

JERICO WHARF TRUST

33a Canal Street, Oxford, OX2 6BQ

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29th November 2021

Mrs Felicity Byrne
Planning Officer
Oxford City Council
St. Aldates Chambers
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CONSULTATION SUBMISSION: Planning Application 20/01276/FUL

1. SUMMARY OF THIS SUBMISSION

- The Jericho Wharf Trust requests that the scheme in its present form is refused planning permission. The scheme falls far short of the City's own vision and policies for development of this site, as described in the Jericho Canalside SPD; and fails to deliver on key policy requirements for the site.
- The developer has used a seriously flawed viability assessment to justify reversing a series of commitments, resulting in a hollowed-out scheme that will now deliver only:
 - Market Housing – 50% more sqm of it than the previously approved scheme; but zero affordable housing.
 - A public space that leading experts and the community believe will not be fit-for-purpose.
 - Some initial community facilities built to 'shell & core', which protects the developer's ability to sell the market housing; but with the community expected to provide one third of the financing, as well as the funds to fit them out as operational buildings.
 - A boatyard that – even when fitted out – is unlikely to be economically viable due to frequent flooding.
 - A commuted sum for a bridge; but no design or siting that is agreed with Canal & River Trust or Environment Agency – and therefore no assurance of the new canal crossing which is central to the scheme.
- The JWT and its constituent member organisations – the Jericho Community Association, Jericho Community Boatyard, Jericho Living Heritage Trust, St Barnabas Parochial Church Council – believe that all of these issues could be resolved while still providing the developer with a reasonable level of profit; but unless planning permission is withheld while the issues are addressed, the community and the City Council face many years of struggle trying to rescue what the developer has left undone.

2. THE CONTEXT AND EVOLUTION OF THE SCHEME

2.1. History. As is generally known, this site in Jericho has a long and troubled history – left vacant since the forcible eviction of boaters in 2006. In a move to break the deadlock, the City Council developed the Jericho Canalside SPD which was formally adopted in January 2014. The SPD provided a vision of how the site should be developed, for guidance to site owners. There was widespread praise for the City Council’s initiative, and for the quality of the document’s content. It inspired many in the Jericho community to work for the delivery of the vision. Two years later, in April 2016, site owners Cheer Team were granted planning permission - for a scheme devised by award-winning architects Haworth Tompkins – which was seen to embrace all essential elements of the vision. However, 18 months later Cheer Team admitted they did not intend to implement the permission; the reasons remain unclear.

2.2. Origins of the Current Scheme. In October 2017, Cheer Team told JWT of their intention to develop a new application ‘with a small number of changes to improve financial viability’: parking spaces for market houses, withdrawal of the proposed restaurant, a single all-purpose bridge. ‘Phase 1’ community centre and boatyard facilities would be provided by the developer to Shell & Core; reducing the funds needed from the community to fit-out only; while ensuring that potential house buyers were not deterred by a lack of development on the north side of the public space. The new scheme was still intended to deliver the SPD vision, with Cheer Team’s Finance Director expecting the public space / piazza to become the ‘beating heart of Jericho’.

2.3. Unravelling of the Vision. A few months later, after the developer had tried and failed to establish that the community did not need a ‘sustainably-sized community centre’ or an ‘appropriately-sized boatyard’ to be as big as had previously been mutually agreed, the de-commitments started: The developer would not build the shell & core without a community contribution. The public space / ‘piazza’ would be substantially reduced in size to accommodate additional market housing. When the Canal & River Trust refused permission for the bridge design proposed, the ‘new canal crossing’ was dropped from the scheme because the developer ‘could not afford’ to wait for an acceptable solution to be found. Similarly the developer decided to dramatically increase the risk of boatyard flooding rather than challenge input from the Environment Agency. Finally, using the results of a new round of viability ‘assessment’, the developer unilaterally abandoned his proposal to provide affordable housing; and refused the City Council’s hoped-for provision of a turn-key (fitted-out) Phase 1 community centre facility. The ‘deliverables’ being delivered now comprise 3000 sqm of market housing; and not much else.

