

## STRATEGIC PLANNING COMMITTEE

Date of Meeting: **TUESDAY, 3 SEPTEMBER 2019 TIME 7.30 PM**

PLACE: **COMMITTEE ROOMS 1 & 2 - CIVIC SUITE**

Members of the Committee are summoned to attend this meeting:

**Membership  
Councillors:**

**John Paschoud (Chair)  
Leo Gibbons (Vice-Chair)  
Paul Bell  
Suzannah Clarke  
Tom Copley  
Liam Curran  
Olurotimi Ogunbadewa  
Joani Reid  
James-J Walsh  
Aisling Gallagher**

The public are welcome to attend our committee meetings, however, occasionally committees may have to consider some business in private. Copies of reports can be made available in additional formats on request.

**Janet Senior  
Acting Chief Executive  
Lewisham Town Hall  
London SE6 4RU**

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**Date: 22 August 2019**

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	<b>Order Of Business</b>		
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STRATEGIC PLANNING COMMITTEE		
<b>Report Title</b>	Declarations of Interests	
<b>Key Decision</b>	No	Item No.
<b>Ward</b>	n/a	
<b>Contributors</b>	Acting Chief Executive	
<b>Class</b>	Part 1	Date: September 3 2019

### Declaration of interests

Members are asked to declare any personal interest they have in any item on the agenda.

#### 1 Personal interests

There are three types of personal interest referred to in the Council's Member Code of Conduct :-

- (1) Disclosable pecuniary interests
- (2) Other registerable interests
- (3) Non-registerable interests

#### 2 Disclosable pecuniary interests are defined by regulation as:-

- (a) Employment, trade, profession or vocation of a relevant person\* for profit or gain
- (b) Sponsorship –payment or provision of any other financial benefit (other than by the Council) within the 12 months prior to giving notice for inclusion in the register in respect of expenses incurred by you in carrying out duties as a member or towards your election expenses (including payment or financial benefit from a Trade Union).
- (c) Undischarged contracts between a relevant person\* (or a firm in which they are a partner or a body corporate in which they are a director, or in the securities of which they have a beneficial interest) and the Council for goods, services or works.
- (d) Beneficial interests in land in the borough.

- (e) Licence to occupy land in the borough for one month or more.
- (f) Corporate tenancies – any tenancy, where to the member’s knowledge, the Council is landlord and the tenant is a firm in which the relevant person\* is a partner, a body corporate in which they are a director, or in the securities of which they have a beneficial interest.
- (g) Beneficial interest in securities of a body where:-
  - (a) that body to the member’s knowledge has a place of business or land in the borough; and
  - (b) either
    - (i) the total nominal value of the securities exceeds £25,000 or 1/100 of the total issued share capital of that body; or
    - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person\* has a beneficial interest exceeds 1/100 of the total issued share capital of that class.

\*A relevant person is the member, their spouse or civil partner, or a person with whom they live as spouse or civil partner.

### **(3) Other registerable interests**

The Lewisham Member Code of Conduct requires members also to register the following interests:-

- (a) Membership or position of control or management in a body to which you were appointed or nominated by the Council
- (b) Any body exercising functions of a public nature or directed to charitable purposes , or whose principal purposes include the influence of public opinion or policy, including any political party
- (c) Any person from whom you have received a gift or hospitality with an estimated value of at least £25

### **(4) Non registerable interests**

Occasions may arise when a matter under consideration would or would be likely to affect the wellbeing of a member, their family, friend or close associate more than it would affect the wellbeing of those in the local area generally, but which is not required to be registered in the Register of Members’ Interests (for example a matter concerning the closure of a school at which a Member’s child attends).

## **(5) Declaration and Impact of interest on members' participation**

- (a) Where a member has any registerable interest in a matter and they are present at a meeting at which that matter is to be discussed, they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. If the matter is a disclosable pecuniary interest the member must take no part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine of up to £5000**
- (b) Where a member has a registerable interest which falls short of a disclosable pecuniary interest they must still declare the nature of the interest to the meeting at the earliest opportunity and in any event before the matter is considered, but they may stay in the room, participate in consideration of the matter and vote on it unless paragraph (c) below applies.
- (c) Where a member has a registerable interest which falls short of a disclosable pecuniary interest, the member must consider whether a reasonable member of the public in possession of the facts would think that their interest is so significant that it would be likely to impair the member's judgement of the public interest. If so, the member must withdraw and take no part in consideration of the matter nor seek to influence the outcome improperly.
- (d) If a non-registerable interest arises which affects the wellbeing of a member, their, family, friend or close associate more than it would affect those in the local area generally, then the provisions relating to the declarations of interest and withdrawal apply as if it were a registerable interest.
- (e) Decisions relating to declarations of interests are for the member's personal judgement, though in cases of doubt they may wish to seek the advice of the Monitoring Officer.

## **(6) Sensitive information**

There are special provisions relating to sensitive interests. These are interests the disclosure of which would be likely to expose the member to risk of violence or intimidation where the Monitoring Officer has agreed that such interest need not be registered. Members with such an interest are referred to the Code and advised to seek advice from the Monitoring Officer in advance.

## **(7) Exempt categories**

There are exemptions to these provisions allowing members to participate in decisions notwithstanding interests that would otherwise prevent them doing so. These include:-

- (a) Housing – holding a tenancy or lease with the Council unless the matter relates to your particular tenancy or lease; (subject to arrears exception)
- (b) School meals, school transport and travelling expenses; if you are a parent or guardian of a child in full time education, or a school governor unless the matter relates particularly to the school your child attends or of which you are a governor;
- (c) Statutory sick pay; if you are in receipt
- (d) Allowances, payment or indemnity for members
- (e) Ceremonial honours for members
- (f) Setting Council Tax or precept (subject to arrears exception)



Committee	STRATEGIC PLANNING COMMITTEE	
Report Title	Minutes	
Ward		
Contributors	Director of Planning	
Class	Part 1	Date 3 September 2019

### MINUTES

To approve the minutes of the meeting of the Strategic Planning Committee held on 16 July 2019.

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**MINUTES of the meeting of the STRATEGIC PLANNING COMMITTEE held in Rooms 1 and 2, Civic Suite, CATFORD SE6 on Tuesday 16<sup>th</sup> July 2019 at 7.30 pm**

**PRESENT:** Councillors: Paschoud (Chair), Gibbons, Clarke, Curran, Ogunbadewa, Walsh and Gallagher.

**APOLOGIES:** Councillors: Reid, Copley and Bell

**OFFICERS:** Chris Dale – Development Management, Michael Forrester – Major & Strategic Projects Manager, Paula Young – Legal, Jeremy Ward – Planning Officer, Gareth Clegg – Planning Officer and Alison Bradshaw - Planning Committee Co-ordinator.

**1. DECLARATION OF INTERESTS**

Cllr Walsh declared that he worked for a student housing organisation, but had no pecuniary interest.

**2. MINUTES**

Councillor Paschoud (Chair), asked if Members agreed that the Minutes of the Strategic Planning Committee meetings held on 23<sup>rd</sup> March 2019 and 9 May 2019 were a true and accurate record. Subject to Cllr Copley's name being corrected on the minutes of the 9<sup>th</sup> May, Members agreed and the minutes were signed by the Chair.

**3. LEWISHAM GATEWAY, LEWISHAM HIGH STREET, LONDON SE13**

Gareth Clegg presented the planning application, explaining that members requested that materials to be used on Phase 2 of the Lewisham Gateway site were brought before the committee for a decision. Application is in respect of Condition 6 (materials) and Condition 30 (landscaping).

Frans van Vuure (UN Studio) and Adrian Judd (PRP Landscape Architects) representing the applicant team, presented their proposed materials and landscaping.

They explained to members that provision had been made for skateboarding within a specific area that the lighting in St. Stephens Square will be floor lighting at night including engraved art, there was power for a Christmas tree, that low level planting will be managed daily and that the feature lighting will be carefully placed to emphasise certain areas. They also confirmed that the public realm flooring would be granite set pavement.

It was also confirmed that Lewisham Gateway Management Company would be responsible for the public realm lighting and landscaping, including maintenance of the trees. The S.106 agreement would secure full public access in perpetuity to the Phase 2 public realm.

Cllr Walsh moved a motion to recommend grant that was seconded by Cllr Ogunbadewa. Members voted unanimously and the application was **RESOLVED** to grant.

#### **4. FORMER CARPETRIGHT, LOMPIT VALE, LONDON SE13 7SN**

Jeremy Ward tabled an addendum report as a late response was received from the Environment Agency. The document also highlights a number of inaccuracies to the listed drawings and other minor corrections. Two additional informatives are recommended for inclusion in the decision.

Notes from the Blackheath Society objecting to the planning application had previously been circulated.

Jeremy Ward presented the planning application, confirming that the current proposal had the same site configuration as the earlier consented scheme.

Cllr Walsh raised concerns about the lack of sunlight and daylight within the student bedrooms. Mr Ward confirmed that 91% of the affordable student accommodation had good levels of light.

In response to councillor questions, Mr Ward explained that the thickness of the floor plate and the standard of noise installation complied with building regulations and that the late stage review work is triggered when the scheme is 75% occupied.

Mathew Mainwaring (Indigo Planning) representing the applicant team, presented their scheme. He explained that in February 2018, the previous planning application for the site, secured 49 affordable housing units and that the proposed scheme was similar expect for the provision of student accommodation, increase in height and increase in the level of affordable housing.

In response to members questions, he also explained that Tide Construction are one of the largest developers of student accommodation in London, and that there were no Broadband issues within a student scheme in Thurston Road. This will be a direct let scheme and given the good transport links, accommodation would be attractive to students from numerous London based universities. He confirmed that the affordable units would comply with the council's affordable housing requirements and the student units would comply with the draft London plan. Student lets would be for a 42 week period which was standard across London.

Mr Mainwaring stated that one advantage of the current scheme is that the building is modular and constructed in a factory setting and that both the previous and current schemes are built to the same standards of noise and vibration.

In response to a question from Cllr Gibbons, Mr Mainwaring confirmed that the costs required to safeguard the BLE are not related in this scheme. There are no cost savings in reducing the level of affordable housing in the scheme.

Robert Robertson (local resident), Bill Jefferies (Lewisham Deptford Constituency Labour Party) and Cheryl McCloud (Lewisham Housing Forum) addressed the committee. They raised the following objections to the proposed development: Lewisham has been changed without benefit to the local residents, the mix of proposed housing fails to meet Lewisham's core housing strategy and affordable

housing policy, that Lewisham is blighted by low quality housing and this scheme fails to meet the pressing needs of social housing in the Borough, not a healthy environment, child playground would be in shadow, the public space is dirty and the proposed building is ugly.

They urged members to reject this scheme as unsuitable and inappropriate.

Members raised concerns that the social housing was all in one building with the social units on the lower floors, Cllr Gallagher sought assurance that the fit out and construction of the units would be totally tenure blind. Cllr Walsh sought clarification that the lifts would operate on all floors and that residents would be able to freely visit other floors in the building.

Standing orders were suspended at 21.55.

Michael Forrester explained that In Lewisham town centre it is common that shared ownership and private units were are “pepper potted” within the development, but that social housing units were usually grouped together to minimise service charges.

Members requested officers to amend the committee report to reflect that the affordable student units were staggered on floors 2 - 14 rather than on floors 2 – 12 as stated. They also requested an additional planning obligation that *“The applicant to be required to submit for approval by the LPA details of an allocation process detailing how the affordable student housing units will be allocated having regard to need with priority being given to disadvantaged students. All future allocation to be carried out in accordance with the agreed allocation process.”* and a further obligation that a *“Management plan to be agreed with LPA to ensure full access to the entirety of the communal parts of the buildings by all occupiers. Management plan to be implemented and maintained in perpetuity in accordance with the agreed details.”*

Members also expressed a desire for guidance to be produced on the detailed design of student housing and what Lewisham considers as well managed social housing.

Cllr Ogunbadewa moved a motion to recommend grant, subject to the amended committee report and changes to the S.106 agreement. This was seconded by Cllr Gibbons.

Members voted as follows for motion of recommendation of grant with amendments to the committee report and additional S.106 clauses to GLA:

FOR: Councillors Pashcoud (Chair), Ogunbadewa, Clarke, Curran and Gibbons

AGAINST: Councillors Walsh and Gallagher.

The application was **RESOLVED** to grant in the terms outlined above and the scheme is to be referred as Stage 2 to the GLA.

Meeting closed at 22:23

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Committee	STRATEGIC PLANNING COMMITTEE	
Report Title	1 SILVER ROAD, LONDON, SE13 7BQ	
Ward	Lewisham Central	
Contributors	Geoff Whittington	
Class	PART 1	3 September 2019

<u>Reg. Nos.</u>	DC/18/109972
<u>Application dated</u>	30.11.2018
<u>Applicant</u>	DP9 Ltd Mr M Deam on behalf of London Square Development Ltd
<u>Proposal</u>	Demolition of existing buildings (Axion House), 1 Silver Road, SE13 and the construction of buildings ranging between 5 to 16 storeys in height, to provide <b>141</b> residential units, and flexible B1/A1/A3/D2 commercial uses, associated landscaping works, vehicular access, cycle and car parking. <b>(Amended Description)</b>
<u>Background Papers</u>	<ul style="list-style-type: none"> <li>(1) This is Background Papers List</li> <li>(2) Case File LE/812/B/TP</li> <li>(3) Local Development Framework Documents</li> <li>(4) The London Plan</li> </ul>
<u>Designation</u>	Area of Archaeological Priority, PTAL 6a, Major District Centre, Site of Nature Conservation Importance, Local Open Space Deficiency, Flood Risk Zone 2/3.
<u>Screening</u>	The Local Planning Authority (LPA) advised that an Environmental Statement (ES) would not be required to support a planning application in response to a scoping request made under Regulation 13 of the Town and Country Planning (EIA) Regulations 2011 (as amended) decision dated 24.05.2017.

## 1 SUMMARY

1 This report sets out officer's recommendation in regard to the above proposal.

2 The report has been brought before members for a decision as:

- The decision relates to a development of importance within Lewisham Town Centre;
- There are 3 or more valid planning objections; and
- There is 1 or more objection from a recognised residents' association or community/amenity group within their area.

## 2 INTRODUCTION AND BACKGROUND

3 In July 2017, the Council received an application for full planning permission from DP9 on behalf of London Square Development Ltd (the Applicant) for the 'Demolition of existing buildings and erection of a new residential-led mixed use development comprising two linked buildings ranging from ground plus 5 to 10 storeys, and ground plus 4 to 15 storeys, to provide 153 residential units, and including flexible B1/A1/A3 use and flexible B1/A1/A3/D2 use at ground floor, associated landscaping works, vehicular access, and other works incidental to the development.'

4 The submission of this application followed extensive pre-application discussions between the Council and the Applicant regarding development opportunities for the site.

5 The original scheme however was considered to have an unduly harmful impact on the amenity of neighbouring occupiers in terms of sunlight and daylight reductions along Smead Way and Odell Walk due to its excessive bulk. The provision of residential units was therefore reduced from 153 to 136 and 740sqm of flexible commercial floorspace.

6 This resulted in a reduction of affordable accommodation from 29% to 20.5%, which had been rigorously tested through viability. The scheme proposed 4 Shared ownership units and 24 Affordable Rent units capped at the London Affordable Rented Benchmark.

7 The proposal was presented to Committee A on 27 September 2018, where Members resolved to refuse the application as it failed to comply with BRE guidelines, whilst the massing of the scheme was inappropriate for the site. The application was subsequently withdrawn by the applicant on 7 December 2018.

8 In response to the issues raised by Members, a revised scheme was formally submitted to the Council on 4 December 2018. The proposal maintained the same number of units (136), affordable housing (20.5%) and commercial floorspace, however the siting and height of the development had changed. The Planning Statement confirmed the following:

- Floor to floor heights have been reduced from 3.15m to 3.05m which has resulted in all the buildings reducing in height, with the tallest building reduced by 2.025m;
- The building footprint has moved southwards by 0.75m;
- Reduction in the parapet walls and set-back of balustrades.

9 In response to the original scheme submitted in December 2018 (that has since been amended), the GLA considers that the proposal does not comply with The London Plan. This will be addressed later in this report.

10 Viability of the original scheme was undertaken by UrbanDelivery on behalf of the Council, and it was concluded that the 20.5% affordable provision was acceptable.

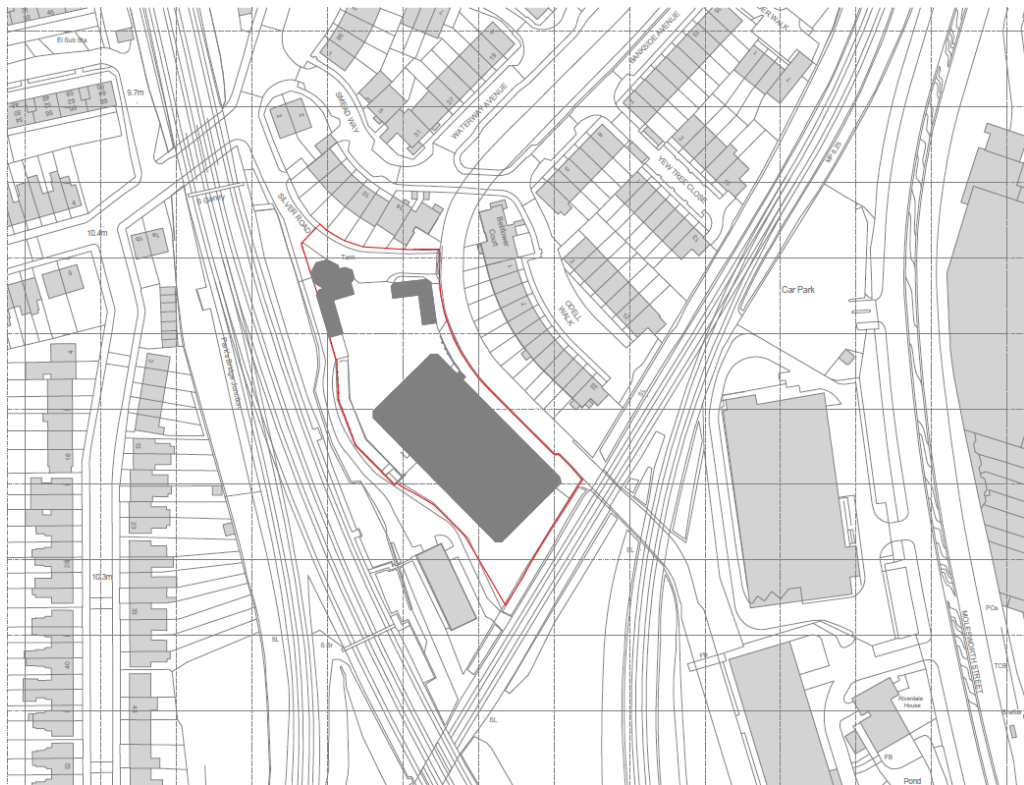


- 11 In light of the objections raised by the GLA and the low provision of social housing, the applicant was requested by officers to consider providing additional residential units that would assist in increasing the affordable provision. Subsequently, the applicant proposes to:
- reduce the employment floorspace by 287sqm to an overall 453sqm;
  - amalgamate the two energy centres;
  - convert a large residential unit to two self-contained flats;
  - convert a Market unit to Shared Ownership.
- 12 This would enable an increase in the number of residential units to 141 (an uplift of 5), providing one additional Social Rent unit, and 6 additional Intermediate units, with the overall affordable provision increasing to 25%. (Policy compliant split of 71% Social Rent / 29% Intermediate.)
- 13 A further viability assessment was undertaken by Boyer on behalf of the LPA, and it was concluded that the development could not provide additional housing over the 25%.
- 14 The amended internal layout would result in only minor external fenestration alterations to the proposal at ground level.
- 15 Officer's recommendation is that planning permission should be granted, subject to obligations which would be secured by way of an agreement made under S106 of the Town and Country Planning Act 1990 (and other relevant powers) and conditions which are set out in the recommendations section of this report.

### **3 SITE AND CONTEXT**

#### ***Site description and current use***

- 16 The site measures 0.49ha, situated on the south side of Silver Road and is bound to the east by the River Ravensbourne, and to the south and west by the Kent to London terminals railway line.
- 17 The site is located on the western edge of Lewisham Town Centre (defined by the Lewisham Town Centre Local Plan) and falls within the Lewisham, Catford and New Cross Opportunity Area.
- 18 Presently on site there is a two storey warehouse building and two smaller L-shaped single storey buildings. All buildings are currently vacant, with the last lawful use of the site by Bike Alert Plc as their headquarters for their storage and distribution of motorcycle parts (Use Class B8). Most recently, the site was used on a temporary basis by V22, who used the buildings to temporarily house artists and creative industries, although no relevant permissions were sought for this use.



**Site location plan**

***Character of area***

- 19 To the west of the site, between it and the railway viaduct is a strip of land owned by Network Rail, which houses a small service building. Beyond the immediate borders of the site there are a number of established residential developments, most notably the Sundermead Estate and residential properties along Odell Walk and Smead Way. Marsala Road runs along the western side of the railway tracks. To the east of the railway tracks running along the south of the site is 66 Molesworth Street, a six-storey office building occupied by Citibank Global Payments.
- 20 The site lies in close proximity to a number of significant strategic development sites principally located along Loampit Vale. The following applications are of relevance:
- An application for the comprehensive redevelopment of Lewisham Retail Park at Loampit Vale (reference DC/16/97629) for the demolition of all buildings on site to facilitate the provision of 4,343sqm of non-residential floorspace comprising (A1) Shops, (A2) Financial & Professional Services, (A3) Restaurants & Cafés, (B1) Business, (D1) Non-Residential Institutions and (D2) Assembly & Leisure uses and 536 residential units in buildings ranging from 4 – 24 storeys in height with private and communal open spaces, on-site energy centre, car and cycle parking, and associated landscaping and public realm works was approved at the 18th October 2017 Strategic Planning Committee.
  - A planning application was submitted on the Carpetright site on Loampit Vale under reference DC/17/102049 for the demolition of existing buildings and construction of two buildings of 16 and 30 storeys in height comprising 870sqm non-residential floorspace comprising (A1) Shops, (A2) Financial & Professional Services, (A3) Restaurants & Cafes, (B1) Business, (D1) Non-residential Institutions and (D2) Assembly & Leisure uses and 242 residential units with private and communal open space, on-site energy centre, cycle parking and associated landscaping and public realm works. This application was resolved to grant planning permission at committee in February 2018. A revised application (DC/19/110610) for student accommodation, with buildings rising to 35 storeys in height has a resolution to grant following July Strategic Planning Committee.

- Other recently completed developments in Lewisham Town Centre include the Renaissance scheme comprising 794 residential units, the Glassmill leisure centre, retail and office space in buildings up to 24 storeys high. This development is now complete and occupied.
- Thurston Point development, comprising retail space and 406 homes in buildings up to 17-storeys is now complete and occupied.

***Heritage/archaeology***

21 The site is not location in or adjacent to a conservation area or close to any Listed Buildings or Parks.

***Local environment***

22 The site falls within Flood Risk Zone 2/3 and an area of archaeological priority, local open space deficiency and is a site of nature conservation importance. The River Ravensbourne is a defined Main River.

***Transport***

23 The site is located within 400m of the Lewisham DLR and National Rail stations and is well serviced by 13 bus routes within 600m serving destinations in central, south-east and north-east London. Overall the application site has a PTAL rating of 6a (excellent), where on a scale of 1-6, 1 is lowest and 6 is highest.

**4 RELEVANT PLANNING HISTORY**

24 See section 2 of this report.

**5 CURRENT PLANNING APPLICATION**

**5.1 PRE-APPLICATION DISCUSSIONS**

25 Pre-application discussions started between the Applicant and Council Officers in November 2016 and continued up until submission of the original application in July 2017. A Planning Performance Agreement (PPA) was entered into between the Council and the Applicant to agree appropriate timescales for delivery.

26 Four pre-application meetings, three Design Review Panels and meetings with stakeholders including the GLA, Environment Agency, Secured by Design Officer, Flood Officer and the Council’s Housing Officers were held prior to submission of the original detailed planning application. Details of the meetings and consultation feedback are set out in Section 5 Below.

27 Considering the current scheme is largely similar to the original submission, there was no requirement to present the case back to the Design Review Panel.

**5.2 THE PROPOSALS**

28 The application seeks full planning permission for the demolition of all existing buildings on site and construction of an employment and residential-led mixed use scheme consisting of three development plots linked at upper floors, separated by new pedestrian routes, shared surfaces and interspersed landscaped walkways. In total, the scheme will provide 453sqm (GIA) of commercial floorspace and 141 Residential units across three cores.

29 The three buildings would be linked from first floor level, and are separated at ground floor to improve access, views and permeability through the site. The development would open up access and views to the River Ravensbourne to the east. The building is a broken “S” in shape to reflect the unusual shape of the site alongside the curve of the River Ravensbourne to the east, with elevation articulations at ground and first floor level. The east facing part of the scheme would be residential in character fronting the riverside public realm, while the west elevation fronting the railway is proposed to be largely commercial in character.

30 The built form is split into four distinct portions. The entrance to the site (north) is proposed to comprise five storeys, with a cut out at ground floor and first floor level. The mid-portion of the building would have a high point of 9 storeys, and step down to 7 storeys towards the north. A further five storey portion links the mid-section with the 16 storey residential tower at the south end of the site.

### **Commercial**

31 In total, the scheme would provide 453sqm (GIA) of commercial floorspace for use as office, retail or performance space (Use Classes B1, A1, A3 and D2).

### ***Housing***

32 The scheme proposes to deliver 141 residential units spread over ground to sixteenth floor, ranging from one bedroom apartments to three bedroom duplexes and a mixture of tenures. The scheme comprises 135 apartments and 6 duplexes. The duplexes are located at ground and first floor level on the eastern side of the building and are clearly articulated through a ‘corrugated’ façade. All residents would have access to private amenity space, landscaped riverside gardens and children’s play space at ground floor level.

33 A total of 35 affordable homes are proposed which equates to 25% by unit number, (25% by habitable rooms) of the overall provision, an uplift of 4.5% from the original proposal. The affordable housing tenure would be split between Social Rent (London Affordable Rent) and Intermediate (Shared Ownership), and is set out further in Table 1. The split equates to an affordable split of 71% Social Rent, and 29% Shared Ownership, which is a policy compliant split.

34 The Social Rent element is to be located off Core A at the entrance to the site, closest to Lewisham’s amenities, furthest from railway noise and with views of the river. The shared ownership is located off Core B in the mid-portion of the scheme. There is currently no identified Registered Provider proposed.

35 The scheme has been designed to be tenure blind. 22% of the affordable homes would be family sized units (3+ bed), equating to 32% of the Social Rented homes. The overall provision of family homes across all tenures would be 13.4%.

Unit Size	Affordable Rent	Shared Ownership	Private Market	Total	%
1 bed	10	6	37	53	37.5
2 bed	7	4	58	69	48.9
3 bed	8	0	11	19	13.4
Total	25	10	106	141	100%

All units	Affordable	Private	Total
Units	106	35	141
%	75.2%	24.8%	
Hab rooms	292	97	389
%	75.1%	24.9%	

Affordable units	Affordable	Shared Ownership	Total
Units	25	10	35
%	71.4%	28.6%	
Hab rooms	73	24	58
%	75.3%	24.7%	

Table [1]: Tenure Mix

***Amenity Spaces:***

- 36 All units would have a private inset balcony, with larger units benefiting from a corner balcony. The scheme also proposes roof terraces and podium gardens, which would be accessible to all residents in the development, both affordable and private housing with no distinction between access.

***Accessible Housing:***

- 37 All residential units will be designed to achieve M4(2) housing, with 10% of these being designed to meet M4(3) standards. In total there would be 13 wheelchair accessible apartments.

***Public realm and landscaping:***

- 38 The proposed landscape aims to create a series of lined routes and spaces which are legible, active and green, maximising access to the river front and creating new public spaces for residents, workers and nearby neighbours. A timber decked terrace will border the development creating a level access around the building, creating defensible space and amenity for the duplex apartments.

- 39 The proposal seeks to create a variety of different public and open spaces including an Arrival Square, a Mews fronting the commercial units, a Riverside Square, and a Workspace Garden. Children's playspace and playable equipment will be built into communal terraces, podiums and squares.

***Materials:***

- 40 The proposed development will comprise brickwork in 'Mystique' soldier course with a bucket handle mortar at upper floors and bronze metal cladding at ground and first floor level. The metal panelling will comprise elements of flat and profiled aluminium cladding.

***Car Parking:***

41 The onsite car parking provision is limited to providing no.8 wheelchair accessible car parking spaces. This will be allocated as 3 spaces to the market housing and 5 spaces to the affordable housing and will be provided for within the S106. 20% of the car parking spaces will be active electric vehicle charging. The remainder of the development will be car free.

**Cycle Parking:**

42 The proposed development will provide a total of 264 cycle parking spaces, which will be distributed as follows:

- Residential 256 internal spaces, which includes 12 short stay
- Commercial – 8 long stay spaces and 12 short stay

**6 CONSULTATION**

**6.1 PRE-APPLICATION CONSULTATION**

43 The Applicant held two public consultation exhibitions at the pre-application stage. The first exhibition was held at the Ecclesia Church Hall on 7 and 1 December 2016 and attracted 12 people. The second was held on 10 and 11 February 2017 at the Glass Mill Leisure Centre and attracted approximately 70 attendees. Attendees at the exhibitions included ward councillors, onsite occupiers, representatives from local businesses and residents on neighbouring streets.

44 The applicant also met with Vicky Foxcroft MP to give a private presentation prior to the original submission in 2017. Full details are included within the submitted Statement of Community Involvement.

**6.2 APPLICATION PUBLICITY**

45 Site notices were displayed on 12 December 2018, and a press notice was published the same day.

46 Letters were sent to residents and business in the surrounding area and the relevant ward Councillors on 11 December 2018. Local stakeholders The Ladywell Society, Lewisham Cyclists and Lewisham Deptford Constituency GC were also consulted.

**6.2.1 Objections**

47 At the time of writing of this report a total of 102 representations have been received.

48 Objections received are addressed within the planning considerations section of the report. A summary of the comments received is set out below:

<b>Material planning consideration</b>	<b>Paragraphs where addressed</b>
Environmental – contaminated land, intrusive, wind tunnel effect, increase in air pollution as a result of increased traffic and congestion; Noise, pollution, traffic and disturbance from construction and related vehicular movements. Impact on	Contamination – 441 Wind – 459 Transport – 285 Noise - 165

health and well-being from high rise developments.	
Affordable Housing: not enough proposed	115
Scale and massing – too big when considered against the scale of neighbouring residential properties along Odell Walk, Smead Way and Marsala Road; proposal will not help the housing crisis; too dense and should be low-rise social housing like Cornmill Gardens; overdevelopment of the site and intrusive	220-257
Minimal changes from last proposal	354
Tall building – overbearing on small scale neighbouring properties; inappropriate for this part of Lewisham, setting a precedent for future developments; this site falls within the sensitive area and is not suitable for a tall building; should be five storeys maximum; Skyline – unacceptable impact on the London skyline and views from residential properties	237-248
Design – poor quality	249-257
Amenity – overlooking and privacy of gardens along Odell Walk; will affect right to quiet enjoyment of the gardens along Odell Walk; overshadowing and impact on sunlight and daylight to existing properties; lack of amenities, including green space, increase in litter	Privacy – 328 Sunlight/ daylight – 334-366
Riverside – dead-end cycle path/ walkway is not making the river publicly accessible and does not meet the Council's aspirations in the River Ravensbourne Corridor Improvement Plan	223
Traffic – increased congestion in an area of heavy traffic: impact on already oversubscribed transport infrastructure; increase in cyclists	285
Trees and landscape: Silver Road has no planting or tree; also loss of existing trees and planting on site; impact on local and rare wildlife; overshadowing the river, affecting biodiversity	427-433
Flooding – proximity to the River Ravensbourne will increase risk of flooding; no flood storage areas	396-415

49 Local objections relating to non-material planning considerations can be summarised as follows:

- Developers are building for greed not need – money making;
- Loss of views from surrounding properties;

- Procedure – consultation responses required during school holidays;
- Too many developments being constructed concurrently;
- Paint the railway bridge on Ellerdale Road and re-landscape Silver Road;
- Current fly tipping due to the eviction of the creative industries and artists;
- Anti-social behaviour from older school children, lingering around the site;
- Land not suitable for development due to subsidence;
- The questions asked by developers during public consultation were weighted in their favour;
- Build more council housing.

50 **The Ladywell Society:**

- Despite the reduction in height, the development remains too high and would overpower the houses in Odell Walk and other low rise residential buildings in Smead Way, Pine Tree Way etc;
- The tower would be another unwelcome addition to the skyline, but the lower building appears to be more acceptable;
- It is of concern that the quantity of “affordable” housing has been reduced from the original 29% of the units to 20.5%. Lewisham borough needs more affordable housing, not less;
- The proposed materials for the main entrance and for balcony walls are out of keeping with materials used in the adjacent buildings and the development itself.

**Lewisham Deptford Constituency GC**

51 No representations received.

**Lewisham Cyclists**

52 No representations received

**6.3 LOCAL MEETING**

53 Given the level of local interest in the proposals, all objectors were invited to a public walk-in session, which took place on 5 February 2019 at the Ladywell Centre, Ladywell Road, SE13 between 5.30pm and 8.30pm. In the event, 18 residents attended the session. The key points raised at the meeting included:

- Design led approach is welcomed but the development is too high;
- High-rise development is unacceptable in a sensitive area, this will allow encroachment and extension from the Gateway;
- Loss of sunlight, which does not meet legal requirements;
- Loss of privacy/ overlooking;
- Light pollution;
- Concerns about impact on local infrastructure, schools and GP’s;
- Impacts on transport infrastructure and parking demand in the local area;
- Lack of affordable housing provision.



## **6.4 INTERNAL AND EXTERNAL CONSULTATION**

54 The following internal consultees were notified on 11 December 2018:

55 Lead Local Flood Authority (LLFA)

No representations received.

56 Ecological Regeneration

Raised no objection to the proposed development subject to conditions and informatives.

57 Environmental Health

Requests the submission of a remediation strategy by condition.

58 Urban Design

Raise no objections to the proposal.

59 Planning Policy

Raise no objections to the proposal.

60 Highways

The Councils Highways team raised no objection to the scheme in principle, subject to the securing of the following S106 planning obligations and conditions.

61 Environmental Health Air Quality Assessment

The Council has an existing air quality-monitoring network, which allows for verification and validation of air quality prediction models.

In order to meet the construction management responsibilities, the Environmental Protection Team have made a request for a financial contribution of £15,000 costs towards these expenses. The costs are based on £100 per residential unit and £100 per 100m<sup>2</sup> non-residential floor space, and will be secured within the S106.

62 Sustainability Manager

No representations were received.

## **6.5 STATUTORY CONSULTATION**

63 The following Statutory Consultees were notified on 11 December 2018:

64 Transport for London Surface

TfL have no objections to the principle of the development, subject to appropriate conditions.

65 Network Rail

No representations were received.

- 66 Historic England (Greater London Archaeological Advisory Service)  
The GLAAS raise no objection to the proposed development.
- 67 Environment Agency  
The Environment Agency have raised no objections, subject to appropriate planning conditions and S106 obligation.
- 68 Historic England – Areas of Archaeological Priority  
No representations were received.
- 69 Thames Water  
No objections, subject to an appropriate condition
- 70 Natural England  
No response.
- 71 Metropolitan Police Designing Out Crime officer  
Raised no objection to the application, subject to development achieving Secured by Design accreditation by condition.

