

Sustainable Development Select Committee			
<b>Title</b>	Planning Service Annual Monitoring Report 2015-16	<b>Item No</b>	6
<b>Contributors</b>	Planning Service		
<b>Class</b>	Part 1	<b>Date</b>	29 <sup>th</sup> November 2016

## 1. Purpose

- 1.1. The report provides an overview of the Planning Service Annual Monitoring Report for the monitoring period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016.

## 2. Recommendation

- 2.1. The Select Committee is asked to note the content of the AMR 2015-16 in Annex 1 and direct questions to officers at the meeting on the 29<sup>th</sup> November 2016.

## 3. Policy context

- 3.1. Local Planning Authorities are required to produce a monitoring report, having collected information during the monitoring year, and to make it available to the public via the Council's website (on both the Planning Policy webpage and the Community Infrastructure Levy webpage). The AMR should also report on the progress of Local Plan preparation against the timetable set out in the Local Development Scheme and monitor a range of planning activities relating to the Community Infrastructure Levy, Neighbourhood Planning, the Duty to Co-operate and performance in determining planning applications.
- 3.2. The AMR is particularly relevant to two of the Council's policy objectives - strengthening the local economy and providing decent homes for all.

## 4. Background

- 4.1 The Council has produced an AMR annually for the last 11 years and this one, like past years, will also be placed on the Council's website. This year's AMR is divided into six chapters:
- Chapter 1: Introduction and Context explains the preparation of the AMR, relevant legislation and trends relating to population, housing, the economy and deprivation.
- Chapter 2: Development in 2015-16 provides an overview of the type and amount of development that has taken place during 2015-16. It also assesses whether Core Strategy and London Plan housing targets have been met.
- Chapter 3: Future Development provides an overview of the type and amount of development approved for the future. It gives an overview of the Regeneration and Growth Areas and the progress made on the strategic sites. It also considers the likely housing land supply for the future, based on a housing trajectory.
- Chapter 4: The Value of Planning highlights the funding secured through Section 106 Agreements (S106), Community Infrastructure Levy (CIL) and the

Government's New Homes Bonus. It also summarises the investment taking place in the borough and highlights the high quality of design in new developments.

Chapter 5: Planning Service Performance discusses Local Plan preparation as measured against the Local Development Scheme, Neighbourhood Planning activities and the Duty to Co-operate with other councils. It assesses the performance of the planning service in terms of planning applications, planning appeals and enforcement action. It also highlights conservation and urban design initiatives.

Chapter 6: Conclusions provides a summary of the main achievements in 2015-16 and raises a number of concerns.

## **5. Overview of the AMR 2015-16**

5.1 It is important to remember the context within which the AMR sits. The borough will experience significant population (14%) and household growth (23%) by the end of the Plan period in 2033. Therefore new development, housing and infrastructure will be needed to accommodate this growth; and to contribute to the regeneration of the borough.

5.2 The AMR acknowledges a number of main achievements in 2015-16 but also highlights some concerns that remain relevant from last year's AMR. Both are summarised below in three sections relating to: A housing, B non-residential development and C Planning Service performance.

### **A Housing**

5.3 Overall a good supply of housing has been completed and approved during 2015-16, progress has been made on the strategic sites and there is a resilient supply of housing in the next 15 years. However, the supply will fall short of the cumulative London Plan housing target by 2029/30 and more housing sites will need to be found.

5.4 With a net 1,533 dwellings completed during 2015-16, completions were the second highest in the last 12 years. Completions exceeded the current London Plan target of 1,385 dwellings per annum by 11%. The majority (76%) of the completed dwellings are located on six sites at Thurston Road Industrial Estate, Renaissance Loampit Vale, Marine Wharf West, Riverdale House 68 Molesworth Street, Deptford Project and the former Clifton Medical Centre at Batavia Road. Approvals during 2015-16 amount to 2,371 dwellings, of which 73% will be located on four sites at Oxestalls Road, Lewisham House 25 Molesworth Street, Marine Wharf East and Kent Wharf.

5.5 The majority of housing completions (68%) and housing approvals (84%) continue to be concentrated in the Regeneration and Growth Areas and this is key in helping to regenerate the borough. The type of housing reflects the modern day housing market in that the majority of housing completions and approvals are flats, purpose built new dwellings and smaller one and two bedroom units. 51% of the units approved in the last six years will be built at densities above the London Plan's Sustainable Residential Quality matrix.

