

Time line and Chronology of Events since Appointment of Langtree Group Plc as Preferred Developers

This timeline and chronology of events demonstrates the adequacy of viable efforts made to retain the buildings.

As way of background, Langtree Group Plc were appointed as preferred developer for the project in March 2004. This followed a development competition led by English Partnerships (EP) and Liverpool Vision (Vision) in the Autumn of the previous year. Langtree's proposals were described by the appointment panel as addressing, 'most successfully, the design guidelines set out in the Planning and Development Brief' issued by EP and Vision in September 2003.

In marketing the site as part of a development competition Liverpool Vision and EP's recognised that the property had fallen into a state of serious disrepair and was vacant, and could not continue in its present use as per Paragraph 133 of the NPPF. Vision and EP agreed as part of this brief that alternative 'mixed uses' would be considered acceptable as part of a scheme to provide new building and refurbish and convert part of the Duke Street buildings, an approach which was also accepted by the Council. This scheme did not include the retention of the vinegar warehouse building on Henry Street.

Original Scheme

The original scheme prepared by Langtree was a true mixed-use development combining residential apartments, managed office space, traditional offices and studio office space within the same building. The design concept we proposed was one that was both in keeping with the historic grandeur of Duke Street whilst being aligned with the creative business community that is prevalent within the Rope Walks area.

Langtree's initial work between Autumn 2004 and Spring 2005 focused on refining the design and ensuring the development worked from a commercial and practical point of view. During this period, extensive dialogue was held with Conservation officers within the City and a Conservation and Condition Survey produced. This work set the conservation parameters for the site and informed the extent by which the buildings and façade would be retained. Whilst this mixed use scheme supported retention of existing facades, this can no longer be achieved now that Langtree are proposing a Grade A Office Space to meet the end user requirements.

Following an extensive pre-application consultation process, a planning submission was made in August 2005 with consent being obtained in November of the same year. Approval was underpinned by the delivery of 25 apartments including 4 duplexes and 3 townhouses, a 22,000 sqft managed office facility, 4,300 sqft of self-contained offices and 3,000 sqft of workspace studios. This accommodation was not

Spawforth

Junction 41 Business Court, East Ardsley, Leeds, West Yorkshire. WF3 2AB

t: 01924 873873, f: 01924 870777, mail@spawforth.co.uk, www.spawforth.co.uk

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Grade A office space and comprised of new buildings with a floor to floor height of 3.0m. Following receipt of planning consent, detailed design and cost analysis work continued in production of a tender package.

Post Planning Consent

Following receipt of planning Langtree commenced work on the Development Agreement with English Partnerships (EP) and appointed professional advisors to establish the Party Wall and Rights to Light position.

The review of the title matters was undertaken and in particular the 2002 Frenson/EP Transfer Agreement in respect of the 86-90 Duke Street was examined. The Agreement contained Rights to Light restriction that would prohibit the development of the consented scheme.

Position Post 2005

Langtree worked diligently with EP/Liverpool Vision to establish an agreed strategy for resolving the matter. It was agreed that Langtree would lead discussions with Frensons and look to reach and agreement on the Rights to Light matters alongside the statutory Party Walls agreements.

Frensons stated that any scheme developed on the site must respect the restrictions contained within the Transfer and that no variation to this would be considered. Furthermore, Frensons stated that they were not interested in a financial settlement given the Capital Gains Tax implications. As a result of the title discrepancy Langtree found themselves in a position where considerable resource as well as cost had been committed to a development that could not be delivered due to a failing of the original transfer and a competition which featured a design brief that could never be implemented.

Subsequently, Langtree/ EP and Liverpool Vision worked up a number of revised schemes that meet the aspirations of the original brief but respect the rights to light restrictions included within the Frenson / EP Transfer Agreement, removing the residential components of the scheme. These alternative designs were carried out in close consultation with the Barbara Kirkbride (Planning Officer), Nigel Lee (Head of Planning) and Glynn Marsden (Principal Conservation Officer) at Liverpool City Council (LCC).

Additional surveys of the site and its surroundings were carried out together with a detailed analysis of the impact of light set against specific development options (mass and height). A number of options were formulated which all respected the rights to light restriction and a series of detailed appraisals carried out to establish viability which were scrutinised at the time by EP, Liverpool Vision and LCC and their consultants.

In total 12 different options (A-N) were drawn up, working closely with the Council and English Heritage to explore every alternative to establish a viable option which also retained existing buildings on the site and respects the context of the site and its relationship with the Conservation Area.

Council Planning Meeting 21.6.07

At a meeting on 21 June 2007 with Liverpool Vision and Liverpool City Council it was accepted that the approved scheme could not be implemented and that the deletion of the residential component and the pursuit of an employment only scheme was the right approach. Given the affect the rights light issues have on the schemes viability and the Council confirmed that they would work constructively with Langtree to find a solution to the problem.