#### **Lewisham Design Review Panel (LDRP)**

- 72 Considering the design and appearance of the current scheme is similar to the withdrawn planning application, it was not necessary to present the proposal back to the LDRP. The Panel previously considered emerging proposals on three separate occasions during the pre-application stage (28th September 2016, 17th January 2017, 29th March 2017). The comments of the Panel following its last review of the scheme at the pre-application stage can be summarised as follows:

<b>LDRP Summary</b>	<b>Officer Comment</b>
The Panel were of the view that the scheme had in general progressed well since the January 2017 review, and that the simplified form and architectural treatment was working well. In particular the latest iteration of the project was closer to the elegance of the original (first review) concept and the slab like quality which had emerged at second review, had been largely eliminated.	Noted. The architectural treatment will be discussed further within the Planning Considerations section.
At earlier review, the Panel felt that the justification for scale and height of the proposals was not wholly clear in the scheme's current form. The new structures will be considerably taller than the surrounding buildings typically two to six storeys and therefore the rationale for its setting and positive contribution to the surrounding townscape needs to be clearly articulated. The Panel debated LBL's concerns on scale and height, and whilst the buildings proposed were considerably taller than those around and that the site was not designated for tall buildings, the	Noted. The full planning application has been submitted with a supporting Heritage, Townscape Visual Impact Assessment to justify the height and scale of the proposed development. This will be addressed further in the planning considerations section of this report.

careful townscape analysis, the study models and the distant view studies and the high quality CGIs showed that the site and its context could accommodate buildings of the size and high quality envisaged.	
As noted at earlier review, employment space on the site is clearly an important planning policy, and demand for the project's commercial spaces needs to be properly market tested. Given the somewhat remote nature of the site from a commercial perspective, plans must be put in place to ensure that the spaces are viable and occupied. In particular, some concern was expressed over the viability of the most southerly of the commercial units located in the acute angle of the site formed by the two railway lines at their crossover. Various alternate uses were suggested including artists studios or theatre/events space. Further work is needed by the applicant team to put forward convincing viable proposals for this space.	An Employment Land Report has been prepared in support of the planning application, and assessed within the Planning Considerations.
Further work is needed in the Panel's view to communicate the distinction between residential and commercial spaces, in particular the clarity of means of access for the visitor to ensure that the commercial and residential spaces can both operate successfully independent from one another.	The proposal has incorporated signage and materiality to distinguish the two elements of the scheme. This is discussed further in the Planning Considerations section.
At earlier review, the Panel remarked that the deck width to separate private amenity space from the communal deck was too narrow, comprising the privacy of the ground level duplex occupants. Further work is also needed to resolve the division between private amenity space and the public realm on the riverside, including further investigation into the section and the	It is considered that sufficient progress has been made on the defensible space. The walkways have been set at the lowest level above the flood plain. The depth of defensible space is circa 1.75m and is typical for new London developments. A fairly low footfall along these walkways is also expected.
The Panel supported LBL officers' view with regard to defining a strategy and delivery mechanism with EA to develop the naturalisation of the River Ravensbourne.	This is discussed further within the Planning Considerations, however due to the constraints of the site, full naturalisation of the River Ravensbourne has not been proposed within this application.

**Table 2: Lewisham Design Review Comments**

Greater London Authority:

- 73 The application is one of potential strategic importance under Category 1A, 1B, and 1C of the Town and Country Planning (Mayor of London) Order 2008. The application is therefore required to be notified to the Mayor of London.
- 74 The GLA provided its Stage 1 response letter on the proposals on 11th February 2019, which states the Mayor considers that the application does not comply with the London Plan for the following reasons:

75 Following amendments to the scheme the GLA have removed objection on housing grounds, as the scheme now provides 25% affordable housing. The design of the scheme is supported.

- **Principle of development:** The site is non-designated industrial land, is located within the Lewisham Town Centre and is not allocated within local policy for redevelopment. Whilst the principle of residential intensification of a town centre site is supported, the loss of non-designated industrial floorspace has not been adequately justified.
- **Industrial land:** The draft London Plan seeks to protect non-designated industrial land and specifically designates Lewisham as a borough that should 'retain' its industrial capacity. The proposed development results in the loss of non-designated industrial floorspace. Whilst the lawful use of the site is Class B8 warehousing, it is acknowledged that access constraints may limit the continued use of the site for warehouses; however, the site was last occupied by studio and workspace providers (albeit without formal planning permission), which indicates demand exists for light industrial /studio uses on the town-centre site. The applicant has not sufficiently justified the loss of industrial floorspace in this location, as required by part D of draft London Plan Policy E7, and must explore opportunities to guarantee re-provision of industrial capacity on the site.
- **Housing:** An objection was originally raised toward the 20.5% provision of affordable housing for the following reasons:

The proposed affordable offer fails to meet the 50% threshold level for schemes on industrial land that result in a net loss of industrial floorspace. The applicant must explore all opportunities to increase the affordable housing offer, including ascertaining whether grant funding is available. Further information is also required on the proposed weekly social rent levels and on the shared ownership income thresholds.
- **Design:** The applicant engaged positively in the pre-application process and the design is fundamentally unchanged since the scheme considered by the Mayor in October 2017; however, amendments have been made to the building's footprint, internal floor-to-ceiling heights and parapet heights to limit overshadowing onto surrounding residential uses, in recognition of Lewisham Committee's reasons for refusal for the previous scheme.
- **Energy:** The following are required: overheating and cooling information; further investigation of passive design and energy efficiency measures for the commercial elements; and details of the CO2 emissions offset payment.
- **Transport:** Design changes, contributions and conditions should be secured to ensure the promotion of active and sustainable travel, in line with Good Growth and Healthy Streets principles. A CPZ permit free obligation and the Travel Plan should be secured within the s106. Further information is required on the design and layout of cycle parking and Blue Badge parking must be reviewed.

## 7 POLICY CONTEXT

### 7.1 LEGISLATION

76 Planning applications are required to be determined in accordance with the statutory development plan unless material considerations indicate otherwise (S38(6) Planning and Compulsory Purchase Act 2004 and S70 Town & Country Planning Act 1990).

77 Planning (Listed Buildings and Conservation Areas) Act 1990: S.66/S.72 gives the LPA special duties in respect of heritage assets.

## **7.2 MATERIAL CONSIDERATIONS**

78 A material consideration is anything that, if taken into account, creates the real possibility that a decision-maker would reach a different conclusion to that which they would reach if they did not take it into account.

79 Whether or not a consideration is a relevant material consideration is a question of law for the courts. Decision-makers are under a duty to have regard to all applicable policy as a material consideration.

80 The weight given to a relevant material consideration is a matter of planning judgement. Matters of planning judgement are within the exclusive province of the LPA. This report sets out the weight Officers have given relevant material considerations in making their recommendation to Members. Members, as the decision-makers, are free to use their planning judgement to attribute their own weight, subject to the test of reasonableness.

## **7.3 NATIONAL POLICY & GUIDANCE**

- National Planning Policy Framework 2019 (NPPF)
- National Planning Policy Guidance

## **7.4 DEVELOPMENT PLAN**

81 The Development Plan comprises:

- London Plan Consolidated With Alterations Since 2011 (March 2016) (LPP)
- Draft London Plan: The Mayor of London published a draft London Plan on 29 November 2017 and minor modifications were published on 13 August. The Examination in Public commenced on 15 January 2019 and concluded on 22 May 2019. During the EiP the Mayor tabled further changes to certain policies. This document now has some weight as a material consideration when determining planning applications.
- Core Strategy (June 2011) (CSP)
- Development Management Local Plan (November 2014) (DMP)
- Site Allocations Local Plan (June 2013)
- Lewisham Town Centre Local Plan (2014)

## **7.5 SUPPLEMENTARY PLANNING GUIDANCE**

82 Lewisham SPG/SPD:

- Planning Obligations Supplementary Planning Document (February 2015)

83 London Plan SPG/SPD:

- Planning for Equality and Diversity in London (October 2007)
- London View Management Framework (March 2012)
- Play and Informal Recreation (September 2012)
- Sustainable Design and Construction (April 2014)
- The control of dust and emissions during construction and demolition (July 2014)
- Accessible London: Achieving an Inclusive Environment (October 2014)
- Housing (March 2016)

- Crossrail Funding (March 2016)
- Homes for Londoners: Affordable Housing & Viability (August 2017)

## 8 PLANNING CONSIDERATIONS

84 The main issues are:

- Principle of Development
- Layout, Scale and Design
- Housing – Mix and Tenure
- Standard of Accommodation
- Impact on Neighbouring Properties
- Heritage, Townscape and Visual Impacts
- Transport Impact
- Sustainability and Energy
- Ecology and Landscaping
- Flood risk
- Waste
- Planning Obligations

### 8.1 PRINCIPLE OF DEVELOPMENT

#### *General policy*

85 The National Planning Policy Framework (NPPF) at Paragraph 11 states that there is a presumption in favour of sustainable development and that proposals should be approved without delay so long as they accord with the development plan

#### *Policy*

86 There is strong policy support for development in Lewisham Town Centre in general and for the redevelopment of the application site. London Plan Policy 2.13 identifies the Lewisham, Catford and New Cross Opportunity Area, which includes the site, and Annex 2 provides an indicative employment capacity for the Area of 6,000 and a minimum number of homes of 8,000 up to 2031.

87 London Plan Policy 2.15 identifies Lewisham as a Major Town Centre which should be a focus of new development, ensuring retail and residential development makes a positive contribution to the vitality and viability of the Centre. London Plan Policy 4.7 seeks to focus retail, commercial, culture and leisure floorspace in town centres, Policy 4.8 encourages additional comparison goods retailing in Major centres and Policy 4.9 calls on boroughs to consider using conditions/seek contributions to promote the retail offer, attractiveness and competitiveness of centres.

88 Lewisham's Core Strategy Spatial Policy 1 identifies the site as being within a Regeneration and Growth Area and Spatial Policy 2 seeks to focus growth in these Areas, including wanting to grow Lewisham Town Centre into a Metropolitan Town Centre which accommodates up to 40,000sqm additional retail space, 4,300sqm leisure space and 1,550 additional homes up to 2016 and a further 1,000 additional homes by 2026. Core Strategy Policy 6 designates Lewisham as a Major Town Centre, seeks to focus retail,

leisure and cultural uses in town centres and commits to designating 'primary' and secondary frontages.

- 89 The Lewisham Town Centre Local Plan (LTCLP) seeks to support and manage growth in the Town Centre. Policy LTC 1 identifies the application site as falling within an 'edge of centre' location as the crow flies. Lewisham's Development Management Local Plan DM Policy 11 seeks to retain employment uses on sites in residential areas, and will look favourably on a scheme that delivers a mix of uses including residential providing the appropriate level of amenity and suitability for the site.

#### *Discussion*

- 90 The application site is not identified within Fig 4.3 of the LTCLP as potential to deliver a mixed-use development but this does not preclude the site from being able to deliver a high quality, sustainable mixed-use development and the application will be assessed on its merits. The redevelopment of the site has previously been through detailed discussions at pre-application stage, and no objections are raised in principle to a mixed use scheme in this location.

- 91 Whilst the site is not allocated within the local plan for redevelopment, it is a brownfield, windfall site located within a predominantly residential area and benefits from a high PTAL rating. Policy H1 of the draft London Plan encourages development on other appropriate windfall sites that have not been identified in Development Plans.

- 92 The site is constrained being bordered by two London-Kent railways along the south-east and south-west and the River Ravensbourne to the north-east. The site is previously developed brownfield land and the current building is currently unoccupied and is therefore suitable for redevelopment. Following the completion of the Sundermead Estate in the late C20th, the existing Axion House warehouse/storage unit is now an irregular feature of the area as industrial related industries and warehousing have moved elsewhere inside or outside of the borough. Moreover, the narrow roads of the Sundermead Estate are no longer suitable for extensive HGV usage, and therefore alternative uses should be considered.

#### *Summary*

- 93 The proposed residential-led mixed-use development and range of non-residential uses generally accord with the key relevant development plan policies outlined above and is, in principle, an appropriate use of this highly accessible site. The proposed uses are discussed in more detail below.

## **8.2 HOUSING**

- 94 This section covers: (i) the contribution to housing supply, including density; (ii) the dwelling size mix; (iii) the standard of accommodation; and (iv) total affordable housing proposed and its tenure split.

### **8.2.1 Contribution to housing supply**

#### *Policy*

- 95 National and regional policy promotes the most efficient use of land.
- 96 The NPPF states that housing applications should be considered in the context of the presumption in favour of sustainable development. The NPPF sets out the need to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities.

- 97 The NPPF encourages the efficient use of land subject to several criteria set out in para 122. Para 123 applies where there is an existing or anticipated shortage of land for meeting identified housing needs and strongly encourages the optimal use of the potential of each site.
- 98 LPPs 3.3 and 3.4 seek to increase housing supply and to optimise housing output within the density ranges set out in the sustainable residential quality (SRQ) matrix.
- 99 Emerging DLPPs H1, H2 and D6 support the most efficient use of land and development at the optimum density. Defining optimum is particular to each site and is the result of the design-led approach. Consideration should be given to: (i) the site context; (ii) its connectivity and accessibility by walking and cycling and existing and planned public transport (including PTAL); and (iii) the capacity of surrounding infrastructure.
- 100 The current London Plan sets an annual target of 1,385 new homes until 2025. The emerging draft London Plan, if unchanged, would increase this to 2,117.
- 101 CSP SP1 expects higher density in Lewisham. CSP15 supports 'central' density levels in Lewisham Major Town Centre.
- 102 CSP 15 (High quality design for Lewisham) seeks to ensure a high quality of development in Lewisham, including residential schemes and that densities should be those as set out in the London Plan.

#### *Discussion*

- 103 The proposal is for 141 new dwellings, and the site measures 0.49 hectares. Not taking account of the proposed non-residential floorspace to allow comparison with nearby approved schemes, this results in a density of 287 dwellings per hectare (dph), which sits comfortably within the indicative density range of 140-405 units (or 650-1100 habitable rooms) per hectare for a Central location.
- 104 A number of recent applications have been approved in the locality at considerably higher densities than that which is proposed, including 52-54 Thurston Road (544 dph) Lewisham Gateway (484 dph), Retail Park (478dph), Renaissance (464 dph), and Thurston Point (393 dph).
- 105 The Sundermead Estate is an example of a late C20th development, which is low-rise and low-density. Lewisham has undergone significant change in the last ten years as a result of substantial regeneration and increasing housing targets, amongst other development pressures.
- 106 In October 2017 the London Mayor increased the Boroughs housing targets to deliver 2,117 units per annum over the next ten years, which is an increase of 732 of the existing target of 1,385. The provision of 141 dwellings in this case would make a valuable contribution to meeting this target, and as such, officers consider the development proposes an acceptable density. Table 3 below sets out the measures of density criteria required by emerging DLPP D6 for all sites with new residential units.



**Table [3]: Measures of Density**

<b>Criteria</b>	<b>Value</b>	<b>Criteria/Site Area (0.49ha)</b>
Units (W)	141	287
Habitable rooms (X)	389	793
Bedrooms (Y)	248	506
Bedspaces (Z)	470	959

107 The proposal would use the land efficiently and optimise density. This is a planning merit to which very significant weight is given by officers. 141 units amounting to 11% of the boroughs current annual target of 1385 units, and 6.7% on the uplift draft London plan 2117 annual target.

## **8.2.2 Affordable housing**

### ***Percentage of affordable housing***

#### *Policy*

108 The NPPF expects LPAs to specify the type of affordable housing required (para 62).

109 LPP 3.10 defines affordable housing. LPP 3.12 states the maximum reasonable amount of affordable housing should be sought, having regard to several criteria in the policy.

110 CSP1 and DMP7 reflect the above, with an expectation of 50% affordable housing, subject to viability.

111 Recent supplements to affordable housing policy are set out in the Affordable Housing and Viability SPG (AHV) which introduced the 'threshold approach' to viability. Proposals will not need to be supported by viability information where they: (i) deliver at least 35% affordable housing on-site without public subsidy; (ii) are consistent with the relevant tenure split; and (iii) have sought to increase the level about 35% by accessing grant (GLA, 2017, p17). There are several conditions where proposals may not benefit from this 'Fast Track Route'.

112 The emerging draft London Plan intends to set the threshold approach as policy. DLPP H5 sets a strategic target of 50% for affordable homes. Draft policy H6 seeks to increase the threshold for the Fast Track Route to 50% for public sector land and designated and non-designated industrial and employment land as set out in draft policy E7.

### ***Affordable housing tenure split and dwelling size mix***

#### *Policy*

113 The tenure split and dwelling size mix of affordable housing is prescriptive. LPP 3.9 promotes mixed and balanced communities. LPP 3.11 sets a tenure split of (i) 60% Social or Affordable Rent and (ii) 40% intermediate housing. The AVH differs with (i) 30% low cost rented homes – Social Rent or London Affordable Rent; (ii) 30% intermediate products – London Living Rent or London Shared Ownership; and (iii) the final 40% to be determined by the LPA based on identified need, with an expectation that will focus on Social Rent/London Affordable Rent (pp24-25). DLPP H7 would adopt this more recent tenure split.

114 CSP1 expects 70% to be Social Rent and 30% intermediate housing. This is consistent with the AHV and DLPP H7. The Lewisham Planning Obligations SPD (2015) allows for some flexibility to reflect site context (para 3.1.52).

115 CSP1 also expects 42% of the affordable housing offer to be family dwellings (3+ bedrooms). DMP7 gives priority to providing family dwellings in the rented housing. The Lewisham Planning Obligations SPD (2015) states 16% of any intermediate housing is family-sized (para 3.1.47) with the remainder as socially rented. It also sets affordability thresholds for intermediate housing (para 3.1.64 and table 3.1).

**Review mechanisms**

*Policy*

116 The AHV sets out when affordable housing review mechanisms should be secured (pp43-46). Fast-track schemes will be subject to an ‘Early Stage Viability Review’ (ESVR) if an agreed level of progress on implementation is not made within two years of permission being granted, or as agreed with the LPA. Viability tested schemes will be subject to the ESVR and a ‘Late Stage Viability Review’ (LSVR); this is triggered at the point at which 75% of units are sold or let. Longer term phased schemes may also require a mid-term review.

*Discussion*

117 The proposed development would provide 141 new dwellings of which 35 would be affordable, amounting to 25% by unit, and 25% by habitable rooms. The proposed tenure mix would be 71% Social Rent (London Affordable Rent) and 29% Intermediate (Shared Ownership) - the proposed dwelling mix is set out in Table 4 below:

**Table [4]: Tenure Mix by Dwelling Size\***

	<b>1 Bed</b>	<b>2 Bed</b>	<b>3 Bed</b>	<b>Total</b>
<b>Private</b>	37 (70%)	58 (84%)	11 (58%)	106 (75%)
<b>Social Rent</b>	10 (19%)	7 (10%)	8 (42%)	25 (18%)
<b>Shared Ownership</b>	6 (11%)	4 (6%)	0	10 (7%)
<b>Total</b>	53 (38%)	69 (49%)	19 (13%)	141

**\*Percentages shown in ( )**

118 The affordable rent units have a separate core, which is required by Registered Providers (RP) in order to effectively manage and control the service provision and charges to ensure they remain genuinely affordable.

119 The scheme would generate 42% affordable family sized (3 bed) units in the Social Rent provision. This is welcomed by officers and would make a valuable contribution towards the Boroughs affordable rented housing stock.

120 Core Strategy Policy 1 however requires that the overall affordable housing provision should include a mix of 42% as 3 bedroom units. The 3 bedroom provision in this case would be only 22%.

121 The revised scheme would however also provide six good sized affordable 2 bedroom, 4 person units, and it is acknowledged that the draft London Plan Policy H12 refers to ‘many families’ residing in two-bedroom units. Therefore, together with the 3 bed units this would equate to a provision of 40% affordable family accommodation, which officer’s consider is acceptable.

- 122 The provision of 1 bed units has increased as a consequence of the amendment to the proposal to provide a larger number of affordable units. The revised scheme would offer a policy compliant tenure split of 71%/ 29%.
- 123 The overall uplift of affordable provision would rise from 20.5% to 25%, and this has been further reviewed by an independent consultant (Boyer) on behalf of the Council.
- 124 The development has been designed so that it is tenure blind; this is welcomed by the Council. The affordable rented units would be located in Core A, between ground floor and level 4 on the northern-most side of the site. The ground floor units will have their own separate entrances, acting like traditional dwellings facing a street.
- 125 The shared ownership units would be located on levels 1-2 on the south side of Core B. The entrance to the Shared Ownership units runs off Core B, which can be accessed from either the east or western side of the building. The proposed Shared Ownership offer is considered to be acceptable by officers.
- 126 The applicants have proposed an annual income threshold of £90,000 for the Shared Ownership eligibility, reflecting the GLA's income thresholds as set out in the draft London Plan. However, this is not an accurate reflection of Lewisham's annual income thresholds, which are significantly lower:
- One bedroom - £36,795
  - Two bedrooms - £42,663
  - Three bedrooms – £59,810
- 127 This has previously been raised with the Applicant, who advised that the value generated by applying the GLA's income thresholds is one of the ways they are able to underpin the affordable housing offer. On the basis of securing genuinely affordable rented accommodation, this is accepted on this case.
- 128 As already noted the 50% figure is a starting point for negotiations and is subject to viability. In line with guidance set out in the Council's Planning Obligations SPD the Applicant submitted a Financial Viability Appraisal Report (FVA) (May 2018), prepared by DS2 (APPENDIX 2).
- 129 The first application as originally submitted (156 units) proposed 44 affordable units (30 Affordable rent and 14 Shared Ownership) which amounted to 28.7% affordable housing by units or 29.4% by habitable room. The original scheme was deemed unacceptable by officers due to the bulk and height of the middle section of the scheme, appearing overly dominant to the low-rise housing along Odell Walk and Smead Way and would lead to an unduly harmful impact on the amenity of the neighbouring local residents.
- 130 Accordingly, the scheme was revised to provide 136 residential units and subsequently the viability was retested by UrbanDelivery at the request of officers in summer 2018, and again in February 2019, both reaching the same conclusion that the scheme offered the maximum quantum of affordable housing – 20.5%.
- 131 The scheme has been further amended to propose the current 141 residential units, which translates to a gain of 4.5% or 7 additional affordable units (35 affordable units comprised of 25 Social Rent (London Affordable Rent), and 10 Shared Ownership units), which amounts to 25% by unit.
- 132 The Council commissioned Boyer to undertake a development appraisal of the revised scheme. The original UrbanDelivery report in November 2017 challenged a number of assumptions (including Benchmark Land Value, build costs, CIL payments). These challenges remained valid in the revised viability review.

- 133 Boyer have again challenged the Benchmark Land Value - based on the evidence supplied, they have reservations that the site would achieve the value if restricted to its current use, and the potential for residential development is disregarded. Boyer have undertaken their own assessment and in their view, the Existing Use Value is in the order of £2,200,000, and have also applied a 30% developer premium (as is typical), resulting in a Benchmark Land Value of £2,860,000.
- 134 The Boyer review report concludes that the proposal continues to provide the maximum amount of affordable housing which is viable and cannot support a further improved offer. A copy of Boyer's Viability Review report has been included in full in Appendix 2 of this report.
- 135 Officers have agreed the revised assumptions and findings within the Boyer review report (June 2019) with the applicant. Boyer's opinion is that based on a Benchmark Land Value of 2,860,000, updated development costs and provision of 25% affordable housing, the scheme would generate a profit of £4,405,000, which reflects a return of 7.2% based on Gross Development Value. In order to achieve a target developer return of 16% profit, the scheme would generate a deficit of £5,362,000. This is based upon the GLA threshold of an annual income of £90,000 for the Intermediate units.
- 136 If a Lewisham threshold of £59,810, is applied this would reduce the overall average value from £403 psf to £366 psf which would result in approximately £250,000 being taken off from the profit amount, and would reduce the profit on GDV from 7.2% to c.6.8% which would reduce the viability of the scheme. On this basis, the GLA thresholds are acceptable.

#### *Summary*

- 137 Taking account of guidance in the Mayor of London's Affordable Housing and Viability SPG, officers recommend that s106 obligations require the proposed level of affordable housing is subject to review. The precise terms of the review will be negotiated with the Applicant. However, these should secure both an Early Stage Viability Review and a Late Stage Viability Review as per the Affordable Housing and Viability SPG.

#### ***Dwelling Size***

##### *Policy*

- 138 National and regional policy avoids specifying prescriptive dwelling size mixes for market and intermediate homes.
- 139 NPPF para 61 expects planning policies to reflect the need for housing size, type and tenure (including affordable housing) for different groups in the community.
- 140 LPP 3.8 states Londoners should have a genuine choice of homes, including differing sizes and types. Emerging DLPP H12 sets out that an appropriate mix of unit sizes should be informed by several criteria set out in the policy.
- 141 CSP 1 echoes the above with several other criteria however expects the provision of family housing (3+ bedrooms) in major developments.
- 142 Determining an appropriate mix of dwelling sizes for a site depend on several criteria in CSP 1, relating to: (i) the site's character and context; (ii) previous or existing use of the site; (iii) access to amenity space for family dwellings; (iv) likely parking demand; (v) local housing mix and population density; and (vi) social and other infrastructure availability and requirements.

### *Discussion*

143 The proposed development comprises 141 self-contained residential units and the table below provides a breakdown of the proposed accommodation:

**Table [5]: Dwelling Size Mix\***

	<b>1 Bed</b>	<b>2 Bed</b>	<b>3 Bed</b>	<b>Total</b>
<b>No.</b>	53	69	19	141
<b>%</b>	38%	49%	13%	100%

144 The proposed mix of unit sizes is considered to be acceptable and in accordance with local policy and would deliver a suitable range of unit sizes to meet the local market demand. The provision of family sized affordable units in the scheme, amounting to 40% of the overall affordable tenure would be acceptable.

### **8.2.3 Residential Quality**

#### *General Policy*

145 NPPF para 127 sets an expectation that new development will be designed to create places that amongst other things have a 'high standard' of amenity for existing and future users. This is reflected in relevant policies of the London Plan (LPP 3.5), the Core Strategy (CS P15), the Local Plan (DMP 32) and associated guidance (Housing SPD 2017, GLA; Residential Standards SPD 2012, LBL).

146 The main components of residential quality are: (i) space standards; (ii) outlook and privacy; (iii) overheating; (iv) daylight and sunlight; (v) noise and disturbance; (vi) accessibility and inclusivity; and (vii) children's play space.

#### ***Internal space standards***

##### *Policy*

147 LPP 3.5 seeks to achieve housing development with the highest quality internally and externally in relation to their context. Minimum space standards are set out in Table 3.3 of the London Plan.

##### *Discussion*

148 All proposed homes meet the minimum space standards and would be provided with dedicated storage areas, which meet the minimum requirements. The proposed plans have also been annotated with essential furniture which demonstrates that all units could comfortably accommodate the necessary furniture and circulation spaces. Internal floor to ceiling heights would be a minimum of 2.5 metres, which meets London Plan requirements. It is considered that adequate internal living spaces would be provided for the future occupiers.

#### ***Outlook, Privacy & Overheating***

##### *Policy*

149 DMP 32(1)(b) expects new developments to provide a 'satisfactory level' of privacy, outlook and natural lighting for its future residents.

150 Both the Mayor's Housing SPG and DMP 32 details specific considerations in relation to outlook and daylight and sunlight. The Housing SPG states that developments should

avoid single aspect dwellings that are north facing, exposed to noise levels above which significant adverse effects on health and quality of life occur, or contain three or more bedrooms. LPPs 5.3 and 5.9 seek to avoid internal overheating, which can be worsened by single aspect units which cannot generate a through-flow of air.

#### *Discussion*

- 151 The concertina shape design of the building results in a scheme which has very little opportunity for overlooking between the units. Where balconies are adjacent to one another, details of the privacy screening will be secured by condition.
- 152 The proportion of single aspect units in the submitted scheme is 38%, which is relatively high but not uncommon for a development within the dense urban context of London. Of the 25 affordable rented units, 87% of the two and three bedroom units are dual aspect. All three-bedroom units in the scheme are dual aspect.
- 153 The application is supported by a Sunlight and Daylight Assessment, which is discussed in further detail below. Officers' acknowledge that the orientation and shape of the land parcel is challenging but consider that the proposal provides an adequate standard of accommodation with respect to maximising the proportion of dual aspect units. The scheme would result in two single aspect north facing units, and whilst this is undesirable, the units would exceed the minimum ADF thresholds and as such, officers are satisfied that the number of single aspect north facing units is acceptable within this urban context.
- 154 The GLA had requested the submission of overheating and cooling information; and further investigation of passive design and energy efficiency measures for the commercial units. Details were sent by the applicants to the GLA in June, however officers required further information, and at the time of writing this report, the outstanding matters had not been resolved. For this reason, it is therefore appropriate to require the information by condition.

#### Daylight and Sunlight

#### *Policy*

- 155 DMP 32(1)(b) expects new developments to provide a 'satisfactory level' of privacy, outlook and natural lighting for its future residents.
- 156 Daylight and sunlight is generally measured against the Building Research Establishment (BRE) standards. This is not formal planning guidance and should be applied flexibly according to context. The BRE standards set out below are not a mandatory planning threshold.
- 157 In new dwellings, the BRE minimum recommended average daylight factor (ADF) is 1 % for bedrooms, 1.5% for living rooms and 2 % for kitchens.

#### *Discussion*

- 158 The supporting Sunlight and Daylight Assessment sets out the proposed developments potential effects for the application site in terms of daylight, sunlight and overshadowing effects. The impact of the proposed development on the surrounding area will be assessed within the section *Impacts on Neighbouring Amenity*.
- 159 The London Plan Housing SPG recognises the potential difficulties of fully complying with British Research Establishment (BRE) guidelines and calls for standards to be applied flexibly given the London Plan's strategic approach to optimise housing output (Policy 3.4) and the need to accommodate additional housing supply in locations with good accessibility which are suitable for higher density development. Overall, Officers are satisfied that considering the urban setting of the proposed development and the need to

optimise development potential the proposed development would receive an acceptable level of direct sunlight.

160 Sunlight received in the proposed amenity areas within the proposed development shows that all three of the ground floor amenity areas would exceed the minimum thresholds, with the children's play area in the south east corner receiving 99.8% sunlight on 21<sup>st</sup> March. The proposals are therefore acceptable in terms of sunlight on the ground.

161 All habitable rooms from ground floor to floor 6 have been assessed for internal daylight. The internal daylight assessment shows that 92% (251 out of 274) of the habitable rooms meet the related ADF standards. All rooms above the 6<sup>th</sup> floor meet standards which results in 94% (358 out of 381) of all habitable rooms meeting ADF standards. Of the 23 rooms which are below the 2% guidance, 22 are open plan living/kitchen/dining rooms which exceed 1.5% ADF and just 1 bedroom would fall just short (0.9%) of the 1% ADF Standard.

162 Overall, Officers consider that a development of this scale would inevitably result in some dwellings not achieving the recommended internal daylight and sunlight levels but overall the proposal achieves a very good level of residential amenity.

### **Noise & Disturbance**

#### *Policy*

163 The NPPF at para 170 states decisions should among other things prevent new and existing development from contributing to, being put at unacceptable risk from, or being adversely affected by, unacceptable levels of noise pollution. Development should help to improve local environmental conditions. Para 180 states decisions should mitigate and reduce to a minimum potential adverse impacts resulting from noise from new development and avoid noise giving rise to significant adverse impacts on health and the quality of life.

164 Planning controls the effect of noise from external sources on residential uses and noise transmission between different uses. The relevant standard is BS: 8233:2014. This states the internal noise levels within living rooms must not exceed 35dB(A) during the daytime (0700-2300) and 30 dB(A) in bedrooms during the night –time (2300-0700).

165 With respect to external areas, BS 8233:2014 recommends that external noise level does not exceed 50dB LAeq,T with an upper guideline of value of 55dB LAeq,T

166 The NPPG states LPAs should consider noise when new developments may create additional noise and when new developments would be sensitive to the prevailing acoustic environment and in doing so consider:

- whether or not a significant adverse effect is occurring or likely to occur;
- whether or not an adverse effect is occurring or likely to occur; and
- whether or not a good standard of amenity can be achieved

167 The objectives of the NPPF and NPPG are reflected in LPP 7.15, DLPP D1,D12 and D13, CS Objective 5 and DMP 26

#### *Discussion*

168 A Noise and Vibration Assessment has been submitted in support of the proposals, which details that the major noise and vibration sources that would likely impact the proposed development would be from the neighbouring railway lines.

169 A noise survey was undertaken, and the report concludes that the proposal can achieve the acoustic standards for external noise ingress through double glazing and mechanical ventilation to all units. This is considered to be standard of new residential developments in urban areas. The Council's Environmental Health team have requested further details on the types of glazing the applicant intends to use to achieve the noise standards, and officers consider that this can be secured by way of condition.

*Summary*

170 It is recommended that conditions be attached requiring the development to meet the relevant noise standards, seek approval of details with respect to glazing, and to undertake the development in accordance with the mitigation measures set out in the submitted Noise and Vibration Assessment.

***Accessibility and inclusivity***

*Policy*

171 LPP 3.8 and DLPP D5 require 10% of residential units to be designed to Building Regulation standard M4(3) 'wheelchair user dwellings', i.e. is designed to be wheelchair accessible, or easily adaptable for residents who are wheelchair users, with the remaining 90% to M4(2) 'accessible and adaptable dwellings'.

172 CSP 1 requires major schemes to provide 10% of all units and each tenure type to be constructed as accessible. DMP 32 states that the Council will require new build housing to be designed to ensure that internal layout and external design features provides housing that is accessible to all intended users.

*Discussion*

173 The development has been designed to comply with Part M of the Building Regulations and part 7 of the accompanying Design and Access statement outlines the proposed development has been designed to meet the required regulations both in terms of access to and movement within the proposed buildings and in regard to the internal layout of the proposed units. In accordance with policy, 10% of the proposed residential units (13 one and two-bed units) would be capable of being fitted-out as 'wheelchair accessible dwellings' while all other units would be 'accessible and adaptable dwellings.' Of the 'wheelchair accessible dwellings', 7 would be Affordable Rent, 1 would be Shared Ownership and 5 would be Private units.

174 All buildings would have step-free, level access with flush thresholds designed in accordance with AD M4.

175 All homes have been designed to conform fully with the requirements of M4(2) with a further 10% designed to M4(3) standards in order to be wheelchair-use dwellings, either adaptable or accessible. The decisions whether to fit out to full wheelchair-accessible standard will depend on the tenure. If Members were minded to grant planning permission, the wheelchair units would be secured by condition to ensure that the Affordable Rent wheelchair units are to be fitted out (subject to need demonstrated by Council waiting list).

176 Overall, the proposed standard of accommodation, including the private amenity space proposed for each of the units proposed are considered to be acceptable for the reasons set out above. The amount and standard of residential accommodation to be provided is considered to be appropriate for this town, albeit edge of, centre location.



## **External space standards**

### *Policy*

177 Standard 4.10.1 of the Mayor's Housing SPG states that 'a minimum of 5sqm of private outdoor space should be provided for 1-2 person dwellings and an extra 1sqm should be provided for each additional occupant'.

178 Standard 4 of the Housing SPG states that, where communal open space is provided, development proposals should demonstrate that the space: is overlooked by surrounding development; is accessible to disabled people including people who require level access and wheelchair users; and is designed to take advantage of direct sunlight; has suitable management arrangements in place.

### *Discussion*

179 All private amenity spaces (where provided) adhere to the policy requirements in terms of their sizes.

180 The scheme would provide sufficient communal amenity space at ground floor around the building and within roof terraces. The communal roof terraces would be accessible to the residents of the affordable and private units, with no difference in access and no segregation of the podium.

181 Officers recommend that a condition requires details of the proposed screens, hedges and canopies and requires that the landscaping of the terraces is completed prior to the occupation of any of the flats which they are intended to serve.

## **Children's play space**

### *Policy*

182 LPP3.6 states housing proposals should make provision for play and informal recreation.

183 The Mayor's Shaping Neighbourhoods: Children and Young People's Play and Informal Recreation SPG recommends 10sqm of play space per child. The GLA divide the requirements of children's play space into three categories: (i) under 5s, described as doorstep play and generally considered as part of the plot; (ii) ages 5-11; and (iii) children 12 plus.

### *Discussion*

184 The required amount of play space as set out in the SPG would be (i) 180sqm, (ii) 110sqm and (iii) 70sqm, totalling 360sqm.

185 Table 6 below sets out the estimated child yield of the proposed development, based on the GLA's SPG play-space requirement calculator.

