

# **MINUTES OF THE SUSTAINABLE DEVELOPMENT SELECT COMMITTEE**

**Wednesday, 12 December 2018 at 7.00 pm**

**PRESENT:** Councillors Liam Curran (Chair), Patrick Codd (Vice-Chair), Suzannah Clarke, Mark Ingleby, Louise Krupski and James-J Walsh and Bill Brown

**APOLOGIES:** Councillors Obajimi Adefiranye and Alan Smith

**ALSO PRESENT:** Councillor Octavia Holland, Councillor Silvana Kelleher, Seamus Adams (Parking Service Manager), Timothy Andrew (Scrutiny Manager), Liz Dart (Head of Culture and Community Development), Simon Moss (Service Group Manager, Highways and Transport), Ralph Wilkinson (Head of Public Services), David Syme (Strategic Planning Manager), Simon Zelestis (Programme and Infrastructure Manager), Mark Dodds (Fair Pint Campaign), Stephen Kenny (Grove Park Community Group), Gary Mallen, Neil Pettigrew (CAMRA) and Mark Rochell (Lee Forum)

## **1. Minutes of the meeting held on 29 October 2018**

- 1.1 Resolved: that the minutes of the meeting held on 29 October be agreed as an accurate record.

## **2. Declarations of interest**

- 2.1 Councillor Curran declared interests in relation to item four as: Director of the Baring Trust; a member of CAMRA (Campaign for Real Ale) and a supporter of the FairPint Campaign.
- 2.2 Councillor Ingleby declared an interest in relation to item four as a member of the Musicians' Union (which supports the performance of live music in pubs)
- 2.3 Councillor Walsh declared an interest in relation to item four as a previous resident of a Lewisham pub/relative of a publican.

## **3. Responses from Mayor and Cabinet**

- 3.1 The Committee noted the response from Mayor and Cabinet.

## **4. Pubs review update**

- 4.1 Councillor Curran invited guests to present their views about the protection of pubs in Lewisham (written responses to a call for evidence for this session are appended to the agenda).
- 4.2 Stephen Kenny (Chair of the Baring Hall Trust/Grove Park Neighbourhood Forum) addressed the Committee, the following key points were noted:
  - At the time of the Committee's previous 'preserving local pubs review' The Baring Hall Hotel (a Lewisham pub) was locally listed and included on the Council's register of assets of community value.

- Despite the protections that were in place a developer had submitted proposals for housing on part of the pub site. The application was turned down (and appeal was rejected by the inspectorate).
- The pub had subsequently been nationally listed – but the threat to the viability of the business from inappropriate short term housing development remained.
- A reduction in business rates for publicans would be welcomed.
- Careful consideration should be given to the rules around residential accommodation above pubs.
- Development should not be permitted in the grounds surrounding pubs.
- The Baring Hall Hotel had been under threat of demolition but its subsequent listing demonstrated how vulnerable pubs were to development.

4.3 Stephen Kenny responded to questions from the Committee, the following key points were noted:

- It was agreed that any reduction in business rates would need to be matched by provision of space in pub buildings that was available for the community.
- The principal consideration for the use of a pub building should be the viability of the pub business.
- Previous plans for development of the Baring Hall Hotel did not take all the relevant information into consideration. Often developers wanted to make the case for development – rather than ensure the sustainability of pub businesses.

4.4 Gary Mallen (Publican) addressed the Committee, the following key point was noted:

- He was the operator of ten pubs in London (including one in Lewisham)

4.5 Gary Mallen responded to questions from the Committee, the following key points were noted:

- He took over the operation of the Lord Northbrook Pub in Lewisham, which had been poorly run.
- He had been determined to ensure that the pub provided a quality service for the local community, which made it a success.
- One of the obstacles to renovating the pub was the level of requirement from building control for the residential space above the pub – which had to meet a level of standards designed for independent property, rather than that which was integral to the running of the business.
- Significant levels of work were required for some pubs to ensure that they met regulations.
- Accommodation for pub businesses was important for retaining staff because of the high cost of housing in London.
- Attracting good people was key to the success of running a good pub business.
- New pub developments didn't always include space for kitchens/serving food/or other facilities (especially those below new accommodation) – which meant they were more likely to fail.

- Plans that were submitted for new pubs that were part of developments/redevelopments often only included information about the quantity of space to be provided- without details – which meant that once necessary facilities had been included in the new development, there was very little space left for anything but a bar.
- Applications should show an indicative layout of the space that would be provided in a new pub development. However, there was no set formula for the amount of space that should be provided to run a viable pub business.