Langtree presented a scheme (Option 12C) with financial appraisal which sought a balance in conservation terms and incorporated a newly constructed building behind the retained façade on Duke Street which was sufficient to make this scheme commercially viable. Option 12C included office space totalling a Gross Internal floor Area (GIA) of 4900.3sqm (52750sqft) and Net Internal floor Area (NIA) of 3057.3sqm (32909sqft) with a floor-to-floor height 3.2m. This size of floor plate and floor to floor ceiling heights is not equivalent to Grade A office space. Alternative options to retain all the Duke Street frontage and frontage buildings however were all proved unviable.

Option C sought to retain the front elevations to Duke Street so the architectural heritage of the street scene was not lost with the buildings behind these frontages to be demolished.

The Council raised concerns with the retention of the façade retention and the ability to physically retain the façade through a construction process and that the façade had no activity or purpose.

Glynn Marsden indicated that in terms of the group of buildings No. 86 Duke Street is the best building and No's 88-90 are Georgian buildings with Victorian modifications.

Glynn Marsden indicated that it would be preferable to demolish the whole frontage and he agreed to consider this as an option following a site visit with Graeme Ives of English Heritage. Minutes of this meeting are attached at Appendix A.

Council Planning Meeting 20.7.07

At this meeting Glynn Marsden provided both the Council's and Graeme Ives (EH) formal feedback on the Scheme Option 12C which had been presented previously within a Design and Access Statement at the meeting on the 21.6.07.

Graeme Ives shared the Council's opinion of the façade approach and felt this did not relate to the Conservation Area, therefore he would not support this scheme. Graeme Ives felt that any compromise would have to be Conservation led.

Glynn Marsden's own assessment of the existing buildings was that they are not worthy of listing and this was his recommendation to English Heritage and the Georgian Society when they visited the site to consider its listing. He considered 86 Duke Street to be the most important of all the buildings on Duke Street as it exhibits similar architectural qualities to other buildings on Duke Street. His own opinion was that very little of the buildings 88-90 will actually survive once works commence on site.

Glynn Marsden subsequently confirmed to Langtree the Council's position and a suggested approach to taking the site forward. Glynn suggested a scheme which sought retention of 86 Duke Street and removal of 88-90 Duke Street, with a replacement building which creates something very contemporary on the corner of Henry Street. Glynn confirmed that this approach would only be deemed acceptable if a full justification for the demolition of these buildings could be provided. Following the Council's site visit with Graeme Ives it was agreed that English Heritage would fully support this approach if a scheme was prepared to retain the existing Vinegar Warehouse to the rear of the 82-84 Duke Street which was considered to have many of its original features.

Langtree agreed to look at the feasibility of this option in design and commercial terms, in particular the condition and quality of the vinegar warehouse building to the rear of 82-84 Duke Street.

Council Planning Meeting 25.10.07

At this meeting all parties agreed that retention of the warehouse was a positive step forward and all agreed that No 88-90 could be demolished if sufficient justification can be established. On this basis, two options were presented for the purposes of further discussion, Scheme Option 12k which sought to retain the warehouse, but demolish the Duke Street frontage buildings, with the retention of No.86 Duke Street and Scheme Option J which sought to remove No.86.

Jon Tweed of TNW Architects argued that whilst No.86 has some historical value, in urban design terms, the removal of No 86 could be supported to make the redevelopment of the urban block more coherent and to provide a better entrance into the courtyard.

Glynn Marsden confirmed that support for the demolition of No 88-90 Duke Street was on the basis that No.86 was retained. Glynn provided further comments on changes required to No.86 as part of the Option K and the proposed new build to ensure the settings of No 86 was not compromised.

Glynn Marsden confirmed that if this rendered the scheme unviable then he would accept a further storey of accommodation . Glynn's least favoured approach was Option J to remove No.86, which would need to be supported by a full justification for its demolition.

Further options were then drawn up by Langtree, following Glynn Marsden's comments, exploring a scheme (Option 12L) which shifted the mass to the Suffolk Street side of the Duke Street Elevation and experimenting with an additional storey, albeit this did not comply with the Rights of Light restriction within the EP / Frenson Transfer Agreement . Scheme Option M was also prepared, similar to Option J, but with an increased area of managed office space. Option M comprised office space totalling a GIA of 5073.1sqm (54606.6sqft) including parking, utilities, etc and a NIA of 3133.5sqm (33728.3sft) with a floor-to-floor height 3.3m. This size of floor plate and floor to floor ceiling heights is not equivalent to Grade A office space.