3. DEVELOPMENT VIABILITY: MARKET AND SOCIAL HOUSING, COSTS AND VALUES

3.1. Cost estimates – market housing. The costs to deliver the market housing, as identified in the Quod report of March 2020, have been subjected to lengthy scrutiny – first by Evolution PDR who suggested cost estimates were at least 30%

too high; then by WH Stephens, brought in as a third party. The outcome, based on figures reported by Quod in October 2021, is that the agreed cost estimate to deliver 3000 sqm of market housing is £11.7 millions – approximately £3900/sqm. This is an increase of 70% over the equivalent figure estimated for the previously approved scheme in 2014/15; whereas industry inflation indices would have predicted roughly half of that increase. It is reasonable to conclude that costs are unlikely to be higher than currently stated.

3.2. Revenue estimates – market housing. The Trust believes that the developer’s viability case has been manipulated to depress both the value of the market housing and the profitability of the scheme by selecting values from a flawed Evolution assessment:

- The Quod report valued the scheme’s market housing at £25.298m (average £821/ft²) in March 2020, based on a very pessimistic assessment which emphasised economic uncertainty and recession (Quod Viability Statement paragraph 4.63). This estimate was 15% below the expectations set for our area in the 2018 OCC Economic Viability Assessment report, and further ignored likely price premiums for waterfront housing and for new-build housing in Jericho which is particularly attractive to investors.

- Subsequent data from the Land Registry (HMLR) shows new homes sales values in Oxford in fact *increased by 18%* in the following 12 months; and the Oxford housing market is seen to ‘remain robust’ (Savills in The Oxford Times 11.11.21).

- These factors should have raised expected house sale revenues, in parallel with the review of cost estimates. *But in fact the Quod statement of October 2021 actually further depresses the market housing value by £2.4m (13%) to £22.877m which is simply not credible.*

- The explanation is that the developer dropped the original pessimistic valuations, and adopted the even lower revenue assessment of the Evolution report (May 2021). This report excludes any evidence from Jericho / Walton Manor and is based entirely on new-build scheme values in Barton Fields (Mosaics), Wolvercote Mill (Cala) and Stevenson Crescent (Redrow). The report proposes an average residential sales value for the Jericho scheme of £750/sq ft; but in an apparent error the appraisal then uses an even lower average residential sales value of £714/sq ft, which accounts for a third of the fall in values. In any case, as any resident of Oxford knows, these beyond-the-City-ring-road locations provide none of the necessary insight into the ‘particular site circumstances’ of canal-side housing in Jericho - which the SPD (paragraph 6.25) specifically requires in any ‘open book’ viability appraisal.

- So the developer has robustly defended cost levels against the lower estimates of Evolution, but then adopted Evolution’s very low revenue projections - a pick and mix approach that has artificially reduced forecast surplus from market housing by £2.4 millions. It is easy to argue that the surplus should in fact be increased by £3.8 millions based on the OCC viability guidance; and / or increased by £4 millions based

on the HMLR statistics. *The data being presented to the Planning Committee has been manipulated and may be understating likely profits by as much as £10 millions.*

3.3. Coincidentally, the developer now offers a financial review mechanism, having previously argued that this was inappropriate (Quod Viability Statement March 2020 paragraph 4.57). This would return to the community as compensation a small share of what are likely to be substantial excess profits, after a guaranteed developer's profit is already taken. However, most of the excess profits remain the developer's and a limited payment to the Council will not remedy the loss of social housing, a reduced and poorly designed public square and boatyard, the lack of a new bridge, increased risks to the community centre and reduced community benefit overall. In its present form this mechanism would be a recipe for destroying the morale of those trying to make the unworkable work.