4.6 Mark Dodds (Fair Pint Campaign) addresses the Committee, the following key points were noted:

- He was a former publican in South London and the founder of the Fair Pint Campaign.
- The campaign was started to challenge the ‘beer tie’ imposed on publicans by large pub operating companies (the tie forced publicans to buy their beer and other goods from the company).
- He was involved in research and advocacy to support pubs because pubs were highly vulnerable to change of use/development.

4.7 Mark Dodds responded to questions from the Committee, the following key points were noted:

- The beer tie was a legal agreement between a pub company and a pub operator that – in addition to the leasing agreement for a pub – obliged the operator to buy their beer (and other suppliers) from the pub company.
- The downside of the arrangement was that a single company had control of the rent of the pub and of the supply (and range) of goods that could be sold in a ‘tied’ pub.
- Charges from pub companies for supplying beer were often high.
- Planning applications that were submitted by developers for changes to pubs’ businesses were often designed to diminish the pub business and maximise profits.
- There were many reasons that a pub might fall into decline, which were not usually to do with the viability of the business – but due rather to a desire on the part of a developer to make money.
- He believed that the narrative around pubs – and the reasons for the overall decline pub numbers - in the UK was led by industry bodies and landlords, whose primary interest was profit making.
- Pubs were part of the UK culture and integral to local communities.
- Pubs that were run well provided spaces for communities from christenings to funerals.
- Pubs were typically catering/food businesses, this had been replaced by a focus on drinking.

4.8 Neil Pettigrew (Pub Protection Officer, Campaign for Real Ale (CAMRA)) addressed the Committee, the following key points were noted:

- It was recognised that Lewisham had a strong pubs protection policy – but CAMRA wanted to see it strengthened.

- Pubs were still an easy target for developers - who were interested in making short-term profits.
- CAMRA wanted the Council to have a clear policy that pubs would not get permission for demolition for change of use.
- When pubs were being marketed following closure – there should be a fair assessment of the cost of buying the business as a going concern.

4.9 Neil Pettigrew responded to questions from the Committee, the following key points were noted:

- Pub businesses were experiencing significant strain as a result of a number of factors however, principal amongst them was the desire on the part of owners to make profit.
- The number of pubs in London had declined significantly – allowing for a great deal of development. The number of pub businesses was sustainable, as long as they were supported and protected from development for short term gain.
- A register of community facilities within pubs might help to support local businesses.
- Every pub would be worth more to developers as flats rather than as a pub business. A pure reliance on ‘market forces’ would result in the loss of all pubs.
- There had been a number of cases when new housing near to a well-established pub forced the pub to reduce its opening hours, which ultimately affected the viability of the business. The emphasis on the ‘agent of change’ principle (a proposal in the draft London Plan, designed to put the impetus for mitigating noise from pubs on developers of new housing) for new developments would be welcomed.

4.10 David Syme (Strategic Planning Manager) addressed the Committee, the following key points were noted:

- Three important changes had come into place since the introduction of the Council’s policy on protecting pubs. Firstly, the government had withdrawn permitted development rights for the change of use of pub businesses to cafes or shops. Secondly, the ‘agent of change’ principle in the draft London plan would be incorporated into Lewisham’s plan. Finally, also in the draft London Plan, there was policy for protecting public houses and the Mayor of London had set out his support for pubs. The policy protected pubs against the loss of facilities that supported the business.

4.11 In the Committee discussion, the following key points were also noted:

- Any reduction in business rates would have to be matched by a demonstrable use of facilities in a pub for the community.
- There were some good examples of European countries which had bars/pubs that provided spaces for communities and families, including children.
- The Council should support the protection of ancillary spaces around pubs (including car parks and gardens) to support business.
- The pressure on space for housing (and other uses) was severe.

- It was proposed that planning applications should consider minimum quantifiable ancillary spaces for the running of pub businesses – for example: kitchen; storage space; accommodation for key workers; office space for management.
- Even with the existing protections in place, developers could still find ways to change pubs to other uses.

4.12 **Resolved** - that the Committee would receive a report with the evidence gathered before making recommendations to Mayor and Cabinet.

## 5. **Community Infrastructure Levy neighbourhood CIL strategy**

5.1 The Chair of the Committee welcomed Councillors Kelleher and Holland, who were attending the meeting under standing orders. He noted the general feeling amongst Councillors that, whilst they understood the reasons for linking the proposals for neighbourhood Community Infrastructure Levy (CIL) spending to the timetable for the decision about the local assembly funding, they were separate proposals. He reasoned that additional time should be spent on developing the CIL proposals to ensure that they were right.

