

<b>Mayor &amp; Cabinet</b>		
<b>Report Title</b>	Response to referral by the Sustainable Development Select Committee on Publishing Viability Assessments	
<b>Key Decision</b>	No	Item No.
<b>Ward</b>	All	
<b>Contributors</b>	Executive Director for Resources and Regeneration	
<b>Class</b>	Part 1	Date: 10 February 2016

## **1. Purpose**

- 1.1 This report sets out the officers response to the referral from the Sustainable Development Select Committee on the approach of the Planning Service to the publication of viability assessments received in relation to planning applications.

## **2. Summary**

- 2.1 The Sustainable Development Select Committee (SDSC) held a meeting on 22<sup>nd</sup> October 2015 and referred a report from that meeting to the Mayor on 11<sup>th</sup> November 2015. The select committee report made a number of recommendations for the Mayor to consider. This report provides the detail of how officers have responded to these recommendations.

## **3. Recommendations**

- 3.1 The Mayor is recommended to:
- Approve the responses from the Executive Director for Resources and Regeneration to the Sustainable Development Select Committee.
  - Agree that this report should be forwarded to the Sustainable Development Select Committee.

## **4. Policy Context**

- 4.1 The contents of this report are consistent with the Council's Sustainable Community Strategy policies 'Empowered and responsible' and also supports the 'Clean, Green and Liveable' policy. This is because making a non-confidential version of viability assessments public empowers communities that wish to scrutinise this information and shows that the Council are ensuring that the maximum supply of good quality housing is being sought wherever viable.

## 5. Background

- 5.1 The SDSC held a meeting on 22<sup>nd</sup> October 2015 at which they considered a report on the issue of publishing viability assessments received in relation to certain planning applications.
- 5.2 The SDSC report set out details of the approach currently proposed by Royal Greenwich and London Borough of Islington. It also set out Lewisham's current approach in relation to viability assessments. National planning policy and guidance require local planning authorities to take account of development viability in relation to both planning policy and development management. Lewisham's adopted planning policy reflects national policy and development management require developers to provide a viability assessment in relation to affordable housing provision.
- 5.3 The question of commercial confidentiality in relation to viability assessments has become a growing planning issue. The relative advantage of the public interest versus commercial confidentiality has been tested by some high profile cases. This has led Islington and Royal Greenwich to consult on proposals to publish viability assessments with the information that has previously been considered confidential.
- 5.4 Currently, Lewisham Planning Service requires a viability assessment for any major application that does not satisfy the Core Strategy affordable housing policy. Officers seek independent expert advice on the viability assessments which have been submitted on planning applications by developers. An independent consultant reviews the viability assessments which have been submitted and provides feedback to the Planning Officer. In some cases more information on viability is requested. A confidential consultant report is then made available to the Members of the Planning Committee to aid decision making at committee.
- 5.5 In view of members concerns about confidential information in viability reports the Head of Planning has recently changed the Lewisham process. The new interim process is that Lewisham will continue to require the developer to submit confidential viability information to our independent consultants, however, the consultants will then produce a report based on the confidential information but in a form which is publically available.

## 6. Response from the Mayor

- 6.1 The referral report recommended at paragraph 3.3 that the Mayor be advised of a number of matters. These are set out below together with the officer response.
- 6.2 **SDSC recommendation** (a) Note that the Committee welcomed the change in approach and advised that it would keep the matter under review.

- 6.3 **Officer Response.** The Head of Planning will monitor the new approach identified in paragraph 5.5 above and developments in other London Boroughs and modify the Lewisham approach as appropriate.
- 6.4 **SDSC recommendation.** (b) Ask that a representative analysis be made of previous viability reports for completed developments in the borough in order to find out whether the system is working as Members understand it.
- 6.6 **Officer Response.** Officers will prepare a report which summarises the key assumptions in the viability reports for each of the major development schemes in the borough approved since 2009 and compare this to what has actually occurred. Where the evidence can be established the report will look at: the sum paid for the site; the sales values achieved compared to the estimates; where there was a review mechanism whether this was triggered and the outcome; what if any additional levels of contribution have been achieved, including additional affordable housing and or affordable housing payments. The report will also advise how each of the schemes has progressed.
- 6.7 Whilst this review will provide helpful information to enable members to assess and evaluate the Council's approach, it should be appreciated that the exercise represents a significant body of work. Therefore, it is likely to require expenditure on appropriate consultant input in order to make it as helpful as possible. It is unlikely to be completed until early summer but will include information and analysis in relation to the schemes listed below, so far as possible, in order of the dates they were approved by Strategic Planning Committee.

10 Sept 2009 Renaissance, Loampit Vale  
 11 Feb 2010 Heathside & Lethbridge  
 4 Nov 2010 Marine Wharf West, Plough Way (revised 7 January 2015)  
 2 Dec 2010 Neptune Works, Grinstead Road  
 23 June 2011 Cannon Wharf, Plough Way (revised 29 March 2012)  
 13 Oct 2011 Surrey Canal/New Bermondsey  
 8 Mar 2012 The Deptford Project, Deptford Station  
 18 Apr 2013 Lewisham Gateway (second phase 11 December 2014)  
 2 May 2013 Faircharm, Creekside  
 8 January 2014 Catford Greyhound Stadium  
 3 April 2014 Marine Wharf East, Plough Way (revised 9 June 2015)  
 30 April 2015 Kent Wharf, Creekside  
 29 October 2015 Deptford Wharves, Evelyn Street

- 6.8 **SDSC recommendation** (c) Ask that the outcomes of viability assessments on completed schemes be compiled into an annual report upon completion.
- 6.9 **Officer Response.** The Planning Service is required by law to prepare and publish a report each year reviewing the performance of planning in the borough. The Planning Service does this on an annual basis in the Annual Monitoring Report (AMR) and includes such matters as the extent to which the Council's planning policies are being implemented as well as performance in decision making on planning applications and in preparing new planning

documents. Following preparation of the initial report outlined in paragraph 6.6 above it is proposed that updated information on delivery in relation to scheme viability is summarised annually in a relevant section of the AMR.

## **7 Legal implications**

7.1 The report sets out for approval the response from the Executive Director to the Sustainability Development Select committee on matters related to viability reports, there are accordingly no direct legal implications on the responses.

## **8. Financial Implications**

8.1 There are no specific financial implications arising from this report. The planning service will employ a consultant to review the viability reports as mentioned in paragraph 6.6 but this will be funded from the existing planning service budget.

## **9 Crime and disorder implications**

9.1 There are no specific crime and disorder implications arising from this report.

## **10 Equalities implications**

10.1 Lewisham's Comprehensive Equalities Scheme (CES) 2012-16 describes the Council's commitment to equality for citizens, service users and employees. The CES is underpinned by a set of high level strategic objectives which incorporate the requirements of the Equality Act 2010 and the Public Sector Equality Duty:

- tackle victimisation, harassment and discrimination
- to improve access to services
- to close the gap in outcomes for citizens
- to increase understanding and mutual respect between communities
- to increase participation and engagement

## **11 Environmental implications**

11.1 There are no specific environmental implications arising from this report.

## **12 Conclusion**

12.1 The recommendations referred to the Mayor from the Sustainable Development Select Committee have been answered in section 6 of this report and it is proposed that this response is referred back to the committee.

## **Background documents**

Report to Sustainable Development Select Committee on 22<sup>nd</sup> October 2015