

**The London Borough of Lewisham**

***(Deptford Wharves) Compulsory Purchase Order 2017***

**Town and Country Planning Act 1990**

**and**

**The Acquisition of Land Act 1981**

**Statement of Reasons**

## Contents

1.	INTRODUCTION .....	3
2.	THE ORDER LAND .....	9
3.	ENABLING POWERS .....	14
4.	PLANNING FRAMEWORK AND PLANNING POSITION IN RELATION TO THE SCHEME .....	18
5.	PROPOSALS FOR REDEVELOPMENT OF SITE, INCLUDING THE ORDER LAND .....	32
6.	DELIVERY .....	41
7.	CONSULTATION .....	46
8.	ATTEMPTS TO ACQUIRE BY AGREEMENT .....	52
9.	THE CASE FOR COMPULSORY PURCHASE .....	57
10.	HUMAN RIGHTS .....	61
11.	REGENERATION AND EQUALITIES STATEMENT .....	63
12.	ENQUIRIES .....	64
<b>APPENDIX A</b>	<b>CPO Plan</b>	
<b>APPENDIX B</b>	<b>Location Map</b>	
<b>APPENDIX C</b>	<b>CPO Order Schedule</b>	
<b>APPENDIX D</b>	<b>Regeneration Statement and Equalities Impact Assessment CPO Order Schedule</b>	
<b>APPENDIX E</b>	<b>Planning Policies</b>	
<b>APPENDIX F</b>	<b>Scheme Layout Plans (illustrative)</b>	
<b>APPENDIX G</b>	<b>Phasing and Plots Plan</b>	
<b>APPENDIX H</b>	<b>Funding and Delivery Statement</b>	

## 1. INTRODUCTION

### 1.1 Purpose

- 1.1.1 This is the Statement of Reasons for the *London Borough of Lewisham (The Wharves, Deptford) Compulsory Purchase Order 2017 (Order)* which the London Borough of Lewisham (**Council**) has submitted to the Secretary of State for Communities and Local Government for confirmation. The land and the interests in the land included within the Order are referred to as '**the Order Land**'. The Order Land is shown on the **CPO Plan** attached at **Appendix A**. The Order Land includes all outstanding land interests necessary to facilitate the carrying out of the Scheme.
- 1.1.2 This Statement of Reasons has been prepared in accordance with the Government's '*Guidance on Compulsory Purchase Process and the Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion*' issued by the Department for Communities and Local Government in October 2015 (**CPO Guidance**).
- 1.1.3 The Order has been made pursuant to the Council's powers under section 226(1)(a) of the Town and Country Planning Act (**1990 Act**) and the Acquisition of Land Act 1981. The Order will, if confirmed by the Secretary of State, authorise the compulsory acquisition of land which will enable the comprehensive regeneration of the Order Land in accordance with adopted planning policy and an extant planning permission.
- 1.1.4 The Order relates to land at The Wharves, Deptford (**Site**). The Site is located in Evelyn Ward in the Deptford and New Cross area in the north of the Borough of Lewisham (**Borough**), approximately 350m south west of the River Thames. A plan showing the Site (edged red) within the context of the surrounding area is attached at **Appendix B**. Further details of the Site and surrounding area are provided in Section 2 of this Statement of Reasons.
- 1.1.5 The Council considers that the acquisition of the Order Land will facilitate the carrying out of development, redevelopment or improvement on the Order Land, in accordance with the requirements of Section 226(1)(a) of the 1990 Act.
- 1.1.6 In considering whether to make the Order the Council has also taken account of the requirements of Section 226(1A) of the 1990 Act. The Council considers that the proposed redevelopment will contribute very significantly to the promotion

and/or improvement of the economic, social and environmental well-being of its administrative area.

- 1.1.7 Re-development of the Site is a key regeneration priority for the Council, and the purpose of the Order is to facilitate the comprehensive development and re-development of the Site in line with relevant planning policy and the Council's corporate objectives.
- 1.1.8 The purposes for which the Order Land is required meets the objectives of the London Plan<sup>1</sup>, the Lewisham Core Strategy (Adopted June 2011) (**Core Strategy**) and the National Planning Policy Framework March 2012 (**NPPF**) and the proposed redevelopment fits with the adopted/applicable planning framework for the area within which the Order Land and the Site are situated.
- 1.1.9 The Core Strategy is the Council's principal planning policy document. It sets out the vision, objectives, strategy and policies to manage development in the Borough over the period 2011 to 2026. The Site lies within one of 4 Regeneration and Growth Areas within the Borough and is also identified as a Mixed Use Employment Location in each case as identified in the Core Strategy. The Core Strategy allocates five sites in the Borough as 'strategic sites'. Four of the strategic sites are within the Deptford/New Cross area of the Borough. They include the Site. The strategic sites are to act as a catalyst for regeneration of the area.
- 1.1.10 The Core Strategy builds on the vision outlined in 'Shaping our Future', Lewisham's Sustainable Community Strategy 2008 – 2020. This includes the 'Dynamic and Prosperous' theme, where people are part of vibrant communities and town centres, well connected to London and beyond. It details the Local Strategic Partnership's commitment to 'improving the quality and vitality of Lewisham's town centres and localities', and its aspirations to 'support the growth and development of our town centres by working with commercial partners and developers', and to 'maximise the use of our town centres as places to engage the local community'.
- 1.1.11 'People, prosperity, place', Lewisham's Regeneration Strategy 2008-2020, sets out the Council's aspiration for a vibrant, dynamic Lewisham focused around the themes of people - investing in the individuals and communities which are Lewisham's greatest asset - prosperity - fostering the skills and economic opportunities for Lewisham to flourish and thrive - and place - developing high quality public spaces, sustainable buildings and protecting the areas which are sensitive to change. The strategy is also placed within the framework of the key

---

<sup>1</sup> The Spatial Development Strategy for London Consolidated with Alterations since 2011 (March 2016).

national and regional policies which affect the Council's work around regeneration of the Borough, including the London Plan.

- 1.1.12 On 30 March 2012, the Council granted planning permission (part detailed/part outline) (**2012 Permission**) for the redevelopment of the Site for comprehensive residential- led mixed use development as more particularly described in Section 4 of this Statement of Reasons. The 2012 permission was subject to a Section 106 Agreement of the same date. The 2012 Permission was implemented, but has now been superseded by implementation of the 2016 Permission.
- 1.1.13 In August 2014, Lend Lease Deptford Limited (**Developer**) acquired the Site, save for that part known as Crown Wharf and a number of other interests which have since been acquired or remain to be acquired as detailed in this Statement of Reasons.
- 1.1.14 A further (part detailed/part outline) planning permission was granted on 23 March 2016 (**2016 Permission**), for comprehensive residential-led mixed use redevelopment of the Site, again subject to a Section 106 Agreement was completed on the same date (**2016 S106 Agreement**). Details of the 2016 S106 Agreement are set out in Section 5 of this Statement of Reasons.
- 1.1.15 In January 2017, the Council received an application from the Developer under Section 96A of the 1990 Act to make non-material amendments to the 2016 Permission. These changes relate to Plots 1 and 3 within the Scheme including removing the second level of a podium, increasing the number of residential units and reducing the number of resident parking spaces in these plots. The changes give rise to minor elevational changes to the development. However they do not affect the overall quantum of floor space or number of residential units to be delivered across the Site as a whole or the overall number of resident parking spaces within the Scheme.
- 1.1.16 References in this Statement of Reasons to the 2016 Permission are to the 2016 Permission as varied by the Section 96A approval. The Section 96A approval is subject to a Deed of Modification in respect of the 2016 S106 Agreement completed on the same date. References in this Statement of Reasons to the **S106**

**Agreement** are to the 2016 S106 Agreement as modified by the Deed of Variation dated [ ].

1.1.17 References in this Statement of Reasons to '**the Scheme**' are to the development as consented, but should also be taken to include any variations as the development evolves and proceeds.