5.2 David Syme (Strategic Planning Manager) introduced the report, the following key points were noted:

- The proposals had been developed based on a set of principles (as follows).
- Firstly, that there should be an equitable distribution of funding. Officers recognised that the impact of development could be felt more broadly than the area that immediately surrounded development – and that wider pressures could be felt on public transport, cycling routes and green spaces away from a major development.
- It was recognised that a large proportion of current development made use of strategic industrial land in the north of the borough so officers had put forward a mechanism for distribution that took into account areas with most need and included those that did not have large amounts of development land available.
- The second principle was to ensure that the administration of the funds was workable. It was recognised that the process would be complex – so the intention was to link the proposals with existing structures. This reflected the process recommended in the CIL regulations (recognising existing mechanisms and boundaries.)
- Other options had been explored, including: the option to combine wards; to create larger sub-areas or the creation of a single pot of funding for the entire borough.
- It was felt that ward assemblies, as an established mechanism with a firm standing in the community, would be most appropriate.
- The third principle was to ensure that the process was transparent. The process of allocating neighbourhood CIL would be carried out in stages. The planning service would work with the communities team (which supports local assemblies) to strengthen processes and develop best practice.

- The fourth principle was to make sure that the proposals aligned with the Council's corporate strategies. It was recognised that all funding was precious and that funding had to be spent in a meaningful way, with maximum impact.
- The fifth principle was to ensure that the strategy could be agreed. It had been three years since the Council had started to collect CIL and two years since the process of a neighbourhood CIL strategy had been started. The Council wanted to see the funding being used.
- Officers had been working on developing the proposals since 2016. The Committee had been given a number of updates on the proposals.
- The sixth principle was to develop the strategy within the framework of the CIL regulations. There were things that the Council could and could not do, according to the legislation.
- Consideration had been given to best practice from across London.
- There has been a pilot project, which helped to develop the prioritisation process.

5.3 Mark Rochell (Lee Forum) addressed the Committee (a note was also submitted on behalf of the Lee Forum and the Blackheath Society. A copy is attached to the minutes) the following key points were noted:

- It was felt that neighbourhood CIL was a good thing, which if used well could enable communities to have a say about spending in their areas.
- It was recognised that there were a number of difficulties with the process: firstly, how neighbourhood CIL should be allocated to wards and secondly how wards should spend their allocation.
- The current proposals from the Council began to answer these questions and the Lee Forum and Blackheath Society welcomed much of what had been included in the plans.
- However, it was noted that because of the way the proposals had been developed, not all of the funding allocated to neighbourhood CIL was being spent in the wards in which it had been generated.
- There was concern that the current proposals meant that some wards received less funding than they should as per the regulations.
- It was proposed that the 50% allocation to neighbourhood CIL should be increased to 60% and that a new allocation at a rate of £1 per resident should be allocated as a 'flat rate' to all wards. This could be supplemented in wards with neighbourhood forums to increase the funding to 25%. This additional expenditure should come from the all ward pot.
- There was concern about how the all ward pot might be used. The Lee Forum and Blackheath Society did not believe that the all ward pot should be used for affordable housing.
- There was also concern about the fairness of using the local assemblies for the distribution of large amounts of funding, given that some meetings had very few attendees.

5.4 David Syme and Liz Dart (Head of Culture and Community Development) responded to questions from the Committee, the following key points were noted:

- There were plans in some wards- which currently had very little funding- that would generate significant future CIL receipts. Current proposals represented development over the past three years.
- The plans for the 'borough pot' were the least developed part of the current proposals. The initial intention was that the pot might be used for projects that crossed ward boundaries; there was potential flexibility about the ways in which it could be used.
- Funding for minority groups could be considered in the plans for spending the borough pot.
- The CIL retained by the Council would be spent on infrastructure. No neighbourhood CIL would be spent on affordable housing.
- A great deal of work had to be done to ensure that local assemblies were able to prioritise and deliver projects.
- CIL funding would have to be allocated and spent in a very different way than assembly funding.
- Consideration was being given to the ways in which more people could be consulted about funding decisions, this might include options to use digital solutions.
- Lots of options for spending neighbourhood CIL had been considered. Officers were still open to other suggestions about how the system should work.
- Officers welcomed the input (and support) of amenity societies.
- CIL funding remained with the Council until it was allocated and could be audited at any time. The processes for allocating it had to be robust.
- The regulations did not give a clear indication of the delineation between revenue and capital expenditure.
- Neighbourhood CIL could be spent on revenue based projects (rather than just capital) if the case could be made that it mitigated the impact of development.
- The parameters for projects that were acceptable in Lewisham would form part of the development of the current process.
- Officers would return to the Committee with a report about the increase in CIL that had been proposed.
- Additional information would be provided about the treatment of 'in-kind' CIL payments.