- 5.6 211 net new affordable homes have been completed during 2015-16 and 387 have been approved. In addition, 24 temporary affordable housing units have been under construction at Place Ladywell. Note that in practice the amount and type of affordable housing actually delivered on-site differs from the granted permission, through Section 106 Agreements and S73 or other changes to the original permission. The figures outlined in the AMR should therefore be considered as a minimum. The social rent/affordable rent: intermediate ratio of 77:23 for completions is similar to the 70:30 tenure target identified in the Core Strategy, whilst 43:57 for approvals provides more intermediate housing than the tenure target.
- 5.7 Despite affordable housing being completed, it represents 14% of the total net completions, which is significantly below the 50% affordable housing target identified in the Core Strategy. The Council will continue to negotiate for the highest amount of affordable housing possible on appropriate sites, taking account of development viability.
- 5.8 Good progress is being made on the five strategic sites allocated in the Core Strategy. Three sites, Plough Way (encompassing Cannon Wharf, Marine Wharf West and Marine Wharf East) Lewisham Gateway and Oxestalls Road are already under construction. Parts of the Plough Way site are nearing completion. The remaining two sites have planning permission. Convoys Wharf is awaiting the submission of the first reserved matters application in 2017. Surrey Canal Triangle was designated as a Housing Zone in February 2015, which will facilitate an accelerated delivery.
- 5.9 The borough has a supply of 13,961 dwellings for the next 15 years, with 59% of the units being developed in the first five years. This equates to an 18% over supply in the first five years compared to the London Plan target. Only 7% of the housing supply is identified as being at medium or medium/high risk of not being implemented. Despite this, and the good housing performance in the past, the supply will fall short of the cumulative London Plan housing target by 2029/30, towards the end of the Plan period.
- 5.10 In the future, it is likely that the target will need to be increased further to 1,670 per annum, in line with the South East London Strategic Housing Market Assessment (SHMA), to meet future housing needs. The SHMA was jointly commissioned by the South East London Planning Authorities (boroughs of Lewisham, Bexley, Bromley, Greenwich and Southwark) and completed by consultants in June 2014. To help reduce the longer term shortfall in housing supply a Strategic Housing Land Availability Assessment (SHLAA) has started to be prepared, which will identify potential additional housing sites to be included in the 15 year supply.

## **B Non-residential development**

- 5.11 Despite gains in non-residential floorspace, prior approvals and the loss of office floorspace in general is a concern.
- 5.12 Despite a net gain of 5,783m<sup>2</sup> of non-residential floorspace from completions in 2015-16, approvals will result in a net loss of 40,040m<sup>2</sup>. In particular there have been large scale losses of business floorspace (13,383m<sup>2</sup> for completions and 35,939m<sup>2</sup> for approvals). These large scale losses at first seem alarming, but it will help to reconfigure employment floorspace to make way for new business units more suited to the modern day economy, as part of mixed use schemes including at the strategic sites. Of more concern, the trend of losing non-residential floorspace to solely housing continues from previous years, with 29 completed sites and 33 approved sites being solely redeveloped for housing.
- 5.13 Overall 11 completed sites and 10 approved sites relate to Prior Approvals. They allow offices and shops to be converted into residential dwellings without the need for full planning consent being granted by the Council. Prior Approvals tend to provide mostly small units consisting of studios or one-bedroom flats, which will not be able to cater for the needs of local families. It is also detrimental to local economic diversity and could undermine the scarce supply of employment land in the future.