1.1.18 The Scheme accords with local, regional and national policy. Further details relating to the planning policy framework are set out in Section 4 of this Statement of Reasons.

1.1.19 In addition to securing the wider regeneration of a poor and deprived part of the Borough and contributing to the regeneration of the wider area, the Scheme will deliver a number of public benefits including:

- (A) a significant contribution to the housing need of the area via the provision of up to 1,132 new high-quality residential units including up to 189 affordable units providing homes for approximately 1,920 new residents;
- (B) the creation of Class A1-5, D1, D2 and B1 employment space supporting between 460 and 630 FTE jobs
- (C) approximately 370 FTE construction jobs in the construction sector as a whole as a result of demolition works and construction of the Scheme;
- (D) improvement in the physical appearance of the Site, including public routes through the Site connecting existing and new communities;
- (E) the comprehensive redevelopment and regeneration of this under-utilised previously developed Site that will act as a catalyst for regeneration of the area as promoted by the Core Strategy; and
- (F) the creation of significant public open space throughout the Scheme.

1.1.20 Further details of these key outputs are discussed elsewhere in this Statement of Reasons.

## 1.2 **Site ownership history and requirement for the Order Land**

1.2.1 The Order includes all outstanding land interests necessary to facilitate the carrying out of the comprehensive Scheme.

1.2.2 Historically, the Site has accommodated a mix of general industrial and storage uses and comprised a number of separate ownerships. The development potential of the Site as a whole has been long recognised. The previous owners of the Site (Law 2380 Limited) spent several years seeking to acquire by negotiation the freehold and leasehold interests within the Site. They initially acquired the freehold

in most of Victoria Wharf and Park Wharf in 2003 (the various wharves are described in detail in paragraph 2.1.7 below), and completed further acquisitions over time (including of Bridge Wharf in 2004, New Baltic Wharf in 2008 and the vacant Victoria public house in 2009). The Developer acquired the majority of the Site in August 2014 by which time approximately 65% of the Site was under Law 2380 Limited's control. Since its acquisition in 2014, the Developer has continued with endeavours to obtain vacant possession of the remainder of the Site through negotiation. The Developer acquired Crown Wharf in 2015, and has since then acquired leasehold interests in commercial premises at part of New Baltic Wharf and at 121 and 123 Evelyn Street and the freehold interest in a dwelling at 151 Evelyn Street.

- 1.2.3 As at the date of this Statement of Reasons, there are five known legal interests that remain to be acquired: the freehold interest and the leasehold interests held by Shell UK Limited in respect of 101 to 111 (odd) Evelyn Street, the leasehold interests held by Safestore Limited and Spaces Personal Storage Limited in Units 16 and 17 Dragoon Road, and the leasehold interest held by London Power Network Limited in respect of an electricity sub-station/transformer chamber on the south side of Oxestalls Road..
- 1.2.4 These outstanding interests are listed in the Table 1 to the CPO Order Schedule in **Appendix C**, with the same plot numbering used on the CPO Plan in **Appendix A**.
- 1.2.5 The Order Land is required in order for the Council to achieve its regeneration objectives for the area within a realistic timescale. Although reasonable efforts have been made, and will continue to be made, to acquire the necessary land and rights by agreement, it is clear that the Order is required to ensure there is sufficient certainty that the Scheme can come forward within a reasonable timescale. Compulsory purchase will enable the re-development to take place in a timely fashion in order to derive the wider public benefits that the Scheme will secure and also provide certainty for the programming of the Scheme and realisation of the policy objectives.
- 1.2.6 The Developer, with the Council's assistance, continues to seek to acquire the outstanding interests by agreement and details of negotiations are contained within Section 8 of this Statement of Reasons. Discussions will continue with landowners of relevant interests who are willing to sell by agreement at market value in accordance with the compensation code, with a view to limiting the number of interests which need to be acquired compulsorily. The approach adopted by the Council is in accordance with the CPO Guidance.

- 1.2.7 This Statement of Reasons has been prepared in accordance with the advice set out in Section 1 of Tier 2 of the CPO Guidance and has had regard to the other requirements of the CPO Guidance. It provides a description of the Order Land, and describes the Council's purposes in seeking to acquire it and the case for compulsory purchase in the context of national and local policy. It will form the basis of the Council's Statement of Case if a public inquiry is held into objections to the Order.
- 1.2.8 The Council recognises that a compulsory purchase order can only be made if there is a compelling case in the public interest. The Council considers that a compelling case in the public interest exists in this case.

DRAFT

## 2. THE ORDER LAND

### 2.1 Location of the Site and the Order Land

- 2.1.1 The Site comprises approximately 4.7 hectares. The Order Land includes all interests in the Site required to carry out the Scheme, save for the interests of the Developer and the Council. The Order Land comprises 1.96 hectares.
- 2.1.2 The Order Land excludes any adopted highway land on which highway works will be carried out for the purpose of the Scheme.
- 2.1.3 The Site is situated in the Deptford and New Cross area in the north of the Borough, located approximately 350m south west of the River Thames. The Site is bounded by Oxestalls Road to the north, Grove Street in the east with Pepys Park beyond; Dragoon Road to the south which is closed at its junction with Evelyn Street; and Evelyn Street (the A200) to the west which forms part of the Borough Principal Road Network. Deptford Park lies just beyond Evelyn Street to the west. The Site excludes Scott House, located to the northeast, formerly known as Diploma Works. This site has been recently developed to provide live/work units and is not required for the Scheme.
- 2.1.4 The Site is generally flat, although Oxestalls Road rises above the level of the Site where an elevated road bridge built in the late 1960s crosses the route of the former Grand Surrey Canal, and Evelyn Street rises above the level of the Site in its south-west corner where it crosses the route of the former Grand Surrey Canal.
- 2.1.5 The Site is currently dominated by commercial and industrial buildings extending to a total of approximately 19,633m<sup>2</sup> (GEA) across A1, A3, B1, B2, B8, C3, and Sui Generis Use Classes. Parts of the Site have been subject to demolition and remediation works pursuant to the 2016 Permission.
- 2.1.6 Overall, the Site comprises a mix of predominately commercial and industrial buildings of no unified form or design that have been developed independently and on an ad hoc basis over time. There are a few reminders of the former use of the Site as a series of wharves along the route of the former Grand Surrey Canal, including brick boundary walls incorporating the name of the wharf, Blackhorse Bridge on Evelyn Street which retains its cast iron structure, and brick abutments and the former public house on Grove Street. The Grand Surrey Canal itself was filled in the 1970's and is no longer evident on the Site, with the piecemeal commercial and industrial development that has developed over time obscuring much of its history.