<b>Age Group</b>	<b>No. of Children</b>	<b>% of total</b>
Under 5	18	50%
5-11	11	31%
12+	7	19%
<b>Total</b>	<b>35</b>	<b>100%</b>

**Table [6]: Estimated Child Yield**

186 Communal doorstep play space for children under 5's (which needs to be less than 100m from the dwellings) would be provided on the level 5 podium deck and at ground floor level on the Riverside Square. The expected child yield for the scheme requires 360qsm of

children's play space and the scheme proposes to provide 360sqm of designated children's play space. 260sqm of the space is to be provided in the Riverside Square with a 40sqm designated play space incorporating play equipment, and 100sqm will be provided on the communal podium, incorporating some play equipment. Details of the play equipment will be controlled by condition.

187 The Design and Access Statement identifies Cornmill Gardens (320m away) and Hilly Fields Park (640m away) as alternative locations for play, particularly for older children. Hilly Fields Park also has publicly accessible sports pitches and MUGA courts.

188 The ground floor play space has been modelled as part of the Wind and Microclimate assessment and is expected to enjoy suitable conditions for doorstep play.

189 The scheme meets the minimum for required floorspace and the Mayor's London Plan: Shaping neighbourhoods: Play and informal recreation SPD (2012) allows for off-site provision, including creation of new facilities and as such no further contributions will be requested.

#### **8.2.4 Housing conclusion**

190 The proposal would make a significant contribution to the Borough's housing targets in a sustainable urban location making the most efficient use of land and optimising density. The proportion of affordable housing is the maximum viable and provides an appropriate mix of genuinely affordable homes to rent across an appropriate range of sizes. This is a planning merit to which very significant weight is given.

### **8.3 EMPLOYMENT**

#### *Policy*

191 Para 80 of the NPPF states "Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development"

192 LPP 4.1 sets out the Mayor of London's approach to the continued growth and economic development of all parts of London. LPP 4.2 supports the management and mixed use development and redevelopment of office provision to improve London's competitiveness and other objectives including accommodating small and medium sized enterprises. LPP 4.3 encourages mixed use development and redevelopment should support consolidation and enhancement to the quality of office stock in the types of area identified in paragraph 4.12 of the London Plan. LPP 4.4 seeks to ensure there is a sufficient stock of industrial land and premises. LPP4.12 states strategic development proposals should support local employment, skills development and training opportunities.

193 Draft London Local Plan (2017) Policy E4 states a sufficient supply of land and premises to meet current and future demands for industrial and related functions should be maintained.

194 DM Policy 4 advises that 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.

#### *Discussion*

195 As demonstrated above under principle of development, national, regional and local policies support mixed uses (B1/A1/A3/D2) close to Lewisham Town Centre, and just outside the Loampit Vale Policy Area. The application site is not designated within the

retail policy area. DM Policy 19 makes clear that where applications require a new shop front, in addition to new residential or commercial units, an appropriate level of shop front fit-out will be required. Commercial fit-out will be secured by planning obligation within the S106 Legal Agreement.

196 The existing site accommodates approximately 2172sqm of warehouse/storage (B8 Use Class). The site was previously lawfully in use by 'Bike Alert.' Meanwhile, the site has been used informally as studio space by V22, (who have relocated to Ladywell) however the site is currently vacant. During the time of occupation, the existing water tank was temporarily used as a performing art space.

197 The scheme proposes approximately 453sqm of flexible employment uses at ground and first floor: a net reduction in existing commercial floorspace of 1718sqm. The proposed commercial space is sub-divided into five units all located at the ground floor of each of the buildings on the western edge of the development facing out towards the railway embankment. Four of the units would be flexible B1/A1/A3 uses, and the end (southernmost) unit would be flexible B1/A1/A3/D2 use. Each unit is designed to be adaptable, with the ability to subdivide the units further dependent on the future occupiers need, appealing to smaller businesses and creative industries. The southernmost unit has been identified as a potential performance space (D2 Use) to replace the water tank performance space.

198 The units are intended to appeal to smaller businesses such as makers, crafts people, social enterprises, creative industries and small service style industries. The Council is seeking to encourage growth and opportunities within these employment areas. The unit sizes are summarised in Table 7 below.

Type and Location (including mezzanine)	Uses	Area Sqm (GIA)
W0001	B1/A1/A3	164.5
W0002	B1/A1/A3	51.5
W0003	B1/A1/A3	80
W0004	B1/A1/A3	31.5
W0005	B1/A1/A3	125.5

**Table [7] Proposed Non-residential uses**

199 All of the proposed non-residential uses are appropriate for a site in close proximity to the town centre and the proposed net reduction in non-residential space is considered acceptable, given the site's peripheral town centre location, and taking into account the other benefits to the scheme such as the opening up of the river frontage for public access and delivery of housing.

200 The current proposal of 453sqm commercial floorspace is a considerable reduction from the originally proposed 740sqm, a reduction of 287sqm to accommodate the additional residential units, and provision of increased affordable housing.

201 The GLA had objected to the original proposal of 740sqm, advising that the draft London Plan seeks to protect non-designated industrial land and specifically designates Lewisham as a borough that should 'retain' its industrial capacity. The GLA acknowledged that the lawful use of the site is B8 warehousing and considered that associated access concerns may constrain such use in the future, therefore they objected to the loss of non-designated industrial floorspace, particularly as the last occupier (V22) was studio and workspace providers (note this use was unauthorised), which indicates demand exists for light industrial/ studio uses in this location. V22 have since vacated the premises and have moved to the nearby arches in Ladywell.

202 The GLA are not satisfied with the Employment Land Report submitted by the applicants, as they consider that reasons including the substandard condition of the existing buildings, proximity to residential uses, and that it is not appropriate or worthwhile to market the site for its existing use (Class B8 warehouses), do not sufficiently justify the loss of floorspace.

203 At the time of writing this report, the GLA had not responded to the revised scheme proposing a further reduction in employment floorspace to 453sqm.

204 Officers maintain that the revised provision of employment floorspace would accord with the requirements of DM Policy 11. The site is established B8 storage use, and as identified by the GLA, the prospect of future use in this location is low. The immediate area is predominantly residential, therefore the proposal would mostly align with the character of the surroundings. The proposal would ensure the continuation of employment on the site that would be appropriate for this setting, whilst the revised reduction in floorspace to 453sqm would be necessary to increase the affordable housing provision.

#### ***Affordable workspace***

205 Discussions were held between the Council's Economy and Partnership team and the Applicant during the pre-application stages to discuss the integration of affordable, flexible workspaces similar to the last informal users V22. Presently there is no formal local policy requirement to provide affordable workspace. Given the location of the site outside Lewisham Town Centre, the supporting Financial Viability Appraisal indicates that the likely rental value for the commercial aspect of the development will be £17sqft.

#### ***Unit and shop front fit-out***

206 In accordance with London Plan Policy 4.9 and DM Policy 19, it is recommended that a planning obligation requires the Applicant to fit-out the units to shell and core and internal fittings and install shopfronts prior to the occupation of any residential unit. Detailed design of the commercial units will be secured by way of planning condition.

#### ***Removing permitted development rights***

207 The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as 'Use Classes'. Planning permission is usually required to change between the different uses but in some instances, the General Permitted Development Order (GPDO) allows some changes to take place without the benefit of express planning permission. For example, this allows a change in use from A1 (retail) to C3 (residential) in some cases. The proposed range of uses provides a good degree of flexibility for marketing/letting the proposed commercial units and it is recommended that a planning condition removes permitted development rights to change from these permitted uses to enable the Council to manage the use of these units in an appropriate way.

#### ***Hours of Opening***

208 London Plan Policy 4.6 and Core Strategy Policy 6 support the night-time economy, particularly in secondary frontages. DM Policy 17 makes clear that, amongst other things, soundproofing and opening hours will be considered when assessing applications for cafes/restaurants and DM Policy 26 seeks to ensure that new noise sensitive uses, such as residential, are located away from existing or planned sources of noise pollution. A balance needs to be struck between encouraging cafes/restaurants along around the proposed town centre square and safeguarding residential amenity. It is recommended that planning conditions restricts opening hours of all permitted uses within the A and D use classes in the commercial units to between 07.00 to 23.00 hours. This would not apply to B use classes in order to ensure maximum flexibility of the commercial units.

## ***Training and employment***

209 DM Policy 11 seeks financial contributions towards training and/or local employment schemes. The Council's Planning Obligations SPD requires a financial contribution to support the capital and revenue costs of services provided by the Local Labour and Business Scheme which benefits both the residential population and local economy. Guidance in the SPD splits the contributions between residential and commercial uses and to seek an equal amount (calculated at £530 per dwelling/job). A calculation based on 141 dwellings and the creation of 453sqm of employment floorspace equates to a financial contribution of £92,750 which will be secured by planning obligation within the S106 Agreement.

### **8.3.1 Employment conclusion**

8.4 In this case therefore, officers are satisfied with the employment provision. Whilst there would be a planning harm in the considerable reduction in floorspace when compared with the existing building, this would be outweighed by the merits of the mixed use proposal that would include the provision of an excellent standard of commercial units and in particular by the provision of a reasonable proportion of genuinely affordable homes.

## **8.5 URBAN DESIGN**

### *Policy*

210 The NPPF at para 124 states the creation of high quality buildings and places is fundamental to what the planning and development process should achieve. The NPPG encourages decision takers to always secure high quality design; this includes being visually attractive and functional, however other issues should be considered:

- local character (including landscape setting)
- safe, connected and efficient streets
- a network of greenspaces (including parks) and public places
- crime prevention (see Section **Error! Reference source not found.**)
- security measures (see Section **Error! Reference source not found.**)
- access and inclusion
- efficient use of natural resources (see Section 8.7)
- cohesive and vibrant neighbourhoods

211 LPP 7.6 requires development to positively contribute to its immediate environs in a coherent manner, using the highest quality materials and design.

212 CSP 15 repeats the necessity to achieve high quality design.

213 DMLP 30, Urban design and local character states that all new developments should provide a high standard of design and should respect the existing forms of development in the vicinity. The London Plan, Core Strategy and DMLP policies further reinforce the principles of the NPPF setting out a clear rationale for high quality urban design.

214 Urban Design is a key consideration in the planning process. The NPPF makes it clear that the Government places great importance on the design of the built environment. In determining applications, great weight should be given to outstanding or innovative designs, which promote high levels of sustainability, or help raise the standard of design more generally in an area, so long as they fit in with the overall form and layout of their surroundings. Good design is a key aspect of sustainable development, is indivisible from good planning, and should contribute positively to making places better for people. The revised NPPF states that it is important to plan positively for the achievement of high

quality and inclusive design for all development, including individual buildings, public and private spaces and wider area development schemes.

- 215 London Plan Policy 7.6 Architecture requires development to positively contribute to its immediate environs in a coherent manner, using the highest quality materials and design. Core Strategy Policy 15 High quality design for Lewisham repeats the necessity to achieve high quality design but also confirms a requirement for new developments to minimise crime and the fear of crime. DMLP Policy 30 Urban design and local character states that all new developments should provide a high standard of design and should respect the existing forms of development in the vicinity. The London Plan, Core Strategy and DMLP policies further reinforce the principles of the NPPF setting out a clear rationale for high quality urban design.
- 216 The Lewisham Design Review Panel considered the evolution of the original proposal, including the building footprint and ground plan, responds successfully to the constraints of the sites and establishes a more generous public realm, though queries were raised regarding the development potential of the Network Rail (NRIL) substation and surrounding land to the south west of the development site. The LDRP advised in their response that any future development should be carefully designed to knit well into the scheme proposed under this planning application.
- 217 Due consideration has been given to the Network Rail parcel of land throughout the pre-application and design review process. A number of massing options have been presented, and whilst it would be preferable for the two sites be developed comprehensively, officers are of the view that the proposed development would not preclude or prejudice a development proposal coming forward on NRIL land in the future.

### **8.5.1 Appearance and character**

#### *Policy*

- 218 Planning should promote local character. The successful integration of all forms of new development with their surrounding context is an important design objective (NPPG).
- 219 In terms of architectural style, the NPPF encourages development that is sympathetic to local character and history, including the surrounding built environment and landscape setting, while not preventing or discouraging appropriate innovation or change (para 127). At para 131, the NPPF states great weight should be given to outstanding or innovative designs which promote high levels of sustainability, or help raise the standard of design more generally in an area.
- 220 LPP 7.4 expects development to have regard to the form, function and structure of an area, place or street and the scale, mass and orientation of surrounding buildings. LPP 7.6 states architecture should make a positive contribution to a coherent public realm, streetscape and wider cityscape.

#### **Layout**

- 221 LPP 7.1(d) states the design of new buildings and the spaces they create should help reinforce or enhance the character, legibility, permeability, and accessibility of the neighbourhood.
- 222 The existing site has a single access point directly from the Sundermead Estate and is bound by impermeable edges of the River Ravensbourne to the east, and two mainline rail routes to the south and west. The site lies at the end of Silver Road, and is presently afforded limited views from the public realm and Elmira Street. Views to the River Ravensbourne are presently obscured by high level metal fencing, overgrown shrubbery and the concrete culvert. The land surrounding the existing warehouse building is

predominantly hard landscaped with a substantial amount of overgrowth. There are no TPO trees within the site.

- 223 *General arrangement.* The scheme has sought to open up the river frontage and create new vibrant, publicly accessible spaces. The DRP and the GLA welcomed this element of the proposals as a positive feature which responds well to the ambitions of the London Plan Policy 7.24 Blue Ribbon network and the enhancement of the environment of the River Ravensbourne.
- 224 The building has been designed in response to a number of site constraints, which include the curve of the River Ravensbourne and extensive railways to the south west and east of the site, and the sites close and sensitive relationship to nearby low-rise residential properties along Odell Walk and Smead Way. The concertina shaped building has evolved to make most efficient use of the site layout, providing pockets of publicly accessible space, whilst minimising the pinch point separating distances between the proposed development and the existing residential properties along Smead Way and Odell Walk. Separation distances will be discussed in more detail in assessment of privacy and overlooking Paragraphs.
- 225 The design has been developed specifically to show a clear delineation between the western commercial side and the ground floor residential units facing the river to the east. This is achieved through a signage strategy, the details of which shall be secured by condition.
- 226 To ensure adequate permeability through the site, two covered walkways will penetrate through the footprint of the building, in order to improve river access for the users and occupiers of the commercial units and other pedestrians.
- 227 *Residential.* The proposed residential accommodation would be located on the ground floor facing east, and above the commercial units from floor 2 to 16. The ground floor level units are proposed to be duplex, and would benefit from private outdoor terraces, with defensible planting incorporated. The duplexes propose square bay protruding windows to improve daylight penetration and improved outlook. Standard of accommodation and privacy will be discussed in the standard of accommodation section.
- 228 The flats located on floors 2 to 16 have been designed to a standard unit layout, and would contain no more than 8 units per core. All balconies would be inset. A communal roof terrace is to be provided at level 5 for occupiers of all tenures, and would provide some designated children's play equipment, furniture and a raised lawn. A number of units will benefit from access to podium gardens - these are proposed at floors 6, 9, 10 and 15 and would benefit from timber decking and lawned area. Each of the three residential cores would benefit from a bin and cycle store, and two lifts.
- 229 *Commercial:* The commercial units are proposed along the west side of the building facing the railway embankment, and ground and mezzanine/first floor level only. The scheme has been designed in such a way to ensure that the best outlook is retained for the residential units.
- 230 The general arrangement of the building layout was well received at the Design Review Panel and the GLA's Stage 1 response, confirming that the concertina layout is an appropriate response to the site and its immediate context.
- 231 *Arrival Square:* The eight disabled parking bays marked by metal studs are strictly contained to the entrance of the site, alongside substation and the single storey concertina shaped bin store lies along the western boundary of the site. Vehicles will only be able to access the entrance area of the site in order to undertake servicing. Further details will be secured by way of condition through a Delivery and Servicing Management Plan.

- 232 *Workspace Garden*: This space has been designed to provide respite for workers of the commercial units. The proposed decking would wrap around the edge of the building providing clear and flush access to building entrances. The workspace garden would provide, seating, green spaces and planting. The decking is raised to incorporate flood alleviation measures. Around the boundary of the site new planting will be incorporated to encourage biodiversity.
- 233 *Riverside Square*: Situated adjacent to the river edge, this space is designed to create a cascading effect comprising timber decked walkways, seating areas, planting and porous paving affording views to the river. A small lawn and designated equipped children's playspace is proposed to be located in the south eastern corner of the application site.
- 234 In conclusion, officers are satisfied that considering the constraints of the site, the proposed layout makes the most efficient use of the site, offering an innovative design solution with respect to both internal and external layout.

## **Form and Scale**

### *Policy*

- 235 LPP 7.7 states that tall and large buildings should be part of a plan-led approach to changing or developing an area by the identification of appropriate, sensitive and inappropriate locations. Several criteria for tall buildings are listed in LPP 7.7.
- 236 DLPP E8 recognises the role tall buildings have to play in helping accommodate growth as well as supporting legibility. The policy sets out an extended criteria for design rational and assessment and also states that publically accessible areas should be incorporated into tall buildings where appropriate, particularly more prominent tall buildings.
- 237 CSP 18 relates to tall buildings: these need to be of the highest design quality and appropriately located. Regard will be had to flight path safety and microclimate effects.
- 238 The LTCLP supports the transformation of Lewisham Town Centre from a designated Major centre to Metropolitan centre in London, where tall buildings have a role to play in signifying the centres significance within a defined cluster. Lewisham Tall Buildings Study (2010, updated 2012).
- 239 LPP 7.11 designates in Table 7.1 of the London Plan a list of strategic views known as the London View Management Framework ((LVMF). Further guidance is given in the LVMF SPG (2012). LPP 7.12 relates to specific criteria for development within or close to a strategic view. Two strategic views (5A.2 and 6A.1) pass through the north of the Borough.
- 240 CSP 17 protects the LVMF vistas and the London panorama in line with regional policy. It seeks to protect locally designated local views, landmarks and panoramas.
- 241 London Plan Policy 7.7 states that tall and large buildings should be part of a plan-led approach to changing or developing an area by the identification of appropriate, sensitive and inappropriate locations. Tall buildings should not have an unacceptably harmful impact on their surroundings. To this end, the Council has prepared a Lewisham Tall Buildings Study (September 2010, updated 2012) which formed part of the Core Strategy evidence base and informed the Lewisham Town Centre Local Plan, detailed below. London Plan Policy 7.7 further states that applications for tall and large buildings should include an urban design analysis meeting strict design criteria including form, proportion, composition, urban grain, architecture, uses and its contribution to local regeneration.
- 242 Policy 18 of the Core Strategy Core Strategy Policy 18 relates to the location and design of tall buildings and identifies Lewisham Town Centre as an appropriate location for tall buildings. The policy also states that tall buildings will be considered inappropriate where



they would cause harm to the identified qualities of the local character, heritage assets, landscape and open space features of amongst other designations the World Heritage Site of Maritime Greenwich including its setting and Buffer Zone, the setting of the World Heritage Site and its Buffer Zone; conservation areas and their settings, and local views and landmarks. Tall buildings will need to be of the highest design quality.

- 243 Policy LTC19 (Tall buildings) in the LTCLP states that Applicants will need to comply with Core Strategy Policy 18 and then satisfy the specific requirements of Policy LTC19. The policy states that tall buildings in the town centre must be in the most sustainable town centre locations with access to transport, shops and services; increase the amount of local amenity space and improve its quality in order to accommodate tall buildings; add positively to the existing and emerging overall Lewisham town centre skyline through sensitive and high quality design providing positive landmarks from all angles of view; be part of a varied size, scale and height of development; and be sensitive to the surrounding environment. All applications should provide detailed modelling to assess the appropriate building height in relation to scale and massing.

#### *Discussion*

- 244 The application is supported with the Heritage, Townscape Visual Impact Assessment (HTVIA). Due consideration has been given to the developments proposed impacts on the local townscape and local heritage/ conservation areas when viewed from various points within the borough. The HTVIA established 15 viewpoints from surrounding conservation areas, important viewing corridors and sensitive receptors.

- 245 The assessment demonstrates that 16 storeys is the optimum height in order to balance the massing at the lower levels. The height sits well in context with other taller buildings in long views. Officers maintain the scheme responds positively to the emerging townscape within Lewisham Town Centre, and the supporting HTVIA provides contextual analysis. Whilst officers disagree with the Applicant insofar that this is a gateway site to Lewisham Town Centre, it is noted the site is located on a prominent bend in the railway on the approach to Lewisham Station and would be highly visible when arriving from the south. Officers consider that the quality of the architectural design and detailing is sufficient to justify the additional height.

- 246 The height of the tower was raised in numerous consultation responses as being overbearing and out of context and inappropriate for this location. It is acknowledged that local policies direct tall building towards Lewisham Town Centre as the most appropriate location, however local planning policies do not restrict tall buildings to town centre locations only. The redevelopment of the site including the tallest element has been subject to extensive design review throughout the pre-application process. The GLA and Lewisham's Design Review Panel have carefully considered the height of the proposals and raised no objection in principle, subject to design of the highest quality.

#### ***Detailing and Materials***

##### *Policy*

- 247 Attention to detail is a necessary component for high quality design. Careful consideration should be given to items such as doors, windows, porches, lighting, flues and ventilation, gutters, pipes and other rain water details, ironmongery and decorative features. Materials should be practical, durable, affordable and attractive. The colour, texture, grain and reflectivity of materials can all support harmony (NPPG).
- 248 LPP 7.6 expects the highest quality materials and design appropriate to context.

## *Discussion*

- 249 *Façade treatments and articulation:* The application includes a comprehensive set of large scale bay studies, plans, sections, architectural details and detailed material palette which satisfy Officers' requirements to secure a building of high quality design for the site. The proposed external material palette is considered acceptable in general although officers note that full details of the materials have not been provided. A condition will be attached to the consent requiring full details of materials to be submitted and approved in writing prior to construction of the above ground works.
- 250 Window and door configurations have been carefully considered to create aligned and ordered facades. All balconies are proposed to be inset on all facades.
- 251 *Materiality:* With regard to the proposed Rose-Gold metal cladding, details of the colour, material and durability will be secured by way of planning condition to ensure that the scheme is built with high quality materials which will stand the test of time with minimum maintenance. Further details will be required to demonstrate the panelling's longevity and durability.
- 252 At the third Design Review Panel, the Panel felt that whilst the visual material was strong, the supporting narrative in terms of scale, height and proportion was not fully developed, and needed to be more compelling as part of any future planning application. This has been adequately addressed through the final drawings, HTVIA and supporting documents.
- 253 Overall, Officers consider that the proposed architecture is well considered, being responsive to its environment and appropriate for the site. The proposals would deliver a high quality building, which sufficiently justifies the sensitive location outside of the designated tall building area.
- 254 The alterations undertaken within the current scheme to reduce the overall building height has not resulted in any considerable change to the appearance of the development since being presented to DRP, therefore officers maintain support to the proposed design.
- 255 The scheme therefore meets the objectives of design policies, Core Strategy Policy 15 (high quality design), Policy 17 (Protecting Views), and Policy 18 (Tall building) and Development Management Policy 20 (Urban Design and local Character).

### **8.5.2 Impact on Heritage Assets**

#### *Policy*

- 256 Section 66 of the Planning (Listed Buildings and Conservation Areas) Act 1990 gives Local Planning Authorities the duty to have special regard to the desirability of preserving the building or its setting or any features of special architectural or historic interest, which it possesses. Similarly, Section 72 of the Act requires that local planning authorities pay special attention in the exercise of planning functions to the desirability of preserving or enhancing the character or appearance of a conservation area. 'Preserving' in the context of the statutory duty means doing no harm.
- 257 Paragraph 195 of the NPPF states that where a proposed development will lead to substantial harm to (or total loss of significance of) a designated heritage asset, local planning authorities should refuse consent, unless it can be demonstrated that the substantial harm or total loss is necessary to achieve substantial public benefits that outweigh that harm or loss.
- 258 London Plan Policy 7.8 (Heritage assets and archaeology) states that developments that could affect the setting of heritage assets should be developed with a scale and design sympathetic to the heritage assets. Core Strategy Policy 16 and DMLP Policy 36 both

require designated and non-designated heritage assets and Conservation areas and their settings to be protected, preserved and/or enhanced through new development and changes of use. DM Policy 36 states that when considering applications for change of use of Listed Buildings, the Council will consider the contribution of the existing use and the impact of any proposed new use to the significance and long-term viability of the historic building. The Council will seek to ensure that the building is put into an optimum viable use.

- 259 Section 66 Planning (Listed Buildings and Conservation Areas) Act 1990 imposes a statutory duty on local planning authorities when considering whether to grant planning permission for development, which affects a listed building or its setting, that the local planning authority shall have special regard to the desirability of preserving the building or its setting or any features of special architectural or historic interest which it possesses.

*Discussion*

- 260 Officers have reviewed the HTVIA submitted in support of the planning application and are satisfied that the proposed development would not have any significant harm on the local designated heritage assets, and is acceptable with respect to local and strategic planning policies. The HTVIA confirms that the proposal would have negligible impact on the views to and from the Ladywell, St Mary's, St Stephens and Brockley Conservation Areas.

- 261 The scheme would not affect the setting of the Grade II listed Prendergast Primary School on Elmira Street, and would be afforded very limited views from Cornmill Gardens.

- 262 The upper floors of the 16 storey tower would be visible within the wider setting of the Grade II listed church of St Saviour and St John the Baptist and evangelist presbytery tall square campanile of 1925-9. This tower features an open arcaded top floor and figure of Saint as a finial, providing a focal point along the horizon line but is not considered to harm the significant of the designated heritage asset or townscape views.

*Summary*

- 263 Therefore, it is considered that the proposal would preserve the significance of the relevant heritage assets. As such it is not necessary to balance this against wider public benefits, though the contribution to housing is a significant wider public benefit.

### **8.5.3 Public Realm**

*Policy*

- 264 Streets are both transport routes and important local public spaces. Development should promote accessibility and safe local routes. Attractive and permeable streets encourage more people to walk and cycle.

- 265 LPP 7.5 relates to public realm and expects public spaces to among other things be secure, accessible, inclusive, connected, incorporate the highest quality design and landscaping.

*Discussion*

- 266 London Plan Policy 2.18 states that development should make the public realm comprehensive with gateways and focal points and that architecture should contribute to a coherent streetscape and wider cityscape.

- 267 Various paving types and styles are proposed to delineate between the different areas/ types or uses. These details have been set out in previous sections and are considered appropriate.

- 268 Officers recommend that full details of hard and soft landscaping, including external lighting, furniture, river rescue posts, terrace planter and bird and bat boxes; and a management and maintenance plan are reserved by condition.
- 269 *Trees:* London Plan policy 7.21 (Trees and woodlands) states that existing trees of value should be retained and any lost as the result of development should be replaced. A preference for trees with large canopies was referred to in the policy. Core Strategy Policy 12 (Open space and environmental assets) states that public realm greening can help mitigate against pollution and therefore the Council will protect existing trees and require replacements where a loss does occur.
- 270 A total of four Category C trees were identified as part of the Arboricultural Survey submitted in support of the application. The development would result in the removal of all four existing trees from the site. As these are all Category C, and do not benefit from a Tree Preservation Order there is no objection to their loss. Their losses would be offset by the planting of trees around the borders of the site to soften the visual appearance of the railways and within the Riverside Public Square as part of the comprehensive landscape strategy.
- 271 *Connectivity:* Further details were previously requested from the GLA and the Design Review Panel to demonstrate how the public realm/landscaping works to the river edge could contribute to creating a river path connection in the future and how accessible connections could be matters.
- 272 It should be noted that whilst no direct links to Lewisham Town Centre over the railway tracks are proposed, the proposal would open up the site to allow for public access along the riverfront, which would be secured between the site and the river path.
- 273 Whilst urban design is paramount to establishing successful sustainable development, it was the officer's view that to request further details of a future riverside walkway was beyond the scope of the planning application.
- 274 It is maintained that to request amendments to the scheme to incorporate such changes would require the developer to commit to delivering an element of the scheme which may not be delivered. It is considered on balance that given the cul-de-sac nature of the development plot, single access point and the impermeable physical barriers of the railways and River Ravensbourne, there are limited opportunities to improve the site's relationship with the wider public realm from within the boundary of the application site.

### **8.5.1 Accessibility and inclusivity**

#### *Policy*

- 275 An inclusive environment is one that can be accessed and used by everyone. It recognises and accommodates differences in the way people use the built environment.
- 276 LP7.2 requires all development to achieve the highest standards of accessible and inclusive design.
- 277 Accessible London SPG and draft policy D3 are also relevant.

#### *Discussion*

- 278 The application is accompanied by a Design and Access Statement, (prepared by PRP, November 2018). This sets out the measures to be taken to incorporate the principles of inclusive design, including the provision of buildings and environments that are convenient and enjoyable for everyone to use, and to create communities that offer sufficient services, facilities and open space. The document concludes that the proposal would create a safe, inclusive and accessible environment.

- 279 All new residential units have been designed to be accessible and adaptable, with a policy compliant 10% provision of wheelchair user dwellings.
- 280 The commercial units would be suitably accessible for people with disabilities/ wheelchair users.
- 281 The external areas surrounding the development, in particular the riverside frontage would be fully accessible, whilst the elevated podium gardens would be accessed by lifts.

### **8.5.2 Urban design conclusion**

- 282 In conclusion, officers are satisfied that the proposal would deliver a scheme of high quality design and landscaping strategy that would enhance this redundant employment site. The applicant has engaged with officers at pre-application stage, and presented the scheme to the Council's Design Review Panel on three occasions to ensure the proposal would be of appropriate design and scale.

## **8.6 TRANSPORT IMPACT**

- 283 Nationally, the NPPF requires the planning system to actively manage growth to support the objectives of para 102. This includes: (a) addressing impact on the transport network; (b) realise opportunities from existing or proposed transport infrastructure; (c) promoting walking, cycling and public transport use; (d) avoiding and mitigating adverse environmental impacts of traffic; and (e) ensuring the design of transport considerations contribute to high quality places. Significant development should be focused on locations which are or can be made sustainable, through limiting the need to travel and a choice of transport modes.
- 284 Para 109 states "Development should only be prevented or refused on transport grounds if there would be an unacceptable impact on highway safety, or the residual cumulative impacts on the road network would be severe".
- 285 Regionally, the Mayor's Transport Strategy ('the MTS', GLA, March 2018) sets out the vision for London to become a city where walking, cycling and green public transport become the most appealing and practical choices. The MTS recognises links between car dependency and public health concerns.
- 286 The Core Strategy, at Objective 9 and CSP14, reflects the national and regional priorities.

### **8.6.1 Local Transport Network**

#### *Policy*

- 287 The NPPF states that significant impacts on the transport network (in terms of capacity and congestion) should be mitigated to an acceptable degree.
- 288 LP Policy 6.12 requires planning decisions to take into account the extent of any additional traffic and any effects it may have on the locality, and the extent to which congestion is reduced.

#### *Discussion*

- 289 The supporting TA predicts that the proposed development would result in an addition 133 two-way person trips being made in the AM peak and 64 in the PM peak. Officers and TfL consider the increase in two-way person trip generation is reasonable and acceptable. The majority of trips to/from site would be made by public transport.

## **8.6.2 Servicing and refuse**

### *Policy*

- 290 The NPPF states development should allow for the efficient delivery of goods and access by service and emergency vehicles.
- 291 LPP 6.13 requires schemes to provide for the needs of businesses and residents for delivery and servicing and LPP 6.14 states that development proposals should promote the uptake of Delivery and Service Plans.
- 292 LPP 5.16 seeks to minimise waste and, amongst other things, exceed recycling and reuse levels in construction, excavation and demolition waste of 95% by 2020. The Mayor of London's Sustainable Design and Construction SPG (2014) makes clear that developers should maximise the use of existing resources and materials and minimise waste through the implementation of the waste hierarchy.
- 293 Storage facilities for waste and recycling containers should meet at least BS5906:2005 Code of Practice for waste management in Buildings in accordance with London Plan Housing Supplementary Planning Guidance (2016) standard 23.

### *Discussion*

- 294 The Applicants have included a Framework Delivery and Servicing Plan, within the Transport Assessment. This strategy provides indicative details for the collections of waste and recycling. It is proposed that the Estate Management Company will employ a private waste management company to transfer the bins to the concertina shaped external bin store ahead of collection day. Refuse is to be collected by LBL Waste, and a swept path analysis has been provided to demonstrate that the bins can be collected with less than a 10m drag distance, and the refuse truck will egress in a forward gear. Refuse collection operatives will be provided by a remote control key fobs.
- 295 Vehicular access will be restricted to the north of the site by automatic bollards in order to create a secure environment for pedestrians. It is the applicant's intention to stop up Silver Road, in order to reduce the area required within the site for vehicular access. The entrance to the site is not proposed to be gated, in order to maximise the quantum of public realm and accessible river frontage. A stopping up order would be required following the grant of planning consent, and an informative will be included to this effect.
- 296 The details provided are considered acceptable and it is recommended that a detailed Delivery and Servicing Strategy shall be submitted for approval by as a pre-occupation condition.
- 297 As previously set out, each core will have a residential bin store which residents can access internally, adjacent to the lift cores. Each store will be mechanically ventilated and will be equipped with floor drains for regular cleaning. A separate, larger bin store is to be located on the west side of the site adjacent to the railway where the refuse and recycling bins will be collated by the estate management team ahead of collection by the Council. Commercial refuse collection will be privately managed by the employment units.

## **8.6.3 Transport modes**

### ***Walking and cycling***

#### *Policy*

- 298 London Plan (2016) Policy 6.9 states developments should provide secure, integrated, convenient and accessible cycle parking facilities. Policy 6.10 encourages developers to ensure high quality pedestrian environments, including the use of shared space principles.

- 299 Policy T5 of the Draft London Plan states development proposals should create a healthy environment in which people choose to cycle, and should provide cycle parking in accordance with the minimum standards.
- 300 Development should give priority first to pedestrian and cycle movements, both within the scheme and with neighbouring area. Development should create places that are safe, secure and attractive, minimising the scope for conflicts between pedestrians, cyclists and vehicles.
- 301 LPP 6.9 sets out to bring a significant increase in cycling to at least 5% of modal share by 2026, supported by the implementation of Cycle Superhighways and the central London cycle hire scheme and provision of facilities for cyclists including secure cycle parking and on-site changing and shower facilities for cyclists.

#### *Discussion*

- 302 The scheme proposes 264 cycle parking spaces for the residential elements, split into 252 long stay spaces and 12 short stay spaces within internal cycle stores. The proposed number of spaces complies requirements set out in the London Plan. Double stacker-style cycle racks are proposed for the secure storage areas, and visitor cycle parking is proposed to be Sheffield stands. Details of the stackers will be controlled by condition.
- 303 The scheme also includes 20 cycle parking spaces for the non-residential elements, split into 8 long stay spaces within the proposed commercial units and 12 short stay spaces within the surrounding public realm.
- 304 Highways officers have assessed the submission, and are satisfied that the proposal would be compliant with cycle standards.

#### **Public transport**

##### *Policy*

- 305 The London Plan (2016) Policy 6.13 states there should be an appropriate balance between promoting new development and preventing excessive car-parking provision that can undermine cycling, walking and public transport. Development should, as far as possible, facilitate access to high quality public transport.

##### *Discussion*

- 306 Concerns have been raised by local people about overcrowding on rail services at Lewisham station.
- 307 The development is anticipated to increase usage of public transport (rail, buses and DLR). TfL has reviewed the current and planned capacity of the DLR network and this indicates that the Lewisham branch between Bank and Stratford is now operating over capacity, meaning that in some instances users are unable to board trains during the morning peak. It also finds that additional demand from this and other planned development would place further strain on the DLR network and extend capacity constraints further south along the network during morning peak.
- 308 To help address this issue, TfL is proposing to buy additional rolling stock to help increase frequencies of services and has requested that the Applicant makes a financial contribution of £80,000 towards DLR capacity enhancements, which would be added to other financial contributions from adjacent developments if approved. The additional trains are due to come in to service in May 2022, and the DLR station is currently operating over capacity. Should permission be granted for the proposal, it is unlikely that it would be completed/ occupied prior to the DLR works

### **Car clubs**

- 309 A Zipcar car club operates throughout the Borough with a mixture of on-street and off-street parking spaces provided. There are four car club bays within a five minute walk of the site. The Applicant is willing to pay car club membership for 3 years for the first occupiers of all the residential units. It is recommended that these measures are secured as part of a S106 agreement.

