to address both the policy requirement for housing provision under the Mayor's mixed-use policy, and the impact identified in the environmental information. This translates to two or three homes. Using this assumption, the proposed level of finance compares unfavourably against the impacts predicted in the environmental information, in respect of new jobs to the region. It is highly questionable if the level of finance for housing will meet the Mayor's mixed-use policy requirement.

## **Sustainability and renewable energy**

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<sup>1</sup> Housing Forum for London - 24 November 2004, Overcrowding - update on modelling, Housing Corporation.

42 The proposal will exceed draft Building Regulations that will be in force in April 2006. Measures such as the green roof, rainwater harvesting, heat recovery on air handling plant, low energy lighting and natural ventilation will ensure a significantly better environmental performance. The facades are also designed to provide optimum solar gain reduction, which is further assisted with additional measures such as argon-filled glazing. If these measures are secured through the terms of the associated legal agreement or planning condition, it is likely that the proposal will comply with London Plan policies on sustainable design and construction.

43 In addition to this, the proposal will re-use much of the building's original structure and demolition arisings are proposed to be transported on the river rather than roads.

44 The applicant has set out in detail how it proposes to use energy efficiency design measures to reduce carbon emissions by 17% above the draft 2006 building regulations standard. Further to that, it will incorporate photo-voltaics to reduce carbon emissions by approximately 5%.

45 Combined Heat and Power is not feasible on the site due to the low demand for heat. The overall approach to energy is encouraging but the scheme does not meet the Mayor's 10% target. GLA officers have encouraged the further exploration of ground-source cooling, particularly given the advantages of its Thames-side location. Because the concrete raft which forms the foundations of Mondial House is impenetrable, the applicant has stated that he is prevented from breaching it to provide the bore holes that would be needed for a closed loop system. The applicant should aim to overcome this constraint in order to meet the Mayor's 10% policy requirement.

## **Equalities issues**

46 The building is designed to address the inclusive design agenda inside the building but further work is required to address the circuitous and impenetrable sequence of walkways and crossings around the site. Currently, the only pedestrian access within 200 metres is via a City Walkway.

47 The proposal aims to maintain the existing City Walkway, but providing an at-grade crossing is a principal issue for disabled people. Any proposed development consent should contribute to the necessary traffic modelling to address this issue and then provide a dowry towards implementation.

## **Transport TFL**

48 The Transport Assessment proposes a set of sustainable walking strategies. One is a new at-grade signalised pedestrian crossing facility on Upper Thames Street being developed in consideration of the adjacent Riverbank House application. TfL welcomes the crossing as it will increase pedestrian permeability to the riverside and improve pedestrian road safety. However, the implications of an all-red crossing on the Transport for London Road Network (TLRN) and bus operations needs to be fully understood. TfL wishes to work with the developer to agree a solution.

49 TfL supports and expects continued progress on other strategies. These include the implementation of a piazza style public space and improved footways, which will improve the public realm and walking environment, improvements to the existing footbridge over Upper Thames Street including a new lift access. TfL also welcomes the aspiration for the construction of a cantilevered footbridge along the river from the site westwards under the railway bridge to create a continuous link to the Riverside Walkway; this will be more attractive and safer than the current access through Steelyard Passage.

50 TfL supports the proposed strategy to improve river access through the upgrade of Swan Lane pier and possible implementation of river services. This is being progressed in collaboration with TfL and adjacent Riverbank house development.

51 The proposed number of cycle parking spaces (280 plus ten short stay) satisfies the relevant London Cycle Network (LCN) *Design Manual* standards. The provision of showers and changing facilities is welcomed. The provision of nineteen car parking spaces for the development and eleven for the Fire Station is supported as it is within the relevant standards of the London Plan and discourages travel by car. The allocation of three disabled parking spaces is supported and is in accordance with the Disability Discrimination Act.

52 TfL welcomes the provision of an off-street taxi pick-up/drop-off facility, and supports the production of a Travel Plan to encourage more sustainable methods of transport.

53 TfL understands that the developer has aspirations for a new bus stop facility in the vicinity of site. This is being progressed in collaboration with the adjacent Riverbank House. TfL expects to work with the developer to deliver the proposal as well as contribute financially through a Section 106 agreement towards its implementation.

54 TfL expects Section 106 contributions towards the implementation of a pedestrian crossing on Upper Thames Street as well as a new bus stop facility. As the adjacent Riverbank House development is also potentially contributing to these, in the event that they have already been delivered, TfL would expect a similar sum to be allocated to other public transport improvements. A cost for these improvements needs to be agreed with TfL and the developer.