2.1.7 Historically, the Site was made up of five wharves – Crown Wharf, New Baltic Wharf, Victoria Wharf, Park Wharf and Bridge Wharf. Each of the existing wharves and current occupations is described in more detail below:

- (A) *Crown Wharf* is located on the north of the site on the corner of Oxestalls and Grove Street, and comprises a large industrial unit, along with extensive areas of hardstanding. The Wharf was previously used as a car breakers/scrap metal merchants and is now vacant;
- (B) *Victoria Wharf* is located to the south of Crown Wharf on the corner of Grove Street and Dragoon Road. This Wharf historically comprised a variety of uses within different warehouse and industrial buildings. The only building which remains occupied is the 'Safestore' Self Storage' building which is currently occupied on a long leasehold basis. Demolition of all other existing buildings within the Site has been completed in accordance with the 2012 Permission;
- (C) *Bridge Wharf* is located along the south western section of the Site and is accessed via Evelyn Street. This part of the Site comprises a two storey brick warehouse, which was previously used for car auctions. Demolition of the building is due to commence shortly pursuant to the 2016 Permission;
- (D) *Park Wharf* is located to the north of Bridge Wharf, also fronting Evelyn Street. The Wharf comprised a single storey saw-toothed building, which was also used for car auctions. Demolition of this building has been completed in accordance with the 2012 Permission; and
- (E) *New Baltic Wharf* is located to the north-west and on the corner of Evelyn Road and Oxestalls Road. This area comprises several large brick buildings, along with hard-standings and is used as a depot by Veolia for waste collection accessed via Oxestalls Road. Veolia's lease will expire in October 2017 whereupon the Developer will assume vacant possession of that part of the Site.

2.1.8 In addition to the Wharves, the Site also includes:

- (A) a two storey residential dwelling at 151 Evelyn Street located between Park and New Baltic Wharf, in the 'L' recess of a warehouse building fronting Evelyn Street. The dwelling is now owned by the Developer and is unoccupied;

- (B) The Victoria public house (**The Victoria**) which comprises a three storey brick building fronting Grove Street and which has been vacant since 2007/08; and
- (C) a petrol filling station operated by Shell UK which includes a car wash and some retail space (a portion of which Shell Select operate following closure of a Sainsbury's Local) located to the north western corner of the site, predominantly fronting onto Evelyn Street.

2.1.9 Overall, the Site is currently under-utilised with the remaining buildings being vacant and their age and deteriorating condition meaning they have little, if any, potential for re-use.

## 2.2 Surrounding context

2.2.1 The wider area around the Site is undergoing a period of change with many large former industrial sites designated for, or undergoing, major residential led regeneration. The areas surrounding the Site are characterised by a mix of residential and commercial uses along with other uses including small scale retail, schools, community buildings as well as public open space.

2.2.2 Deptford Park is located to the west of the Site, beyond Evelyn Street, and is predominately bordered by residential and some industrial uses. The park is accessed via Grinstead Road and Evelyn Street.

2.2.3 To the north and east of the Site is the Pepys Estate comprising a number of residential blocks and terraced housing intersected with areas of green open space and some car parking. Eddystone Tower, a 26 storey residential block, is located to the northern side of Oxestalls Road. Deptford Park Primary School also lies to the north, fronting onto Oxestalls Road and Evelyn Street.

2.2.4 Pepys Park is located to the east of the Site and is surrounded by residential accommodation, with Daubeney Tower, a 26 storey residential block, to the north of the park.

2.2.5 Directly south-east of the Site lies Convoys Wharf. Outline planning permission was granted for up to 419,100m<sup>2</sup> of mixed use redevelopment at the Convoys Wharf site in March 2015. This further reflects the trend in the area of moving from predominantly industrial uses to residential-led mixed uses.

2.2.6 To the south of the Site beyond Dragoon Road lie four five-storey linear blocks and several two/three storey flatted blocks with green open space lying between them, forming part of the Trinity Estate.

- 2.2.7 Finally, to the south west, Victorian terraced housing fronts onto Evelyn Road, with Deptford Park beyond, and commercial buildings which form part of the Deptford Trading Estate.
- 2.2.8 In terms of transport links, the Site is served by the number 47, 188 and N47 buses which operate along Evelyn Street and the 199 bus and N1 night bus which operate along Evelyn Street and Oxestalls Road. The nearest bus stops to the Site are located on Oxestalls Road (adjacent to the Site) and on Evelyn Street (just to the north of Oxestalls Road and south of Dragoon Road and immediately outside the Site on Evelyn Street, adjacent to the existing house at 151 Evelyn Street).
- 2.2.9 The nearest London Overground station is Surrey Quays which is located just under a kilometre to the north of the Site and provides rail services towards Dalston to the north and New Cross, Crystal Palace and West Croydon to the south. Underground services are approximately 1.6km further to the north west at Canada Water on the Jubilee Line.
- 2.2.10 The nearest mainline railway stations are some distance away, with South Bermondsey a direct distance of 1.2km to the west of the Site and Deptford a direct distance of 1km to the south of the Site. These stations provide connections to south and central London and Kent. Commuter river bus services are available from Greenland Pier to the northeast of the Site, providing connections to central London to the west and Woolwich Arsenal to the east.

### 2.3 Status of interests in the Order Land

- 2.3.1 The Order Land comprises all interests in the Site required in order to deliver the Scheme comprehensively.

#### *Acquisition of existing interests*

- 2.3.2 Currently, four leasehold and one freehold interest remain to be acquired.
- 2.3.3 Table 1 to the Order details the address, title number and registered proprietor of each of these interests and occupiers of the CPO plots. The land to be acquired is shaded pink on the CPO Plan enclosed at **Appendix A** to this Statement of Reasons. The specific purpose of acquisition of each Plot is described in Section 5 of this Statement of Reasons.
- 2.3.4 The Developer continues, with the assistance of the Council, to seek to acquire the remaining interests by agreement.
- 2.3.5 It is intended that unless acquired by private treaty negotiations, all remaining interests in the Order Land will be acquired by the Council pursuant to the Order.

#### *Other interests, rights and covenants*

2.3.6 Other interests in the Site are held by qualifying persons as defined in Section 12 of the Acquisition of Land Act 1981, as identified in Table 2 of the CPO Order Schedule in **Appendix C**.

DRAFT

### 3. ENABLING POWERS

#### 3.1 Overview

3.1.1 The Developer, with the Council's assistance, has used and continues to use reasonable efforts to acquire the outstanding interests by negotiation. A summary of the position on negotiations is set out in Section 8 of this Statement of Reasons.

3.1.2 However, it has become apparent to the Council that it will not be possible to acquire all of the interests required for the Scheme by agreement in a timely manner. The use of compulsory purchase powers is therefore required in order to acquire all the land and rights needed for the Scheme. Efforts to acquire interests by agreement will continue notwithstanding the making of the Order.