### **Private cars (including disabled and electric charging points)**

#### *Policy*

- 310 LPP 6.13 seeks to ensure a balance is struck to prevent excessive car parking provision that can undermine cycling, walking and public transport use and through the use of well-considered travel, plans aim to reduce reliance on private means of transport. Table 6.2 Car parking standards in the London Plan states that all residential developments in areas of good public transport accessibility should aim for significantly less than one space per unit. It also requires that developments must provide for the needs of disabled users. CSP 14 states that the Council will take a restrained approach to parking provision. DMP 29 requires wheelchair parking to be provided in accordance with best practice standards and London Plan Standard 18 requires designated wheelchair accessible dwellings to have a designated disabled car parking space.
- 311 Development should be designed to enable charging of plug-in and other ultra-low emission vehicles in safe, accessible and convenient location, in accordance with Policy 6.13 of the London Plan (2016).

#### *Discussion*

- 312 The scheme proposes 8 onsite disabled parking bays for the wheelchair units, 3 reserved for the affordable units and 5 for the private market units. It is proposed that the Blue Badge spaces will be leased to residents on a 28-day rolling lease and this approach has been welcomed by TfL. Officers consider that a reduced number of Blue Badge bays is acceptable, on the basis of the excellent public transport links and step free access of Lewisham Station.
- 313 The scheme proposes that 20% of the parking spaces will be provided with active Electric Vehicle Charging Points, with a further 30% to provide passive provision. This is in accordance with London Plan policies.
- 314 Numerous objections raised the issue of overspill parking generated from the development putting pressure on the car parking capacity on surrounding streets. The Council's Highways team have requested the applicant fund a review of the CPZ which has been agreed in principle and will be secured by S106 obligation.
- 315 It is recommended that a planning obligation ensures that residential occupiers of the scheme (except for disabled drivers) would not be eligible to apply for on-street parking permits. This restriction is common to major new developments within the Borough within existing/potential controlled parking zones and is considered appropriate in view of the high PTAL of the development and the need to protect the amenity of existing residents who need to park on-street. The restriction is also supported by TfL, as it would reduce traffic generated by the application scheme
- 316 The site has a PTAL rating of 6a (Excellent) and is within a short walking distance of Lewisham Station, and the low car parking provision is acceptable in principle.



#### **8.6.4 Transport impact conclusion**

317 The proposal would not result in harm to the local highway network or pedestrian or highway safety. Car ownership for future occupiers would be low, with spaces afforded to disabled users only, whilst the S106 would secure car club membership for 3 years for the first occupiers of all the residential units. Cycle provision would accord with policy, providing dry and secure storage, whilst walking would be promoted.

#### **LIVING CONDITIONS OF NEIGHBOURS**

##### *Policy*

318 NPPF para 127 sets an expectation that new development will be designed to create places that amongst other things have a 'high standard' of amenity for existing and future users. At para 180 it states decisions should ensure that new development is appropriate for its location taking into account the likely effects (including cumulative effects) of pollution on health and living conditions.

319 This is reflected in relevant policies of the London Plan (LP7.6), the Core Strategy (CP15), the Local Plan (DMP32) and associated guidance (Housing SPD 2017, GLA; Residential Standards SPD 2012, LBL).

320 LPP 7.6(b)(d) requires new development to avoid causing 'unacceptable harm' to the amenity of surrounding land and buildings, particularly in relation to privacy and overshadowing.

321 CSP 15 requires new development to be sensitive to the local context and to respond to local character.

322 DMP 32(1)(b) expects new developments to provide a 'satisfactory level' of privacy, outlook and natural lighting for its neighbours.

323 Further guidance is given in the Housing SPD 2017, GLA;

##### *Discussion*

324 The main impacts on amenity arise from: (i) overbearing enclosure/loss of outlook and privacy; (ii) loss of daylight within properties and loss of sunlight to amenity areas; and (iii) noise and disturbance.

325 A substantial proportion of objections received for the scheme pertained the perceived impact of the proposed development on the surrounding occupiers, particularly with regard to increase opportunities for overlooking and impact on sunlight and daylight. This section assesses the proposed development on the sensitive receptors.

#### **8.6.5 Enclosure, Outlook and Privacy**

##### *Policy*

326 Overbearing impact arising from the scale and position of blocks is subject to local context. Outlook is quoted as a distance between habitable rooms and boundaries.

327 Privacy standards are distances between directly facing existing and new habitable windows and from shared boundaries where overlooking of amenity space might arise.

328 LPP 3.5 focuses on standards in new development, with the Mayor of London's Housing SPG noting that former commonly used minimum separation distances between habitable rooms of 18 – 21 metres may be useful guides, but advocates a more flexible approach to managing privacy.

### *Discussion*

- 329 The proposed development would face onto existing homes on Odell Walk and Smead Way to the east. At its nearest point, the proposed development would be approximately 21m between habitable windows.
- 330 The properties along Marsala Road, beyond the railway border the south-west of the application boundary are considered to be of a sufficient distance (63m at its closest point) to not be adversely affected with regard to privacy and overlooking.
- 331 Officers consider that the above proposed separation distances and detailed arrangements are appropriate and should adequately safeguard the privacy of occupiers of existing and approved neighbouring homes.

## **8.6.6 Daylight and Sunlight**

### *Policy*

- 332 DM Policy 32 requires new development to provide a satisfactory level of natural lighting both for its future residents and its neighbours. Daylight and sunlight is generally measured against the Building Research Establishment (BRE) standards however this is not formal planning guidance and should be applied flexibly according to context.
- 333 The NPPF does not express particular standards for daylight and sunlight. Para 123 (c) states that, where there is an existing or anticipated shortage of land for meeting identified housing need, LPAs should take a flexible approach to policies or guidance relating to daylight and sunlight when considering applications for housing, where they would otherwise inhibit making efficient use of a site.
- 334 Standard 32 of the Housing SPG details that “All homes should provide for direct sunlight to enter at least one habitable room for part of the day.” The Housing SPG further states that where direct sunlight cannot be achieved in line with Standard 32, developers should demonstrate how the daylight standards proposed within a scheme and individual units will achieve good amenity for residents.
- 335 The GLA states that ‘An appropriate degree of flexibility needs to be applied when using BRE guidelines to assess the daylight and sunlight impacts of new development on surrounding properties, as well as within new developments themselves. Guidelines should be applied sensitively to higher density development, especially in opportunity areas, town centres, large sites and accessible locations, where BRE advice suggests considering the use of alternative targets. This should take into account local circumstances; the need to optimise housing capacity; and scope for the character and form of an area to change over time.’ (GLA, 2017, Housing SPG, para 1.3.45).
- 336 Alternatives may include ‘drawing on broadly comparable residential typologies within the area and of a similar nature across London.’ (ibid, para 1.3.46).
- 337 It is therefore clear that the BRE standards set out below are not a mandatory planning threshold.
- 338 **Daylight** is defined as being the volume of natural light that enters a building to provide illumination of internal accommodation between sun rise and sunset. This can be known as ambient light. **Sunlight** refers to direct sunshine.

### ***Daylight guidance***

- 339 The three methods for calculating daylight are as follows: (i) Vertical Sky Component (VSC); (ii) Average Daylight Factor (ADF); and (iii) No Sky Line (NSL).

340 The VSC is the amount of skylight received at the centre of a window from an overcast sky. The ADF assesses the distribution of daylight within a room. Whereas VSC assessments are influenced by the size of obstruction, the ADF is more influenced factors including the size of the window relative to the room area and the transmittance of the glazing, with the size of the proposed obstruction being a smaller influence. NSL is a further measure of daylight distribution within a room. This divides those areas that can see direct daylight from those which cannot and helps to indicate how good the distribution of daylight is in a room.

341 In terms of material impacts, the maximum VSC for a completely unobstructed vertical window is 39.6%. If the VSC falls below 27% and would be less than 0.8 times the former value, occupants of the existing building would notice the reduction in the amount of skylight. The acceptable minimum ADF target value depends on the room use: 1% for a bedroom, 1.5% for a living room and 2% for a family kitchen. If the NSL would be less than 0.8 times its former value, this would also be noticeable.

342 While any reduction of more than 20% would be noticeable, the significance and therefore the potential harm of the loss of daylight is incremental.

343 It is important to consider also the context and character of a site when relating the degree of significance to the degree of harm.

### ***Sunlight guidance***

344 Sunlight is measured as follows: (i) Annual Probable Sunlight Hours (APSH); and (ii) Area of Permanent Shadow (APS)

345 The APSH relates to sunlight to windows. BRE guidance states that a window facing within 90 degrees due south (windows with other orientations do not need assessment) receives adequate sunlight if it receives 25% of APSH including at least 5% of annual probable hours during the winter months. If the reduction in APSH is greater than 4% and is less than 0.8 times its former value then the impact is likely to be noticeable for the occupants. The APS relates to sunlight to open space: the guidance states that gardens or amenity areas will appear adequately sunlit throughout the year provided at least half of the garden or amenity area receives at least two hours of sunlight on 21st March.

### ***Discussion***

346 The application is accompanied by a Daylight & Sunlight Assessment (Daylight, Sunlight and Overshadowing Report [Version 2], prepared by Point Surveyors, November 2018.)

347 The Assessment concludes that following the re-siting of the building and reduction in height, 'many of the surrounding properties meet the typical BRE guidelines recommendations for daylight and sunlight. For those properties closer to the site there will be some more noticeable changes in daylight and sunlight potential, but the retained levels of daylight and sunlight amenity with the proposed development in place are shown to be good for a dense urban context, albeit below the nationally applicable standards outlined in the BRE Guidelines.'

### ***Daylight***

348 The existing Axion House site is a two-storey warehouse with smaller single storey buildings around the periphery. This is low rise, brownfield and undeveloped, an unusual parcel of land infrequently found within a town centre boundary. The surrounding residential properties have benefited from unusually high levels of sunlight and daylight given the urban town centre context.

- 349 Several properties along Smead Way, Odell Walk and Marsala Road have been identified by the Applicant's consultants as sensitive receptors for the daylight and sunlight assessment and have been quantitatively assessed.
- 350 It should be noted that there are limitations when applying the established BRE guidelines to new developments in London, as the guidelines are predicted upon lower rise suburban environments and do not translate accordingly when applied to denser urban environments. Accordingly, a relative change reduction in internal daylight in excess 20% would typically fail BRE guidelines, despite still providing an acceptable internal daylight level of e.g. 30% Vertical Sky Component (VSC).
- 351 The report for the previous application acknowledged that there would be some loss of sunlight and daylight above the existing situation, however the detailed results showed that in the vast majority of cases the existing levels of daylight retained to the surrounding residential properties, even on the lowest floors, would be in excess of the 27% VSC minimum, and typically in excess of 30% VSC.
- 352 This view was not supported by Members, and a motion to refuse permission was subsequently passed.
- 353 An updated assessment was undertaken in November 2018 to address the proposed reduction in height and repositioning of the development, and the subsequent impact upon neighbouring amenity.
- 354 The detailed assessment confirms that a number of windows serving habitable rooms would be adversely affected by the proposed development. It concedes that for the properties that lie closest to the application site, there would be changes in daylight and sunlight potential, but that the retained levels of daylight and sunlight amenity 'are shown to be good for a dense urban content'.
- 355 The report advises that 76% of the assessed openings would meet the BRE recommendations in relation to VSC assessment – in the previous scheme, 71% of the openings would have met with BRE guidance.
- 356 92% of rooms would meet the No-Sky Line (NSL) recommendations which is the same as the previous scheme. 99% of rooms would meet the Annual Probable Sunlight Hours (APSH) recommendations compared to 98% for the previous scheme

**Table [8]: Comparison between 2017 and 2019 proposal schemes**

	VSC		NSL		APSH	
	2017 scheme	2019 scheme	2017	2019	2017	2019
Assessed windows in accordance	71%	76%	-	-	-	-
Assessed rooms in accordance	-	-	92%	92%	98%	99%

- 357 Several windows serving habitable rooms at 12-16 Smead Way, Bellflower Court and 11-21 Odell Walk would receive reduced levels of internal sunlight and daylight to their properties, below the recommended BRE guidelines. However, the most affected properties along Odell Walk would still achieve an ADF of 1.32% (with 1.5% being the threshold) to all living rooms which is not uncommon in an urban environment.

- 358 Several living rooms in 16 Smead Way and Bellflower Court would suffer notable reductions, below 15% VSC. However, it should be noted that these are due in part to the design and orientation of the existing flats and projecting balconies – which create self shading. These rooms currently experience much lower levels of daylight than the BRE 27% VSC minimum guideline. Moreover, the existing living rooms already suffer from an Average Daylight Factor of circa 0.3 before the proposed development, which is significantly below the 1.5 ADF guideline.
- 359 All properties along Odell Walk affected would retain a minimum of 19% VSC. All properties along Marsala Road would retain in excess of 30% VSC.
- 360 Given the existing high levels of daylight and sunlight received by the surrounding properties to the application site, a number of habitable rooms would result in reduced levels of daylight and sunlight but on the basis of the Sunlight and Daylight Assessment submitted in support of the application, the revised reduction is considered to be reasonable and commensurate. Officers are satisfied that the surrounding properties will retain an acceptable level of amenity commensurate to the urban context. The overall benefits of the scheme outweigh the harm and is not sufficient to warrant a refusal on this basis.

### ***Sunlight***

- 361 A quantitative sun on ground analysis was undertaken in support of the application to establish the degree of overshadowing caused by the proposed development upon the gardens for the surrounding properties on Smead Way, Odell Walk and Marsala Road. The BRE recommends that ideally at least 50% of any amenity space should receive at least 2 hours of sunlight on 21st March.
- 362 The results show that all properties along Odell Walk will retain in excess of 59% of their area receiving at least two hours of sunlight, with the typical retention being 69%. The typical reduction on Marsala Road is 1%.
- 363 16 Smead Way currently fails to achieve the BRE threshold receiving 38.3% in the communal outdoor space serving the flats. As a result of the proposed development, this would fall to 38.1% - previously this was 35.9%, which is a lower loss than the previous application, and a reduction which is considered acceptable.
- 364 14 Smead Way currently achieves 56.3% of the communal outdoor amenity space associated with the block of flats. As a result of the proposed development, this would fall to 53.8%, in comparison with the previous 47.1%.

### **8.6.7 Impact on neighbours conclusion**

- 365 Officers consider that proposed development would result in an acceptable impact on the neighbouring amenity of surrounding properties with respect to overshadowing.
- 366 In summary, officers consider that the proposed reduction in height and re-siting of the development has served to improve the extent of harm upon neighbouring amenity, and are satisfied that the conclusions of the report addresses the concerns raised previously.

### **8.7 SUSTAINABLE DEVELOPMENT**

- 367 NPPF para 148 sets an expectation that planning will support transition to a low carbon future.
- 368 This is reflected in relevant policies of the London Plan and the Local Plan.

369 Environmental sustainability is a cross-cutting theme that is also considered under a number of other headings in this report, including Urban Design, Transport and Housing.

### **8.7.1 Energy and carbon emissions reduction**

#### *Policy*

370 LPP 5.1 seeks an overall reduction in carbon dioxide (CO<sub>2</sub>) emissions whilst LPP 5.2 (Minimising Carbon Dioxide Emissions) states that major development proposals should make the fullest contribution to minimising CO<sub>2</sub> in accordance with the following hierarchy: (1) be lean: use less energy; (2) be clean: supply energy efficiently; and (3) be green: use renewable energy.

371 In addition, LPP 5.2 sets targets for CO<sub>2</sub> reduction in buildings, expressed as minimum improvements over the Target Emission Rate (TER) outlined in national building regulations. The target for residential buildings is zero carbon from 2016 and non-domestic buildings from 2019, prior to which the target is as per building regulations (35%). LPP 5.3 advocates the need for sustainable development.

372 LPP 5.7 presumes that all major development proposals will seek to reduce CO<sub>2</sub> by at least 20 per cent through the use of on-site renewable energy generation wherever feasible.

373 The London Plan approach is reflected in CSPs 7 and 8 (which also requires BREEAM 'Excellent' for non-residential development) and DMP 22. LTC 24 calls for all major developments to incorporate communal heating and sets out detailed guidance on energy centre location and energy networks. It also highlights the potential for the Loampit Policy Area to support a cluster of decentralised energy. LTC25 calls for all developments to adapt to the potential of climate change and incorporate appropriate measures (including living roofs and walls, water saving measures, SUDS, planning etc.).

374 Further guidance is given in The Mayor's Sustainable Design and Construction SPG (April 2014), which sets out targets and provides guidance as to how to achieve those targets as efficiently as possible.

#### *Discussion*

375 The application is accompanied by an Energy and Sustainability Assessment (Energy Strategy and LZC Report, prepared by Desco, ref 1546-50-RPT-02, 30 November 2018). This sets out the measures to be taken to reduce carbon emissions in compliance with the energy hierarchy.

376 It also sets out an assessment of proposed measures to reduce the risk of overheating and reduce reliance on air conditioning.

#### ***Be Lean***

377 The façade design includes high performance building fabric, airtightness and low thermal bridging to reduce winter heat loss. The scheme proposes a mechanical ventilation system with heat recovery to warm the fresh air ventilating the new units.

#### ***Be Clean***

378 The scheme incorporates an on-site Combined Heat and Power (CHP) for generating energy to the residential and commercial units.

#### ***Be Green***

379 In response to comments raised by the GLA in their Stage 1 response, when reducing the height of the scheme the applicant also sought the inclusion of a solar PV array on the

roof. The proposal now includes 11.5kW of photovoltaic roof panels to achieve a 35% reduction target on the commercial units.

380 The residential element would incorporate the gas fired CHP into the district heating system which would provide a 38% reduction.

381 The lean, clean and green measures together would deliver about 38% carbon savings compared to the 2013 Regulations. It is recommended that the delivery of these on-site measures and the achievement of the identified carbon savings is secured by way of a planning obligation.

### ***Carbon Offset***

382 This application was received after the London Plan 'zero carbon' policy came in to force on 1<sup>st</sup> October 2016. The Applicant proposes a financial contribution of £243,360 as a carbon reduction payment calculated at £104 per tonne to off-set the shortfall of tonnes per year (for 30 years). This contribution would be paid into the Council's carbon offset fund which would be used to reduce carbon emissions and improve sustainability across the borough.

### ***Water saving***

383 Officers recommend that a planning condition secures compliance with the standard set out in the Mayor's SPG of 105 litres per person per day – which is equivalent to the former CfSH Level 4.

### ***BREEAM***

384 The Applicant has submitted a revised BREEAM Pre-assessment which confirms that all the commercial units and their respective uses can achieve an 'Excellent' rating to Shell and Core. Confirmation that the Excellent standard is achieved will be controlled by condition.

### ***Summary***

385 The proposal would meet the carbon reduction targets and would contribute towards sustainable development, subject to an obligation securing mitigating features.

## **8.7.2 Overheating**

### ***Policy***

386 LP5.9 states that proposals should reduce potential overheating beyond Part L 2013 of the Building Regulations reduce and reliance on air conditioning systems and demonstrate this in accordance with the Mayor's cooling hierarchy. Draft LPP SI14 echoes this.

387 DMP 22 reflects regional policy.

388 Further guidance is given in the Sustainable Design and Construction SPG (GLA) and Chapter 5 of the London Climate Change Adaptation Strategy.

### ***Discussion***

389 Overheating details have been submitted as part of the Energy Statement, which the GLA have advised is insufficient. In response, further information was forwarded to the GLA, however at the time of writing this report, this matter had yet to be resolved. It is therefore appropriate to include a condition that requires the submission of information for further review.

### 8.7.3 Urban Greening

#### *Policy*

- 390 LPP 5.10 requires development to contribute to urban greening, including tree planting, green roofs and walls and soft landscaping, recognising the benefits it can bring to mitigating the effects of climate change.
- 391 LPP 5.11 encourages major development to include planting and especially green roofs and walls where feasible, to deliver as many of the policy's seven objectives as possible.
- 392 CSP 7 specifies a preference for Living Roofs (which includes bio-diverse roofs) which in effect, comprise deeper substrates and a more diverse range of planting than plug-planted sedum roofs, providing greater opportunity for bio-diversity.

#### *Discussion*

- 393 Areas of bio-diverse roof are incorporated into the 6th, 10th and 15th floors. The details of quantum and types of living roof materials will be secured by way of condition.

### 8.7.4 Flood Risk

#### *Policy*

- 394 Paragraph 155 of the NPPF (2019) requires new development to be sited away from areas at risk of flooding, whilst para.165 states that major development should incorporate sustainable drainage systems, unless there is clear evidence that this would be inappropriate.
- 395 LPP 5.12 requires the mitigation of flooding, or in the case of managed flooding, the stability of buildings, the protection of essential utilities and the quick recovery from flooding.
- 396 LP and draft LP London Plan Policies 5.12 and 5.13 requires new development proposals to comply with the flood risk assessment and management requirements set out in the NPPF.
- 397 LPP 7.13 expects development to contribute to safety, security and resilience to emergency, including flooding.
- 398 CSP 10 requires developments to result in a positive reduction in flooding to the Borough.
- 399 Further guidance is given in the London Plan's Sustainable Design and Construction Supplementary Planning Guidance.

#### *Discussion*

- 400 The application is accompanied by a Flood Risk Assessment, prepared by Heyne Tillet Steel (23 November 2018).
- 401 The River Ravensbourne, runs adjacent to boundary of the site to the north. The site falls within Flood Risk Zone 2/3.
- 402 The site directly adjacent to the west of the River Ravensbourne is wholly sited within Flood Zone 3 and has a high risk of flooding. The applicant has worked extensively with the Environment Agency throughout the pre-application stages and during the planning application process. The Environment Agency have raised no objections to the scheme subject to a number of conditions and planning obligations.



- 403 The proposed development has been modelled against the most up to date flood mapping and makes allowances for climate change. The report states that the worst case flood level is 9.22m AOD. Accordingly a condition requiring all vulnerable uses, including residential sleeping accommodation, the substation and the CHP energy centre to have a finished floor level of no less than 9.53m AOD.
- 404 The existing building on the site has a footprint of 2,350m<sup>2</sup>. The proposed building will have a footprint of 1,811m<sup>2</sup>, as such the development will result in a reduced impermeable area and will not result in a loss of water storage. Moreover, the existing site is currently covered with extensive impermeable hardstanding.
- 405 The proposed drainage strategy will comprise a piped network with a 200m<sup>3</sup> attenuation tank provided in a buried geocellular storage. Surface water is proposed to discharge into the River Ravensbourne attenuated to a greenfield runoff rate of 5.0l/s. Permeable landscaping has also been designed into the scheme to encourage natural infiltration. The Lead Local Flood Authority objected to the application citing insufficient information though officers consider that these matters can be adequately dealt with by condition
- 406 The Environment Agency seek an 8m buffer to be kept between the built development and watercourses to allow for flood defence inspection, maintenance and replacement work, whilst allowing a suitable margin to support ecology and biodiversity. The Environment Agency have identified a pinch point of 6.5m between the river wall and the façade of the building which falls below the minimum 8m buffer. Given the constraints of the site the EA have requested a condition requiring a scheme to demonstrate that no permanent structures will be located within 6m of the river wall and that any non-permanent structures could reasonably be removed to permit maintenance and improvements works to the river wall.
- 407 On the basis of the above, it is considered that the scheme is acceptable in terms of flood risk, subject to the appropriate information being secured by condition and planning obligation.

### **8.7.5 Sustainable Urban Drainage**

#### *Policy*

- 408 The NPPF at para 165 expects major development to incorporate sustainable urban drainage systems (SUDS) unless there is clear evidence it is inappropriate.
- 409 LPP 5.13 requires SUDS unless there are practical reasons for not doing so. In addition, development should aim to achieve greenfield run-off rates and ensure surface water is managed in accordance with the policy's drainage hierarchy. The supporting text to the policy recognises the contribution 'green' roofs can make to SUDS. The hierarchy within LPP 5 establishes that development proposals should include 'green' roofs and that Boroughs may wish to develop their own green roof policies. To this end, CSP 7 specifies a preference for Living Roofs (which includes bio-diverse roofs) which in effect, comprise deeper substrates and a more diverse range of planting than plug-planted sedum roofs, providing greater opportunity for bio-diversity.
- 410 Further guidance is given in the London Plan's Sustainable Design and Construction Supplementary Planning Guidance and the Non-Statutory Technical Standards for Sustainable Drainage Systems.

#### *Discussion*

- 411 The Applicant's Drainage Strategy is based on a water discharge rate of 5.0l/s. To achieve this, the surface water discharge rate would be attenuated by the use of SuDS measures

via an attenuated underground storage tank adjacent to the sites eastern boundary. The total volume of the storage tank would be 200m<sup>3</sup>. Foul water will drain into Thames Water.

412 The proposed drainage strategy complies with key relevant policies and is considered acceptable and it is recommended that its delivery is secured by planning condition. It is also recommended that a planning condition reserves the details of the proposed living roofs for approval by the Council to ensure that the details are acceptable.

### **8.7.6 Sustainable Infrastructure conclusion**

413 Officers and the GLA have robustly interrogated the Applicant's Energy and Sustainability Assessment and consider that given the constraints of the site and the slender forms of the proposed buildings, the proposed on-site savings and off-site financial contribution are acceptable.

## **9 NATURAL ENVIRONMENT**

### *Policy*

414 Contributing to conserving and enhancing the natural environment and reducing pollution is a core principle for planning.

415 The NPPF and NPPG promote the conservation and enhancement of the natural environment (chapter 15) and set out several principles to support those objectives.

416 The NPPF at para 180 states decisions should ensure that new development is appropriate for its location taking into account the likely effects (including cumulative effects) of pollution on health, living conditions and the natural environment, as well as the sensitivity of the site or wider area to impacts that could arise from the development.

417 LPP 2.18 sets out the Mayor of London's vision for Green Infrastructure as a multifunctional network that brings a wide range of benefits including among other things biodiversity, adapting to climate change, water management and individual and community health and well-being.

### **9.1.1 Ecology and biodiversity**

418 Section 40 of the Natural Environment and Rural Communities Act 2006 places a duty on all public authorities in England and Wales to have regard to the purpose of conserving biodiversity.

419 The NPPF at para 170 states decisions should minimise impacts on and provide net gains for biodiversity, including by establishing coherent ecological networks that are more resilient to current and future pressures. At para 175, it sets out principles which LPAs should apply when determining applications in respect of biodiversity.

420 LPP 7.19 seeks wherever possible to ensure that development makes a positive contribution to the protection, enhancement, creation and management of biodiversity.

### *Discussion*

421 The application is accompanied by a preliminary Habitat Survey (Extended Phase 1 Ecology, prepared by Richard Graves Associates, November 2018). The Survey concludes there are no previous records of protected species using the site, and no evidence of protected species was recorded.

422 The application site is located adjacent to a Site of Importance for Nature Conservation. The site itself primarily comprises existing buildings and hardstanding which remain in a

good state of repair and is of low ecological value. The applicant's submitted Ecology Survey sets out the findings of an extended Phase 1 habitat survey of the site, the buildings were assessed to have negligible potential for roosting bats. The survey identified Japanese Knotweed on the site, but showed no record or evidence of protected species during the field visit. The report goes on to recommend the following mitigation measures:

- Measures for protecting the adjacent Site of Nature Importance Conservation (SINC) from impacts during construction including noise and dust and any other pollution to be included within the Construction Environmental Management Plan (CEMP);
- Lighting impacts during construction and operation of the new development should be directed away from vegetation, trees and wildlife corridors and minimise any impacts on bats;
- Checking for nests if the building is to be demolished and/or trees to be felled during the bird breeding season (March to end August);
- Removal of Japanese Knotweed by specialist contractor;
- Pre-construction survey to be completed immediately prior to the start of development works on site;
- Enhancement works to include: use of native species in new landscape planting, living roofs and walls and installation of bird and bat boxes.

423 The proposed scheme makes provisions for the inclusion of a biodiverse roof, and substantial soft landscaping. It is recommended that the following conditions are included:

- Details of bird and bat boxes
- Details of external lighting
- Construction Environmental Management Plan (CEMP and the approval and implementation of a Habitat Creation Management Plan (HCMP) to ensure that the above mitigation measures and potential enhancements are realised
- Details and delivery of the living roofs
- Soft landscaping details.

424 The proposal is acceptable in terms of ecology and biodiversity, subject to those conditions.

### **9.1.2 Green spaces and trees**

#### *Policy*

425 S.197 of the Town and Country Planning Act gives LPAs specific duties in respect of trees.

426 LPP 7.21 protects trees of value and replacements should follow the principle of 'right place, right tree'. New development should include additional trees wherever appropriate, particularly large-canopied species.

427 Paragraph 170 of the NPPF (2019) requires that decisions should contribute to and enhance the natural and local environment. DM Policy 25 seeks to ensure that applicants consider landscaping and trees as an integral part of the application and development process.

#### *Discussion*

428 The application is accompanied by a Tree Report, prepared by Ian Keen Limited on 9 November 2016, which concludes that the site is essentially devoid of trees with none of significant merit within it.

429 The Design and Access Statement confirms in Para.6.7 that two existing trees in the south-eastern corner would be felled, with the removal of overgrown shrubs from the riverside. Officers raise no objections to the removal of the two trees.

430 Two new trees will be planted to the Arrival Square - one at the entrance to the site and the other at the approach to the Riverside Square.

431 To the southern side of the site, trees and shrubs would be planted within the Workspace Garden, in addition to a green boundary to the eastern side.

### **9.1.3 Rivers and waterspaces**

#### *Policy*

432 LPP 7.24 identifies routes along the Blue Ribbon Network (BRN). The Rivers Ravensbourne (route 16) and Quaggy (22) lie within the Borough. LPP 7.27 promotes the use of the BRN for supporting infrastructure and recreational use. LPP 7.28 seeks to restore and enhance the BRN, including naturalisation and increasing habitat value.

433 LPP 7.29 ensures development be consistent with the Thames Strategy for the particular stretch of river concerned.

434 CSP 11 aspires to naturalise as much as possible the river corridor thereby offering significant environmental improvements, or partial restoration and channel enhancements.

435 The *River Corridor Improvement Plan* SPD (RCIP) requires all new development, an integrated approach where land and river uses are considered together. The RCIP sets out a hierarchy of restoration and enhancements for the Borough's rivers.

#### *Discussion*

436 The River Ravensbourne runs adjacent to the site. This Main River is identified in the River Corridor Improvement Plan as being of importance for ecology and environmental improvements. The current concrete channel offers little in the way of ecology or visual benefit.

437 The current scheme proposes to enhance the setting of the River Ravensbourne but concludes it is unfeasible to reinstate the naturalisation of the River Ravensbourne. This is due to a number of factors including ownership of the river wall, the naturalisation's effect on the structural stability of the river wall and, in order to achieve naturalisation, would require a gradient which would result in a plot of land too small to develop. Moreover, emergency vehicle access needs to be maintained around the site.

438 The proposal would introduce extensive planting, and climbing plants to green the edges of the river wall, whilst opening up the site to provide access to the river frontage. Based on the information and justification provided, officers consider that sufficient measures have been taken to improve the setting of the River Ravensbourne.

### **9.1.4 Ground pollution**

#### *Policy*

439 The NPPF at para 170 states decisions should among other things prevent new and existing development from contributing to, being put at unacceptable risk from, or being adversely affected by, unacceptable levels of soil pollution. Development should help to improve local environmental conditions.

440 The NPPF states decisions should contribute to and enhance the natural and local environment by remediating and mitigating contaminated land, where appropriate (para

170). Further, the NPPF at para 178 and NPPG states decisions should ensure a site is suitable for its proposed use taking account of ground conditions and any risks arising from contamination.

441 The test is that after remediation, land should not be capable of being determined as “contaminated land” under Part 2A of the Environmental Protection Act 1990.

442 LPP 5.21 reflects national policy, whilst DM Policy 28 advises the Council will use appropriate measures to ensure that contaminated land is fully investigated.

443 Further guidance is given in *Contaminated Land Statutory Guidance* (Defra, 2012)

#### *Discussion*

444 The application is accompanied by a Phase I Environment Assessment, prepared by Heyne Tillet Steel on 29 November 2018, which concludes there is a high risk of significant contamination from on-site uses.

445 The Council’s EHO requested that further investigations are undertaken prior to any remediation strategy being agreed. The Environment Agency also requested further soil testing to be undertaken. Officers are satisfied that the matters can be satisfactorily dealt with by way of a planning condition requiring further ground investigations, a remediation strategy and verification report to be submitted for approval.

### **9.1.5 Air pollution**

#### *Policy*

446 The NPPF at para 170 states decisions should among other things prevent new and existing development from contributing to, being put at unacceptable risk from, or being adversely affected by, unacceptable levels of air pollution. Development should, wherever possible, help to improve local environmental conditions such as air quality.

447 Proposals should be designed and built to improve local air quality and reduce the extent to which the public are exposed to poor air quality. Poor air quality affects people’s living conditions in terms of health and well-being. People such as children or older people are particularly vulnerable.

448 LP7.14 states new development amongst other requirements must endeavour to maintain the best ambient air quality (air quality neutral) and not cause new exceedances of legal air quality standards. Draft LP SI1 echoes this.

449 Further guidance is given in the Mayor of London’s Air Quality Strategy.

#### *Discussion*

450 The application is accompanied by a preliminary Air Quality Assessment (AQA) prepared by WSP, November 2018. This sets out the measures to be taken in respect of air quality, including the potential air quality impacts during the construction phase and the potential exposure of future residents to poor air quality.

451 The application site falls within an Air Quality Management Area. The AQA identifies a medium risk for dust soiling impacts and increases in particulate matter concentrations within the construction phase. These risks can be mitigated through various construction management measures. Accordingly, a condition requiring details for approval of a Construction Environmental Management Plan will be included.

452 The results of the air quality assessment confirmed that post-construction all pollutant concentrations are predicted to be lower than the relevant objectives and do not require further mitigations.

453 The proposed development would not be air quality neutral due to performance against the Building Emission Benchmark for NOx emissions was found to be deficient and the Air Quality Assessment recommends being reviewed once details of the plant to be installed in the energy centre is confirmed. The Council's EHO has requested a revised air quality neutral assessment once the details of plant and machinery have been confirmed. This will be secured via condition, requiring compliance prior to commencement.

454 The proposed development, subject to appropriate mitigation secured by condition is considered acceptable.

### **9.1.6 Light pollution**

455 The NPPF at para 180 states that development should limit the impact of light pollution from artificial light on local amenity, intrinsically dark landscapes and nature conservation.

456 Para.7.10 of the D&A Statement advises that lighting measures will be undertaken to external areas, with proposed levels that would avoid glare and shadows. A condition will require the submission of details for officer assessment.

### **9.1.7 Wind & Microclimate**

#### *Policy*

457 LP7.7 states tall buildings should not affect their surroundings adversely in terms of among other things microclimate and wind turbulence.

458 Draft LP SI1 echoes this.

459 CSP 18(6) relates to microclimate and tall buildings.

#### *Discussion*

460 The application is accompanied by a Wind & Microclimate Assessment (Wind Microclimate, prepared by Urban Microclimate Limited, November 2018). This sets out the measures to be taken in respect of wind and microclimate. The Assessment concludes that, despite the development's relatively modest height, the orientation is such that it will create a wide obstruction to the prevailing south-westerly winds. The development would create a suitable environment for pedestrian activity, sitting, enjoyment and use of the children's play space with no mitigation measures required.

461 The finished development is not considered to have any significant impact on the pedestrian level wind conditions within the surrounding areas. The development is therefore considered acceptable in respect to wind and microclimate and in accordance with Core Strategy Policy 18 (Tall Buildings).

### **9.1.8 Water**

#### *Policy*

462 LP Policy 5.15 refers to the need to protect and conserve water supplies and resources in order to secure London's needs in a sustainable manner.

#### *Discussion*

463 Thames Water have advised that there is currently insufficient capacity in the existing water network to accommodate the needs of the proposal. It is understood that the Applicant is currently working with Thames Water to agree a position of water networks but have been unable to do so in the time available. Thames Water have requested a condition restricting the occupation of the units until the network update required to

accommodate the additional flows from the development have been completed. This condition has been agreed with the applicant.