5.5 In Committee discussions, the following key points were also noted:

- It was recognised there had to be a distribution of funding according to need, however, some councillors felt that the indices of multiple deprivation (IMD) did not provide a precise enough breakdown of the spread of relative deprivation across wards. Officers were asked to consider using other indicators as well as the IMD.
- Councillors asked whether there could be a standard amount of funding allocated per ward, so that each area had a meaningful sum of funding to spend.
- The demographics of some wards had changed considerably due to development.
- Ward demographics and needs changed at different rates in different wards.

- CIL was designed to mitigate the damage and additional demands created by new development.
- There was concern that the current proposals were too simplistic.
- The linking of the proposals to the cut in funding to assemblies had obfuscated the decision making process.
- Some Members were concerned about the skill and capacity of assembly coordinating groups and officers to deal with significant sums of funding. There was also concern about the accountability and audit of sums being spent.
- There was concern that ‘populist’ activities would be the ones that would receive funding because the process would be based on ‘communities of geography’ rather than ‘communities of interest’, such as minority groups.
- There had been significant small scale development in some areas of the borough which did not meet the threshold for CIL payments but still required funding for new infrastructure.
- There was a perception that some wards of the borough had more funding, initiatives and support than others.
- All wards in the borough were facing increasing pressures and losses in spending and services.
- There were due to be ward boundary changes. This should be taken into consideration.
- Large developments on the boundary of a ward could have a significant impact on the neighbouring ward.
- Officers should give consideration to the changes being proposed by the Council for CIL policy and the potential impact on the viability of new developments.
- The Chair noted submissions from Councillors who could not attend the meeting including the importance of the ongoing democracy review and the potential to use participatory budgeting.

5.6 **Resolved:** that the Committee would share its views with Mayor and Cabinet as follows –

- The Committee disagrees with the tight timescale that has been developed for the proposals. It believes that more time should be taken to assess the options and to develop robust proposals.
- The Committee believes that the process for allocating neighbourhood CIL should be as open, transparent and as fair as possible. However, it recognises that it is not possible to develop a process that will satisfy everyone.
- The Committee believes that the proposals should give greater recognition to the level of quantifiable change (such as a measurable increase in population) that occurs as a result of new development.
- The Committee believes that the proposals should give consideration to levels of demonstrable need across the whole borough. The Committee recognises that the primary purpose of CIL is to mitigate the impact of large scale development but it is also conscious that there are areas of borough, without major projects being planned, that have significant need for infrastructure spending.

- The Committee recommends that consideration be given to an assessment of deprivation that is more specific than the indices of multiple deprivation.
- The Committee recommends that a baseline sum of funding should be provided for all wards (and that consideration should be given to reducing the all ward pot or increasing the overall level of neighbourhood CIL to fund this).
- The Committee is concerned about the use of wards to allocate funding. It recommends that consideration should be given to other options for demarcating the areas in which funding can be used. This might include allocating spending to projects within a set distance from a development, rather than within a single ward. The Committee also noted the likely future changes in ward boundaries and it requested that the potential implications of these changes be considered by officers.
- The Committee recommends that further clarity be provided about the proposed role of councillors in the allocation of funding.
- The Committee requests that further information be made available about the types of projects that can be funded using neighbourhood CIL.
- The Committee notes the importance of minority communities, communities of interest and groups with protected characteristics under the Equality Act (2010). The Committee asks that the needs of all communities and groups be given consideration in the future development of proposals.
- The Committee recommends that thought should be given to the options for engaging as many residents as possible in decisions about neighbourhood CIL allocation. This might include the use of digital platforms, Commonplace and options for holding votes.

## **6. Annual parking report**

Items six and seven were considered together.

6.1 Seamus Adams (Parking Services Manager) introduced the annual parking report, the following key points were noted:

- There has been a steady increase in penalty charge notices as well as permits issued to residents and businesses.
- There had been a 38% increase in cashless payments for parking.
- Proposals were being developed for parking payment machines in the borough.
- Overall the performance of the parking enforcement provider had been good throughout the year.