3.1.3 Accordingly, the Council seeks to acquire compulsorily the Order Land pursuant to section 226(1)(a).

3.1.4 Land Referencing has not indicated the presence of any Crown interests within the Order Land.

#### 3.2 Section 226(1)(a) of the 1990 Act

3.2.1 The Council seeks to acquire the Order Land compulsorily for the purposes of development, redevelopment or improvement pursuant to Section 226(1)(a) of the 1990 Act.

3.2.2 Section 226(1)(a) of the 1990 Act provides the power to acquire land compulsorily where an acquiring authority thinks the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the Order Land. Furthermore, the power may only be exercised where the acquiring authority thinks the development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the authority's administrative area: 1990 Act, 226(1A).

3.2.3 The CPO Guidance recognises the use of the Section 226 power as a positive tool to help acquiring authorities to assemble land where this is necessary to implement proposals in their Local Plans or where strong planning justification for the use of the power exists. It provides guidance to acquiring authorities on the use of the Section 226 power and compulsory purchase powers generally. The Council has had regard to the CPO Guidance in making the Order.

3.2.4 For the reasons set out in this Statement of Reasons, the Council considers that the acquisition of the Order Land will facilitate the development, redevelopment and improvement of the Order Land, and that the redevelopment will promote and improve the environmental, social and economic well-being of the area.

3.2.5 The Council considers that acquisition of the Order Land which forms part of the Four Regeneration and Growth Areas within the Core Strategy is necessary in order to facilitate development, redevelopment and improvement so as to secure regeneration of a part of North Lewisham and in turn contribute to the regeneration of the wider area.

3.2.6 The Scheme will deliver a number of significant public benefits as follows:

- 1,132 new homes including 189 affordable units;
- The creation of new pedestrian and cycle links including a north-south route utilising the route of the former Grand Surrey Canal and east-west links between Evelyn St and Grove St, linking the Scheme with other nearby developments as well as providing important links between existing parks and open spaces;
- The creation of significant public open space throughout the proposed development.
- The provision of 9,630 sq m of new non-residential floorspace accommodating new shops, workspace, offices, leisure and community uses;
- Retention and refurbishment of the Victoria Pub building to provide interim accommodation for community uses/incubation and start-ups for small business and longer term use as a pub;
- Delivery of retail and catering uses to support local residents and provide employment opportunities;
- The provision of non-residential floorspace capable of accommodating 460-630 new FTE jobs, with a further 370 FTE job opportunities during construction;
- The introduction of new green space and provision of ecological enhancements including green and brown roofs and potential re-introduction of birds, bats and insect species previously seen in Deptford.

3.2.7 Further, the Council considers that the redevelopment of the Order Land will promote the improvement of the economic, environmental and social well-being of the area. Each of these areas of improvement is described in more detail below.

3.2.8 In terms of the improvement of **economic well-being**, the Scheme will support and/or deliver:

- (A) the regeneration of a poor and deprived area of Lewisham;

- (B) the provision of 9,630m<sup>3</sup> of new non-residential floorspace accommodating new shops, retail and catering, workshops, offices, leisure and community uses;
- (C) approximately 370 FTE construction jobs;
- (D) the creation of employment space capable of supporting between 460 and 630 FTE jobs;
- (E) retention and refurbishment of The Victoria to provide accommodation for community uses/incubation and start-ups for small business;
- (F) the provision of space for retail and catering uses to support local residents and provide employment opportunities;
- (G) a New Homes Bonus of £9.36m - £10.5m over six years from completion of the residential units which will be available for the Council to improve delivery of services;
- (H) indirect spending effects associated with the new housing and employment on-site, estimated to be £15.3m (housing) and £1.1 – £1.5m (employees) annually; and
- (I) the use local employment and local businesses, with reasonable endeavours being used to achieve a target of at least 50% in each case.

3.2.9 In terms of improvements in **environmental well-being**, the Scheme will:

- (A) improve the physical appearance of the Site;
- (B) build confidence, encourage investment and support regeneration in the Opportunity Areas as a whole;
- (C) introduce new green space accessible to all;
- (D) provide ecological features including green and brown roofs and potential re-introduction of birds, bats and insect species;
- (E) develop a centralised heat network with Combined Heat and Power engines to achieve London Plan carbon reduction requirements and improving efficiencies; and
- (F) incorporate water saving measures, reducing consumption and cost to occupiers.

3.2.10 In terms of improvements in **social well-being**, the Scheme will deliver:

- (A) a significant contribution to the housing target of the Borough via the provision of up to 1,132 new high-quality residential units including up to

189 affordable units providing homes for approximately 1,920 new residents;

- (B) approximately 8% of the London Plan minimum 10 year housing target for the Borough;
- (C) the comprehensive redevelopment and regeneration of this under-utilised previously developed site;
- (D) the development of a mixed and balanced community;
- (E) new pedestrian and cycle links through and across the Site including a north-south route utilising the route of the former Grand Surrey Canal and east-west links between Evelyn St and Grove St; and
- (F) the creation of significant public open space throughout the proposed development.

3.2.11 The Regeneration Statement and Equalities Impact Assessment in **Appendix D** provides further detail of the economic, social and environmental wellbeing benefits of the Scheme.

#### 4. **PLANNING FRAMEWORK AND PLANNING POSITION IN RELATION TO THE SCHEME**

- 4.1 The Development Plan for the area including the Site comprises the:
- 4.1.1 London Plan (published March 2016)<sup>2</sup>;
  - 4.1.2 Lewisham Core Strategy (adopted June 2011);
  - 4.1.3 Lewisham Policies Map Development Plan Documents (adopted June 2011); and
  - 4.1.4 Lewisham Development Management Local Plan (adopted November 2014).
- 4.2 A mix of national, regional and local planning policy objectives have informed the planning process in respect of the Scheme. Relevant planning policies are listed in **Appendix E**.
- 4.3 The redevelopment of the Order Land together with the remainder of the Site will deliver comprehensive mixed use development in accordance with Strategic Site Allocation 4: Oxestalls Road (**SSA4**) of the Core Strategy and will also facilitate sustainable development in line with both national, regional and local policy objectives including the Core Strategy, the London Plan, the NPPF, Lewisham's Regeneration Strategy: People, Prosperity, Place', and Lewisham's Sustainable Community Strategy 2008 – 2020: 'Shaping our future'.
- 4.4 In addition to the statutory development plan, various other documents form part of the overall 'policy framework' for the area and are material considerations in decision-taking in a planning context. These include, amongst other things, Government policy and guidance, emerging plans and supplementary planning documents (SPD). Relevant SPDs include the Mayor's Supplementary Planning Guidance on Housing and the Council's Residential Development Standards (updated version 2012).
- 4.5 The NPPF sets out the Government's advice to local planning authorities in relation to plan-making and decision-taking.
- 4.6 The NPPF states that there is a presumption in favour of sustainable development. Local planning authorities should approach decision-taking in a positive way to foster the delivery of sustainable development and 'decision-takers at every level should seek to approve applications for sustainable development' (paragraph 187).
- 4.7 In order to achieve sustainable development, economic, social and environmental gains should be sought jointly and simultaneously through the planning system. It is confirmed the planning system should play an active role in guiding development to sustainable solutions (paragraph 8).
- 4.8 Paragraph 49 of the NPPF specifically states that 'housing applications should be considered in the context of the presumption in favour of sustainable development'.