3.4. Social Housing – Costs and Values. The most extraordinary part of the developer's cost assessment was that it would require an investment of nearly £1.5 millions to convert the existing community centre / Church Institute building to six affordable flats. By contrast the Carter Jonas report commissioned by St Barnabas PCC estimated conversion costs in the range £0.8 - £1.0 millions; and independent QS WH Stephens refused to accept the £1.5 millions figure. Nevertheless the damage was done: having 'established' the lack of viability in a Quod-level costs + Evolution-level revenues scenario, scrapping an affordable housing offer that had expected revenues of £0.5 millions was made a straightforward economic decision for the developer.

3.5. Resolving the issues arising from a seriously flawed viability assessment.

The JWT believes that two actions are needed to remedy the damage caused:

- There must be a robust independent assessment of values, as there has been of the development costs. It must be linked to, and undertaken in parallel with, proposals for resolving the outstanding issues:

- re-instatement of affordable housing
- provision of an effective public space
- financing of community facilities and delivery of an economically viable boatyard
- delivery of the new canal crossing which is essential to the scheme

It should be a condition of any planning permission that the developer has a strong and continuing incentive to deliver the resulting plans.

- Any subsequent financial review mechanism must have a different balance of benefit between developer and community; and the community funds realised must be expended for the benefit of the community *in Jericho*.

4. SCHEME DESIGN AND THE IMPORTANCE OF THE PUBLIC SPACE

4.1. The role of public space. There is a well-established link between available public space and community well-being: people need places where they can come to spend informal time together, to engage in leisure activity, to celebrate together in community events. The policy requirements for the site include the provision of a 'public open space / square' which the Canalside SPD explains should be 'large enough to hold public events, such as markets or street theatre ... designed to maximise the potential activities it can hold'. When the previously approved scheme was designed, architect Steve Tompkins explained how his starting point was the public space: it was the hub around which the other components of the scheme revolved, the place where people came together from all directions in the magnificent setting of the Grade-1 listed Church. When the scheme was reviewed by the Oxford Design Review Panel, it was commented that the public square could be an exceptional addition to the Oxford scene.

4.2. Current scheme proposals for the public space. However, the proposals in the present scheme – which have not been shown to the Oxford Design Review Panel – have been characterized as 'designed to be whatever is left when we have as much market housing as we want'. The housing line has encroached to reduce the previously assigned space by a quarter, from 870 to 645sqm; and the southern boundary of the public space – previously occupied by a restaurant – is now a row of housing front doors, without any 'active frontage'. Having active frontages to encourage animation of an area is consistently cited as one of the key principles of public space design. Calling the space a Piazza is not an effective substitute.

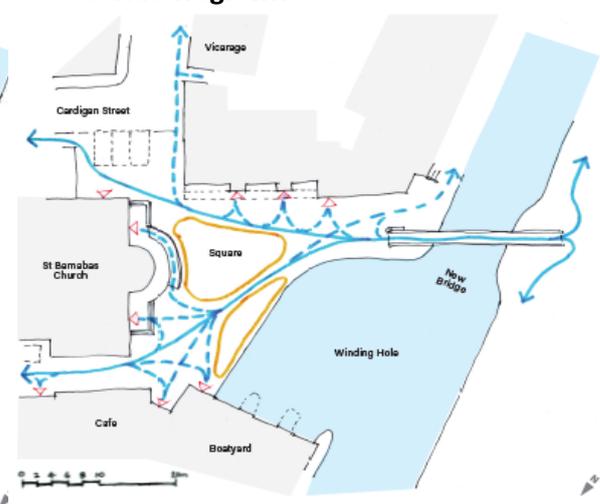
**Previously approved scheme
- Haworth Tompkins**



TOTAL SPACE = 870 SQM

USABLE SPACE = 625 SQM

**Currently proposed scheme
- Stride Treglown**



TOTAL SPACE = 645 SQM (74%)

USABLE SPACE = 160 SQM (26%)

'where it is possible to pause or sit without inconvenience from those travelling through the square and accessing buildings'