## 10 PLANNING OBLIGATIONS

464 The National Planning Policy Framework (NPPF) states that in dealing with planning applications, local planning authorities should consider whether otherwise unacceptable development could be made acceptable through the use of conditions or planning obligations. Planning obligations should only be used where it is not possible to address unacceptable impacts through a planning condition. The NPPF further states that where obligations are being sought or revised, local planning authorities should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled. The revised NPPF also sets out that planning obligations should only be secured when they meet the following three tests:

- (a) Necessary to make the development acceptable
- (b) Directly related to the development; and
- (c) Fairly and reasonably related in scale and kind to the development

465 Regulation 122 of the Community Infrastructure Levy Regulations (April 2010) puts the above three tests on a statutory basis. A planning obligation cannot be a reason for granting planning permission, unless it satisfies the tests set out in Regulation 122.

466 The obligations secured need to be considered in the context the infrastructure payments covered by the Community Infrastructure Levy CIL

467 Officers have been in negotiations with the Applicant regarding the Section 106 requirements arising from the redevelopment proposals. In this case, as well as securing the various elements required to deliver the project (such as highway infrastructure works) and commitments made in the application itself (such as affordable housing), a range of other contributions and obligations are considered necessary to make the development acceptable in planning terms.

468 The following S106 requirements have been identified in respect of the scheme:

### ***Housing***

- Minimum 25% affordable housing (by unit)
- Dwelling mix: Social Rent (London Affordable Rent) (25 units); and Shared Ownership (10) units. The mix of such units are as follows:

**Table [9]: Affordable proposal**

Affordable Housing Mix			
Unit Type	Affordable Rent	Shared Ownership	Overall
1 bed	10	6	16
2 bed	7	4	11
3 bed	8	0	8
Total	25	10	35

- The ten London Affordable Rent 1 bed units shall have a minimum floor area of 50sqm.
- Location – London Affordable Rent, plot plans for the affordable units to be secured and agreed by the Council.
- Timing of delivery – 100% of affordable units shall be practicably completed and ready for occupation before occupation of more than 75% of the private dwellings.

- Review mechanism – Early stage review (if the development has not been substantially implemented within two years from the date of the planning permission, if granted) and a late stage review.
- The Social Rented housing content of the scheme shall not exceed 50% of the total number units. (compliant with CS Policy 1)

### ***Transport and Public Realm***

- Car club membership – 3 years free membership
- CPZ parking permits restriction
- Developer required to notify prospective purchasers of the residential units that they will not be eligible for a resident's parking permit
- £30,000 contribution towards review of the hours of the CPZ and wheelchair parking and demand in the local area, based on the cost of:-
  - Meeting with Local groups to discuss the attractors in the area, the timings of the zone and the area to be consulted.
  - Consult residents in the agreed area on the agreed options and proposed design of the zone.
  - Provide drop-in events and allow Local Assemblies and TRAs time to raise issues at their meetings if necessary. Also highlight the approach to disabled bays.
  - Publish the results of the consultation on the web, identifying which options were favoured for the timings and area of the zone to be implemented.
  - Statutory consultation on the TMO.
- Financial contribution to improving the toucan crossing on Loampit Vale of £25,000 to widen the crossing from 4-6m closest to the Elmira Street junction. Works would include:
  - Moving one signal post
  - Moving one press button post
  - Installing 30m<sup>2</sup> paving / tactiles
  - Extending the dropped kerb by 2m
  - Reviewing signal timings
  - Renewing the PROM
  - Changing the signal timings
  - Applicant to enter into a S.278 agreement to secure the following:
  - Meet the cost of improvements to the pedestrian environment identified in the PERS Audit
  - £20,000 financial contribution towards lighting under the bridge on Elmira Street
  - Tactile Paving on Elmira Street
  - Footway Improvements to widen the path

### ***Employment & Training***

- Local labour and business contribution of £92,750 payable prior to commencement

### ***Carbon Offset Payment***

- Financial contribution of £243,360 payable upon commencement of development, calculated as follows:
  - $(104 \times 30) = £3120$



- (3120 x 78 tonnes shortfall) = £243,360

### ***Air Quality Management***

- Financial contribution of £15,000 payable upon commencement of development towards the cost of air quality management and monitoring.

### ***Commercial unit fit out***

- Developer to undertake initial fit-out of the commercial unit prior to any occupation of the residential unit to include:
  - Service connections for gas, electricity, water and foul drainage;
  - Provision for telecommunication services and broadband services;
  - Wall and ceiling finishes;
  - Wheelchair accessible entrances;
  - Screed floors;
  - Glazing solution.
- Marketing strategy to be submitted for approval 6 months prior to first occupation of any part of the development setting out the measures for marketing of the commercial unit, which shall include, among other things, rent levels, marketing methods and period of marketing. The agreed marketing measures shall be implemented at least 4 months prior to occupation of any part of the development.
- Details of affordable workspace models such as co-working space, incubators and accelerators which can support growth in new and micro businesses.
- Provision of co-working/incubator space or details of affordable rent for the commercial units.

### ***DLR***

- Financial contribution of £80,000 payable upon commencement of development towards planned station capacity improvements.

### ***Monitoring and Costs***

- Meeting the Council's reasonable costs in preparing and monitoring the legal obligations.
- The monitoring costs in this instance would equate to £3,000 payable on or prior to completion of the s106 agreement as per the Planning Obligations SPD.

469 As set out elsewhere in this report, the obligations outlined above are directly related to the development. They are considered to be fairly and reasonably related in scale and kind to the development and to be necessary and appropriate in order to secure policy objectives, to prescribe the nature of the development, to compensate for or offset likely adverse impacts of the development, to mitigate the proposed development's impact and make the development acceptable in planning terms. Officers are therefore satisfied the proposed obligations meet the three legal tests as set out in the Community Infrastructure Levy Regulations 2010

## **11 LOCAL FINANCE CONSIDERATIONS**

470 Under Section 70(2) of the Town and Country Planning Act 1990 (as amended), a local finance consideration means:

- a grant or other financial assistance that has been, or will or could be, provided to a relevant authority by a Minister of the Crown; or
- sums that a relevant authority has received, or will or could receive, in payment of Community Infrastructure Levy (CIL).

471 The weight to be attached to a local finance consideration remains a matter for the decision maker.

472 The CIL is therefore a material consideration. The proposed development would give rise to additional demands on existing social infrastructure such as schools and health services. Funding of the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the Borough is now secured through Community Infrastructure Levy (CIL) payments.

473 Borough CIL payments for the residential element are expected to be around **£896,963** and Mayoral CIL requirements (to help fund Crossrail 1) amount to **£622,500** inclusive of indexation and social housing relief, which would be subject to further confirmation. The commercial floorspace may also be CIL liable, though it is not possible to confirm the quantum of each proposed land use, as the Council do not charge CIL on B1 office floorspace. The most recent viability appraisal work takes account of the likely CIL payments and the site-specific mitigation measures that require financial contributions, as set out in Section 10 of this report.

## 12 EQUALITIES CONSIDERATIONS

474 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

475 In summary, the Council must, in the exercise of its function, **have due regard** to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and those who do not;
- foster good relations between people who share a protected characteristic and persons who do not share it.

476 The duty continues to be a “**have regard duty**”, and the weight to be attached to it is a matter for the decision maker, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

477 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can

be found at: <https://www.equalityhumanrights.com/en/publication-download/technical-guidance-public-sector-equality-duty-england>

478 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

- The essential guide to the public sector equality duty
- Meeting the equality duty in policy and decision-making
- Engagement and the equality duty
- Equality objectives and the equality duty
- Equality information and the equality duty

479 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance>

480 The planning issues set out above do not include any factors that relate specifically to any of the equalities categories set out in the Act, and therefore it has been concluded that there is no impact on equality.

## **13 HUMAN RIGHTS IMPLICATIONS**

481 In determining this application the Council is required to have regard to the provisions of the Human Rights Act 1998. Section 6 of the Human Rights Act 1998 prohibits authorities (including the Council as local planning authority) from acting in a way which is incompatible with the European Convention on Human Rights. "Convention" here means the European Convention on Human Rights, certain parts of which were incorporated into English law under the Human Rights Act 1998. Various Convention rights are likely to be relevant including:

- Article 8: Respect for your private and family life, home and correspondence
- Protocol 1, Article 1: Right to peaceful enjoyment of your property

482 This report has outlined the consultation that has been undertaken on the planning application and the opportunities for people to make representations to the Council as Local Planning Authority.

483 Members need to satisfy themselves that the potential adverse amenity impacts are acceptable and that any potential interference with the above Convention Rights will be legitimate and justified. Both public and private interests are to be taken into account in the exercise of the Local Planning Authority's powers and duties. Any interference with a Convention right must be necessary and proportionate. Members must therefore, carefully consider the balance to be struck between individual rights and the wider public interest.

## **14 CONCLUSION**

484 This Report has considered the proposals in light of adopted development plan policies and other material considerations or representations relevant to the environmental effects of the proposals.

- 485 The application site is located within Lewisham Major District Centre where Spatial Policy 2 of the Core Strategy encourages mixed-use redevelopment. DMLP Policy 1 (Presumption in favour of sustainable development) repeats the ambitions of the revised NPPF and confirms that the Council will take a positive approach to sustainable development and will work proactively with Applicants to find solutions which mean that proposals secure development that improves the economic, social and environmental conditions in the Borough. Lewisham Spatial Strategy Policy 1 states that all new development will need to contribute positively to the delivery of the vision for Lewisham which includes the provision of new homes, good design in new buildings a net increase in open spaces and for developments to mitigate that impact where appropriate.
- 486 The proposed residential-led mixed-use development would achieve a number of the urban design and spatial planning objectives set out in the Core Strategy and Lewisham Town Centre Local Plan. The proposed development would:
- Provide a range of non-residential uses at ground and first floor level that would ensure active frontages;
  - Provide a range of type and sizes of new homes, including affordable housing;
  - Open up a publicly accessible space fronting the River Ravensbourne
  - River Ravensbourne enhancements and create a potential future riverside walkway;
  - Comprise appropriate scaled buildings that take account of the existing and likely future context; and
  - Incorporate communal heating network.
- 487 Given the above, the proposed development would deliver a number of key elements of the Council' strategy for the wider Town Centre area. It is considered that the scale of the proposed development has been justified and is acceptable, that the proposed building and associated public realm have been designed to respond to the context, constraints and potential of the site and that the development would provide a high standard of accommodation.
- 488 Officers have agreed a position on the viability with the Applicant. The Boyer report attached at Appendix 2 has been agreed by all parties and adopts the assumptions requested by the GLA, the lower affordable rent benchmarks and reduced developer profit. It is generally accepted that on the basis of viability, the revised offer of 25% affordable housing provision would provide the maximum amount of on-site affordable housing.
- 489 The proposals have attracted a significant number of objections on a wide range of issues. Those material concerns expressed by local residents and local groups have been considered and where appropriate, addressed in earlier sections of this report and in provisions set out in the recommended conditions and Section 106 agreement.
- 490 Given the acceptability of the proposed use as well as the totality of the policy compliance, the proposals are considered to be in accordance with the development plan as a whole.
- 491 The revised NPPF is underpinned by a presumption in favour of sustainable development. Officers consider that with the recommended mitigation, planning conditions and obligations in place, the scheme is consistent with national policy. For the reasons addressed in this report, there are no other material considerations which officers consider outweigh the grant of planning permission. In light of the above, on balance, the application is therefore recommended for approval.

## 15 RECOMMENDATION

492 Grant planning permission subject to:

- referral of the application and this Report and any other required documents to the Mayor for London (Greater London Authority) under Article 5 of the Town and Country Planning (Mayor of London) Order 2008 (Categories 1A, 3E and 3F of the Schedule of the Order) and;
- the prior completion of a Legal Agreement pursuant to Section 106 of the 1990 Act (and other appropriate powers) to secure the PLANNING OBLIGATIONS detailed in Section 10.

493 And to authorise:

- the Head of Law to negotiate and complete a legal agreement to cover among other things the matters.
- the Head of Planning is delegated authority to issue the planning permission and impose conditions (and informatives).
- the Head of Planning is delegated authority to make changes to the wording of the Committee's decision (such as to delete, vary or add conditions, informatives, planning obligations or reasons for the decision) prior to the decision being actioned, provided that the Head of Planning is satisfied that any such changes could not reasonably be regarded as deviating from the overall principle of the decision reached by the Committee nor that such change(s) could reasonably have led to a different decision having been reached by Committee.

### 15.1 CONDITIONS

1. Time Limit

The development to which this permission relates must be begun not later than the expiration of THREE years beginning with the date on which the permission is granted.

**Reason:** As required by Section 91 of the Town and Country Planning Act 1990.

2. Compliance with approved details

The development shall be carried out strictly in accordance with the following application plans, drawings and documents which are hereby approved:

Original Plans

AA6189-2000 Rev B; AA6189-2001 Rev B; AA6189-2002 Rev B; AA6189-2005 Rev B; AA6189-2109 Rev H; AA6189-2112 Rev H; AA6189-2115 Rev I; AA6189-2116 Rev F; AA6189-2201 Rev E; AA6189-2203 Rev F; AA6189-2205 Rev F; AA6189-2207 Rev H; AA6189-2208 Rev F; AA6189-2209 Rev G; AL6189-2100 Rev B; AA6189-2110 Rev H; AA6189-2111 Rev H; AA6189-2113 Rev I; AA6189-2202 Rev E; AA6189-2204 Rev E; AA6189-2206 Rev G; AA6189-2208 Rev G; AA6189-2209 Rev H; AA6189-2210 Rev C; AA6189-2220 Rev C; AA6189-2221 Rev C; AA6189-2222 Rev C; AA6189-2223 Rev C; AA6189-2224 Rev C; AA6189-2225 Rev A; AA6189-2226 Rev C; AA6189-2228 Rev C; AA6189-2229 Rev C; AA6189-2303 Rev D; Site Demolition Plan (Received 4 December 2018)

## Amended Plans

AA6189-2100 Rev H; AA6189-2101 Rev G; AA6189-2102 Rev H; AA6189-2103 Rev H; AA6189-2104 Rev I; AA6189-2105 Rev J; AA6189-2106 Rev J; AA6189-2203 Rev F; AA6189-2204 Rev F; AA6189-2205 Rev F; AA6189-2206 Rev G; AA6189-2207 Rev H; AA6189-2208 Rev G; AA6189-2209 Rev H; Plot by Plot Schedule (Received 9 May 2019)

**Reason:** To ensure that the development is carried out in accordance with the approved documents, plans and drawings submitted with the application and is acceptable to the local planning authority.

### 3. Removal of Permitted Development rights

Notwithstanding the Town and Country Planning (General Permitted Development) Order 2015 (or any Order revoking, re-enacting or modifying that Order), the B1/A1/A3/D2 'commercial units' hereby approved shall be used for uses falling within these use classes and for no other purposes of the Schedule to the Town and Country Planning (Use Classes) Order 1987, or in any provision equivalent to that Class in any statutory instrument revoking and re-enacting that Order.

**Reason:** To ensure that the development hereby permitted contributes positively to the vision for Lewisham Town Centre and the objectives for the Loampit Vale Policy Area as required by Policies LTC2 and LTC4 in the Lewisham Town Centre Local Plan (February 2014), Policy CS 5 Other employment locations of the Core Strategy (June 2011) and DM Policy 11 Other employment locations of the Development Management Local Plan (November 2014).

### 4. External Pipes

Notwithstanding the Town and Country Planning (General Permitted Development) Order 2015 (or any Order revoking, re-enacting or modifying that Order), no plumbing or pipes, including rainwater pipes, shall be fixed on the external facades of any building hereby approved.

**Reason:** In order that the local planning authority may be satisfied with the details of the proposal and to accord with Policy 15 High quality design for Lewisham of the Core Strategy (June 2011) and DM Policy 30 Urban design and local character of the Development Management Local Plan (November 2014).

### 5. Shop Front Design

(a) No development shall commence above 2nd floor level on site until plans, elevations and sectional details at a scale of 1:10 or 1:20 showing the proposed frontages to the commercial units have been submitted to and approved in writing by the local planning authority.

(b) The development shall be constructed in full accordance with the approved details.

**Reason:** In order that the local planning authority may be satisfied with the details of the proposal and to accord with Policy 15 High quality design for Lewisham of the Core Strategy (June 2011) and Development

Management Local Plan (November 2014) DM Policy 19 Shop fronts, signs and hoardings.

6. Opening Hours

The A1/A3/D2 'commercial units' hereby approved shall not be open for customer business other than between the hours of 07.00 and 23.00 on any day of the week.

**Reason:** To safeguard the amenities of the adjoining premises and the area generally and to comply with DM Policy 26 Noise and Vibration and DM Policy 32 Housing design, layout and space standards of the Development Management Local Plan (November 2014).

7. Noise break-out

No music, amplified sound system or other form of loud noise shall be used or generated which is audible outside any of the A1/A3/D2 'commercial units' hereby approved.

**Reason:** To safeguard the amenities of the adjoining premises and the area generally and to comply with DM Policy 26 Noise and Vibration and DM Policy 32 Housing design, layout and space standards of the Development Management Local Plan (November 2014).

8. Ventilation

(a) The specification of the appearance of and the equipment comprising a ventilation system which shall include measures to alleviate noise, vibration, fumes and odours (and incorporating active carbon filters, silencers and anti-vibration mountings where necessary) in respect of any A3 use of a Commercial Unit shall be submitted to and approved in writing by the local planning authority prior to first occupation of any Commercial Unit for A3 purposes.

(b) No non-residential unit shall be first occupied for A3 purposes until the ventilation systems as approved under part (a) of this condition has been installed in that Commercial Unit in accordance with the plans and specification approved under the said part (a) and such ventilation systems shall thereafter be permanently retained and maintained in accordance with the approved specification.

**Reason:** To safeguard the amenities of the adjoining premises and the area generally and to comply with DM Policy 17 Restaurants and cafes (A3 uses) and drinking establishments (A4 uses) of the Development Management Local Plan (November 2014).

9. Screens/hedges - communal terraces and walkways

(a) Prior to occupation of any residential dwelling, full details of proposed screens, hedges around the edges/entrance, ground floor duplex, and private terraces of the approved terraces on Levels 5, 7, 8 and 15 shall be submitted to and approved in writing by the local planning authority.

(b) The approved screens, hedges and canopies for the terraces shall be implemented before the relevant residential dwellings are first occupied.

(c) The approved screens, hedges and canopies shall be retained and maintained thereafter.

**Reason:** In order to protect the amenities of the future occupiers of the relevant residential dwellings in accordance with DM Policy 32 Housing design, layout and space standards of the Development Management Local Plan (November 2014).

10. Balcony separation details

(a) Prior to occupation of residential dwellings A206, A201, B203, B206, B205, B204, C203, C202, C201, A301, A306, B303, B304, B305, B306, C301, C302, C303, A401, A406, B405, B406, B403, B404, C402, C401 full details of proposed balcony separation to the dwellings sharing balconies shall be submitted to and approved in writing by the local planning authority.

(b) The approved balcony separation treatment shall be implemented before any of the residential dwellings listed in (a) are first occupied.

(c) The approved balcony separation treatment shall be maintained thereafter.

**Reason:** In order to protect the amenities of the future occupiers of the relevant residential dwellings in accordance with DM Policy 32 Housing design, layout and space standards of the Development Management Local Plan (November 2014).

11. Children's Play Equipment

(a) Prior to occupation of the development hereby granted, details of the proposed children's play equipment shall be submitted to and approved in writing by the local planning authority.

(b) All children's play equipment will be installed in accordance with the information approved under condition 11(a) and retained and maintained in perpetuity.

**Reason:** In order to ensure adequate and appropriate children's play equipment is provided in accordance with Policy 3.6 of the London Plan (March 2016)

12. External Materials – Buildings

The building hereby approved shall be finished in materials identified on page 82 in the Design and Access Statement (November 2018).

**Reason:** In order that the local planning authority may be satisfied as to the external appearance of the proposal in accordance with Policy 15 High quality design for Lewisham of the Core Strategy (June 2011) and DM Policy 30 Urban design and local character of the Development Management Local Plan (November 2014) and Policies 7.4 Local character and 7.6 Architecture of the London Plan (2016).

13. External Materials – Buildings (Details and Samples)

(a) Prior to completion of the superstructure, a detailed schedule, drawings including samples of all external materials and finishes including bricks,



cladding, windows, balustrades for balconies, including details of fixings and handrails where applicable, and external doors and roof coverings to be used on the buildings, cladding to commercial units, including soffit finish and provision to handle rainwater, shall be submitted to and approved in writing by the local planning authority. The development shall be carried out in accordance with the approved details

(b) The brick samples to be submitted under condition 13(a) shall be multi-tonal textured bricks, submitted on a sample board including the proposed mortar as referred to on page 10 of the Design and Access Statement Addendum (PRP, May 2018).

**Reason:** To ensure that the design is delivered in accordance with the details submitted and assessed so that the development achieves the necessary high standard and detailing in accordance with Policy 15 High quality design of Lewisham of the Core Strategy (June 2011) and DM Policy 30 Urban design and local character of the Development Management Local Plan (November 2014) and Policies 7.4 Local character and 7.6 Architecture of the London Plan (2016).

#### 14. Landscaping

(a) Notwithstanding the generality of the details shown within the Design and Access Statement (Nov.2018), full details of the proposed hard and soft landscaping of all areas (including details of external materials, tree, tree pits and root containment, soft landscaping and furniture) and entry bollards to the entrance, shall be submitted to and approved in writing by the local planning authority within 6 months of commencement of the development.

(b) All hard landscaping will be made of porous and permeable materials

(c) The approved hard and soft landscaping shall be implemented and thereafter retained in accordance with the approved details.

**Reason:** In order that the local planning authority, and Environment Agency may be satisfied as to the external appearance of the proposal, ensure a well integrated and successful public realm and to ensure that the structural integrity of, and limit any damage to, the river wall and to provide an option for the removal of trees should access and maintenance be required in accordance with Policy 15 High Quality Design of the Lewisham Core Strategy (June 2011) and DM Policy 30 Urban design and local character and DM Policy 35 Public Realm of the Development Management Local Plan (November 2014).

#### 15. External Lighting

(a) Prior to first occupation of the development, a scheme for 'lighting design for biodiversity' that is to be installed at the site, including measures to prevent light spillage, shall be submitted to and approved in writing by the local planning authority and such details shall include evidence to demonstrate that the proposed lighting is the minimum needed for security and working purposes and that the proposals minimise pollution from glare and spillage, following the Institute of Lighting Engineer's guidance and shall not exceed 2 lux at any window of a habitable room.

(b) Any such approved external lighting shall be installed in accordance with the scheme approved under condition 15(a) and shall thereafter only

be retained in accordance with the scheme approved under the said condition 15(a).

(c) Any lighting used during construction and or operation should be directed away from vegetation, trees, and wildlife corridors to minimise impact on bats.

**Reason:** In order that the local planning authority may be satisfied that the lighting is installed and maintained in a manner which will minimise possible light pollution to the night sky and neighbouring properties and to comply with DM Policy 27 Lighting of the Development Management Local Plan (November 2014).

16. Open Space Management & Maintenance Plan

(a) An Open Space Management & Maintenance Plan shall be submitted to and approved in writing by the Local Planning Authority within 6 months of commencement of development. These shall include management & maintenance and responsibilities for all communal play spaces/communal terraces and publicly accessible areas.

(b) Once provided, these spaces shall be managed and maintained in accordance with the approved Open Space Management & Maintenance Plan.

**Reason:** To ensure that the podium garden and public realm landscaping areas are adequately managed in accordance with Policy 15 High quality design for Lewisham of the Core Strategy (June 2011) and DM Policy 25 Landscaping and trees in the Development Management Local Plan (November 2014).

17. Secured by Design

No part of the development hereby approved shall be first occupied until certification that the development has achieved Secured by Design accreditation has been submitted to and approved in writing by the local planning authority.

**Reason:** To ensure that the local planning authority may be satisfied that the proposal reduces opportunities for criminal behaviour and makes a positive contribution to a sense of security and to comply with Policy 15 High quality design for Lewisham of the Core Strategy (June 2011) DM Policy 30 Urban design and local character of the Development Management Local Plan (November 2014) and Policy 7.3 Designing out crime of the London Plan (2016).

18. Satellite Dishes

Notwithstanding the Provisions of Article 4 (1) and part 25 of Schedule 2 of the Town and Country Planning (General Permitted Development) Order 2015, no satellite antenna shall be erected or installed on the buildings hereby approved. The proposed development shall have a central dish or aerial system for receiving all broadcasts for the residential units created: details of such a scheme shall be submitted to and approved by the local planning authority prior to the occupation of the property, and the approved scheme shall be implemented and permanently retained thereafter.

**Reason:** In order that the local planning authority may be satisfied with the details of the proposal and to accord with Policy 15 High quality design for Lewisham of the Core Strategy (June 2011) and DM Policy 30 Urban design and local character of the Development Management Local Plan (November 2014).

19. Wheelchair Housing

(a) The detailed design for each dwelling hereby approved shall meet the required standard of the Approved Document M of the Building Regulations (2015) as specified in the schedule below:

Unit reference number	Approved Document M (2015) Access Requirement	Dwelling type
List all Market tenure wheelchair units: C1501, C1402, C1302, B801 (2B4P); B506 (1B2P)	M4(3)(2)(a)	Wheelchair user (adaptable)
List of all Affordable Rented wheelchair units: A204, A206, A304, A306, A404, A406 (1B2P), A001 (2B3P)	M4(3)(2)(a)	Wheelchair user (adaptable)
List of Intermediate Shared Ownership units: B102 (2B3P)	M4(3)(2)(a)	Wheelchair user (adaptable)
All other units	M4(2)	Accessible and adaptable

(b) No development shall commence above ground level until written confirmation from the appointed building control body has been submitted to and approved in writing by the local planning authority to demonstrate compliance with condition 19(a).

(c) The development shall be carried out in accordance with the details approved under condition 19(b)

**Reason:** In order to ensure an adequate supply of accessible housing in the Borough in accordance with Policy 1 Housing provision, mix and affordability and Policy 15 High quality design for Lewisham of the Core Strategy (June 2011) and DM Policy 32 Housing design, layout and space standards of the Development Management Local Plan (November 2014).

20. Air Quality

No development shall commence until an updated Air Quality Assessment ("AQA") has been submitted to and approved in writing by the local planning authority, demonstrating the development is capable of achieving air quality neutral, as the site is located within an Air Quality Management Area.

The boilers to be provided for space heating and domestic hot water shall have 'ultra-low' dry NOx emissions not exceeding 40 mg/kWh.

The updated AQA will need to utilise an appropriate air quality model and/or emissions assessment tool to predict air quality concentrations at agreed receptor locations. Data should be presented for the first year of occupation as 'with development' and 'without development' to allow comparisons to be made.

The development shall be carried out in accordance with the recommendations and provisions of the AQA and maintained as such for the lifetime of the development.

**Reason:** In order that the local planning authority may be satisfied that the development is not going to result in significant health impacts to existing and future residents from a deterioration in local air quality and to comply with Development Management Local Plan (November 2014) Policy 23 Air quality.

21. Site wide CHP Network

(a) No development shall commence until details of the proposed heat networks and Combined Heat and Power (CHP) system, including exact specification of the plant to be installed within the energy centre has been submitted to and approved in writing by the local planning authority.

(b) The details shall include the commissioning of the networks and CHP system and details of the catalytic converter if required.

(c) The networks and systems shall be provided in accordance with the approved details and maintained thereafter.

**Reason:** To comply with Policies 5.1 Climate change and mitigation, 5.2 Minimising carbon dioxide emissions, 5.3 Sustainable design and construction, 5.5 Decentralised energy networks and 5.7 Renewable energy in the London Plan (March 2016) and Core Strategy Policy 7 Climate change and adapting to the effects and Core Strategy Policy 8 Sustainable design and construction and energy efficiency (2011).

22. Protection against external noise – Buildings

(a) The residential units hereby approved shall be designed and constructed so as to provide sound insulation against external noise and vibration, to achieve levels not exceeding 30dB LAeq (night) and 45dB LAmax for bedrooms (measured with F time weighting), 35dB LAeq (day) for other habitable rooms, with windows shut and other means of ventilation provided;

(b) The evaluation of human exposure to vibration within the buildings shall not exceed the vibration dose values criteria 'Low probability of adverse comment' as defined BS6472.

(c) Development of residential units in either Block shall not commence until details of a sound and vibration insulation scheme complying with part (a) of this condition and a Mechanical Ventilation and Heat Recovery (MVHR) system for that Block have been submitted to an approved in writing by the local planning authority.

(d) The residential units shall not be occupied until the sound insulation scheme and MVHR system approved pursuant to condition 22(b) of this condition for that Block has been implemented in its entirety and a report

demonstrating the effectiveness of the scheme in meeting the standards in condition 22(a) has been submitted to and approved in writing by the Local Planning Authority. Thereafter, the sound insulation scheme shall be permanently maintained in accordance with the approved details.

**Reason:** To safeguard the amenities of the occupiers of the proposed dwellings and to comply with DM Policy 26 Noise and vibration, DM Policy 32 Housing design, layout and space standards of the Development Management Local Plan (November 2014).

23. Fixed Plant Noise

(a) The rating level of the noise emitted from fixed plant on the site shall be 5dB below the existing background level at any time. The noise levels shall be determined at the façade of any noise sensitive property. The measurements and assessments shall be carried out in accordance with BS4142:2014.

(b) Other than demolition, site clearance and ground works, development shall not commence until details of a scheme complying with condition 22(a) have been submitted to and approved in writing by the local planning authority.

(c) The development shall not be occupied until the scheme approved pursuant to condition 22(b) of this condition has been implemented in its entirety. The scheme as approved shall be permanently retained thereafter.

**Reason:** To safeguard the amenities of the occupiers of the proposed dwellings and to comply with DM Policy 26 Noise and vibration, DM Policy 32 Housing design, layout and space standards of the Development Management Local Plan (November 2014).

24. Electric Vehicle Charging Points

(a) A minimum of 2 of the car parking spaces hereby approved shall be fitted with electric vehicle charging points (active) and a further 2 spaces fitted with passive charging points in accordance with Policy 6.13 of the London Plan 2015. Details of the location of the electric vehicle charging points and a programme for their installation and maintenance shall be submitted to and approved in writing by the local planning authority prior to construction of the above ground works.

(b) The electric vehicle charging points as approved shall be installed prior to occupation of the Development and shall thereafter be retained and maintained in accordance with the details approved under condition 24(a).

**Reason:** To reduce pollution emissions in an Area Quality Management Area in accordance with Policy 7.14 Improving air quality in the London Plan (2016), and DM Policy 29 Car parking of the Development Management Local Plan (November 2014).

25. Cycle Parking

(a) Prior to commencement of the development (other than demolition), details of the proposed double-stacker cycle storage and section drawing demonstrate there is sufficient height to accommodate the stackers for 260 long-stay cycle parking spaces (including 5% 'accessible/adaptable')

spaces) as shown on drawing AA6189-2100 Rev H shall be submitted to and approved in writing by the local authority.

(b) The cycle storage approved under condition 25(a) above shall be implemented and made ready for use.

(c) Prior to commencement of development (other than demolition), plans shall be submitted to and approved in writing by the local authority identifying the location and details of the 24 short-stay cycle parking spaces within the public realm.

(d) The short-stay cycle parking arrangements approved under condition 25(c) above shall be implemented and made ready for use prior to the first occupation of the development.

**Reason:** To accord with Policy 14 Sustainable movement and transport in the Lewisham Core Strategy (June 2011) and Policy 6.13 of the London Plan (2016).

26. Delivery and Servicing Management Plan

(a) Prior to the first occupation of the development, a Delivery and Servicing Management Plan, including the proposed location of delivery and service areas, shall be submitted to and approved in writing by the local authority, to include details of how deliveries and servicing will be effectively managed at the development bays and any required changes to parking restrictions surrounding the development.

(b) The Delivery and Servicing Plan approved under condition 26(a) shall be implemented in accordance with the approved document.

**Reason:** To accord with Policy 14 Sustainable movement and transport in the Lewisham Core Strategy (June 2011) and Policy 6.3 of the London Plan (2016).

27. Surface Water Drainage

(a) No development shall commence on site until a scheme for surface water management, including specifications of the surface treatments and sustainable urban drainage solutions including attenuation tank as referenced in the approved Flood Risk Assessment prepared by Heyne Tillett Steele, and demonstrates the scheme can achieve greenfield run off rates, has been submitted to and approved in writing by the local planning authority.

(b) The development shall be carried out in accordance with the approved scheme and thereafter the approved scheme is to be retained in accordance with the details approved therein.

**Reason:** To prevent the increased risk of flooding and to improve water quality in accordance with Policies 5.12 Flood risk management and 5.13 Sustainable drainage in the London Plan (2016) and Objective 6: Flood risk reduction and water management and Core Strategy Policy 10: Managing and reducing the risk of flooding (2011).and to comply with Development Management Local Plan (November 2014) DM Policy 28 Contaminated land.

28. River Ravensbourne: No Permanent Structures

(a) Prior to the commencement of the development hereby permitted, a scheme to demonstrate that no permanent structures will be located within 6m of the river wall and that any non-permanent structures including the timber decked walk away could reasonably be removed to permit maintenance and improvement works to the river wall shall be submitted to, and approved in writing by the local planning authority in consultation with the Environment Agency. All structures should have regard to the need to provide a wildlife corridor at the top of the river bank.

(b) Prior to any works commencing within 8m of the river wall, a method statement and loading plan for any works within 8m of the river all shall be submitted to and approved in writing by the local planning authority in consultation with the Environment Agency.

The scheme shall be undertaken in accordance with the details approved under this condition 28(a) and (b).

**Reason:** to ensure the operational access to the river wall and thereby prevent an increased risk of flooding and to protect and enhance the biodiversity of the river corridor in accordance with Policies 5.12 Flood Risk Management of the London Plan (2016), Policies 10 (Managing and reducing the risk of flooding) and 11 (River and waterways network) of the Lewisham Core Strategy (2011).

29. Living (Bio-Diverse) Roofs

(a) Within 6 months of commencement of development above slab level, details of the biodiversity living roofs, which shall allow for a substrate depth of 150 mm and shall be designed to support a water load of 12litres/m<sup>2</sup> (=12kg/m<sup>2</sup>) and a soil load of 150mm depth minimum (circa 225kg/m<sup>2</sup>) shall be submitted to and approved in writing by the local planning authority.

(b) The biodiversity living roofs shall be provided in accordance with the details approved under condition 29(a) before any dwelling is first occupied and such biodiversity living roofs shall thereafter be permanently retained and maintained in accordance with the approved details.

(c)The biodiversity living roofs shall not be used as an amenity or sitting out space of any kind whatsoever.

**Reason:** To comply with Policies 5.10 Urban greening, 5.11 Green roofs and development site environs, 5.12 Flood risk management, 5.13 Sustainable Drainage and 7.19 Biodiversity and access to nature conservation in the London Plan (2016), Policy 10 managing and reducing flood risk and Policy 12 Open space and environmental assets of the Core Strategy (June 2011), and DM Policy 24 Biodiversity, living roofs and artificial playing pitches of the Development Management Local Plan (November 2014).

30. Ecology

(a) Prior to above ground works, a Habitat Creation Management Plan (HCMP) shall be submitted to and approved in writing by the Local Planning Authority and shall include:

- (i) Planting of trees and shrubs in the public spaces, covering a variety of species, including those of benefit to wildlife;
  - (ii) Installation of two bird boxes and two bat boxes; and
  - (iii) The creation of an invertebrate logger/installation of insect boxes
- (b) Approved details are to be implemented and maintained as approved.
- (c) Any clearance of scrub and trees within the site should be timed to avoid the bird nesting season (March to August).
- (d) Prior to the start of works on site the contractor should receive a 'toolbox' talk to describe the ecological features and species present, their legal protection and responsibilities towards them and what to do if wildlife is encountered.