---

<sup>2</sup> The London Plan The Spatial Development Strategy for London Consolidated with Alterations since 2011

4.9 The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore, significant weight should be placed on the need to support economic growth through the planning system (paragraph 19).

4.10 The Government attaches great importance to the design of the built environment. Good design is a key aspect of sustainable development. It is indivisible from good planning and should contribute positively to making places better for people (paragraph 56). 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 (paragraph 57).

#### 4.11 **Regional policy**

4.11.1 The London Plan provides the strategic planning policy context for all London Boroughs and in turn provides the regional contextual policy background for the Borough, and a framework for local planning policy. It sets out an integrated social, economic and environmental, transport and social framework for the development of London to 2036. It brings together the geographic and locational aspects of the Mayor's strategies, including those dealing with transport, economic development, housing, culture and a range of social issues such as children and young people and health inequalities. The London Plan seeks to promote development in the most suitable locations with a preference on the delivery of previously developed sites, such as the Site. It also supports the aspirations of reducing reliance on the private car and promoting development in sustainable locations.

4.11.2 The Site falls within the South East London Sub-Region, whereby policy seeks to encourage new development that underpins the sub-region's dynamism and potential, and delivers the priority for delivering regeneration and transport improvements and links from the capital and the Thames Gateway. The London Plan encourages the Borough to accommodate substantial growth for London's economy and population, whilst optimising the development of Opportunity Areas and ensuring that housing provision is supported by social and community infrastructure.

4.11.3 Key London Plan policies relevant to the regeneration of the Site include:

- (A) Policy 1.1 Delivering the strategic vision and objectives for London;
- (B) Policy 2.13 Opportunity Areas and Intensification Areas;
- (C) Policy 2.14 Areas for regeneration;
- (D) Policy 3.5 Quality and design of housing developments;

- (E) Policy 3.7 Large residential developments;
- (F) Policy 4.1 Developing London's economy;
- (G) Policy 5.10 Urban greening;
- (H) Policy 6.13 Parking;
- (I) Policy 7.1 Lifetime neighbourhoods;
- (J) Policy 7.2 An inclusive environment;
- (K) Policy 7.4 Local character;
- (L) Policy 7.5 Public realm;
- (M) Policy 7.6 Architecture;
- (N) Policy 7.7 Location and design of tall and large buildings.

4.11.4 Map 2.4 within the London Plan identifies a series of Opportunity and Intensification Areas throughout the Greater London area. The Site is identified as being located within/adjacent to Opportunity Area 9 (Deptford Creek/Greenwich Riverside) and Opportunity Area 20 (Lewisham, Catford and New Cross). Policy 2.13 seeks to ensure that developments:

- (A) optimise residential and non-residential output and densities, provide necessary social and other infrastructure to sustain growth, and, where appropriate, contain a mix of uses;
- (B) contribute towards meeting (or where appropriate, exceeding) the minimum guidelines for housing and/or indicative estimates for employment capacity, tested as appropriate through opportunity area planning frameworks and/or local development frameworks;
- (C) realise scope for intensification associated with existing or proposed improvements in public transport accessibility, such as Crossrail, making better use of existing infrastructure and promote inclusive access including cycling and walking;
- (D) support wider regeneration (including in particular improvements to environmental quality) and integrate development proposals into the surrounding areas.

4.11.5 Annex 1 of the London Plan outlines the broad principles that should be applied for Opportunity Areas and Intensification Areas. In its entirety, the 'Deptford Creek / Greenwich Riverside' Opportunity Area extends to 165ha, and is anticipated to provide a minimum of 5,000 new homes and have an indicative employment capacity of 4,000. The Lewisham, Catford and New Cross Opportunity Area

extends to 815ha and is anticipated to provide a minimum of 8,000 new homes and have an indicative employment capacity of 6,000.

- 4.11.6 Map 2.5 within the London Plan indicates that the Site falls within an Area for Regeneration where Boroughs should, inter alia, identify areas for regeneration and set out policies that bring together regeneration, development and transport proposals with improvements in learning and skills, health, safety, access, employment, environment and housing in locally based plans, strategies and policies.
- 4.11.7 Policy 3.3 in the London Plan recognises the requirement for an increase in the supply of homes in London to meet need through provision of at least an annual average of 42,000 net additional homes across London. Table 3.1 identifies a minimum target for Lewisham of 1,385 new homes per annum throughout the period from 2015-2025. Policy 3.3 states Boroughs should seek to achieve and exceed their average housing target.
- 4.11.8 Policy 3.4 seeks to optimise housing output for different types of location within the relevant density range taking into account local context and character, design principles and transport capacity.
- 4.11.9 Chapter 7 seeks to promote high quality design that inter alia, respects local context; is sustainable in terms of its design and construction; has the highest standards of accessible and inclusive design and addresses security issues.
- 4.11.10 Policy 7.1 states that development should be designed so that layout, tenure and mix of uses interfaces with surrounding land and improves people's access to social and community infrastructure and other facilities/amenities as well as public transport. Design should also contribute to people's sense of place, safety and security, and new building design and the spaces it creates should reinforce/enhance character, legibility, permeability and accessibility of the neighbourhood.
- 4.11.11 The Scheme will significantly intensify the use of the Site, supported by improvements to existing public transport services and infrastructure, as well as promote inclusive access including cycling and walking through the provision of new and improved routes. The Scheme will deliver 1,132 dwellings, making an important contribution to the provision of new homes in accordance with London Plan policies, and the 9,630 sq m of non-residential floorspace will support new employment opportunities in the area. The Scheme will deliver a high quality sustainable mixed-use development that optimises the potential of the site and maximises the provision of affordable housing and employment space the Scheme can viably support.

## 4.12 Core Strategy

- 4.12.1 The Core Strategy outlines a number of Drivers of Change, which set out the most significant issues expected to impact the Borough up to 2026 including:

### Housing provision

The need to ensure provision of affordable housing is reflected through increasing house prices and low household incomes when compared to the London average. The opportunity to provide new housing in a highly developed borough is limited, so reviewing opportunities to better utilise underused employment areas and town centres as housing locations is necessary. This can protect established residential neighbourhoods, particularly conservation areas. The need to provide sustainably designed new housing and ensure existing homes improve energy efficiency is crucial to address climate change issues and improve living conditions.

### Growing the Local Economy

Growing the relatively small Borough economy is a priority of the Council and is essential to the creation of a sustainable community. A key priority is the need to provide and strengthen local employment opportunities and enhance employment prospects by improving training opportunities, and accessibility to jobs within and beyond the sub-region. To contribute to economic growth and address deprivation issues, the Council will need to facilitate the strong growth in the number of small businesses, support creative industries, focus on the economic potential of town centres, local shopping areas and small parades (including street and farmers' markets), and better use of underused employment areas. Identified growth areas include a range of diverse business services, and the creative and food industries.