Full and comprehensive cost plans and financial appraisals were carried out on all these options and they were all considered unviable. Subsequently, Scheme Option 12N was prepared which comprises the demolition of the Duke Street frontage, including No.86, with the retention of the warehouse building. This scheme sought to increase the level of managed office space and considered Glynn Marsden's comments in relation to the appearance of the Duke Street elevation with extensive façade treatment to avoid glass box like elevations. Option 12N comprised office space totalling a GIA of 5133.2sqm (55251sqft) including parking, utilities, etc and a NIA of 3390.4sqm (36494sqft) with a floor-to-floor height 3.3m. This size of floor plate and floor to floor ceiling heights is not equivalent to Grade A office space.

Minutes of this meeting are attached at Appendix B.

Council Planning Meeting 13.12.07

In advance of a meeting with the Council Langtree prepared a full Financial Appraisal of each scheme and presented this to the Council with the existing Design and Access Statement and provided a compelling argument that demonstrated that Option 12N was the only commercially viable scheme. This appraisal was presented to the Council on the 13th December 2007.

Council Planning Meeting 15.2.08

Following detailed consideration of this information, Spawforths attended a further planning meeting to receive feedback on the Council's position. At this meeting Glynn Marsden asked Langtree to consider the viability of retaining No.86 using the existing building envelope to accommodate the proposed offices.

Following detailed consideration of this by DLA Architecture, Scheme Option 12P was prepared, however it was apparent that there was a resultant loss of floor area, with insufficient headroom within the existing building to accommodate four floors. Option 12P comprised office space totalling a GIA of 5111.2sqm (55014sqft) including parking, utilities, etc and a NIA of 3368.4sqm (36257sqft) with a floor-to-floor height 3.3m. This size of floor plate and floor to floor ceiling heights is not equivalent to Grade A office space.

Langtree Cost Consultants (Arcadis – now EC Harris) compared the cost implications of Scheme Option 12P with Scheme Option 12N which confirmed that Scheme Option 12P was not a viable alternative.

Following detailed consideration of this information with Nigel Lee, the Local Planning Authority confirmed that they accept the justification for the loss of both Duke Street buildings, subject to a detailed justification submitted with the application, which would then be subject to further consideration by the Planning Committee.

Council Planning Meeting 10.4.08

At this meeting Barbara Kirkbride and Glynn Marsden provided comment on the detailed massing of the building Scheme Option 12N.

Glynn Marsden confirmed that whilst English Heritage had previously indicated that they would like all the mass and scale transferred onto the end block to create a landmark feature on this elevation he was relatively happy with the massing of the existing elevation presented as part of option 12N.

Spawforths agreed with Barbara Kirkbride the level of information and supporting reports required to support and validate the application.

Full Minutes of this meeting are attached at Appendix C.

Summary

This iterative process clearly demonstrates the level of work which was undertaken to arrive at the final scheme (Option 12N) and that the decision to demolish the buildings No.86, 88-90 Duke Street has not been taken without a full appraisal of 13 different scheme options, which sought to retain the existing buildings on the site and find compatible alternative uses for the building in accordance with the NPPF.

2008 - Present

The economic outlook and the property market in particular entered the worst recession of recent times with the city centre speculative office market suffering significantly with no, or very little office development being brought forward. As such scheme option 12N was not progressed and any further and application was put placed on hold on viability grounds. Coupled with this, there was no market interest shown in the site.

In October 2008, Frensons offered to relax rights to light in exchange for space to build an external core to service their building, which was subsequently agreed. Langtree recorded this and entered into an Option Agreement (for a Option fee) at that time.

At the same time, and completely coincidental, Atlantic Container Line (ACL), an International company based in Liverpool made known its interest in purchasing 40,000 sq. ft grade A office space on the site. ACL's specification criteria was exact, complying with British Council for Office guidelines with air conditioned, large open plan floorplates having a minimum floor to ceiling height of 2.7m and in full accordance with Institutional Standards.

The latest scheme iterations have been developed based on the requirements of ACL Ltd as the committed end user and have sought to work within the parameters of the site constraints and its historical context and to respect its Conservation Area and World Heritage Site setting.

Whilst the rights to light constraints have been relaxed, the viability of development on this site is still finely balanced. It is still the case that this development could not be delivered speculatively and even with the named occupier taking up to two of the four floors ERDF gap funding, is required given the cost of the development exceeds the value by £2.4 million. An application for ERDF funding has been made by Langtree, the grant of which will be conditional on planning permission. Langtree has recently received favourable response to the ERDF application and has been asked to accelerate the planning process.

On this basis, particularly with the exacting specification requirements of ACL, the iterative process of reviewing 13 different scheme options undertaken in 2007-2008, which confirmed that options to retain the existing buildings were not viable, is still relevant and has been used as the starting point to develop the latest scheme design.

It is clear that the legal agreement that Langtree has with ACL Ltd to deliver a Grade A office building of 40,000 sq. ft net, coupled with the opportunity to secure £ 2.4 m of ERDF funding provides a unique opportunity to bring the site forward for development, which otherwise could not be realised.