**Reason:** To comply with Policy 7.19 Biodiversity and access to nature conservation in the London Plan (2016), Policy 12 Open space and environmental assets of the Core Strategy (June 2011), and DM Policy 24 Biodiversity, living roofs and artificial playing pitches and local character of the Development Management Local Plan (November 2014).

### 31. Contaminated Land

- (a) No development shall commence until each of the following have been complied with:
- (i) A desk top study and site assessment to survey and characterise the nature and extent of contamination and its effect (whether on or off-site) and a conceptual site model have been submitted to and approved in writing by the local planning authority.
  - (ii) A site investigation report to characterise and risk assess the site which shall include the gas, hydrological and contamination status, specifying rationale; and recommendations for treatment for contamination encountered (whether by remedial works or not) has been submitted to and approved in writing by the Council.
  - (iii) The required remediation scheme implemented in full.

If during any works on the site, contamination is encountered which has not previously been identified ("the new contamination") the Council shall be notified immediately and the terms of condition 31(a), shall apply to the new contamination. No further works shall take place on that part of the site or adjacent areas affected, until the requirements of condition 31(a) have been complied with in relation to the new contamination.

- (b) The development shall not be occupied until a closure report has been submitted to and approved in writing by the Council. This shall include verification of all measures, or treatments as required in condition 31(a)(i) & (ii) and relevant correspondence (including other regulating authorities and stakeholders involved with the remediation works) to verify compliance requirements, necessary for the remediation of the site have been implemented in full.
- (c) The closure report shall include verification details of both the remediation and post-remediation sampling/works, carried out (including



waste materials removed from the site); and before placement of any soil/materials is undertaken on site, all imported or reused soil material must conform to current soil quality requirements as agreed by the authority. Inherent to the above, is the provision of any required documentation, certification and monitoring, to facilitate condition requirements.

**Reason:** To ensure that the local planning authority may be satisfied that potential site contamination is identified and remedied in view of the historical use(s) of the site, which may have included industrial processes and to comply DM Policy 28 Contaminated Land of the Development Management Local Plan (November 2014).

32. Water Efficiency – New Dwellings

The sanitary fittings within each residential dwelling shall include low water use WCs, shower taps, baths and (where installed by the developer) white goods designed to comply with an average household water consumption of less than 105 litres/person/day.

**Reason:** To comply with Policies 5.1 Climate change and mitigation, 5.2 Minimising carbon dioxide emissions, 5.3 Sustainable design and construction, 5.7 Renewable energy, 5.15 Water use and supplies in the London Plan (2016) and Core Strategy Policy 7 Climate change and adapting to the effects, Core Strategy Policy 8 Sustainable design and construction and energy efficiency (2011).

33. BREEAM 'Excellent'

(a) The commercial units shell and core works hereby approved shall achieve a minimum BREEAM Rating of 'Excellent'.

(b) No development of the commercial units shall commence until a Design Stage Certificate for each building (prepared by a Building Research Establishment qualified Assessor) has been submitted to and approved in writing by the local planning authority to demonstrate compliance with condition 33(a).

(c) Within 3 months of first occupation of any commercial unit, evidence shall be submitted in the form of a Post Construction Certificate (prepared by a Building Research Establishment Qualified Assessor) to demonstrate full compliance with condition 33(a) in respect of such commercial unit.

**Reason:** To comply with Policies 5.1 Climate change and mitigation, 5.2 Minimising carbon dioxide emissions, 5.3 Sustainable design and construction, 5.7 Renewable energy, 5.15 Water use and supplies in the London Plan (2016) and Core Strategy Policy 7 Climate change and adapting to the effects, Core Strategy Policy 8 Sustainable design and construction and energy efficiency (June 2011).

34. Construction Environmental Management Plan

(a) Development shall not commence until such time as a Construction Environmental Management Plan (CEMP), taking into account the existing and emerging construction works in the Lewisham Town Centre and in consultation Transport of London has been submitted to and approved in writing by the local planning authority. The plan shall cover: -

- (i) Dust mitigation measures in the form of a Dust Management Plan and include communications, site management and monitoring arrangements specified in section 10.5.2.2 of the Environmental Statement (May 2017).
  - (ii) The location and operation of plant and wheel washing facilities
  - (iii) Details of best practical measures to be employed to mitigate noise and vibration arising out of the construction process
  - (iv) Security Management (to minimise risks to unauthorised personnel).
  - (v) Details of the training of site operatives to follow any Environmental Management Plan requirements
  - (vi) Timing and methodology for removal of trees and buildings (minimising impact on any nesting birds)
  - (vii) Removal of Japanese Knotweed
  - (viii) Pollution of water/ flood risk
  - (ix) Details of site waste management
- (b) No works shall be carried out other than in accordance with the Construction Management Plan as approved under condition 34(a).

**Reason:** In order that the local planning authority may be satisfied that the demolition and construction process is carried out in a manner which will minimise possible noise, disturbance and pollution to neighbouring properties and to comply with Policy 5.3 Sustainable design and construction, Policy 6.3 Assessing effects of development on transport capacity and Policy 7.14 Improving air quality of the London Plan (2016)

35. Piling

- (a) No piling or any other foundation designs using penetrative methods shall take place until a piling method statement detailing the depth and type of piling to be undertaken and the methodology by which such piling will be carried out, including measures to prevent and minimise the potential for damage to subsurface sewerage infrastructure, and the programme for the works, has been submitted to and approved in writing by the local planning authority, following consultation with Thames Water, Environment Agency, and Network Rail.
- (b) Details of any such operations referred to in condition 35(a) must be submitted to and approved in writing by the local planning authority prior to commencement of any piling works and such details shall include details of the relevant penetrative methods.
- (c) Any such operations referred to in condition 35(a) shall be carried out only in accordance with the details approved under condition 35(b).

**Reason:** To prevent pollution of controlled waters and to comply with Core Strategy (2011) Policy 11 River and waterways network and Development Management Local Plan (November 2014) DM Policy 28 Contaminated land.

36. Non-Road Mobile Machinery (NRMM)

An inventory of all Non-Road Mobile Machinery (NRMM) shall be kept on-site and registered on <http://nrmm.London/> showing the emission limits for all equipment and shall be made available to Local Planning Authority offices if requested. All NRMM of net power between 37kW and 560kW will be required to meet Stage IIIA of EU Directive 97/68/EC.'

**Reason:** In order that the local planning authority may be satisfied that the demolition and construction process is carried out in a manner which will minimise possible noise, disturbance and pollution to neighbouring properties and to comply with Policy 5.3 Sustainable design and construction, Policy 6.3 Assessing effects of development on transport capacity and Policy 7.14 Improving air quality of the London Plan (2016).

37. Construction Logistics Management Plan

(a) No development shall commence on site until an updated Construction Logistics Management Plan, taking into account the existing and emerging construction works in the Lewisham Town Centre and in consultation with Transport of London has been submitted to and approved in writing by the Local Planning Authority. The Plan shall demonstrate the following: -

(i) Rationalise travel and traffic routes to and from the site.

(ii) Provide full details of the number and time of construction vehicle trips to the site with the intention and aim of reducing the impact of construction vehicle activity on road traffic and residential amenity by:

(iii) Minimising trips to and from the site between 08.00 and 09.00 and 15.00 and 18.00 during Prendergast Vale School term times and 08.00 and 09.00 and 17.00 and 18.00 during school holidays;

(iv) Traffic marshalling and off/on site holding areas; and

(v) Taking account of delivery times of any other construction sites within 500m of the site which are due to be active at the same time.

(vi) Measures to deal with safe pedestrian movement.

(b) The measures specified in the approved details shall be implemented prior to commencement of development and shall be adhered to during the period of construction.

**Reason:** In order to ensure satisfactory vehicle management and to comply with Policy 14 Sustainable movement and transport of the Core Strategy (June 2011).

38. Ground Water Source Protection Strategy

No development shall commence until a Source Protection Strategy detailing how the developer intends to ensure the water abstraction source is not detrimentally affected by the proposed development both during and after its construction, has been submitted to and approved in writing by the local planning authority in consultation with Thames Water. The development shall be constructed in accordance with the approved strategy.

**Reason:** To ensure the water resource is not detrimentally affected by the development, and to comply with Policy 5.15 Water use and Supplies of the London Plan (2016).

39. Grampian Condition: Water Infrastructure Capacity

The development shall not be occupied until confirmation in writing from Thames Water has been provided that either:- all water network upgrades required to accommodate the additional flows from the development have been completed; or - a housing and infrastructure phasing plan has been agreed with Thames Water to allow additional properties to be occupied. Where a housing and infrastructure phasing plan is agreed no occupation shall take place other than in accordance with the agreed housing and infrastructure phasing plan.

**Reason:** The development may lead to no / low water pressure and network reinforcement works are anticipated to be necessary to ensure that sufficient capacity is made available to accommodate additional demand anticipated from the new development.

40. Energy

No works beyond piling shall commence until the following details have been submitted to and approved in writing by the LPA:

- a) overheating and cooling information; and
- b) further investigation of passive design and energy efficiency measures for the commercial units.

**Reason:** To comply with Policies 5.1 Climate change and mitigation, 5.2 Minimising carbon dioxide emissions, 5.3 Sustainable design and construction, and 5.7 Renewable energy in the London Plan (2016) and Core Strategy Policy 7 Climate change and adapting to the effects, and Core Strategy Policy 8 Sustainable design and construction and energy efficiency (June 2011).

## 15.2 Informatives

- (1) Positive and Proactive Statement: The Council engages with all applicants in a positive and proactive way through specific pre-application enquiries and the detailed advice available on the Council's website. On this particular application, positive discussions took place, which resulted in further information being submitted.

- (2) Pre-commencement conditions:

The following pre-commencement conditions attached to this decision notice are considered necessary in order to protect the protect the amenities of future occupiers and users of the proposed development and encompasses ecological benefits, and to ensure that the proposed development results in a sustainable and well-designed scheme:

- Condition 13 – External Materials
- Condition 20 – Air Quality
- Condition 21 - Combined Heat and power

- Condition 23 – Fixed Plant noise
  - Condition 25 – Cycle Parking
  - Condition 27 – Surface Water Drainage
  - Condition 28 – River Ravensbourne
  - Condition 31 – Contaminated Land
  - Condition 34 – Construction Environmental Management Plan
  - Condition 37 – Construction Logistics Plan
  - Condition 38 – Ground Water Source Protection
- (3) The Applicant is advised that any works associated with the implementation of this permission (including the demolition of any existing buildings or structures) will constitute commencement of development. Further, all pre-commencement conditions attached to this permission must be discharged, by way of a written approval in the form of an application to the Planning Authority, before any such works of demolition take place.
- (4) It is the responsibility of the owner to establish whether asbestos is present within their premises and they have a 'duty of care' to manage such asbestos. The Applicant is advised to refer to the Health and Safety website for relevant information and advice.
- (5) As you are aware the approved development is liable to pay the Community Infrastructure Levy (CIL) which will be payable on commencement of the development. An 'assumption of liability form' must be completed and before development commences you must submit a 'CIL Commencement Notice form' to the council. You should note that any claims for relief, where they apply, must be submitted and determined prior to commencement of the development. Failure to follow the CIL payment process may result in penalties. More information on CIL is available at: - <http://www.lewisham.gov.uk/myservices/planning/apply-for-planning-permission/application-process/Pages/Community-Infrastructure-Levy.aspx>
- (6) You are advised that all construction work should be undertaken in accordance with the "London Borough of Lewisham Code of Practice for Control of Pollution and Noise from Demolition and Construction Sites" available on the Lewisham web page.
- (7) The land contamination condition requirements apply to both whole site and phased developments. Where development is phased, no unit within a phase shall be occupied until a), b) and c) of the condition have been satisfied for that phase.
- (8) Applicants are advised to read 'Contaminated Land Guide for Developers' (London Borough's Publication 2003), on the Lewisham web page, before complying with the above condition. All of the above must be conducted in accordance with DEFRA and the Environment Agency's (EA) - Model Procedures for the Management of Land Contamination.
- (9) Applicants should also be aware of their responsibilities under Part IIA of the Environmental Protection Act 1990 to ensure that human health, controlled waters and ecological systems are protected from significant harm arising from contaminated land. Guidance therefore relating to their activities on site, should be obtained primarily by reference to DEFRA and EA publications.

- (10) Written schemes of investigation will need to be prepared and implemented by a suitably professionally accredited archaeological practice in accordance with Historic England's Guidelines for Archaeological Projects in Greater London. This condition is exempt from deemed discharge under schedule 6 of The Town and Country Planning (Development Management Procedure) (England) Order 2015.
- (11) You are advised to contact the Council's Drainage Design team on 020 8314 2036 prior to the commencement of work.
- (12) In preparing the scheme of dust minimisation, reference shall be made to the London Councils Best Practice Guide: The Control of Dust and Emissions from Construction and Demolition. All mitigation measures listed in the Guide appropriate to the size, scale and nature of the development will need to be included in the dust minimisation scheme.
- (13) The assessment of the light spill and lux level at the window of the nearest residential premises shall follow the guidance provided in The Institution of Lighting Engineers, Guidance Notes for the Reduction of Obtrusive Light.
- (14) The Applicant be advised that the implementation of the proposal will require approval by the Council of a Street naming & Numbering application. Application forms are available on the Council's web site.
- (15) Assessment of the sound insulation scheme should be carried out by a suitably qualified acoustic consultant.
- (16) The Applicant be advised that the details to be submitted pursuant to this permission should have regard to the principles of energy and natural resource efficiency through their design, orientation, density and location, in compliance with Policy 8 Sustainable design and construction and energy efficiency of the adopted Core Strategy (June 2011).
- (17) You are advised that this permission must not be construed as overriding any legal rights which the existing tenants of the property may have.
- (18) Premises to comply within the provisions of the Workplace (Health, Safety and Welfare) Regulations 1992 and the Health and Safety at Work etc Act 1974 will apply.

### **15.3 Thames Water Comments**

#### **1. Waste Comments**

- (a) The proposed development is located within 15m of a strategic sewer. Thames Water request that the following condition be added to any planning permission. No piling shall take place until a piling method statement (detailing the depth and type of piling to be undertaken and the methodology by which such piling will be carried out, including measures to prevent and minimise the potential for damage to subsurface sewerage infrastructure, and the programme for the works) has been submitted to and approved in writing by the local planning authority in consultation with Thames Water. Any piling must be undertaken in accordance with the terms of the approved piling method statement. Reason: The proposed works will be in close proximity to underground sewerage utility infrastructure. Piling has the potential to impact on local underground sewerage utility infrastructure. Please read our guide 'working near our assets' to ensure your workings will be in line with the necessary processes you need to follow if you're

considering working above or near our pipes or other structures.<https://developers.thameswater.co.uk/Developing-a-large-site/Planning-your-development/Working-near-or-diverting-our-pipes>. Should you require further information please contact Thames Water. Email: [developer.services@thameswater.co.uk](mailto:developer.services@thameswater.co.uk) Phone: 0800 009 3921 (Monday to Friday, 8am to 5pm) Write to: Thames Water Developer Services, Clearwater Court, Vastern Road, Reading, Berkshire RG1 8DB

- (b) Thames Water would advise that with regard to waste water network and waste water process infrastructure capacity, we would not have any objection to the above planning application, based on the information provided
- (c) With regard to surface water drainage, Thames Water would advise that if the developer follows the sequential approach to the disposal of surface water we would have no objection. Where the developer proposes to discharge to a public sewer, prior approval from Thames Water Developer Services will be required. Should you require further information please refer to our website. <https://developers.thameswater.co.uk/Developing-a-large-site/Apply-and-pay-for-services/Wastewater-services>

## 2. Water Comments

- (a) Following initial investigations, Thames Water has identified an inability of the existing water network infrastructure to accommodate the needs of this development proposal. Thames Water have contacted the developer in an attempt to agree a position on water networks but have been unable to do so in the time available and as such Thames Water request that the following condition be added to any planning permission. No properties shall be occupied until confirmation has been provided that either:- all water network upgrades required to accommodate the additional flows from the development have been completed; or - a housing and infrastructure phasing plan has been agreed with Thames Water to allow additional properties to be occupied. Where a housing and infrastructure phasing plan is agreed no occupation shall take place other than in accordance with the agreed housing and infrastructure phasing plan. Reason - The development may lead to no / low water pressure and network reinforcement works are anticipated to be necessary to ensure that sufficient capacity is made available to accommodate additional demand anticipated from the new development” The developer can request information to support the discharge of this condition by visiting the Thames Water website <https://developers.thameswater.co.uk/Developing-a-large-site/Planning-your-development>. Should the Local Planning Authority consider the above recommendation inappropriate or are unable to include it in the decision notice, it is important that the Local Planning Authority liaises with Thames Water Development Planning Department (telephone 0203 577 9998) prior to the planning application approval.
- (b) Following initial investigations Thames Water has identified that, the proposed development is located within Source Protection Zone of a groundwater abstraction source. These zones are used for potable water sources for public water supply for which Thames Water has a statutory duty to protect. Thames Water have contacted the developer in an attempt to agree a Source Protection Strategy but have been unable to do so in the time available and as such Thames Water request that the following condition be added to any planning permission. “Development here by approved shall not commence until a Source Protection Strategy detailing, how the developer intends to ensure the water abstraction source is not detrimentally affected by the proposed development both during and after its construction has been submitted to and approved by, the local planning authority in consultation with the water undertaker. The development shall be constructed in line with the recommendations of the strategy. Reason - To ensure that the water resource is not detrimentally affected by the development. More detailed information can be obtained from Thames

Waters' Groundwater Resources Team email  
[GroundwaterResources@Thameswater.co.uk](mailto:GroundwaterResources@Thameswater.co.uk) Tel: 0203 577 3603. Should the Local Planning Authority consider the above recommendation inappropriate or are unable to include it in the decision notice, it is important that the Local Planning Authority liaises with Thames Water Development Planning Department (telephone 0203 577 9998) prior to the planning application approval.



## **APPENDIX ONE:**

### **NOTE OF PUBLIC MEETING HELD ON 5 FEBRUARY 2019 AT THE LADYWELL CENTRE, LADYWELL ROAD.**

The Axion House Local Meeting was held as a drop-in session at the Ladywell Centre in the form of an exhibition that provided an overview by the developer's team of the proposal. Informal discussions were held in small groups between residents, the Planning officer and applicants. In the event, 18 residents attended the session.

Below is a summary of the main points that were raised by the attendees;

- 
- Whilst a design led approach is generally welcomed, the height and scale of the development remains too high, and should be reduced significantly;
  - High-rise development is unacceptable in a sensitive area, and this will allow encroachment and extension from the Gateway development;
  - Despite the changes undertaken to the scheme since the last proposal was presented to Members, the development would still result in unacceptable loss of sunlight to neighbouring residents, which does not meet legal requirements;
  - Loss of privacy and overlooking to existing neighbours raises significant concerns, and demonstrates that the siting and scale of the development would be inappropriate;
  - Light pollution from the many windows and balconies would have an unacceptable impact upon existing residents;
  - Concerns raised with regard to the level of impact upon local infrastructure, schools and GP's;
  - Impacts on transport infrastructure and parking demand in the local area;
  - The scheme would deliver a lack of affordable housing provision that would fail to accord with Lewisham's own policies.

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# FVA Review | Axion House, Lewisham



**Boyer**

Report Control

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Client:	London Borough of Lewisham
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## **APPENDIX**

Appendix One – Residential Sales Evidence

Appendix Two – Accertum Cost Review

Appendix Three – Argus Appraisal Summary

# 1. INTRODUCTION

## Background

- 1.1 Boyer Planning was instructed by the London Borough of Lewisham (the “Council”) to review a viability assessment provided by London Square Developments Limited (the “Applicant”) in support of its planning application for the redevelopment of Axion House, Silver Road, SE13 (the “Property” or “Site”). Boyer has previously reviewed the financial viability of a previous iteration of the proposed development by the Applicant and issued an FVA review to the Council in February 2019.
- 1.2 The Applicant originally submitted a planning application in May 2017 (ref: DC/17/102703) to demolish Axion House and develop a mixed use scheme comprising 153 residential units and flexible B1/A1/A3/D2 commercial uses across a number of buildings extending over 6 to 16 storeys in height. The Applicant was offering 44 of these residential units as affordable homes, reflecting a proportion of c.29% based on unit numbers.
- 1.3 Following discussion with the Council the scheme was revised to address concerns over the height and massing of the development. The height of the buildings were subsequently reduced by between one and two storeys and the total number of homes reduced to 136 dwellings of which 28 were offered as affordable homes (21.6% based on habitable rooms and 20.5% based on unit numbers). This proposal was presented to the Planning Committee in September 2018 where Members resolved to refuse the application.
- 1.4 The Applicant has therefore implemented further design alterations to reduce the massing and height of the buildings via reductions in floor to ceiling heights as well as moving the footprint of the proposed building to minimise overshadowing of existing residential property in the area. The configuration of the ground and first floor has also been revised to reduce the commercial floor space and areas designated for the energy centre so that the total number of dwellings can be increased to support a further seven affordable homes. It is now proposed to build 141 dwellings of which 24.8% will be affordable housing. The Council policy is for developments to offer up to 50% of new dwellings as affordable homes, subject to financial viability.
- 1.5 The purpose of this report is to provide the Council with an updated review of the financial viability of the development scheme. We note that the latest FVA report prepared by the Applicant is dated May 2018, and was prepared prior to the current design revisions. This FVA review therefore provides guidance on the reasonableness of assumptions applied within the May 2018 FVA report and assumes the same assumptions are to be applied to the current development scheme to test whether it could be financially viable to provide additional affordable homes and improve compliance with local planning policy.

- 1.6 The advice provided in this report does not represent a Valuation in accordance with the RICS Valuation Global Standards 2017 (The Red Book), published by the Royal Institution of Chartered Surveyors, and should not be regarded as such. The advice provided herein must only be regarded as an indication of potential value, on the basis that all assumptions are satisfied.

#### **Objectivity, Impartiality and Reasonableness**

- 1.7 In carrying out this FVA review, we have acted:
- With objectivity
  - Impartially
  - Without interference, and
  - With reference to all appropriate available sources of information.
- 1.8 We can confirm that in preparing this report no performance-related or contingent fees have been agreed.

#### **Conflicts of Interest**

- 1.9 We confirm that in providing this advice to the Council there is no conflict of interest between Boyer and London Square Developments Ltd.

#### **Information Provided**

- 1.10 In undertaking this review Boyer has collected evidence from a number of third party sources. Boyer cannot be held responsible for the accuracy of this data.
- 1.11 This report contains confidential information provided by the Applicant and the report must not be used by any person other than for whom it has been commissioned, without Boyer's express permission. In any event, Boyer accepts no liability for any costs, liabilities or losses as a result of the use of, or reliance upon, the contents of this report by any person other than the commissioner for planning purposes.
- 1.12 In undertaking this FVA review, we have relied on the latest development scheme information being provided to Boyer which includes the following information:
- i) A copy of the Applicant's FVA prepared by DS2 LLP, dated May 2018.
  - ii) Revisions of the development scheme drawings prepared by PRP Architects, dated 7<sup>th</sup> May 2019.
  - iii) A copy of the accommodation schedule prepared by PRP Architects, dated 3<sup>rd</sup> May 2019.
  - iv) A copy of the construction cost plan, prepared by Faithful & Gould, dated 28<sup>th</sup> May 2019.
  - v) A copy of the Planning Statement prepared by DP9 Ltd, dated November 2018.



## 2. PROJECT DETAILS

### Location

- 2.1 The Site is located within the London Borough of Lewisham within the Lewisham Town Centre Boundary, as defined by the Local Plan. The Site is situated to the south of Lewisham Town Centre, accessed from Elmira Street and is predominantly a residential location. Elmira Street runs north to the A20, which provides a direct route to other arterial routes and on to the wider motorway network. Lewisham mainline railway station and DLR station is located approximately 0.4km to the north east, which provides regular services into central London.

### The Site

- 2.2 The Site extends to 0.49 hectares (1.21 acres) and is currently occupied by a two-storey warehouse/depot (Use Class B8). It is understood from the Applicant that the existing warehouse is a self-contained industrial property arranged over ground and first floor with associated yard and car parking. The building was built in the 1980s and is of steel portal frame construction.
- 2.3 We have only inspected the Site from the road and have not undertaken any internal inspections or carried out any measured surveys. We are therefore reliant on the accuracy of the information provided by the Applicant and its advisers.
- 2.4 The Site sits to the south of Silver Road and is accessed via a gated entrance. To the north of Silver Road is a housing estate. The Site is bounded to the east by the Ravensbourne River and to the west and south by mainline railway lines and land controlled by Network Rail.

### Development Overview

- 2.5 The Applicant is seeking a planning permission to redevelop the Site and has submitted detailed proposals for the following scheme:
- “Demolition of existing buildings (Axion House), 1 Silver Road, SE13 and the construction of buildings ranging from ground level plus 4 to 15 storeys in height, to provide 136 residential units, and flexible B1/A1/A3/D2 commercial uses, associated landscaping works, vehicular access, cycle and car parking”.
- 2.6 Since this planning application was submitted the Applicant has revised the proposal to reduce the quantum of commercial floor space and increase the number of dwellings from 136 to 141. This has resulted in an additional seven dwellings being offered for affordable housing.
- 2.7 Based on the revised accommodation schedule we understand the proposed development scheme comprises the following accommodation:
- 453 sqm (NIA/GIA) mixed commercial accommodation

- 12,980.5 sqm (GIA) and 9,760 sqm (NIA) residential accommodation
    - 106 x Private Sale Units (7,360 sqm (NIA))
    - 25 x Affordable Rent Units (1,778.5 sqm (NIA))
    - 10 x Shared Ownership Units (621.5 sqm (NIA))
- 2.8 The Applicant’s current proposal indicates that the development will include a total of 35 affordable homes, reflecting a proportion of c.24.9% by habitable room or c.24.8% by unit number.
- 2.9 Current LB Lewisham planning policy requires 50% of all proposed dwellings to be provided as affordable housing unless it can be demonstrated through viability that a lower provision is appropriate. In exceptional circumstances, it is possible for the applicant to offer a payment in lieu of on-site affordable homes. In either circumstance an assessment must demonstrate that the maximum level of affordable housing has been secured or that an equivalent sum is paid to provide the equivalent number of affordable homes off-site.
- 2.10 In August 2017, the Mayor of London issued Supplementary Planning Guidance on affordable housing and viability assessments, stating that where a minimum of 35% affordable housing is provided on-site and meets the specified tenure mix, without access to public subsidy, the need for an FVA can be omitted in an attempt to speed up the planning process. With the proposed affordable housing offer at only 24.9%, a detailed viability review remains a requirement in the determination of this planning application.

**Section 106 and CIL Proposals**

- 2.11 We are advised by the Applicant that based on the current proposal the following S106 and CIL contributions have been allowed for:
- |                              |                   |
|------------------------------|-------------------|
| • S106:                      | £331,250          |
| • Mayoral CIL2:              | £622,500          |
| • Borough CIL:               | £896,963          |
| <b>Total S106 &amp; CIL:</b> | <b>£1,850,713</b> |
- 2.12 In undertaking this FVA review, we have provisionally checked these assessments. LB Lewisham CIL was adopted in April 2015 at a rate of £70 per sqm for residential development. Applying the indexation to November 2018, based on the BCIS All-in Tender Price Index, indicates a current charging rate in the order of £81.13 per sqm. There is no charge on B class uses. MCIL2 is effective from April 2019 and reflects a charge of £60 per sqm on all development, with relief on affordable housing.
- 2.13 We would recommend that these S106 and CIL figures are confirmed by the Council, with particular attention given to required indexation of the CIL liability since charging schedules were adopted and any exemptions for affordable housing. Should additional S106 or CIL contributions be required this will impact on the viability of the development and could affect the Applicant’s ability to deliver the proposed scheme.

## 3. APPROACH TO VIABILITY ASSESSMENT

### Limitation of Residual Development Appraisals

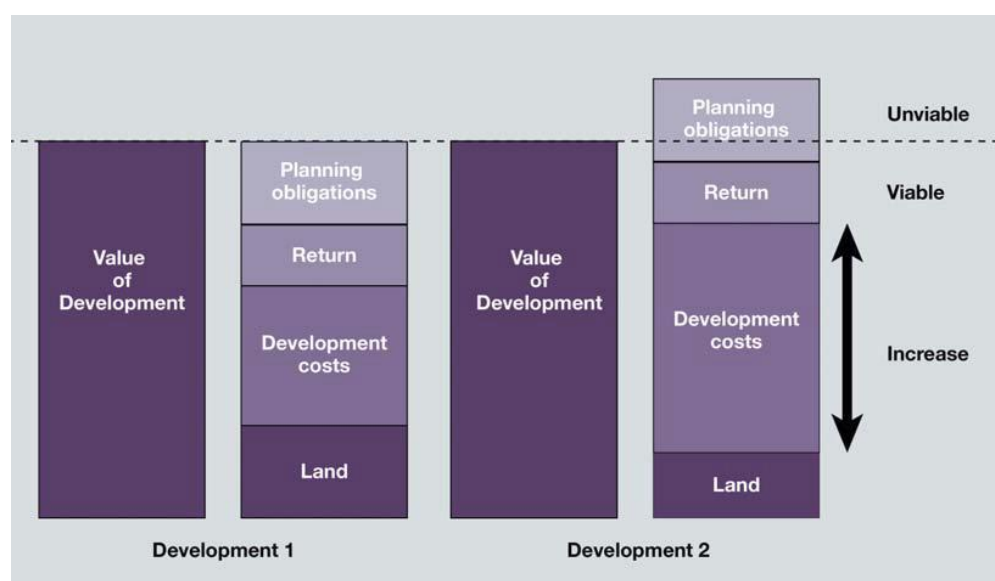
- 3.1 We have prepared a series of development appraisals using the industry standard Argus Developer software to appraise the project viability. Please note the following;
- Development appraisals are highly sensitive to their inputs (i.e. small changes in inputs can lead to a marked change in outputs).
  - Development appraisals are required to assess viability as at today's date, which is reinforced in the RICS Financial Viability in Planning guidance note. They are permitted to factor in historic costs and also potential future market and cost inflation. However, this all needs to be considered as at today's date.

### Approach to Appraisal

- 3.2 In undertaking a viability assessment review for planning purposes Boyer gives full consideration of the RICS Guidance Note 94/2012 (GN94) – Financial Viability in Planning. GN94 provides an objective methodology framework to support Affordable Housing viability assessment. The GN94 highlights that it is grounded in the statutory and regulatory planning regime that currently operates in England. GN94 concludes that the fundamental issue in considering viability assessments in a town planning context is whether an otherwise viable development is made unviable by the extent of planning obligations or other requirements.
- 3.3 GN94 defines financial viability for planning purposes as follows:
- “An objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the developer in delivering that project”.
- 3.4 GN94 proposes the use of a residual appraisal methodology for financial viability testing and that such a methodology is normally used, where either the level of return or site value can be an input and the consequential output (either a residual land value or return respectively) can be compared to a benchmark having regard to the market in order to assess the impact of planning obligations or policy implications on viability. GN94 defines site value as follows:
- “Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan”.
- 3.5 It is accepted however that any assessment of site value will have regard to potential planning obligations, and the purpose of the viability appraisal is to assess the extent of these obligations while also having regard to the prevailing property market.

3.6 This principle is demonstrated by the diagram found in GN94 and replicated in fig.3.1 below. The costs and necessary returns of Development 1 are such that policy can be met in delivering all planning obligations while meeting a site value for the land, all other development costs and a market risk adjusted return. In contrast, Development 2 indicates that an increase in costs results in an inability of that development to absorb the original planning obligations and is therefore unviable. A financial viability assessment would be required to ascertain what could viably be delivered in the way of planning obligations while ensuring that the proposed development was viable and deliverable.

Fig.3.1: Demonstration of viability



Source: RICS Guidance Note 94/2012.

- 3.7 While Boyer acknowledges the RICS definition of Market Value as one basis to assess site value (now more commonly referred to as Benchmark Land Value (BLV)), more recent guidance in the NPPF (February 2019) and NPG (May 2019) requires the assessment of the BLV to be based on an Existing Use Value plus a premium (EUV+) or Alternative Use Value (AUV). We understand that the RICS is due to issue an updated guidance note shortly to reflect this current approach.
- 3.8 With regard to the use of EUV+, the premium is designed to allow for a sufficient return to the land owner to incentivise the release of the land for development.
- 3.9 Where AUV is to be applied in assessing the BLV there must be either an implementable planning permission for the site or where no permission exists, any proposal must be fully planning policy compliant and stand a reasonable likelihood of the LPA granting a planning permission for that development scheme. It must also be evidenced that there is sufficient market demand for the stated alternative use and provide an explanation why the alternative use has not been pursued.

- 3.10 In August 2017, the Mayor of London adopted the Affordable Housing and Viability SPG which sets out the preferred method of Benchmark Land Value assessment. The Mayor considers that the EUV+ approach is usually the most appropriate approach for planning purposes.
- 3.11 Where the existing site or property is undeveloped or in a condition unsuitable for use or occupation, an alternative approach could be to consider the AUV.
- 3.12 This viability assessment has been undertaken in accordance with the LB Lewisham's Supplementary Planning Document (SPD) on Planning Obligations, adopted on the 25th February 2015. This includes guidance on financial viability assessments (paragraphs 4.31 to 4.38). In respect of land value, the SPD notes that the analysis should be based on land values as set by the application of planning policy in determining the permissible scope of development rather than the price actually paid for the land.
- 3.13 The site value adopted in this viability assessment is based on EUV+, in respect to the use as a warehouse/depot with use class B8.
- 3.14 In determining the EUV+ assessment, Boyer has had regard to transactional evidence for similar properties in the local vicinity, or further afield were appropriate and justified.

#### **Residual Development Appraisal Assumptions**

- 3.15 Our residual development appraisal has been prepared using Argus Developer, a recognised industry standard package that models individual development schemes and development phases. The model is based on costs and values adopted by the appraiser and can then be applied to a bespoke timeframe with assumptions on cost breakdown throughout the life of the project. This assumption on costs, revenues and the timing of such is then used to calculate finance costs.
- 3.16 In our residual development appraisal we have adopted our own assumptions on the amount and timing of income and expenditure, explaining why these differ from the Applicant's assumptions, if applicable. As part of our review we have examined all assumptions and formed our own independent view on whether these assumptions are applicable in the current market conditions.
- 3.17 We have appraised the development scheme as a single phase development. We provide a copy of this appraisals in the Appendices and set out the revenue and cost assumptions adopted.

## 4. MARKET ANALYSIS

### Local Property Market

- 4.1 We have undertaken a review of the local property market to identify a range of comparables for residential rental units and commercial property values.

### Industrial Property Market - Benchmark Land Value

#### *Existing Use Value Plus*

- 4.2 The preferred approach to calculating the Benchmark Land Value (BLV) for viability assessments is the Existing Use Value Plus (EUV+). This assumes that the price a purchaser will pay for the Property will reflect the current use the Property is permitted to be used for, as at the current date. This approach should disregard any development potential the Property or Site may present. In order to incentivise the owner to sell the Property however, a premium is assumed to enable the owner to achieve an appropriate financial return. This premium can typically range from 10% to 40% depending on the characteristics of the property and circumstances around its disposal.
- 4.3 There is limited evidence of industrial property transactions within the local vicinity. Research reported by JLL in the Employment Land Report, submitted as part of the original planning application, advises that *'occupier demand is typically focussed on 'hub' locations (multi-let industrial / warehouse estates) that are able to take advantage of local infrastructure and the benefit of sympathetic surrounding occupiers involved in similar or complementary uses'*. The JLL report continues, *'As a consequence a "two-tier" market has developed with good demand for modern or new space located on established industrial estates, but little appetite for poor quality or dilapidated stock which is constrained by way of functionality or access'*.
- 4.4 To ascertain the likely achievable rental value the existing Property could achieve, Boyer has conducted a review of recent lettings of industrial and warehouse premises in the surrounding locations.

#### *Axion House, Silver Road, SE13 (the Property)*

- 4.5 The Property was let in March 2014 for a term of three years to V22 for use as artists' studios. The rent agreed was £113,000 pa, reflecting a rent of £52.21 per sq m (£4.85 per sq ft). We note the original asking rent was £175,000. It should be borne in mind that this letting was agreed on a short-term basis while the owner prepared for the site to be sold for redevelopment. It should also be noted that the letting occurred over five years ago, since which it can be expected the industrial property market has experienced rental growth.