### Building a sustainable community

The benefits of new development need to be maximised for all in the community and will be central to addressing and reducing issues related to deprivation in order to improve education, employment and training opportunities, and reduce health inequalities. New development can contribute to both the provision and enhancement of existing services and facilities, where demand for them arises from the new populations. There is also a role to play in creating a sense of place and community through the high quality design of buildings and spaces that are safe and contribute to a healthy environment.

- 4.12.2 The Spatial Strategy within the Core Strategy identifies Deptford including Deptford Creekside as a Regeneration and Growth Area, one of four such areas designated

within the Core Strategy. Spatial Policy 2 provides that the Regeneration and Growth Areas will provide key regeneration and development opportunities and will support the creation of a more sustainable Borough by being the prime location for new homes, new and reconfigured employment floorspace and new retail floorspace by 2016. In relation to the Deptford/New Cross area where the Site is located, the area is to provide up to 2,300 new homes by 2016 and 8,325 new homes by 2016. Thus, this is considered to be a prime location for delivering a substantial portion of the identified housing need and required employment floorspace within the Borough.

- 4.12.3 The Site is also within a Mixed Use Employment Location (MEL). MEL's are areas previously designated as being within Strategic Industrial Locations, but re-designated to permit mixed use development to provide a range of good quality premises and attract started firms and established businesses and to improve the overall functioning of the local economy. Collectively, re-development of the MELs will deliver major regeneration benefits to the north of the Borough and in two of the most deprived wards.
- 4.12.4 The Core Strategy identifies the Site as presenting a major regeneration opportunity with good access and critical mass potential, with any redevelopment providing for a mix of uses to improve the environmental quality of both the Site and surrounding area. Its redevelopment also has the potential to improve accessibility, connectivity and legibility between Deptford Park, the Pepys Estate, the River Thames and Convoys Wharf (another strategic site within the north of the Borough), with a number of priorities which include re-instatement of the route of the former Surrey Canal as a high quality accessible route with a strong sense of place.
- 4.12.5 The Core Strategy identifies five strategic sites (four in Deptford/New Cross) which are to act as a catalyst for regeneration of the area. The Site is one of such sites. Pursuant to Strategic Site Allocation 4 (SSA 4), the Site is allocated in the Core Strategy for comprehensive mixed use development. The Strategic Sites are also subject to Strategic Site Allocation 1 which requires the Masterplan to be submitted as part of an initial outline or full planning application and also a delivery strategy to identify how the development will be implemented and managed once occupied (including housing stock and publicly accessible space), any matters to be resolved such as land assembly and preparation, infrastructure requirements and delivery development phasing, and likely need for planning obligations (including financial contributions) and/or conditions.

4.12.6 The supporting text to SSA4 describes the Site as open and visible occupied by a mix of more modern warehouses, older commercial and warehousing buildings, open sites and environmentally unfriendly uses (the latter is a reference to a car breaking and scrap metal recycling yard which has ceased operation following its acquisition by the Developer). The text to SSA4 also notes that the current industrial and business uses do not reflect the importance of the Site and large parts of it have not attracted investment over many years.

4.12.7 SSA 4 sets out specific requirements for a comprehensive phased approach to redevelopment in line with an approved Masterplan that delivers the following priorities:

- (A) provides at least 20% of the built floorspace developed on the site for a mix of business space (B1(c), B2, B8 as appropriate to the site and its wider context);
- (B) provides a range of community and leisure facilities and retail uses (A1, A2) to serve local needs that do not adversely impact on existing town centres and a mix of restaurant, food and drink uses to serve the site and neighbourhood;
- (C) creates a sustainable high density residential environment at a density commensurate with the existing public transport accessibility level (PTAL) of the site or the future PTAL achieved through investment in transport infrastructure and services;
- (D) provides for a mix of dwelling types accommodating, subject to an acceptable site layout, scale and massing, up to 905 new homes (C3) with a proportion of on-site affordable housing;
- (E) creates new open spaces, including an accessible high quality route along the former alignment of the Surrey Canal to act as a focus of the development itself and the wider neighbourhood, in order to increase accessibility, permeability and health and recreational opportunities for new and existing residents.
- (F) SSA 4 goes on to set out the urban design principles required to be key features of any Masterplan for the Site.

4.12.8 Chapter 9 (paragraph 9.24) of the Core Strategy explains that the Core Strategy is intended to encourage landowners to bring forward land and buildings for development where appropriate. Accepting that there may be instances where landowners may be reluctant or unwilling to bring forward their land, it states that

in such circumstances, the Council may choose to use its compulsory purchase powers to achieve the Core Strategy's wider regeneration objectives.

4.12.9 The Scheme responds positively to the policies set out in the Core Strategy, based on a comprehensive masterplan for the development of the Site in accordance with Core Strategy Policy SSA1. The Scheme is a high density mixed-use redevelopment of the Site providing new homes including a proportion of affordable housing and the provision of new employment space in accordance with the land use priorities for the Site set out in Policy SSA 4. The 1,132 new dwellings on the site will make an important contribution to the Council's housing target and the provision of affordable housing will contribute towards addressing the Council's local housing need. The new employment space will provide a mix of accommodation including the provision of a dedicated employment building within the Scheme. Whilst the level of affordable homes and amount of non-residential floorspace fall short of the policy position, based on an independent assessment of development viability the quantum of both is considered to be the maximum amount that can be delivered on the Site. The Scheme will be delivered on a phased basis and the Section 106 Agreement ensures the delivery of a mix of uses and housing tenures throughout the development of the Site. The design of the buildings, public realm and open spaces within the Scheme are high quality and the development will make an important contribution to the physical improvements to the site and in supporting the regeneration of the wider area.

#### 4.13 **The Council's Regeneration Strategy: People, Prosperity, Place and the Council's Asset Management Plan**

4.13.1 The Council's Regeneration Strategy defines six priority outcomes to be achieved by 2020, covering the Strategic Partnership's ambitions also outlined in the Sustainable Community Strategy, 'Shaping our Future'. The aim is to build communities that are:

- (A) Ambitious and achieving – where people are inspired and supported to fulfil their potential.
- (B) Safer – where people feel safe and live free from crime, antisocial behaviour and abuse.
- (C) Empowered and responsible – where people are actively involved in their local area and contribute to supportive communities.
- (D) Clean, green and liveable – where people live in high quality housing and can care for and enjoy their environment.

- (E) Healthy, active and enjoyable – where people can actively participate in maintaining and improving their health and well-being.
- (F) Dynamic and prosperous – where people are part of vibrant communities and town centres, well connected to London and beyond.

4.13.2 The Council's Asset Management Plan sets out the approach to using property effectively in order to achieve the Council's objective of making Lewisham the best place in London to live work and learn. It acknowledges the Council's assets have a key role to play in supporting the Borough's regeneration aims.

4.13.3 The above documents should be read in conjunction with each other in order to provide the Site specific and broader context for the proposed redevelopment of the Site and the need for compulsory acquisition of the Order Land.