## **C Planning Service performance**

- 5.14 Overall the Planning Service has performed well during 2015-16 and in many instances better than the previous year.
- 5.15 £5.2 million and 555 affordable units were secured through Section 106 Agreements (S106). The Council began to charge Community Infrastructure Levy (CIL) from 1<sup>st</sup> April 2015 and £1.4 million has been paid in the first year. Appendix 6 of the AMR sets out the CIL accounts for 2015-16. CIL payments will increase in the future as more developments become CIL liable. £2.25 million was also collected on behalf of the London Mayor's CIL. So far, the Council has received £22.3 million from the New Homes Bonus since it started in 2011.
- 5.16 The Planning service have been working with external agencies to bring forward investment in the borough. Two Housing Zones have been designated by the Greater London Authority (GLA) at New Bermondsey (the Surrey Canal Triangle strategic site) and Catford Town Centre, which will help to focus development and fast track delivery in these two areas. TFL have also confirmed their commitment to the Bakerloo Line Extension towards Lewisham Town centre, which will unlock development potential in the northern part of the borough.
- 5.17 The Planning Service has driven up the quality of design of new development that is taking place in the borough. This is being recognised, as three design awards were won during 2015-16. One notable scheme is Place Ladywell that won the best temporary scheme and the London Mayor's Prize, with its

24 temporary affordable units to accommodate homeless families alongside start up business space for the local community.

- 5.18 Although not to the timescales specified in the Local Development Scheme, two plans have been progressed during 2015-16. The Local Plan for Lewisham has been out on Issues and Options consultation during October/November 2015 and work has started on preparing Preferred Options policies. The Gypsy and Traveller Site(s) Local Plan has been out on Issues and Options consultation during March/April 2016. Since the end of this year's monitoring period, consultation on the Preferred Sites has taken place during October/November 2016.
- 5.19 Neighbourhood planning is gathering pace as the Council has formally designated five neighbourhood forums and areas at Crofton Park and Honor Oak Park, Grove Park, Corbett Estate, Deptford Neighbourhood Action Community Group and Lee Community Group. Upper Norwood and Crystal Palace has also submitted an application for a neighbourhood forum and area.
- 5.20 The Council meets quarterly with the surrounding London Boroughs of Bexley, Bromley, Greenwich and Southwark, as part of the Duty to Co-operate, to discuss cross boundary issues including Objectively Assessed Need.
- 5.21 The Planning Service has implemented a Self-build and Custom Housebuilding Register with access via the Council's website. To date, 28 people or organisations have registered their interest.
- 5.22 3,234 applications were lodged with the Council during 2015-16, the second highest in the last 12 years. The performance for determining major, minor and other applications met or exceeded the target levels. Appeals performance is better than the national average with 87 appeals lodged in 2015-16, of which only 20% were upheld. 379 enforcement cases were opened in 2015-16, 249 cases closed and 33 enforcement notices were served.
- 5.23 The borough's heritage assets have been protected, with one grade II Listed Building upgraded to II\* and a church at Beckenham Hill has become a new grade II Listed Building. 19 buildings and structures remain on Historic England's "at risk" Register but are now classed as "improving".
- 5.24 28 schemes have been reviewed by the Design Review Panel during 2015-16, providing design advice at application and pre-application stage and helping to address design concerns at an early stage in the planning process.

## **6 Financial implications**

- 6.1 There are no direct financial implications arising from this report. The AMR will be published electronically on the Council's website and only limited hard copies will be produced, these being funded from within the agreed Planning Service budget.

- 6.2 Although there are no direct implications, the AMR reports on the delivery of housing and this does have a number of positive financial implications. Through Council Tax, each new dwelling generates an average income of just under £1,000. So the 1,533 net dwellings completed during 2015-16 will amount to £1.5 million and the 2,255 anticipated completions for next year, 2016-17, will amount to £2.2 million. The five year housing land supply estimates another 8,200 new dwellings will be built by 2022 which will also generate an extra £8 million for the Council. This level of housebuilding does create additional pressures across all Council services, e.g. refuse collection, school spaces etc, but some of this Council Tax income will help to ease the savings requirement on the Council as a whole.
- 6.3 New dwellings generate a payment from the New Homes Bonus (NHB), at least for a time limited period (currently six years but this is expected to reduce to four in 17/18). Since NHB started in 2011, the Council has received £22.3 million, of which the Council received £9.7 million in 2016/17. It is expected that in the future there will be a one-third reduction in the value of NHB payments. Despite this, the amount of dwellings anticipated to be built in the future will still provide sufficient NHB annual income for the Council to make up £5 million of the savings gap for that year.
- 6.4 The delivery of new homes off sets the amount of money the Council spends on accommodating homeless families. For instance, the temporary scheme at Place Ladywell currently provides accommodation for 23 homeless families. It is estimated that this one scheme alone will create a saving of at least £90,000 per year compared to the Council providing nightly paid accommodation. The rent generated from this scheme provides extra income for the Council too.
- 6.5 Section 106 and CIL also generate significant amounts of income for the Council and this is directly associated with the amount of development taking place in the borough. During 2015-16, £5.2 million was secured through Section 106 and £1.4 million CIL payments have been paid. Furthermore, the amount of dwellings anticipated to be built in the future will generate significant funds for the Council and CIL collection rates will increase as more developments become CIL liable.