6.2 Seamus Adams, Simon Moss (Group Manager Highways and Transport) and Ralph Wilkinson (Head of Public Services) responded to questions from the Committee, the following key points were noted:

- The number of enforcement agents had been increased last year – six agents had been added – making the total for the borough 30 agents.
- The level of enforcement activity was under constant review.

- Decisions to increase levels of enforcement were taken on a case by case basis – depending levels of infringement as well as requests from councillors and members of the public.
- CCTV could only be used on some types of infringement.
- Increasing digitisation would enable agents to cover more area.
- The surplus created by the parking service was ring-fenced for spending on highways and transport. The Council spent more than this sum on highways and transport in the borough.
- There was a prioritisation programme for controlled parking zones. The process could accommodate requests for the removal of controlled parking zones although no request to remove a zone had been yet been made.
- There would be a new process for prioritising controlled parking zone consultations. The aim was to ensure that resources were not spent on carrying out consultations with residents that resulted in a vote against the implementation of a new zone.
- Key performance indicators for the extension of the parking contract were based on standard measures for the delivery of parking services.
- There was no proposal for a new borough wide controlled parking zone.
- The borough wide review would give a view from the whole borough about priorities.
- Officers were planning to use online platforms for the borough wide controlled parking zone consultation. There were concerns about using polling stations for controlled parking zone consultations given the potential legal and logistical complications of doing so.
- Officers did not intend on carrying out consultations on the implementation of two hour zones where it was clear that a two hour zone would be difficult to implement and enforce.
- Officers would give consideration to the schedules of enforcement agents to make their rounds less predictable.
- The provision of free visitor permits had been introduced to mitigate the impact of increases in fees for resident parking permits.
- Administration of the permit scheme was more expensive than the value of the parking so the intention was to target free permits towards those most in need.
- Residents could request parking permits for carers. People with Blue Badges received a free resident's permit.
- Officers would raise the issue of enforcement on red routes with TfL and the police.
- There were pros and cons of focusing enforcement in the evenings (rather than during the daytime).

6.3 In Committee discussions, the following key points were also noted:

- The Parking Service was producing more revenue than it spent. Consideration could be given to increasing expenditure on enforcement.
- There might be wider needs in the review of controlled parking zones than just the implementation of new zones.
- Consideration should be given to the potential of using polling stations during elections for votes on controlled parking zones.

- Consideration should be given to the potential for 24 hour enforcement of parking in the borough in key areas, such as the hospital.

6.4 **Resolved:** that the Committee's views be referred to Mayor and Cabinet as follows:

- The Committee believes that the proposal for the removal of free parking permits should be reconsidered in order to ensure that the change does not have a detrimental impact on the most vulnerable (including those with a need for care).
- The Committee recommends that officers should carry out further work to ensure that people parking in areas with two hour enforcement are not able to take advantage of online payment options to park all day (paying remotely for the period of parking control).
- The Committee is concerned that regular enforcement rounds rely too much on routine and that further work should be carried out to ensure that people parking are not able to easily anticipate the movements of enforcement agents.
- The Committee recommends that the Council should consider how enforcement of all types of parking infringement is carried out. Members believe that this should include the Council's approach to the enforcement of TfL 'red routes' as well as enforcement in the evenings and at weekends.
- The Committee would support the growth of the parking service to increase enforcement activity whilst keeping income and expenditure at the same level.
- The Committee endorses the proposed measures to help improve air quality.

## 7. **Parking policy review**

7.1 This item was considered alongside item six.

## 8. **Lewisham Local Plan update**

8.1 David Syme provided a short update. The following key points were noted:

- The evidence base for the plan was still being developed and should be completed by the end of the financial year.
- A consultation on the Lewisham character study would take place early in 2019 – and officers would be seeking input from the Committee.
- Site portfolio work was also continuing. The call for sites enabled developers and landowners to submit sites for consideration.
- The draft London Plan had been delayed. Lewisham was taking legal advice to decide whether Lewisham should delay the Local Plan in order to meet the timetable for the London Plan.

## 9. **Select Committee work programme**

9.1 The Committee discussed the work programme.

9.2 **Resolved:** that the waste strategy should be an information item – and that the Committee would consider an update on the performance of the planning service at a future meeting. Further information would be provided about the work the Council was carrying out relating to fire safety in tall buildings.

**10. Items to be referred to Mayor and Cabinet**

10.1 **Resolved:** that the Committee’s comments under items five, six and seven be referred to Mayor and Cabinet for consideration.

The meeting ended at 10.25 pm

Chair:

-----

Date:

-----