

Future Merton
London Borough of Merton
12th Floor Civic Centre
London Road
Morden
SM4 5DX

27 February 2013

Dear Sir / Madam,

LB Merton Site and Policies DPD – Site 75: Former Mitcham Gasworks

On behalf of my client, National Grid Property (NGP) and Scotia Gas Networks (SGN), I am writing with regard to Site Proposal 75 Former Mitcham Gasworks, as set out in the Council's Draft Site and Policies DPD.

NGP and SGN own two separate parcels of land, which make up the site identified in the site allocation. Both parties welcome the proposed allocation of the site for residential-led development. Background information and detailed comments on the draft site allocation are set out below.

Background

The Site is currently vacant. The NGP land (1.78 hectares) was granted outline planning permission for up to 7,500 sq m of light industrial (Use Class B1c) use in 2009, as part of a wider outline planning permission for mixed use residential and employment use.

The residential component (which is located to the south-west of the site) was sold to Barratt Homes. A reserved matters application for residential development was approved by LB Merton in November 2012. The outline planning permission for the employment component lapsed in July 2012, due to lack of demand from potential occupiers.

The SGN land (0.63 hectares) includes the gasholder on the corner of Western Road and Portland Road. Development within the vicinity of the gasholder is subject to restrictions set out in the HSE's land use planning methodology (PADHI), which limits the potential for residential and retail uses at present.

SGN has identified potential for the gasholder to be decommissioned within the next two to five years. There are significant costs related to decommissioning the gasholder, dismantling the associated infrastructure and subsequent decontamination of the site. Significant additional costs may also be incurred if it is necessary to relocate the existing Pressure Reduction Station.

The Council's Preferred Use

The draft site allocation identifies the site for residential use with open space and some small-scale community facilities, subject to the decommissioning of the gasholder. This proposal is supported in principle by NGP and SGN.

The site was previously allocated for employment use. This change is consistent with the National Planning Policy Framework (NPPF), which was published in March 2012 and clearly states that Council's should not retain unviable employment allocations. In particular, Paragraph 22 states that:

"Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities."

Boosting the supply of new housing is a key objective of national and local planning policy. LPAs are required to robustly plan for a 5-year housing land supply, by identifying viable and deliverable sites for housing. NGP and SGN consider that there is good potential to deliver new housing on the Former Mitcham Gasworks site, subject to the decommissioning of the gasholder and a robust assessment of financial viability.

Viability

It is essential that the site is allocated for uses of sufficient value to ensure that the redevelopment of the site is viable, taking into account the significant abnormal costs of these enabling works.

There are substantial costs related to the decommissioning of the gasholder, dismantling the associated infrastructure and decontamination of the site. Significant additional costs may also be incurred if it is necessary to relocate the existing Pressure Reduction Station. As discussed previously with LB Merton, further work is required to estimate these costs and test the viability of residential development on the site. This work is ongoing.

The NPPF requires Local Planning Authorities to pay careful attention to viability and the costs of development, to ensure that plans and site allocations are deliverable. Paragraph 173 states:

"To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable."

We understand that the Council has considered and ruled out potential for the site to accommodate a new school, taking into account the costs of land assembly, remediation and development.

Preparation of a Planning Brief

The site allocation recommends that, if the gasholder is decommissioned, a planning brief (supplementary planning guidance) is prepared to guide the use, layout and design of development that would be acceptable on the site.

NGP and SGN do not consider that the preparation of a planning brief is necessary for this site. The layout of the scheme and general design principles should be developed through pre-application consultation with the Council, once the principle of use has been established. The preparation of a planning brief (supplementary planning guidance) would require additional Council resources and has the potential to significantly delay development. The site will not be developed by NGP or SGN. Therefore, flexibility is required for a developer to work up a scheme for the site, during pre-application consultation with the Council.

Delivery Timescales

The wider NGP land was marketed by Deloitte Real Estate in 2010. There was significant interest in the residential element and Barratt London was subsequently selected as preferred bidder. Given the demand for residential use in this location, it is considered that a scheme could be delivered within three to five years, subject to securing sufficient value to fund the decommissioning of the gasholder.

Summary

Reasonable flexibility is required to allocate the site for higher value uses, to promote the successful regeneration of the site and ensure that any proposed redevelopment is financially viable.

NGP and SGN support the allocation of the Site for residential development in principle, subject to the decommissioning of the gasholder and a robust assessment of the potential costs of remediation and financial viability. This work is ongoing.

If you have any queries on the points raised above, please call me on 0207 303 3829.

Yours sincerely,

Michael Meadows
for Deloitte LLP