- 4.6 While we would not rely on this letting as a robust indication of the rent an occupier would be prepared to pay, this transaction should nonetheless be referenced within this review. We would comment however, while we have not been able to inspect the building internally, we understand from the JLL report that the building has continued to fall in to a state of disrepair and this would impact the achievable rental value should the building be marketed at the current date. Should the Energy Performance Certification also be recorded as lower than E, it would not be possible to let the Property until work was completed to improve its energy performance. Although we note the EPC rating was C, as at March 2014.

*Suite 5, Franthorne Way, London, SE6*

- 4.7 Franthorne Way is situated approximately 3km to the south of the Property. Suite 5 comprises a self-contained 463 sqm (4,980 sqft) industrial unit and was let in July 2018 on a seven year lease at a rent of £45,000 pa. The agreed rent reflects £97 per sqm (£9.04 per sqft). It is noted that this unit is significantly smaller than the subject Property.

*Unit 3, Mercy Terrace, SE13*

- 4.8 Mercy Terrace is situated approximately 0.5km to the southwest of the Property. Unit 3 comprises a self-contained 769 sq m (8,277 sq ft) industrial unit and was let in November 2017 at a rent of £60,000 pa. The rent reflects £78 per sq m (£7.23 per sq ft). This unit is smaller than the subject Property.

*Deptford Trading Estate, Blackhorse Road, SE8*

- 4.9 Deptford Trading estate is located approximately 2.8km to the northwest of the Property and comprises a cluster of industrial units just off the A200 arterial route. Over the past few years there have been a number of new lettings:
- Unit 2 comprises a self-contained 1,035 sqm (11,141 sqft) industrial unit let in September 2015 on a 20 year lease at a rent of £111,410 pa with a 10 month rent free period. The agreed rent reflects £107.63 per sqm (£10 per sqft).
  - Unit 5 comprises a self-contained 300 sqm (3,227 sqft) industrial unit let in July 2015 on a five year lease at a rent of £34,628 pa with a 5 month rent free period. The agreed rent reflects £115.50 per sqm (£10.73 per sqft).
  - Unit 8 comprises a self-contained 537 sqm (5,783 sqft) industrial unit let in July 2015 on a five year lease at a rent of £63,163 pa with a 4 month rent free period. The agreed rent reflects £117.56 per sqm (£10.92 per sqft).
  - Unit 17 comprises a self-contained 325 sqm (3,499 sqft) industrial unit let in April 2015 on a five year lease at a rent of £38,489 pa with a 4 month rent free period. The agreed rent reflects £118.40 per sqm (£11 per sqft).

- 4.10 We are of the opinion that these units are of a superior quality than the accommodation available at the Property, albeit of a smaller scale and better suited to smaller business occupiers. As a result of this difference in accommodation size and quality, we would not expect the Property to achieve a rental value as high as the units at the Deptford Trading Estate.

*Surrey Canal Trade Park, Surrey Canal Road, SE14*

- 4.11 Surrey Canal Trade Park is situated approximately 3km to the northwest of the Property and comprises a cluster of newly constructed industrial premises. Units 1, 2 and 3 comprises self-contained industrial premises ranging in size from 445 to 608 sq m (4,786 to 6,546 sq ft) let during 2016. The agreed rents reflect £161 to £172 per sq m (£15 to 16 per sq ft). It is noted that these units are significantly smaller than the subject Property and are of a superior quality and location.
- 4.12 Evidence of investment sales is very limited, with most premises sold for continued use as industrial premises transacting as vacant or owner-occupied facilities.

*34-40 Eastdown Park, SE13*

- 4.13 This property was sold with vacant possession in October 2016 with a reported price of £3,950,000. Based on the floor areas recorded, the capital value reflects £2,650 per sq m (£246 per sq ft). However, the property did present potential for residential redevelopment and this may have been reflected in the pricing. On the basis that the premises, if let, could achieve a rent equivalent to £75 to £130 per sq m (£7 to £12 per sq ft), we estimate the investment yield would be in the range of 3% to 5%, suggesting that a premium for development potential was achieved.

*Sandgate Trading Estate, Sandgate Street, SE15*

- 4.14 Sandgate Trading Estate is located approximately 4km to the northwest of the Property, in the north of Peckham. Units 3 and 4 were sold in June 2014 as an investment property. The achieved price was £762,000 with the passing rent at the time of £61,000, reflecting an initial yield of c.8%. While this evidence is now historic, we would anticipate the yield would have compressed to reflect value growth in the time since this transaction.
- 4.15 With the limited evidence available, we are of the opinion that should the landowner seek to re-let the Property at the current time, the rent would need to be discounted to reflect the condition, location and quantum of space compared with the evidence listed above. We would therefore expect a rental equivalent to £65 to £75 per sq m (£6 to £7 per sq ft) which would generate an annual income of circa £140,000 to £163,000.



- 4.16 Determining an appropriate investment yield is less precise in the current market and with the lack of truly comparable evidence. A yield of 5% to 7% might be acceptable to an investor, although given the issues referred to above concerning location and condition, while disregarding development potential, we would be of the opinion a yield towards the higher end of the range would be necessary, particularly as it is currently vacant. We set out our BLV calculation in section 5.

### **Development Values**

- 4.17 The proposed development scheme comprises 141 dwellings for private sale and affordable housing. We provide a selection of evidence below from which we have formed an opinion of achievable gross development value (GDV).

#### *Residential Sale Values*

- 4.18 In seeking to form a view on achievable sales values for the proposed private sale units we have focused our evidence, where available, on other developments of a similar scale and character in the location and neighbouring post codes. It should be noted that a number of large scale development schemes in Lewisham are now relatively historic. This would include Barratt's development known as Renaissance and the first phase of Muse's development at Lewisham Gateway. Although we do provide some commentary below.

#### *Lewisham Gateway, Portrait Tower – Phase 1*

- 4.19 Following work that was undertaken as a separate commission we are aware the average sales value for the 193 dwellings was in the order of £6,100 per sqm (£567 per sqft). However, these sales occurred in 2014 and 2015 and do not necessarily reflect current market trends.
- 4.20 It should be noted that the majority of units comprised one bedroom homes which could further skew the resulting £/sq ft figure on the basis that smaller units can achieve a disproportionately higher £/sqft rate.

#### *Lewisham Gateway, Portrait Two*

- 4.21 The second phase of sales at Lewisham Gateway has been underway since 2017 with a mix of one and two bedroom apartments. We provide details of units sold in 2018 at Appendix 1, which suggest an average sales value of £6,737 per sqm (£626 per sqft). The average sales value for all units sold during 2017 and 2018 is £6,824 per sqm (£634 per sqft).
- 4.22 The evidence available indicates that the one bed units range in value reflecting £7,491 to £7,787 per sqm (£696 to £723 per sq ft) with the two bed units ranging in value reflecting £6,321 to £6,791 per sqm (£587 to £631 per sq ft).

- 4.23 We would comment that the units at Lewisham Gateway would potentially achieve greater buyer interest and value due to its central location and proximity to the railway and DLR station. The proposed extension to the Bakerloo Line will also add value although with expected delivery and opening of this station approximately 10 years away we would anticipate additional value growth to be realised in the future.

*Centralis, 87-89 Loampit Vale, Lewisham, SE13*

- 4.24 Centralis is a development by Purelake New Homes Ltd comprising 49 self-contained dwellings together with associated parking, landscape works and amenity space. The development is located approximately 0.3km to the north of the subject property, closer to the railway station.
- 4.25 We provide details of units currently being marketed at Appendix 1, which suggest an average sales value of £6,738 per sqm (£626 per sqft). The average sales value for all units sold to date is understood to be in the order of £6,727 per sqm (£625 per sqft) with the highest value achieved in the order of £7,459 per sqm (£693 per sqft).
- 4.26 The evidence available indicates that the one bed units range in value reflecting £7,264 to £7,556 per sqm (£675 to £702 per sq ft) with the two bed units ranging in value reflecting £6,321 to £7,513 per sqm (£587 to £698 per sq ft) and three bed units at £5,640 per sqm (£524 per sqft).

*Christopher Boones Almshouses, Belmont Park, Lewisham, SE13*

- 4.27 Christopher Boones Almshouses is a development of 2 and 3 bedroom apartments and 4 bedroom duplexes in a gated community by Merchant Taylors Company to provide 88 units in total for residents over the age of 57. The development is located approximately 0.9km to the east of the subject property situated on the corner of Belmont Park and Middleton Way in the London Borough of Lewisham.
- 4.28 We provide details of units currently being marketed at Appendix 1, which suggest an average sales value of £5,995 per sqm (£557 per sqft) for a selection of mainly three bedroom units.
- 4.29 It should be noted the evidence is for asking prices for three bed units which are likely to reflect a lower £/sqft value than could be achieved on the smaller two bedroom units.

*Renaissance, Loampit Vale – Barratt Homes*

- 4.30 Barratt Homes' 788 dwelling scheme known as Renaissance is now relatively historic in terms of providing sales values for new-build homes in Lewisham town centre. While sales began as early as 2010, the last sales are understood to have completed in 2015. The development is situated to the north of the subject Property and is now completed.

- 4.31 With average sales values now reported to be in the order of £5,059 per sqm (£470 per sqft) overall, we have calculated that average sales values over the course of 2015 were in the region of £7,020 per sqm (£653 per sq ft) for one and two bedroom apartments. It should be noted that a number of these units are located on higher floors within the building and could therefore reflect a premium compared with apartments on the lower levels.

### **Residential Sales Summary**

- 4.32 While there has been considerable redevelopment in the centre of Lewisham over the past few years it is notable that many of the major schemes have either completed and sales evidence is now dated.
- 4.33 The sales evidence for the more recent schemes highlighted above and in the appendices show a mix of values ranging from £5,640 to £7,782 per sqm (£524 to £723 per sq ft), with average values ranging from £5,995 to £6,738 per sqm (£557 to £626 per sq ft).
- 4.34 It should also be noted that the proposed development will include tall residential towers and we would envisage that units within the upper floors of these blocks will achieve a premium over units on lower floors. This is therefore in line with the characteristics of the Lewisham Gateway scheme. Although, we would have expected values at Lewisham Gateway to be superior to any other development further from the centre of town and the railway station.
- 4.35 The previous FVA review carried out in February 2019 concluded that the average private sales value across the proposed development at Axion House would be in the order of £7,083 per sqm (£658 per sq ft). This was based on a similar scheme of up to 16 storeys in height. We are of the opinion that achievable unit prices will not have increased in the past four months to materially alter the average sales value adopted by the Applicant. We are therefore of the view that an average sales value would be in the order of £7,083 per sqm (£658 per sq ft).

### **Residential Rental Values – Affordable Housing**

- 4.36 To assess the potential value of any rented affordable homes, our assessment of the price a Registered Provider could pay to acquire any of these units is based on the Local Housing Allowance rates as at May 2019 for this location. These are currently as stated below:
- 1 bed @ £216.51 per week
  - 2 bed @ £281.45 per week
  - 3 bed @ £340.64 per week

- 4.37 In assessing the potential value attributable to any Affordable Rented units we have taken into account the government's requirement for Registered Providers to reduce rents by 1% per annum up to 2020. Our calculations are based on a Registered Provider achieving the LHA rents stated above allowing for deductions equivalent to 30% of the gross rental income to cover annual management costs, bad debts, repairs and maintenance. The net rental income has been capitalised at a yield of 6%. We have concluded that a Registered Provider may typically adopt a blended rate for the one, two and three bedroom units of £2,906 per sqm (£270 per sq ft). This reflects a value of approximately 41% of the average private sale value.
- 4.38 With regard to shared ownership units we have adopted market values and made an assumption on the initial sale of equity to the purchaser. This is assumed to be 25%. The rental payments on the interest retained by a Registered Provider are then calculated based on a maximum of 2.75% of the outstanding value per annum.
- 4.39 This approach indicates a blended value for the one and two bedroom units at £4,338 per sqm (£403 per sq ft). This reflects a value of approximately 61% of the average private sale value.

#### **Office Values**

- 4.40 Evidence of office transactions is limited within the new-build developments constructed in Lewisham town centre over the past few years. We have undertaken a review of the property market and set out the evidence below of which we are currently aware.

##### *83 Lewisham High Street, SE13*

- 4.41 The unit comprises a 71 sqm (766 sq ft) office premises over a retail unit in the high street in the centre of Lewisham. We understand that the unit was let to Augustine Clement Solicitors in June 2017, for a term of 15 years at a rent of £13,000 pa. This reflects a rental rate of c.£183 per sqm (£16.97 per sq ft).

##### *Unit 1, 52-54 Thurston Road, SE13*

- 4.42 The unit comprises a 92 sqm (990 sq ft) office premises over ground and mezzanine level within a new development to the west of Lewisham station. We understand that the unit was let to JBS Solicitors Ltd in August 2016, for a term of five years at a rent of £18,000 pa. This reflects a rental rate of c.£195 per sqm (£18.18 per sq ft). It is understood the asking rent was £20,000 and that there will be a rent review after three years.

##### *Unit 1, 52-54 Thurston Road, SE13*

- 4.43 This unit (referred to above) comprises a 92 sqm (990 sq ft) office premises over ground and mezzanine level within a new development to the west of Lewisham station. We understand that the unit was sold to Fuse Pension Fund in April 2016, for a sum of £165,000. This sale pre-dates the letting to JBS Solicitors Ltd and reflects a capital value of £1,794 per sqm (£167 per sq ft).

*Unit 2, 52-54 Thurston Road, SE13*

- 4.44 This unit comprises a 69 sqm (738 sq ft) office premises over ground level within a new development to the west of Lewisham station. We understand that the unit was sold to Frank Metier LLP in November 2016, for a sum of £167,000. This sale reflects a capital value of £2,435 per sqm (£226 per sq ft).

*Unit 3, 52-54 Thurston Road, SE13*

- 4.45 This unit comprises a 75 sqm (807 sq ft) office premises over ground level within a new development to the west of Lewisham station. We understand that the unit was sold to a private party in October 2016, for a sum of £180,000. This sale reflects a capital value of £2,400 per sqm (£223 per sq ft).
- 4.46 As stated above, there is a limited volume of transactional evidence to rely on and the evidence above is for accommodation located more centrally to the town centre. As such, we do not believe the rental values achievable for any office accommodation within the proposed development would be as high. Based on the evidence available for office transactions, we would expect the proposed office accommodation to achieve rental values in the order of £172 to £183 per sqm (£16 to £17 per sq ft).
- 4.47 With capital values for the evidenced transactions at between £1,794 and £2,432 per sqm (£167 and £226 per sq ft) and rental values in the order of £183 to £194 per sqm (£17 to £18 per sq ft) the equivalent yield would be in the order of 7.5% to 10.00%, depending on the covenant strength and lease terms of the eventual occupiers. We note that the Applicant adopted a yield of 8.00% in its FVA.

## 5. VIABILITY ASSESSMENT

### Benchmark Land Value

- 5.1 We note that since the original FVA in May 2017 the Applicant has retained its opinion that the Benchmark Land Value (BLV) should be £5,284,500 after an allowance for a 30% premium on top of the EUV. This is based on an assumed rental value equivalent to £107 per sqm (£10 per sqft) and a yield of 5.25%.
- 5.2 Based on the evidence and comment set out in section 4, we retain our previous reservations that the site would achieve this value if restricted to its current use and potential for residential development is disregarded. For the purpose of this FVA review, a rental value of £75 per sqm (£7 per sqft) and a yield of 7% has been adopted.

### Current Use Value Axion House, Silver Road, SE13

Premises		23,300 Sq Ft
Rent @ £7.00psf	£	163,100
Total Rent	£	163,100
	<b>Say</b>	<b>£ 163,000 Per Annum</b>

### Reversion

Total Rent	£	163,000
YP in Perp @ 7.00%		14,2857
Gross Value		<u>£ 2,328,571</u>

Gross EUV		<u>£ 2,328,571</u>
Less: purchasers costs @ 5.8%		<u>£ 2,200,918</u>
	<b>Say:</b>	<b>£ 2,200,000</b>

- 5.3 On the basis that the EUV is in the order of £2,200,000, it would be necessary to allow for a premium to incentivise the landowner to sell. As noted above, the Applicant has adopted a premium of 30%, justified on the assumption that the Property is currently vacant and if it was to be sold as an investment, the owner would seek to re-let it prior to disposal, thereby reducing the risk of voids and increasing its value as an investment. On this basis, we do not believe a premium of 30% is unreasonable and would apply this to our own estimate of EUV. This would allow for a total BLV of c.£2,860,000, a reduction of £2,424,500 compared with that of the Applicant's estimated BLV.
- 5.4 For the purpose of this FVA review we have therefore adopted a BLV of £2,860,000 to determine the financial viability of the proposed development and to calculate a reasonable proportion of affordable housing.

### **Appraisal Inputs**

#### *Private Residential Sales Revenues*

- 5.5 We note that the Applicant had adopted an average sales value of £7,083 per sqm (£658 per sqft). This FVA review is based on current day values. There remains uncertainty concerning the local property market over the near future with a combination of the UK's exit from the EU and a general slowdown and decline in house price growth. However, with the benefits of Help to Buy and measures to scrap SDLT on the first £300,000 of homes for first-time buyers this should help to stabilise values and there are signs first-time buyers are returning to the market with an upturn in mortgage approvals.
- 5.6 In consideration of the sales evidence for new-build homes in the local vicinity we have applied an average sales value to our appraisal reflecting £7,083 per sqm (£658 per sq ft). This generates a total capital receipt of just over £52,128,000 for the private sale units.

#### *Affordable Housing Revenue*

- 5.7 The Applicant had initially allowed for the sale of the Affordable Rented and Intermediate homes to a Registered Provider (RP) at a value of £2,088 and £3,810 per sqm (£194 and £354 per sq ft) respectively. This is calculated to generate a capital receipt of £4,560,548. The assumed timing of this receipt is 25% upon start of construction with further payments throughout the construction period with a final payment shortly after practical completion. It is understood from the Applicant's original FVA report that discussion has been held with the Council's planning and housing teams with regard to the calculation of these figures and agree overarching principles. However, there is no evidence of pre-application discussion with RP's to ascertain the likely values or payments the Applicant could expect to receive, as is recommended in the London Plan and the Mayor's Affordable Housing and Viability SPG 2017.

- 5.8 Boyer has run its own appraisal on the potential value attributable to these two tenure types based on Affordable Rent rates for the Affordable Rented units and on the assumption that 25% equity in the intermediate units will be sold to buyers with the remaining equity retained by the RP subject to an annual rental charge up to 2.75% of the outstanding 75% capital value. It is assumed that the annual income of the purchasing household of the intermediate units will not exceed £90,000 pa.
- 5.9 Based on these assessments, we are of the view that the average value for the Affordable Rented units could be in the order of £2,906 per sqm (£270 per sq ft) and the intermediate units could achieve in the order of £4,338 per sqm (£403 per sq ft). This would generate a capital receipt of £7,864,680 which is £3,304,132 greater than estimated within the Applicant's original FVA, based on LHA rates rather than London Affordable Rent rates. Although it should be noted that the current scheme now includes a greater number of affordable homes.

#### *Residential Ground Rent Revenue*

- 5.10 The Applicant had adopted an average ground rent of £338 per private sale unit. This is based on an assumption that the ground rent will be £300, £350 and £400 for the one, two and three bedroom units respectively. These rents have been capitalised at a yield of 5.00%.
- 5.11 On the 21 December 2017, the Communities Secretary announced a government proposal to introduce legislation to ensure that ground rents on new long leases are set at zero. Further comment from the Government has since suggested that ground rents will be capped at no more than £10 per annum. While the legislation is yet to be passed, the proposal has cross party support and as such it is likely to become law in the short to medium-term.
- 5.12 Consequently, in line with current valuation practice we have applied a cautious approach to the inclusion of any ground rent investment. For the purpose of this viability assessment we have applied a ground rent capped at £10 per dwelling and applied a yield of 3.50%. This generates a sum of £30,286.

#### *Commercial Revenue – Office Uses*

- 5.13 The Applicant has applied a rental value to the proposed office accommodation of £183 per sqm (£17 per sq ft) and an investment yield of 8.00%. Our own review of the current local office property market has identified that there is limited evidence of leasing and investment transactions. Those that have been reported within the nearby regeneration sites in Lewisham suggest that the proposed rental value is in line with that suggested by the Applicant.



- 5.14 The evidence for office accommodation transactions set out in section 4 of this report include accommodation within Thurston Road, which is closer to the town centre. Based on this evidence we have applied a rental value equivalent to £183 per sq m (£17 per sq ft) and have adopted a yield of 8.00%. Once lettings are agreed, depending on the covenant strength, there is potential for yields to reduce and lead to a greater capital value. The adopted assumptions however generate a capital receipt of circa £1,046,690 net of rent free periods.
- 5.15 The Applicant had assumed a rent free period of three months. On the assumption that demand for office space appears limited and incentives are likely to be required to attract an occupier, we are of the opinion that this is an acceptable rent free term to adopt.

#### *Purchasers Costs*

- 5.16 With regard to the sale of the property investment elements of the scheme, including the office accommodation and the ground rent investment, we note that the Applicant had deducted a purchaser cost equivalent to 6.8% of the capital value. This would typically cover the cost of the purchaser's SDLT and professional fees. On the basis that the value of these elements exceed £500,000 we would accept that this level of purchaser cost is reasonable.

#### *Construction Cost Advice*

- 5.17 The Applicant has provided updated construction costs to reflect the proposed revisions to the design including reduction in commercial accommodation and increase in affordable homes. Faithful & Gould's cost estimate summary indicates a total cost of c.£43,452,000 which reflects £3,235 per sq m (£300 per sq ft). This cost summary has been reviewed by Accertum Quantity Surveyors which has recommended that for the purpose of the viability assessment the main construction cost should be in the order of £41,568,000 having allowed for cost contingencies and cost inflation. This reflected an average build cost of circa £3,094.50 per sqm (£287 per sq ft) inclusive of abnormals, external works and contingency. Accertum's review has resulted in a cost reduction compared with the Faithful & Gould cost summary of £1,884,278.

#### *S106 and CIL Contributions*

- 5.18 We note that the Applicant has made an allowance in its own FVA for borough CIL of £1,129,698 and a Mayoral CIL of £622,500.
- 5.19 We have checked these CIL allowances to ensure the appropriate charging rates are adopted and appropriate indexation applied. We have estimated that the CIL liabilities would be as follows:

• LB Lewisham CIL:	£896,963
• Mayoral CIL:	£622,500
<b>TOTAL CIL COST:</b>	<b>£1,519,463</b>

5.20 We note the Applicant had allowed for a S106 contribution equivalent to £331,250. We have applied this initial cost to our FVA review but understand an additional contribution of £80,000 has been requested by the GLA in connection with capacity upgrades for the DLR station. We have included this additional sum in our FVA review.

#### *Carbon Off-set Payment*

5.21 We have previously been advised by the Council that a carbon off-set payment of c.£243,360 would be payable by the Applicant. We have therefore included this cost within our appraisal. We note that the Applicant FVA did not make any allowance for carbon off-set payments.

#### *Professional Fees*

5.22 The Applicant had adopted an average cost for professional fees reflecting 12% of construction costs.

5.23 For a new scheme, depending on scale and complexity, we would ordinarily allow for fees in the order of 10% to 12% of build costs. While this scheme is a mixed-use development and situated within a site with constraints to working practices such as the adjoining railway and the Ravensbourne River, we are of the opinion that professional fees in the order of 10% would be sufficient. This results in a cost of c.£4,156,800.

#### *Marketing Costs*

5.24 The Applicant had applied marketing costs of 1.50% of GDV in respect to the residential elements and a fixed rate of £21.52 per sqm (£2 per sq ft) to the commercial element, which reflects a rate of 0.95% based on the gross value of the office unit. In addition, agency fees of 1.50% have been applied to the sale of the residential units and 1.00% for the sale of the office unit. The combined marketing and sales agent fees are therefore 3.00% and 1.95% for the residential and office uses respectively. A combined agent letting and legal letting fee of 15% has been applied to the office accommodation.

5.25 We are aware that different developers attribute different marketing rates and that such rates typically range from a relatively notional rate up to circa 3.5%. These costs would usually be expected to cover the preparation of a show apartment, production of brochures and website, running the marketing suite and paying marketing staff salaries and/or commission to achieve sales. However, separate letting and sales agency fees are usually added to this figure. In view of this, we are of the opinion that the rates adopted by the Applicant are acceptable and we have adopted the same rates within this FVA review.

### *Development Programme*

- 5.26 The Applicant has assumed a six month pre-construction period to complete the S106 agreement, discharge pre-commencement planning conditions, secure funding, and procure and mobilise a construction team. A period of up to 25 months is assumed to construct the development with a further period of 10 months post completion to achieve all residential sales. It is assumed that up to 60% of sales could be achieved off-plan. Having considered this programme, we are of the view that these assumed timings are reasonable and have adopted the same programme within our FVA review.

### *Finance Costs*

- 5.27 The Applicant has adopted a finance rate of 6.75% on development costs. We note that there is no separate fee for arrangement costs or loan exit fees which typically range from 1% to 2% of the funds borrowed.
- 5.28 It should also be borne in mind however that in practice, in order to limit loan to value ratios to no more than 70% to 80%, a proportion of the development funds will be drawn from internal reserves which can attract a higher 'cost of money' where opportunity costs require an internal rate of return in excess of finance rates offered by financial institutions. As such, for the purpose of this viability assessment the Applicant's adopted rate appears reasonable.

### *Developer Profit*

- 5.29 We note the Applicant had originally targeted a blended profit rate to reflect a 20% profit on GDV on the private residential units, 6% profit on GDV on the affordable homes and 16.67% on the commercial unit (this is based on 20% profit on cost). Despite this, the Applicant's FVA indicated a return equivalent to only 0.59% profit on GDV.
- 5.30 The Mayoral SPG on Affordable Housing and Viability 2017, makes it clear that applicants should provide evidence and justification for the proposed profit rates adopted within the FVA. The Applicant has indicated in its original FVA report that 'there have been clear signs expressed by the RICS and a range of agents that there are short to medium concerns for the central London residential market. This increased risk is finding its way to the margins that lenders are requiring in regard to loan facilities and also profit expectations for speculative development'. The FVA report also cites additional risk concerns such as the location of the Property, particularly for the proposed commercial unit, the scale of development, real levels of debt and wider economic context.
- 5.31 While no evidence has been provided on any discussions with lenders as to their actual requirements with regard to finance rates or profit expectations, we would acknowledge that the issues referenced in the Applicant's FVA are reasonable considerations at this stage in the development programme. However, once certain planning issues can be resolved and if any pre-sales or pre-lettings can be agreed prior to commencement of development, it may be justifiable to reduce profit expectations in line with a reduced risk profile.

- 5.32 We have also had regard to guidance in the Mayor of London Affordable Housing and Viability 2017 SPG as well as the Revised NPPF and supporting NPPG (May 2019) which sets anticipated profit rates at between 15% and 20% on GDV, with the higher rates reserved for complex and high risk development schemes.
- 5.33 For the purpose of this FVA review and having regard to the proposed scheme, we would apply a profit rate of 17.5% on GDV for the private sale and commercial units and 6% on GDV for the Affordable Housing. For the purpose of this FVA Review this reflects a blended target profit rate of 16.00%. Our own appraisal is indicating the proposed development is generating a profit on GDV of 7.2%.

## 6. VIABILITY OUTPUTS

### Viability Findings

- 6.1 Having reviewed the Applicant's FVA report setting out justification for certain assumptions, we have undertaken our own appraisal and have arrived at the main outcomes described below.
- 6.2 Based on our opinion of Gross Development Value (GDV) for the proposed development with 35 affordable housing units (24.8% based on total units or 24.9% based on habitable rooms), a benchmark land value of £2,860,000 and updated development costs, the proposed development is indicating a profit of 7.2% on GDV. Compared with a target return of 16.00% on GDV the proposed development scheme is generating a deficit of approximately -£5,362,000, indicating the scheme is not able to support any further affordable housing units at the current time.
- 6.3 In view of this output, we are of the opinion that the proposed development would be unable to support any additional affordable homes at the current time and the Applicant's offer of 35 affordable homes on a 71/29 Affordable Rent/Shared Ownership tenure split reflects a reasonable offer.

### Sensitivity Analysis

- 6.4 We have undertaken a series of sensitivity analyses to identify the potential upside and downside risk to the Applicant's proposed scheme. The tables below set out the forecast profit levels that the scheme could generate where the sales values of the private residential units fall and rise by the stated level. This sensitivity testing assumes that the scheme is delivering 24.8% affordable housing by unit number.

#### *Sensitivity of Private Residential Sales Values*

<b>Residential Sales Value (£/sq ft)</b>	<b>Profit on GDV</b>	<b>Variance from Target (16.00%)</b>
£658 (0%)	7.22%	-8.78%
£691 (+5%)	11.00%	-5.00%
£724 (+10%)	14.47%	-1.53%
£625 (-5%)	3.07%	-12.93%
£592 (-10%)	-1.49%	-17.49%

- 6.5 As can be seen from the outputs in the tables above, it will be necessary for the private residential sales value to increase over 10% to achieve a level of developer return in excess of 16.00%. We estimate that values would need to increase by c.12.35% and an average sales value of £7,957 per sqm (£739 per sq ft) to achieve a target return of 16.00% on GDV. However, should current market uncertainties have a detrimental impact on sales values and the wider commercial property market; the developer profit will fall further and adversely impact on the overall financial viability of the project.

#### **Review Mechanism**

- 6.6 It is recommended that a review mechanism is included within a S106 agreement to review viability of the scheme towards the end of the development programme. This would be used to assess the average sales values that have been achieved and ascertain whether any 'top-up' payments should be made to the Council. This is something that is now being requested by the Mayor of London in order to ensure a fair contribution is received from developers towards the provision of affordable housing across London.

## 7. CONCLUSION

- 7.1 Having reviewed the Applicant's proposal for the development of the subject Property we are of the opinion that the development could generate a profit of c.£4,405,000 reflecting a return of 7.22% profit on GDV. However, to achieve the target return of 16.00%, additional value or cost savings of c.£5,362,000 would need to be achieved.
- 7.2 As at the date of this report, this level of deficit indicates that the proposed development scheme will not be able to support the inclusion of any additional affordable homes, other than the agreed 35 dwellings currently proposed on a 71/29 Affordable Rent/Shared Ownership tenure split, where a blended return of 16.00% is required by the developer.
- 7.3 Additionally however, as indicated by the sensitivity analysis set out in section 6 of this report; consideration should also be given to current property market uncertainties caused partly by Britain's anticipated exit from the EU as well as a broad slowing or decline of house price growth in London and the risk implications this has for the Applicant in proceeding with this project. Should house prices fall over the following 12 months and beyond, this will have significant implications on the financial viability of the project and the delivery of the proposed development scheme.
- 7.4 To capture any improvement in viability and profitability of the scheme that may be achieved between the grant of planning permission and the sale of all new homes, it is recommended that a review mechanism be adopted to seek a proportion of any additional uplift in value that could be used to deliver additional affordable homes.

*James Mercer*

**James Mercer MRICS**  
**Associate Director, Boyer Planning, Development Economics**

**13 June 2019**

# **APPENDIX ONE – RESIDENTIAL SALES EVIDENCE**



## New Build Sales Evidence

### Lewisham Gateway - 1B - Portrait Two, Lewisham, SE13

A major mixed-use development by Muse Developments to regenerate Lewisham town centre. Phase 1B comprises 101 private sale units and 68 PRS units built over 15 and 22 storeys. The completed Lewisham Gateway development will provide a mix of residential units, retail and leisure premises and improvements to the public realm. The pricing below reflects the asking prices over the past 12 months. It should be noted the average sales value is £634 per sqft for all units sold.

The development is located approximately 400m to the north of the subject property situated between adjacent to Lewisham Railway Station.



Plot	Floor	No. of Beds	Floor Area (sqm)	Floor Area (sqft)	Sale Price	£/sqm	£/sqft	Sale Date
B2-145	14th	1	51	546	£380,000	£7,491	£696	Mar-18
B2-195	19th	1	51	546	£395,000	£7,787	£723	Mar-18
B2-013	1st	2	68	728	£427,500	£6,321	£587	Mar-18
B2-022	2nd	2	64	693	£427,500	£6,640	£617	Mar-18
B2-042	4th	2	65	695	£432,500	£6,698	£622	Mar-18
B2-063	6th	2	68	737	£442,500	£6,463	£600	Mar-18
B2-073	7th	2	68	737	£455,000	£6,645	£617	Mar-18
B2-092	9th	2	65	695	£447,500	£6,931	£644	Mar-18
B2-093	9th	2	68	737	£450,000	£6,572	£611	Mar-18
B2-102	10th	2	65	695	£450,000	£6,969	£647	Mar-18
B2-023	2nd	2	68	728	£430,000	£6,358	£591	Jun-18
B2-053	5th	2	68	737	£442,500	£6,463	£600	Jun-18
B2-103	10th	2	68	737	£455,000	£6,645	£617	Jun-18
B2-133	13th	2	68	737	£462,500	£6,755	£628	Jun-18
B2-143	14th	2	68	737	£465,000	£6,791	£631	Jun-18
						<b>£6,737</b>	<b>£626</b>	

## New Build Sales Evidence

### Centralis, 87-89 Loampit Vale, Lewisham, SE13

A development by Purelake New Homes Ltd to demolish the existing shop, workshop and 5 no. bedsits at 87-89 Loampit Vale and the construction of a part 4, part 6, part 7 storey building comprising 49 self-contained dwellings (Use Class C3) together with associated parking, landscape works and amenity space.

The development is located approximately 0.3km to the north of the subject property, in the London Borough of Lewisham.



Plot	Floor	No. of Beds	Floor Area (sqm)	Floor Area (sqft)	Asking Price	£/sqm	£/sqft	Sale Date
P216615	3rd	1	50	541	£380,000	£7,561	£702	May-19
P216616	4th	1	54	578	£390,000	£7,263	£675	Dec-18
P216617	3rd	2	66	711	£495,995	£7,509	£698	Dec-18
P216618	4th	2	73	787	£520,000	£7,112	£661	May-19
P221856	4th	2	74	792	£465,000	£6,320	£587	Dec-18
P216626	4th	3	105	1126	£590,000	£5,640	£524	Dec-18
						<b>£6,743</b>	<b>£626</b>	

## New Build Sales Evidence

### Christopher Boones Almshouses, Belmont Park, Lewisham, E13

A development of 2 and 3 bedroom apartments and 4 bedroom duplexes in a gated community by Merchant Taylors Company to provide 88 units in total for buyers over the age of 57.

The development is located approximately 900m to the east of the subject property situated on the corner of Belmont Park and Middleton Way in the London Borough of Lewisham.



Plot	Floor	No. of Beds	Floor Area (sqm)	Floor Area (sqft)	Asking Price	£/sqm	£/sqft	Sale Date
101	Grd	2	88	942	£460,000	£5,256	£488	May-19
102	1st	3	91	980	£587,500	£6,453	£599	May-19
103	1st	3	91	980	£526,500	£5,783	£537	May-19
104	2nd	3	91	980	£545,000	£5,986	£556	May-19
106	3rd	3	91	980	£555,000	£6,096	£566	May-19
107	3rd	3	91	980	£610,000	£6,700	£622	May-19
108	4th	3	91	980	£545,000	£5,986	£556	May-19
109	4th	3	91	980	£545,000	£5,986	£556	May-19
209	2nd	3	93	1001	£560,000	£6,022	£559	May-19
204	Grd	3	117	1262	£610,000	£5,203	£483	May-19
212	2nd	3	91	983	£570,000	£6,242	£580	May-19
213	2nd	3	93	1001	£570,000	£6,129	£569	May-19
214	2nd	3	91	983	£570,000	£6,242	£580	May-19
215	2nd	3	93	1001	£570,000	£6,129	£569	May-19
216	2nd	3	91	980	£545,000	£5,986	£556	May-19
						<b>£6,000</b>	<b>£557</b>	

We note that since our previous review in February 2019, the developer has reduced the unit pricing substantially resulting in the average sale value falling from £613 per sqft to £557 per sqft. Although the majority of these units are larger three bedroom apartments which will reduce the average £/sqft.