## **7 Legal implications**

- 7.1 Section 35 of the Planning and Compulsory Purchase Act 2004 (as amended) requires that every Local Planning Authority must prepare reports containing such information as is prescribed as to:
- (a) the implementation of the local development scheme;
  - (b) the extent to which the policies set out in the local development documents are being achieved.
- 7.2 This report must be made available to the public and must (a) be in respect of a period:
- (i) which the authority considers appropriate in the interests of transparency,

- (ii) which begins with the end of the period covered by the authority's most recent report, and which is not longer than 12 months or such shorter period as is prescribed.

7.3 The report must be in the form prescribed by statutory instruments and contain such other matters as is prescribed. The report must be made available to the public. The applicable Regulations are the Town and Country Planning (Local Planning) (England) Regulations 2012.

7.4 Regulation 34 of the applicable regulations requires that the report contain:

- (a) the title of the local plans or supplementary planning documents specified in the Local Planning Authority's local development scheme;
- (b) in relation to each of those documents:
  - (i) the timetable specified in the Local Planning Authority's local development scheme for the document's preparation;
  - (ii) the stage the document has reached in its preparation; and
  - (iii) if the document's preparation is behind the timetable mentioned in paragraph (i) the reasons for this; and
- (c) where any local plan or supplementary planning document specified in the Local Planning Authority's local development scheme has been adopted or approved within the period in respect of which the report is made, a statement of that fact and of the date of adoption or approval.

7.5 Where a policy specified in a Local Plan specifies an annual number, or a number relating to any other period of net additional dwellings or net additional affordable dwellings in any part of the Local Planning Authority's area, the report must specify the relevant number for the part of the Local Planning Authority's area concerned:

- (a) in the period in respect of which the report is made, and
- (b) since the policy was first published, adopted or approved.

7.6 Where a Local Planning Authority have made a neighbourhood development order or a neighbourhood development plan, the report must contain details of these documents.

7.7 Where a Local Planning Authority have prepared a report pursuant to regulation 62 of the Community Infrastructure Levy Regulations 2010 (being a report for the reported period setting the total CIL receipts for the year and the total CIL expenditure, with a summary of details), the Local Planning Authority's monitoring report must contain the information specified in regulation 62(4) of those Regulations.

## **8. Conclusion**

8.1 The AMR sets out a great deal of information about both the development taking place in the borough and the Planning Service. The majority of the

development reflects the spatial strategy set out in the Core Strategy and overall 2015-16 has been a successful year for planning in the borough of Lewisham. The concerns raised in the AMR will need to be further monitored in future AMRs to determine long term impacts and assess whether current policies need to be changed in the forthcoming Local Plan.

- 8.2 It is recommended that the Select Committee note the contents of the AMR 2015-16 prior to its consideration at Mayor and Cabinet on the 7<sup>th</sup> December 2016.

**Background Documents:**

Short Title Document	Date	File Location	File Reference	Contact Officer	Exempt
<a href="#">Planning &amp; Compulsory Purchase Act</a>	2004	Laurence House	Planning Policy	Angela Steward	No
<a href="#">Localism Act</a>	2011	Laurence House	Planning Policy	Angela Steward	No
<a href="#">National Planning Policy Framework (NPPF)</a>	2012	Laurence House	Planning Policy	Angela Steward	No
<a href="#">Town and Country Planning (Local Planning) (England) Regulations 2012</a>	2012	Laurence House	Planning Policy	Angela Steward	No
<a href="#">Community Infrastructure Levy Regulations</a>	2010	Laurence House	Planning Policy	Angela Steward	No

If you have any questions about this report, please contact Angela Steward, Senior Planning Policy Officer (ext. 43885).

**Annex 1: Planning Service Annual Monitoring Report 2015-16**