After many months of arguing unsuccessfully with the developer about the need for change, the JWT commissioned Noel Farrar (a former President of the Landscape Institute) to provide an expert opinion on whether or not our concerns were well founded. His full report was submitted to the public consultation of September 2020, but his findings can be summarized by reference to the diagram above. After noting the absolute difference in dimensions between the public space in this scheme and the previous one, he identifies in each what he believes to be the 'usable spaces' – defined as 'where it is possible to pause or sit without inconvenience from those travelling through the square and accessing buildings', and identified as those within the orange lines. He assesses the total amount of usable space in the current scheme proposals to be about 160 sqm, only 26% of the usable space in the previously approved scheme. He concludes that 'the reduced quantum of space, the shape of the space, and the conversion from commercial to residential use for the southern side of the square have together contributed to the proposal failing to provide a design solution that in my opinion will deliver on the planning policy.'

In their first chance to comment (Aug-Sept 2020 consultation) 80 members of the public objected to the proposals for the public space; 7 believed they were satisfactory. The developer has never referred to the Farrar report; or to the public objections to the public space proposals. There has been no move to submit the scheme to the Oxford Design Review Panel, despite the expectation that all major schemes in the City are referred to the Panel. The proposals remain unchanged.

4.3. Potential resolution of the issue. The key requirement is for provision of a piazza which provides an attractive setting for the Church; and which functions as a popular and active public space – not just a thoroughfare without a connection over the canal. The JWT would consider a compromise on the *size* of the square if (as is perfectly possible) the *character* of the square was changed by creation of active frontages on the southern boundary. As reference to the diagram shows, a further area would then be available as 'usable' space and overall the space would be restored to being an animated 'public' space rather than a semi-residential square.

5. COMMUNITY FACILITIES: FUNDING AND DELIVERY

5.1. Community needs and facilities. The community has been required to re-justify the size and scope of boatyard and community centre facilities, including a new Needs Assessment for the community centre at the request of the City planning officers. At the end of this process, the scope and scale of facilities as described in the planning application are confirmed as satisfactory by JWT. They differ only marginally from those specified in the previously approved scheme.

5.2. Community facilities delivery. What has significantly changed is the proposed implementation strategy: the facilities are to be delivered in two phases, with the boatyard and those parts of the community centre that line the piazza being constructed in Phase 1; and the remaining community centre facilities constructed in a later Phase 2. The principle established at the outset was that the developer

would fund the Shell & Core of Phase 1 (latest estimate £3.6 millions); with the community raising the funds for Phase 1 fit-out (circa £1.5 millions), and the whole of Phase 2 (£2 millions plus). The commitment to provide Phase 1 Shell and Core was the justification given for extending market housing into the public space: additional profit generated by that extra housing is estimated in the range £2.4 - £3.0 millions or more, depending on which house price scenario is applied. However, the developer now claims that the community should contribute £1.2 millions to Phase 1 Shell and Core, reducing his own commitment to £2.4 millions. Furthermore, 'proof of funds' for this community contribution would be required within 12 months of a favourable resolution at Planning Committee. As our formal submission to the consultation process (October 2021) made clear, we did not agree to the size or required timing of this contribution. Our submission did go on to anticipate that we would 'shortly' reach agreement with the developer; but the subsequent Quod statement, with its absurd statement of Values, makes that impossible. The funding and delivery strategy for community facilities is now in serious doubt.

5.3. Resolving the issue of community facilities delivery. The JWT is fully confident of its ability to fund-raise – through our members we have a track record of winning more than £600k of funding for local projects; and we have appointed a Board Adviser who has previously led projects of similar scale to this one. But raising finance depends on a number of requirements being met: in particular, the scheme must be seen as attractive by potential large grant-providers; and there must be sufficient time available to mount a successful fund-raising operation of the necessary scale. To resolve the delivery issues with this project, the crucial steps are:

- To ensure that we have, and are seen to have, an attractive project. This means resolving the issue of the public space, which in its present form will be seen as a blight on the scheme by institutional funders such as HLF – we cannot proclaim the heritage appeal of a scheme that shows such little respect for it. And at a much simpler level, it requires developer support to create exciting illustrations of what the scheme will deliver: at present the only such visuals are those which were created by Haworth Tompkins for the previous scheme.