#### 4.14 **Planning position in relation to the Site**

4.14.1 On 30 March 2012, the Council granted planning hybrid planning permission (part detailed/part outline) for the redevelopment of the Site for comprehensive mixed use development as more particularly described in Section 5 of this Statement of Reasons. The redevelopment comprised:

- (A) 905 homes;
- (B) 16,393 square metres non-residential floorspace, including shops/ offices/ restaurants/ cafes/ drinking establishments/ hot food take aways/ non-residential institutions and assembly and leisure uses);
- (C) commercial uses;
- (D) an energy centre;
- (E) improvements to public realm including a water body along the former route of the Grand Surrey Canal;
- (F) improved transport connections

4.14.2 The 2012 permission was subject to a Section 106 Agreement of the same date.

4.14.3 The 2012 Permission was implemented and applications have been submitted and approved under Section 96A of the 1990 Act in respect of non-material amendments to that permission, along with applications to discharge certain pre-commencement conditions.

4.14.4 A further (hybrid) Planning permission was granted on 23 March 2016 (2016 Planning Permission), for residential-led mixed use redevelopment of the Site comprising:

- (A) the phased demolition of remaining existing buildings;
- (B) the construction of up to 1,132 residential units;
- (C) the provision of flexible commercial floorspace (Use Class B1);
- (D) complementary retail floorspace (Use Classes A1 to A5);
- (E) leisure and community facilities (Use Classes D1/D2);
- (F) landscaping/public realm, parking and associated works

4.14.5 Further details of the 2016 permission are given in section 5 of this Statement of Reasons, together with details of the related Section 106 Agreement.

4.14.6 In January 2017, the Council received an application from the Developer under Section 96A of the 1990 Act to make non-material amendments to the 2016 Permission. These changes relate to Plots 1 and 3 of the development including removing the second level of a podium, increasing the number of residential units and reducing the number of resident parking spaces in these plots. The changes give rise to minor elevational changes to the development which do not affect the overall quantum of floor space or number of residential units to be delivered across the Site as a whole or the overall number of residents parking spaces within the Scheme.

#### 4.15 **Regeneration of the Wider Area**

4.15.1 The redevelopment of the Site should also be considered in the context of the broader regeneration programme for the Deptford/New Cross Area.

4.15.2 Four of the five Strategic Site Allocations (Convoys Wharf, Surrey Canal Triangle, Oxestalls Road and Plough Way) within the Core Strategy relate to sites in the Deptford/New Cross area. Together, these four sites are expected to deliver 60% of the Council's housing target of 13,847 dwellings between 2015 and 2025. The sites are recognised as being of a scale and significance that make them central to the success of the Core Strategy and which will play a crucial role in place making by creating new places and enabling a transformation of the wider area. The Council's most recent published Annual Monitoring Report 2015-2016 (December 2016) shows new completions of 1,592 (1,533 net) which is above London Plan target of 1,385. 166 of these were on one of the four Strategic Sites in Deptford (Plough Way). No housing has yet been delivered on any of the other

Strategic Sites within the Deptford/New Cross, but these sites will make a significant contribution between 2017 and 2025. Based on a four year build programme at Oxestalls Road (6 years in total but using practical completion dates), the Site would contribute 283 dwellings per year over four years being approximately 20% of London Plan target for the Borough and approximately 18% of completions assuming the 2015/16 rate is maintained.

- 4.15.3 The position in relation to progress on other strategic sites within the Deptford/New Cross area is set out below.

#### **Convoys Wharf – Strategic Site Allocation 2**

- 4.15.4 At 16.6 hectares, Convoys Wharf is the single largest development site in the Borough. The site occupies approximately half of the Borough's river frontage to the Thames. Strategic Site Allocation 2 identifies the site for mixed use development in line with an approved Masterplan.

- 4.15.5 A planning application for re-development of the site was called in by the Mayor of London for his own determination. On 10 March 2015, following completion of a Section 106 Agreement, the Mayor granted outline planning permission for the comprehensive redevelopment of the site to include:

- (A) up to 3,500 new homes (at least 525 of which are to be affordable);  
shops, restaurants, cafes;
- (B) a hotel;
- (C) public open spaces;
- (D) public transport improvements including a river bus service and new/diverted bus routes;
- (E) 1,840 car parking spaces;
- (F) renovation of the Olympia Building, a Grade II listed warehouse;
- (G) three tall buildings (two at 38 storeys and one at 48 storeys).

- 4.15.6 Following the grant of outline planning permission, applications to discharge pre-commencement conditions in respect of advance site works have been submitted and approved.

#### **Surrey Canal Triangle – Strategic Site Allocation 3**

- 4.15.7 The Surrey Canal Triangle site is approximately 11 ha in size and comprises:
- (A) industrial estates and yards at the western end of Surrey Canal Road;
  - (B) industrial estate on Bolina Road;

- (C) Millwall Football Stadium;
- (D) surrounding buildings in leisure use.

4.15.8 On 30 March 2012, the Council granted outline planning permission for the re-development for the comprehensive, phased, mixed use development of the site for up to 240,000 square metres (GEA) of development comprising:

- (A) Class A1/A2 (Shops and Financial and Professional Services) up to 3,000 square metres;
- (B) Class A3/A4 (Cafes/Restaurants and Drinking Establishments) up to 3,000 square metres;
- (C) Class A5 (Hot Food Takeaways) up to 300 square metres;
- (D) Class B1 (Business) between 10,000 -15,000 square metres;
- (E) Class C1 (Hotels) up to 10,000 square metres;
- (F) Class C3 (Dwelling Houses) between 150,000 - 190,000 square metres (up to 2,400 homes of different sizes and types);
- (G) Class D1 (Non-residential Institutions) between 400 - 10,000 square metres;
- (H) Class D2 (Leisure and Assembly) between 4,260 - 15,800 square metres.

4.15.9 On 18 December 2015, the Council granted permission under Section 73 of the 1990 Act for minor material amendments to the planning permission to vary conditions on the original permission to enable reconfiguration of buildings on plots known as Timber Wharf, Stockholm 1 and 2 and Senegal Way 1 and 2 and the redistribution of land uses between these plots. The S73 permission is subject to a Section 106 Agreement entered into on the same date and applying (with appropriate modifications) the obligations in the original Section 106 Agreement. The development has yet to commence.

#### **Plough Way - Strategic Site Allocation 5**

4.15.10 The Plough Way site comprises three main areas:

- (A) Cannon Wharf
- (B) Marine Wharf East and West
- (C) Sites on Yeoman Street and Croft Street

4.15.11 The composite site covers 8.22 hectares. It is located in the north-western corner of the Borough adjacent to the border with the London Borough of Southwark.

### **Cannon Wharf**

4.15.12 Planning permission was granted (subject to a Section 106 Agreement) for development of this part of the Plough Way site on 30 March 2012. The scheme comprises:

- (A) 679 new homes (including two tall buildings of 20 and 23 storeys);
- (B) a purpose-built business centre;
- (C) a children's nursery;
- (D) landscaping along the former route of the Surrey Canal.