## **London Development Agency**

55 The LDA supports the proposal in principle and welcomes this quantitative and qualitative improvement in office floor space provision within the Central Activity Zone (CAZ), which will contribute to the stock of high quality office accommodation enabling London to fulfil its World City, national and regional roles. This is in line with the Mayor's policy to seek the renovation and renewal of existing office accommodation stock to enhance the quality and flexibility of London's office market offer (Policy 3B.2-3). The proposed inclusion of retail uses on the ground floor is supported, as it would provide a further mix within the scheme and also enhance interaction at street level. The LDA is satisfied by the mixed uses, including housing, that this development provides within the CAZ (in accordance with London Plan Policy 3B.4). The proposed urban design of the scheme and environmental improvements to the riverside and the other public realm around the site and the adjoining Riverbank House are welcome and will contribute to London's visitor offer as well as enhance the area for local workers and residents.

56 The Agency considers it important to ensure that local residents and businesses benefit from jobs created by this proposal as set out in London Plan Policy 3B.12. Initiatives to create training opportunities for local people and to address other barriers to employment (e.g. child care) should be formalised through the section 106 agreement between the City of London and the applicant. The section 106 agreement should include provisions to enable local people to access the jobs to be created during construction and in the commercial and retail components of the development once completed. In addition opportunities should be opened up for local businesses, especially SME's and BME's, in the supply of goods and services during construction and to occupiers where possible and through the provision of some affordable business space for SME's within the development.



57 The LDA would welcome a discussion with the Corporation and the applicant on the detail of these initiatives and the potential to compliment and link into existing projects in the area, including those associated with the adjoining Riverbank House, which is also the subject of redevelopment proposals.

## **Local planning authority's position**

58 City Corporation officers are understood to find the application acceptable in principle and will report it with a favourable recommendation in January 2006.

## **Legal considerations**

59 Under the arrangements set out in article 3 of the Town and Country Planning (Mayor of London) Order 2000 the Mayor has an opportunity to make representations to the Local Planning Authority at this stage. If the Authority subsequently resolves to grant planning permission, it must allow the Mayor an opportunity to decide whether to direct it to refuse planning permission. There is no obligation at this present stage for the Mayor to indicate his intentions regarding a possible direction, and no such decision should be inferred from the Mayor's comments unless specifically stated.

## **Financial considerations**

60 There are no financial considerations at this stage.

## **Conclusion**

61 This proposal will strengthen the City of London's office market and will provide significant improvements to the appearance of the City when viewed from the South Bank thus improving its image.

62 In terms of the historic environment, the development will bring significant benefits as the new buildings will have a better relationship with the historic buildings and landmarks. The relationship with the public realm will also be an improvement as the building lines are set back to provide a more generous setting. The design is highly resolved and will provide a very attractive new addition to the river that will relate well to adjacent buildings. The standard of design is predicted to be very high and it will result in a vastly improved image of the city from the river.

63 In terms of resources there are concerns that if the planning obligation package is calculated in line with City Corporation Supplementary Planning Guidance, only £150,000 would be provided for transport, and only £300,000 would be provided for affordable housing and only £50,000 for training initiatives. Notwithstanding that the Mayor does not accept the approach or the level of this 'generalised mitigation' the finance would not mitigate the development's impacts and would therefore be unacceptable in strategic planning terms.

64 In terms of renewable energy, the proposal will only provide 5% from renewable sources once demand reduction is taken into account. The use of bore hole cooling would reduce this still further, but the site is constrained by its concrete raft foundations and the applicant is of the view that bore holes cannot be provided.

65 To further equalities objectives, the development should, in partnership with the City Corporation Surveyor's Department in respect of River Bank House, undertake modelling to establish the technical feasibility of installing an at grade crossing on over Upper Thames Street.

The legal agreements of both sites should provide finance towards implementing it so that disabled people can move round the public realm more easily.

66 The applicant, TfL and the Corporation of London will need to work closely to ensure that a number of mitigation measures and sustainable transport initiatives are delivered within any planning permission and accompanying legal agreement.

67 The delivery of appropriate local employment, training and business opportunities by the scheme is also sought.

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for further information, contact Planning Decisions Unit:

**Giles Dolphin, Head of Planning Decisions**

020 7983 4271 email [giles.dolphin@london.gov.uk](mailto:giles.dolphin@london.gov.uk)

**Colin Wilson, Strategic Planning Manager (Development Decisions)**

020 7983 4783 email [colin.wilson@london.gov.uk](mailto:colin.wilson@london.gov.uk)

**Scott Bailey Senior Strategic Planner /Urban Design**

020 7983 4266 email [scott.bailey@london.gov.uk](mailto:scott.bailey@london.gov.uk)

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