- To reach agreement on funding arrangements that are seen to be fair and viable for both developer and community. To be viable these will need to recognise the time needed to fund-raise; though this could be accelerated if the developer were to provide seed money for rapid build-up of resources, as was offered for the previous scheme.

6. COMMUNITY FACILITIES: SECURING AN ECONOMICALLY VIABLE BOATYARD

6.1. The boatyard flooding issue. In March 2021, the developer filed revised plans for the boatyard in response to input from the Environment Agency. The new plans, which featured lower floor levels, were devised without reference to the community – another example of the developer simply ignoring what are issues for

the community rather than risk delay to his market housing. The net effect of the changes is to increase the risk of the dry docks flooding from once every hundred years to an expectation of regular flooding – from at least once every 20 years to as bad as once every 3 years depending on flood risk and climate change assumption scenarios. Any such flood would not only do serious damage to boats that are ‘work in progress’ and to boatyard equipment; it would cause weeks of lost revenue and potentially fuel a market perception of a boatyard to be avoided.

6.2. Resolving the boatyard flooding issue. The issue was reported to developer and planning officer in June 2021, but no response has yet been received. Our Environment Officer adviser is confident that restoring the floor height to its natural level will make no discernible difference to the site flood risk, but this requires engagement and negotiation with the Environment Agency. If it is made clear that resolving the issue will be a condition of any planning permission, the developer will no longer have any incentive to ignore it.

7. CANAL CROSSING: PRINCIPLES, FUNDING AND DELIVERY

7.1. The Bridge Delivery Issue. Site policy requirements include the need for a ‘new bridge over the Oxford Canal for pedestrians and cyclists’. This is consistently seen as a very high priority when members of the public are consulted; it is seen as a key requirement by the Jericho Community Association for the success of the community centre; and by St Barnabas PCC for its role in bringing communities on both sides of the canal together, and making a success of the public space which will showcase the Church. But when the Canal and River Trust rejected the developer’s bridge proposal, the developer decided to exclude any canal crossing from the scheme rather than risk delay to the project while a solution was found. The scheme therefore provides a commuted sum to fund a bridge; but no bridge delivery plan.

7.2. Resolving the Bridge Delivery Issue. The JWT has persuaded the CRT to set up a joint working party of their own people and the other interested parties, challenged collectively to come up with a satisfactory solution. The developer has been ambivalent on this initiative, claiming he would like to see a successful outcome but in fact obstructing progress for several months by withholding necessary information from our chosen bridge designer. That hurdle has now been overcome, and we hope the working party will shortly start operation. But the experience has highlighted the importance of the developer being given a clear incentive to be part of a successful resolution. There are a number of forms such an incentive could take, probably best linked to the developer’s ability to exit the scheme. But unless a solution is found the public space will become a largely un-animated cul-de-sac, a desolate space with much potential for anti-social activity. Delivery of a new canal crossing remains an essential element of the development and cannot be separated out.

8. CONCLUSIONS

Jericho Wharf is a unique site, with the potential to be an engine of regeneration for an area of Oxford that is rich in heritage, and that has a diverse population known for their strong sense of community. A successful scheme is still within reach, but it depends on resolution of the issues we have described. The issues can all be solved, but it requires the developer's commitment to get involved in them rather than just leaving them to others. There is, we are confident, still scope for the developer to achieve a proper return while delivering a scheme that we can all be proud of.

The Chairman of SIAHAF – and sole shareholder of Cheer Team which still owns the land - says on his website (www.siahaf.com):

"I would like to set this challenge to our industry: to build good quality fit for purpose homes and to create sustainable communities that people can belong to. It will mean lower profitability and it will take time and a lot of hard work. At SIAHAF we believe it will secure a better future for us all."

If his partners at Cornerstone are not willing to rise to this challenge, we ask the Planning Committee to refuse planning permission.



Dr. Phyllis Starkey
Chair of Trustees



David Feeny
Trustee & Secretary