## **APPENDIX TWO – ACCERTUM COST REVIEW**

Review of Construction Cost

for

Residential and Commercial Development

at

Axion House  
1 Silver Road  
Lewisham  
London  
SE13 7BQ

13 June 2019

# Review of Construction Cost Axion House, Lewisham

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**Reference** 19/008 - TC

**Date issued** 13.06.2019

# Review of Construction Cost

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## 1.0 Introduction

### 1.1 **Instruction**

Accertum Ltd were appointed by Boyer Planning to undertake the preparation of an independent report upon financial viability of the development at Axion House in Lewisham. Boyer Planning will undertake the financial appraisal for the project as part of the planning application and Accertum will undertake a review of construction cost from the information submitted by the Applicant *London Square Development Limited*, hereafter referred to as 'the Applicant'.

DS2 LLP have prepared a financial viability appraisal on behalf of the applicant and this includes an estimate of construction cost provided by Faithful and Gould, the applicant's cost consultant.

### 1.2 **Site Location**

The development site is approximately 0.49 hectares in area and is of an irregular shape. Access into site is via Silver Road adjacent to a bridge which provides access under the railway. The existing building on the site comprises an area of around 1,600 m<sup>2</sup> and has a permitted use of B8 storage / warehouse. The site is a former Council storage depot and was used in 2017 as artist studios with the building subdivided into units with flexible tenancies. The site is bounded to the east by the Ravensbourne River, to the west and south by railway lines, south west by a Network Rail servicing facility and to the north by Silver Road.

### 1.3 **Project Description**

The proposed revised development will comprise of the demolition of existing buildings and erection of a new residential-led mixed use development comprising two linked buildings ranging from ground plus 4 to 8 storeys, and ground plus 4 to 15 storeys, to provide 141 residential units, and flexible B1/A1/A3/D2 use at ground floor, associated landscaping works, vehicular access, and other works incidental to the development.

### 1.4 **Planning Application Reference**

A previous planning application was submitted for a scheme with 136 nr units. This scheme can be viewed on the Council's website at <https://lewisham.gov.uk/myservices/planning>

The application number is **DC/18/09972**.



## 1.5 Changes to Previous Application

Based on the revised scheme described above the main changes that have been incorporated in the new design are as follows:

- The external envelope is essentially the same with all changes limited to GF and L1
- Private units have reduced from 108 to 106. (Units B207 and C101 have been displaced)
- Affordable units changed from 28 units (24 Affordable Rent and 4 Shared Ownership) to 35 units (25 nr Affordable Rent and 10 Shared Ownership units)
- Commercial space reduced from 7,969 sq ft to 4,876 sq ft

This has been achieved by;

- Moving the Energy Centre from L1 to the Ground Floor
- Converting commercial space on L1 to a 1B Affordable Rent
- Converting commercial space on L1 to 3no 1B Shared Ownership
- Converting 1no 3B6P private unit to 1 no 1B Shared Ownership and a 2B Shared Ownership
- Converting a 1B2P private unit to Shared Ownership

## 1.6 Floor Areas

The floor areas for the project are taken from the area schedules produced in the Cost summary dated 28 May 2019.

Use	GIFA m2	NIA m2
Residential	12,980	9,760
Retail	453	N/A
<b>Total</b>	<b>13,433</b>	<b>9,760</b>

## 2.0 Information Received

2.1 The information that we have received from the application via Boyer Planning includes the following:

- Cost summary dated 28 May 2019.
- Drawings and Area scheduled received from DS2 on 23 May 2019.

2.2 The Applicant's Appraisal is based on a construction cost using a residential Gross Internal Floor area of 12,980m<sup>2</sup> and a commercial Gross Internal Floor area of 453m<sup>2</sup>. This area accords with the Faithful & Gould Cost Plan 02 dated 28 May 2019. An area schedule was provided with the cost plan.

## 3.0 Cost Summary

3.1 The Cost estimate prepared by Faithful & Gould forecasts a revised total construction cost of £43,452,240. This compares to the previous cost estimate in the sum of £41,195,000, an increase of £2,257,240; The rates for work items within the cost plan are based at 2nd Quarter 2017 however the costs have been updated using an inflation adjustment to reflect current day pricing levels as at 2nd Quarter 2019. A summary of the main cost items is shown in the table below.

3.2

Ref	Item	Total £	£/m <sup>2</sup> GIA Overall GIA
1	Site Clearance/Demolition	£819,000	£61/m <sup>2</sup>
2	Residential	£35,074,000	£2,611/m <sup>2</sup>
3	Commercial (Shell Only)	£991,000	£74/m <sup>2</sup>
4	Sub-Total	£36,884,000	£2,746/m <sup>2</sup>
5	External Works	£1,827,000	£136/m <sup>2</sup>
6	Services Infrastructure	£1,080,000	£80/m <sup>2</sup>
7	Sub-Total	£39,791,000	£2,962/m <sup>2</sup>
8	Contingency	£1,990,000	£148/m <sup>2</sup>
9	Construction Total @ 2Q2017 Pricing	£41,781,000	£3,110/m <sup>2</sup>
10	Inflation to 2Q 2019	£1,671,240	£124/m <sup>2</sup>
<b>11</b>	<b>Total Estimate (at Current Day 2Q 2019)</b>	<b>£43,452,240</b>	<b>£3,235/m<sup>2</sup></b>

3.3 An elemental comparison of cost between the previous estimate dated 5 June 2018 and the current cost estimate dated 28 May 2019 is shown on page 5.

The costs have increased by £615,701 as at 2Q 2017 prior to an inflationary adjustment of £1,671,240 to update the costs to 2<sup>nd</sup> Quarter 2019.

The movement in cost represents a reasonable adjustment as there are five additional residential units where the total has increased from 136 nr to 141 nr. This has been achieved in the most part by re-planning the floor layouts within the existing building envelope. The commercial space has reduced in area. As the residential area has increased, the additional units will require fitting out and therefore the movement in cost is considered reasonable.

However, it should also be noted that the previous review of the viability study proposed a reduction in construction cost. This is discussed further at Section 5.0.

		Cost estimate REV 05 June 2018		Cost Plan 02 June 2018		Movement £
		13,398m <sup>2</sup>		13,433m <sup>2</sup>		
		Total	£/m <sup>2</sup>	Total	£/m <sup>2</sup>	£
<b>1</b>	<b>Demolition &amp; Enabling Works Sub-total</b>	<b>£683,800</b>	<b>£51</b>	<b>£683,800</b>	<b>£51</b>	<b>£0</b>
<b>1</b>	<b>Substructure Sub-total</b>	<b>£1,753,252</b>	<b>£131</b>	<b>£1,753,252</b>	<b>£131</b>	<b>£0</b>
1.1	Substructure	£1,753,252	£131	£1,753,252	£131	£0
<b>2</b>	<b>Superstructure Sub-total</b>	<b>£15,390,924</b>	<b>£1,149</b>	<b>£15,566,706</b>	<b>£1,159</b>	<b>£175,782</b>
2.1	Frame & Upper Floors	£4,080,158	£305	£4,169,246	£310	£89,088
2.3	Roof	£1,334,108	£100	£1,334,108	£99	£0
2.4	Stairs and ramps	£253,200	£19	£253,200	£19	£0
2.5	External walls, Windows & ext. doors	£7,386,844	£551	£7,408,538	£552	£21,694
2.6	Internal walls & partitions	£1,759,439	£131	£1,810,839	£135	£51,400
2.7	Internal doors	£577,175	£43	£590,775	£44	£13,600
<b>3</b>	<b>Internal finishes Sub-total</b>	<b>£2,065,426</b>	<b>£154</b>	<b>£2,120,577</b>	<b>£158</b>	<b>£55,151</b>
3.1	Wall Finishes	£614,575	£46	£630,450	£47	£15,875
3.2	Floor Finishes	£931,746	£70	£958,122	£71	£26,376
3.3	Ceiling Finishes	£489,105	£37	£502,005	£37	£12,900
3.4	Finishes Generally	£30,000	£2	£30,000	£2	£0
<b>4</b>	<b>Fittings, furnishings and equipment</b>	<b>£1,143,200</b>	<b>£85</b>	<b>£1,183,450</b>	<b>£88</b>	<b>£40,250</b>
4.1	Fittings, furnishings and equipment	£1,143,200	£85	£1,183,450	£88	£40,250
<b>5</b>	<b>M&amp;E Services Sub-total</b>	<b>£8,295,177</b>	<b>£619</b>	<b>£8,677,965</b>	<b>£646</b>	<b>£382,788</b>
5.1	M&E Installation	£7,284,570	£544	£7,667,358	£571	£382,788
5.2	Lift and conveyor installations	£769,000	£57	£769,000	£57	£0
5.3	Builder's work in connection with services	£241,607	£18	£241,607	£18	£0
<b>6</b>	<b>Commercial Sub-total</b>	<b>£1,032,169</b>	<b>£77</b>	<b>£827,565</b>	<b>£62</b>	<b>-£204,604</b>
6.1	Commercial	£1,032,169	£77	£827,565	£62	-£204,604
<b>7</b>	<b>External works Sub-total</b>	<b>£1,526,315</b>	<b>£114</b>	<b>£1,526,315</b>	<b>£114</b>	<b>£0</b>
7.1	External Works	£1,526,315	£114	£1,526,315	£114	£0
<b>8</b>	<b>Services Sub-total</b>	<b>£885,000</b>	<b>£66</b>	<b>£902,550</b>	<b>£67</b>	<b>£17,550</b>
8.1	Services Infrastructure	£885,000	£66	£902,550	£67	£17,550
	<b>Building works estimate</b>	<b>£32,775,263</b>	<b>£2,446</b>	<b>£33,242,180</b>	<b>£2,475</b>	<b>£466,917</b>
9.1	Main contractor's preliminaries - 14%	£4,588,537	£342	£4,653,905	£346	£65,368
9.2	Main contractor's OH&P - 5%	£1,868,190	£139	£1,894,804	£141	£26,614
	<b>Base cost estimate 2Q 2017</b>	<b>£39,232,000</b>		<b>£39,791,000</b>	<b>£2,962</b>	<b>£558,899</b>
	Contingency - 5%	£1,961,599	£146	£1,990,000	£148	£28,401
<b>10</b>	<b>Risks Sub-total</b>	<b>£1,961,599</b>	<b>£146</b>	<b>£1,990,000</b>	<b>£148</b>	<b>£28,401</b>
	<b>Rounding</b>	<b>£1,411</b>		<b>£111</b>		<b>-£1,300</b>
	<b>Total Cost £</b>	<b>£41,195,000</b>		<b>£41,781,000</b>	<b>£3,110</b>	<b>£586,000</b>
11	Inflation to 2Q 2019			£1,671,240	£124	£1,671,240
	<b>Construction Cost at 2Q 2019</b>			<b>£43,452,240</b>	<b>£3,235</b>	<b>£2,257,240</b>

## 4.0 Benchmarking

### 4.1 Benchmarking Data

We have obtained cost data from various sources to facilitate cost benchmarking of residential projects. This data includes, BCIS (Building Cost Information Service), a Cost Model from Spons (a recognised industry publication) and cost data from Accertum. This cost data has been reviewed and adjusted for location and updated to reflect current day costs to facilitate a comparison with the costs reported by the Applicant for Axion House.

- 4.2 The Axion House cost £/m<sup>2</sup> inclusive of site clearance and external works is **£3,235/m<sup>2</sup>**. If the commercial unit was excluded, together with site clearance and external works, the **residential build cost is £2,951/m<sup>2</sup>**. This is calculated by taking the residential cost of £35,074,000, adding 5% for contingency/risk, 4% for inflation to 2Q 2019 giving a total of £38,300,808 with a residential gross internal floor area of 12,980 m<sup>2</sup>.

### 4.3 BCIS Cost Data

The Building Cost Information Service (BCIS) is an organisation operated by the RICS that collates, analyses and publishes construction cost data. The BCIS service provides a UK wide and fully independent database compiled and continually updated using data from various building types and locations.

BCIS publish costs as average overall building cost on a cost per square metre (£/m<sup>2</sup>) basis and an elemental cost per square metre basis for new build work. BCIS data can provide a baseline to assess the level of cost and specification enhancements on a particular scheme.

The BCIS data for new build flats (apartments) greater than 6 storeys, based upon a Lewisham location as at 2Q 2019 shows a cost range of £1,773/m<sup>2</sup> to £2,330/m<sup>2</sup> based upon the lower and upper quartile values.

The Mean Cost is £2,188/m<sup>2</sup>  
The Median cost is £2,058/m<sup>2</sup>

It should be noted that the BCIS cost data does not include for demolition or external works elements and therefore this must be taken into consideration when comparing the data to Axion House.

As Axion House has a high-quality façade treatment and is in close proximity to the railway line and river, we would suggest that the BCIS upper quartile value is used for comparison rather than the mean or median cost benchmark.

The BCIS upper quartile value is £2,330/m<sup>2</sup> which compares to the Axion House cost of £2,951/m<sup>2</sup>. Axion House cost is £621/m<sup>2</sup> (27%) above the BCIS upper quartile value for apartments above 6 storeys.

#### 4.4 Spon's Pricing Book 2019 Cost Model

Spon's Pricing Book is an industry recognised source of building cost data and provides detailed and professionally relevant construction price information for the UK. The data is intended as a guide to expected price levels for the projects or items described.

Within the Cost Models section of this publication, there is an elemental cost model for rented apartments which is described as follows:-

*"The apartments are being built for the Public Rented Sector and are arranged in a single eleven-storey building with two cores. Each core has its own apartment entrance lobby. The building also includes a residents' gym (GIA 185 m<sup>2</sup>), a private screening room and cinema (93 m<sup>2</sup>) and a residents' lounge and multifunction area (185 m<sup>2</sup>), as well as a dedicated estate management suite (GIA of 140 m<sup>2</sup>) and two retail units (GIA 280 m<sup>2</sup>)."*

This provides a suitable basis for comparison with Axion House.

The cost model provides a total cost of £2,906.40/m<sup>2</sup> based upon the Gross Internal Floor Area (GIFA). This reflects a Central London Location which has a location factor of 1.05. The Outer London Location Factor is 1.00. If an adjustment is made for this location, the adjusted cost is **£2,768/m<sup>2</sup>**.

The costs are summarised in the table below.

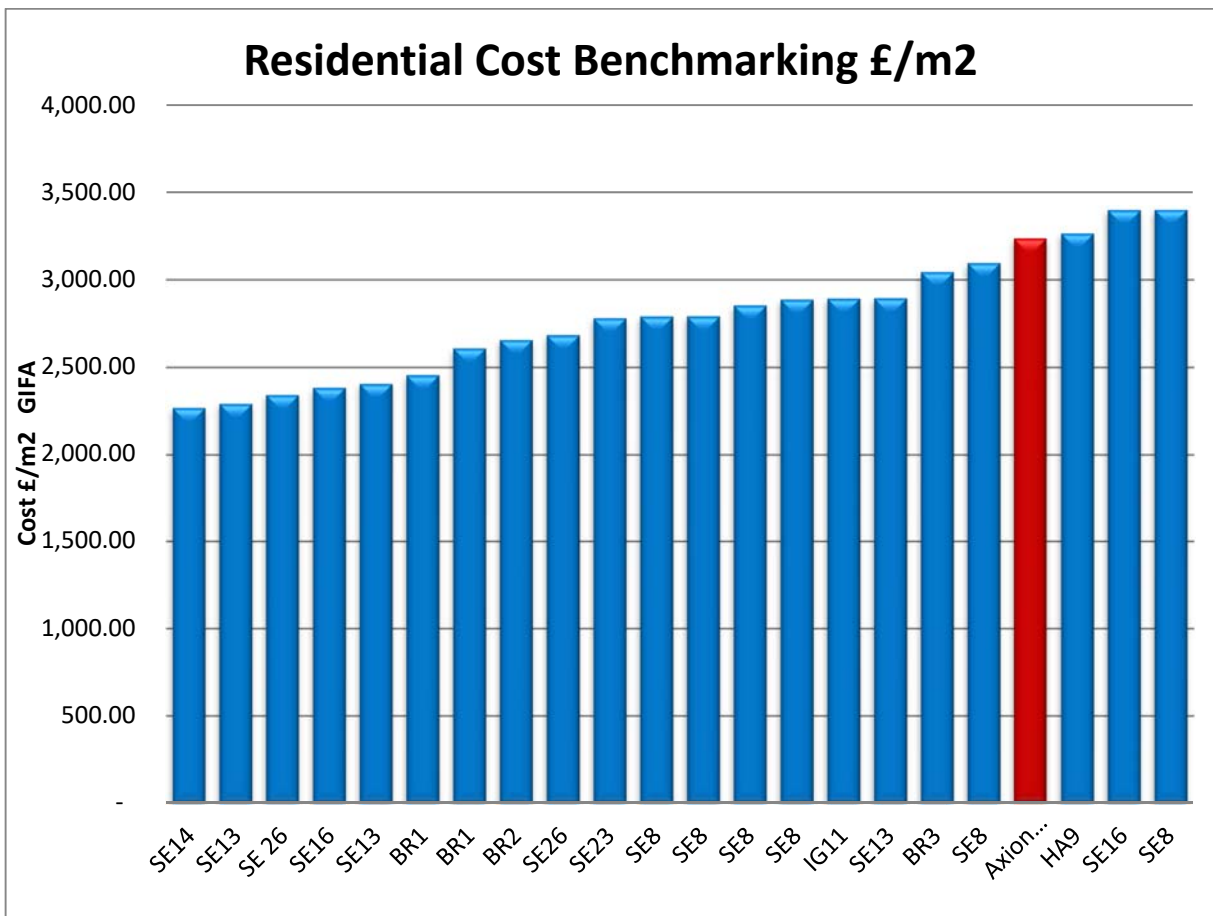
	<b>Total cost £/m<sup>2</sup></b>
Axion House	£2,951/m <sup>2</sup>
Spons Cost Model	£2,768/m <sup>2</sup>
Difference	+£183/m <sup>2</sup>

Overall, the Axion House scheme is £183/m<sup>2</sup> (6.60%) above the cost model benchmark. We would anticipate the cost model to have a higher specification than Axion House as it is based upon an inner London specification although part of this would have been factored into the location adjustment.

#### 4.5 Accertum Cost Data

Accertum have a cost database from historic projects against which projects can be benchmarked. This cost data shows that residential costs range from £2,267/m<sup>2</sup> to £3,398/m<sup>2</sup> with a mean cost of £2,791/m<sup>2</sup> and a median cost of £2,790/m<sup>2</sup>.

This data is depicted in the graph on page 8 with the Axion House cost shown in red and in the table on page 9. These costs are slightly different to the BCIS and Spons cost model benchmarking in that they are inclusive of demolition, site clearance and external works. The Axion House cost is £3,235/m<sup>2</sup>.



4.6 Overall, the Axion House scheme cost is £444/m2 (15.9%) above the mean cost in comparison to cost data collated by Accertum. The Axion House cost is within the top 20% band of projects.

4.7 We have collated construction cost data from various sources for new residential units and this is summarised in the table below:

Ref	Source	Sample Size Nr	Residential Units Cost Range £/m2	Mean Average £/m2	Median Average £/m2
<b>1</b>	<b>BCIS (See Note 2)</b>				
1.1	Apartments /Flats (6+ Storeys)	85	1,773 to 2,330	2188	2,058
<b>2</b>	<b>SPONS Price Book</b>				
2.1	Spon's Pricing Book Public Rented Sector Apartments (Outer London)	N/A	2,768	N/A	N/A
<b>3</b>	<b>Accertum Cost Data</b>				
3.1	Apartments /Flats (High rise)	<b>22</b>	2,364 to 3,398	2,791	2,790

Notes

- 1) - The range of costs for BCIS is based upon figures in the lower and upper quartiles
- 2) - BCIS and Spon's Costs include for buildings only and exclude external works
- 3) – Accertum cost data includes demolition and external works

4.8 **Benchmarking Analysis**

The Axion House cost £/m2 is above typical cost benchmarks from BCIS, Spons Cost Model and Accertum cost data. Key points to note are as follows:

- The Axion House residential cost is £2,951/m2 not including demolition and external works and £3,235/m2 inclusive of these items.
- The Axion House cost is £621/m2 (27%) above the BCIS upper quartile value of £2,330/m2 for apartments above 6 storeys.
- The Axion House scheme is £183/m2 (6.60%) above the cost model benchmark of £2,768/m2.
- Axion House is the Fourth highest project cost when compared with Accertum cost data for 22 nr residential projects. The cost of £3,235/m2 (including demolition and external works) is £444/m2 (15.9%) above the mean cost.

4.9 The conclusion from the benchmarking study is that Axion House cost is above many cost benchmarks and further analysis is required to identify possible reasons for this.



## 5.0 Proposed Cost Adjustments

5.1 Following our review of the construction costs submitted by the Applicant we would summarise that a number of the rates used within the cost plan are higher than what we would expect for developments of this size and nature.

We have compared the rates used to other projects and recent tender returns. We would propose the following adjustments to the cost estimate:

- Reduce allowance for treatment of Japanese Knotweed
- Substructure- adjustment of rate for pile testing and ground floor slab
- Adjustment to rate for waterproofing to roof
- Reduction in Tree and lighting allowances to roof gardens
- Review of rate for brickwork to facades
- Reduce allowance for mechanical and electrical installations
- Reduction in cost of lift installations
- External works – adjustment to rates for paving and deck platform
- Reduce allowance for Feature lighting and CCTV to reflect scope
- Omit non recoverable VAT on carpets and white goods

5.2 Accertum have made adjustments for the items noted in Section 5.1 and these are summarised on page 11. These adjustments have been made to the rates priced at 2Q 2017 levels, so a 4% uplift has been added which results in a **reduction of £1,884,278** to the Applicant's construction cost.

### 5.2 Inflation

The applicant's cost consultant, Faithful & Gould has proposed a 4% uplift in cost to update the cost from 2Q 2017 to 2Q 2019. This results in a cost increase of £1,671,240.

The BCIS All in Tender Price Index provides data upon changes in tender prices. BCIS data during the period of the initial estimate (2Q 2017) and current day is set out below:

- 2Q 2017 is 324
- 2Q 2019 is 332

This represents an increase of 2.47% in the period which is less than the 4% adopted by the Applicant. Inflation forecasts from other construction consultants over the period 2Q 2017 to 2Q 2019 varies and typically ranges from 3% to 4.5% with most forecasts being closer to 3%. Notwithstanding the 4% uplift is considered as being reasonable.

Residential	12,980 m2
Commercial	453 m2
<b>TOTAL</b>	<b>13,433 m2</b>



Item	Description	F&G cost	F&G cost per m2	Accertum Proposed cost	Accertum cost per m2	Total Cost Reduction	Comments
<b>1 Demolition &amp; Enabling Works</b>							
1.1	Japanese Knotweed	£50,000	£3.85	£25,000	£1.93	£25,000	Area advised to be 2 x 4m long by 2m deep). Revised cost
<b>2 Substructures</b>							
2.1	Provision for testing	£67,077	£5.17	£20,000	£1.54	£47,077	Pile testing only
2.2	Ground floor slab	£216,999	£16.72	£196,695	£15.15	£20,304	250mm thick slab. F&G rate £171/m2. Accertum proposed £155/m2.
<b>3 Roof</b>							
3.1	Waterproofing to roof	£534,420	£41.17	£320,580	£24.70	£213,840	F&G rate £300/m2. Accertum proposed £180/m2.
3.2	Tree and lighting allowances to roof gardens	£191,000	£14.71	£120,000	£9.24	£71,000	F&G Allowance seems excessive
<b>4 External Facades</b>							
4.1	Brick façade	£3,034,350	£233.77	£2,697,200	£207.80	£337,150	F&G façade rate £450/m2. Accertum proposed £400/m2.
<b>5 M&amp;E installations</b>							
5.1	M&E installations (excluding Services Infrastructure and Energy Centre)	£7,667,358	£590.71	£7,342,858	£565.71	£324,500	Accertum propose M&E (Inc renewables and connections exc Energy Centre) to be £566/m2; Reduction of £2301 per unit
<b>6 Lift Installations</b>							
6.1	Allowance for lifts	£769,000	£59.24	£700,000	£53.93	£69,000	Improvement in rates when procuring
<b>7 Commercial</b>							
7.1	Ground floor slab	£56,088	£123.81	£50,840	£112.23	£5,248	250mm thick slab. F&G rate £171/m2. Accertum proposed £155/m2. (328m2)
<b>8 External Works</b>							
8.1	Hard landscaping (blended rate)	£149,250	£11.50	£119,400	£9.20	£29,850	F&G rate £250/m2. Accertum proposed £200/m2.
8.2	Deck platform	£420,525	£32.40	£283,500	£21.84	£137,025	F&G rate £445/m2. Accertum proposed £300/m2.
8.3	Feature lighting and CCTV	£145,000	£11.17	£100,000	£7.70	£45,000	Revised cost to align with scope
<b>9 VAT items</b>							
9.1	Non recoverable VAT on carpets	£58,551	£4.51	£0	£0.00	£58,551	All VAT excluded from cost plan
9.2	Non recoverable VAT on White goods	£58,000	£4.47	£0	£0.00	£58,000	All VAT excluded from cost plan
							116 nr units (Private & SO)

SUBTOTAL		£1,441,545
Preliminaries	14%	£201,816
OHP	5%	£82,168
Contingency	5%	£86,276.47
<b>SUB-TOTAL</b>		<b>£1,811,806</b>
Inflation to 2Q 19 @ 4%		£72,472
<b>TOTAL COST REDUCTION</b>		<b>£1,884,278</b>

**PROPOSED CONSTRUCTION COST (ROUNDED)** £41,568,000 Applicant cost was £43,452,240

## 6.0 Summary

6.1 Following our review of the construction costs submitted by the Applicant we would summarise the key observations as follows:

- The Applicant has provided a construction cost estimate in the sum of £43,452,240. This cost represents a current day cost as at 2nd Quarter 2019. This sum excludes Professional Fees and VAT but includes a 5% contingency/risk allowance.
- The Cost £/m<sup>2</sup> equates to £3,235/m<sup>2</sup> including demolition, site clearance, new build residential and commercial units plus external works and site infrastructure. The cost for the residential only element is £2,951/m<sup>2</sup> based on the residential area.
- The Commercial unit cost of £1,082,172 equates to £2,389/m<sup>2</sup> which is high for commercial units but we have reviewed the cost build up and consider this to be a reasonable estimate of cost, although it is at the higher end of the cost range.
- The costs have been benchmarked against BCIS cost data, a Spons cost model which is a recognised industry publication and Accertum cost data.
- The Axion House residential cost of £2,951/m<sup>2</sup> is £621/m<sup>2</sup> (27%) above the BCIS upper quartile value of £2,330/m<sup>2</sup> for apartments above 6 storeys.
- The Axion House residential cost of £2,951/m<sup>2</sup> is £183/m<sup>2</sup> (6.60%) above the Spons cost model for new build residential projects in Outer London.
- The Axion House scheme cost is £444/m<sup>2</sup> (15.9%) above the mean cost in comparison to cost data collated by Accertum. The Axion House cost is within the top 20% band of projects.
- The cost estimate has been based upon 2Q 2017 pricing levels with an inflation adjustment of 4% to bring costs up to current day levels at 2Q 2019. The 4% adjustment is at the upper end of inflation forecasts but is considered to be a reasonable uplift of cost.
- Some of the rates used in the cost estimate are considered high and a number of adjustments are proposed. These adjustments result in a reduction of **£1,884,278** to the Applicant's construction cost.

6.2 For the purposes of a Financial Viability Report, as at 2nd Quarter 2019, we would recommend a total construction cost of **£41,568,000** which equates to **£3,094.47/m<sup>2</sup>** including abnormals, external works and contingency but excluding fees.

## **APPENDIX THREE – ARGUS APPRAISAL SUMMARY**

Axion House Proposed Scheme - June 2019  
25% Affordable Housing

Development Appraisal  
Boyer Planning Limited  
13 June 2019

**Axion House Proposed Scheme - June 2019  
25% Affordable Housing**

**Summary Appraisal for Merged Phases 1 2**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Unit Price	Gross Sales
Building C Market Housing	64	48,442	658.00	498,044	31,874,836
Building B Market Housing	42	30,780	658.00	482,220	20,253,240
Affordable Rent	25	19,143	270.00	206,744	5,168,610
Shared Ownership	<u>10</u>	<u>6,690</u>	403.00	269,607	<u>2,696,070</u>
<b>Totals</b>	<b>141</b>	<b>105,055</b>			<b>59,992,756</b>

**Rental Area Summary**

	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	106			10	1,060	1,060
Commercial Space	<u>5</u>	<u>4,876</u>	17.00	16,578	<u>82,892</u>	<u>82,892</u>
<b>Totals</b>	<b>111</b>	<b>4,876</b>			<b>83,952</b>	<b>83,952</b>

**Investment Valuation**

Ground Rent					
Current Rent	1,060	YP @	3.5000%	28.5714	30,286
<b>Commercial Space</b>					
Market Rent	82,892	YP @	8.0000%	12.5000	
(3mths Rent Free)		PV 3mths @	8.0000%	0.9809	1,016,405
					<b>1,046,690</b>

**GROSS DEVELOPMENT VALUE**

**61,039,446**

Purchaser's Costs	6.8%	(2,059)	
Purchaser's Costs	6.8%	(69,116)	
			(71,175)

**NET DEVELOPMENT VALUE**

**60,968,272**

**NET REALISATION**

**60,968,272**

**OUTLAY**

**ACQUISITION COSTS**

Fixed Price		2,860,000	
			2,860,000
Stamp Duty		130,500	
Agent Fee	1.0%	28,600	
Legal Fee	0.5%	14,300	
			173,400

**CONSTRUCTION COSTS**

Construction	Units	Unit Amount	Cost
Commercial Space	5 un	215,062	1,075,312
Demolition	1 un	861,670	861,670
External Works	1 un	1,718,137	1,718,137
Services Infrastructure	<u>1 un</u>	<u>1,179,360</u>	<u>1,179,360</u>
<b>Totals</b>			<b>4,834,479</b>

	ft <sup>2</sup>	Rate ft <sup>2</sup>	Cost
Building C Market Housing	64,432 ft <sup>2</sup>	262.92 pf <sup>2</sup>	16,940,302
Building B Market Housing	40,931 ft <sup>2</sup>	262.92 pf <sup>2</sup>	10,761,477
Affordable Rent	25,456 ft <sup>2</sup>	262.92 pf <sup>2</sup>	6,692,828
Shared Ownership	<u>8,896 ft<sup>2</sup></u>	<u>262.91 pf<sup>2</sup></u>	<u>2,338,914</u>
<b>Totals</b>	<b>139,715 ft<sup>2</sup></b>		<b>36,733,521</b>

**41,568,000**

Carbon Off-Set Payment		243,360	
GLA S106 (DLR Capacity)		80,000	
Lewisham CIL		896,963	
MCIL2		622,500	
Lewisham S106		331,250	
			2,174,073

**PROFESSIONAL FEES**

Professional Fees	10.0%	4,156,800	
			4,156,800

**Axion House Proposed Scheme - June 2019  
25% Affordable Housing**

**MARKETING & LETTING**

Marketing Resi		1.5%	781,921	
Marketing Commercial	4,876 ft <sup>2</sup>	2.00 pf <sup>2</sup>	9,752	
Letting Agent & Legal Fee		15.0%	12,593	
				804,266

**DISPOSAL FEES**

Sales Agent Fee Commercial		1.0%	9,755	
Sales Agent Fee Resi		1.5%	781,921	
Sales Agent Fee AH		1.0%	78,647	
Sales Legal Fee Resi		0.3%	130,320	
Sales Legal Fee Commercial		0.3%	2,443	
Sales Legal Fee AH		0.3%	19,662	
				1,022,748

**FINANCE**

Debit Rate 6.750%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				3,804,337

**TOTAL COSTS**

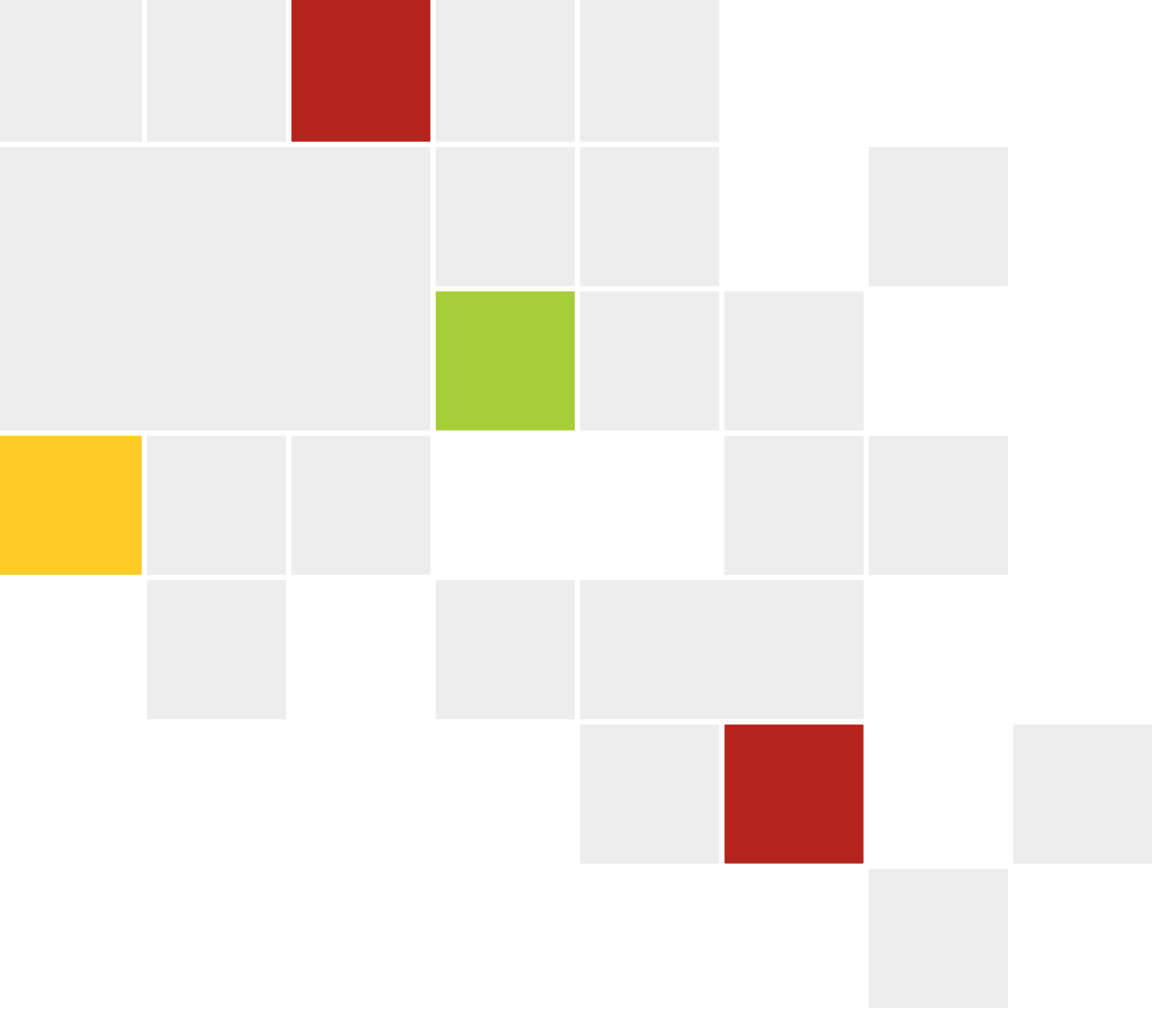
**56,563,624**

**PROFIT**

**4,404,648**

**Performance Measures**

Profit on Cost%		7.8%
Profit on GDV%		7.2%
Profit on NDV%		7.2%
Development Yield% (on Rent)		0.1%
Equivalent Yield% (Nominal)		7.9%
Equivalent Yield% (True)		8.3%
IRR		13.0%
Rent Cover	52 yrs 6 mths	
Profit Erosion (finance rate 6.750%)	1 yr 1 mth	



# Boyer