4.15.13 Applications under Section 96A of the 1990 Act for non-material amendments to the permission have been submitted to the Council and approved. The development commenced on site in August 2013 and is anticipated to be complete in September 2018. All buildings except the Cannon Business Centre have been demolished and the site has been divided into two sections. The northern section has been separated from the southern section (which accommodates the Business Centre) to enable the Business Centre to continue to operate whilst construction is taking place. Phase 1 of the development, including the new Business Centre has been completed. Construction of further phases of the scheme are underway.

### **Marine Wharf West**

4.15.14 Planning permission was granted for this part of the Plough Way site (subject to a Section 106 Agreement) on 20 September 2011. The scheme includes:

- (A) 532 new homes including 78 units provided as extra care;
- (B) space for shops and businesses (approximately 4,000 square metres);
- (C) landscaping along the 30 metres wide former route of the Surrey Canal to provide a new public park and pedestrian and cycle route providing access from Oxestalls Road through to the Thames.

4.15.15 Applications for non-material amendments under Section 96A of the 1990 Act have been submitted to and approved by the Council. The first two phases including new homes, extra care homes and commercial premises is complete. Construction is underway on the subsequent phases, providing further homes. On 10 March 2015 planning permission was granted subject to conditions and a Section 106 Agreement for the erection of 34 residential units and 361 square metres of office floorspace (B1 Use Class) together with associated access, car parking, cycle parking and landscaping at Block K (Phase 7) of the development. The remainder of the development is anticipated to be complete by the end of April 2017

### **Marine Wharf East**

- 4.15.16 Planning permission was granted subject to conditions and a Section 106 Agreement in July 2014 for this part of the Plough Way site to demolish the existing office building on the site and provide 183 residential dwellings, together with flexible commercial floorspace (A1, A2, A3, B1 and D2 Use Classes). The permission has been implemented.
- 4.15.17 An application was submitted on 26 February 2015 for demolition of existing office building and redevelopment to provide 225 residential dwellings and 1,045 square metres of flexible commercial floorspace in buildings up to 10 storeys. Planning permission was granted on 13 November 2015, following completion of a Section 106 Agreement.
- 4.15.18 Both parts of the development are expected to be completed by late 2018.

## 5. PROPOSALS FOR REDEVELOPMENT OF SITE, INCLUDING THE ORDER LAND

5.1 The 2016 Permission for the Scheme authorises the comprehensive redevelopment of the Site comprising outline planning permission (Phases 1-3) for the:

5.1.1 demolition of existing buildings on the Site, excluding The Victoria

5.1.2 phased redevelopment of the Site to provide up to 9,630 sq m (GEA) non-residential floorspace comprising:

- (A) (A1) Shops;
- (B) (A2) Financial & Professional Services;
- (C) (A3) Restaurants & Cafés;
- (D) (A4) Drinking Establishments;
- (E) (A5) Hot Food Takeaways;
- (F) (B1) Business;
- (G) (D1) Non-Residential Institutions;
- (H) (D2) Assembly & Leisure uses;
- (I) an energy centre;
- (J) up to 1132 residential units in buildings ranging from 3 to 24 storeys in height;
- (K) car and cycle parking;
- (L) associated highway infrastructure;
- (M) public realm works; and
- (N) provision of open space;

5.1.3 detailed planning permission (Phase 1) for up to 562 residential units and up to 5,692 square metres (GEA) of non-residential floorspace comprising:

- (A) (A1) Shops
- (B) (A2) Financial & Professional Services;
- (C) (A3) Restaurants & Cafés;
- (D) (A4) Drinking Establishments;
- (E) (A5) Hot Food Takeaways;
- (F) (B1) Business;
- (G) (D1) Non-Residential Institutions; and

- (H) (D2) Assembly & Leisure uses) in buildings ranging from 3 to 24 storeys in height;
- (I) car and cycle parking;
- (J) associated highway infrastructure;
- (K) energy centre;
- (L) public realm works; and
- (M) provision of open space.

5.2 Layout plans of the development authorised by the Planning Permission are attached at **Appendix F**.

5.3 The 2017 Amendments increase the number of residential units in Phase 1 of the Scheme from 562 to 575.

5.4 For the purposes of the 2016 Permission, the Site is divided into six development plots which will be implemented in a series of phases:

5.4.1 Phase 1 comprises Plot 1, Plot 2 and Plot 3;

5.4.2 Phase 2 comprises Plot 4; and

5.4.3 Phase 3 comprises Plot 5 and Plot 6.

5.5 Plans showing the Phases and the Plots (the latter also identifies Building references) are attached at **Appendix G**.

5.6 The maximum floorspace for non-residential uses within the Scheme is as follows:

Plot	Use Class	m <sup>2</sup> (GIA)*
1	A1/A2/A3/A4/A5/D1/D2/B1	765
2	A1/A2/A3/A4/A5/D1/D2/B1	453
	Energy Centre (Sui Generis)	326
3	A1/A2/A3/A4/A5/D1/D2/B1	1,297
	B1	2,622
4, 5 and	A1/A2/A3/A4/A5/D1/D2/B1	1,056
6	B1	3,437
Total	A1/A2/A3/A4/A5/D1/D2/B1	3,571
	B1	6,059
	Energy Centre	326

5.7 The maximum number of residential units within the Scheme is as follows:

Plot	Residential Units
1	219
2	203
3	153
4, 5 & 6	570
Total	1,132

- 5.8 It is envisaged that the redevelopment of the Site will take approximately six to seven years to complete. The works will start in Plot 2 followed shortly after by Plots 1 and 3, the latter being dependent on the acquisition of those interests of the Site not owned by the Developer.
- 5.9 The Scheme must be carried out in accordance with the programme below, unless agreed otherwise with the Council in accordance with the requirements of conditions 6 and 7 of the 2016 Planning Permission.

Phase	Component works*
<i>Stage One Enabling Works</i>	
1A	Refurbishment of The Victoria Buildings 2A, 2B, 2C, 2D and 2E Buildings 1A, 1B and 1C Any remaining Stage One Enabling Works not already carried out
1B	Buildings 3A, 3B, 3C and 3D Blocks 1A, 1B and 1C Any Enabling Works not already carried out
2	Buildings 4A, 4B, 4C and 4D
	Stage One Enabling Works, Phases 1A and 1B may be carried out within this Phase
3	Buildings 5A, 5B, 5C, 5D and 5E Buildings 6A, 6B and 6C Any Enabling Works not already carried out

\*works comprised within each Phase are not required to be carried out in any sequence or order. Any Enabling Works (including demolition, site remediation and site preparation) may be carried out at various stages throughout the development and are not required to be carried out in any sequence or order.

- 5.10 The S106 Agreement imposes requirements relating to the following principal matters:

- 5.10.1 The fit out and marketing of commercial units;
- 5.10.2 Provision of a minimum of 189 affordable housing units comprising 61 affordable rent and 128 intermediate units (i.e. a minimum of 16.7% affordable housing (by number of units));
- 5.10.3 All affordable housing to be built with no discernible difference in quality of external appearance to private dwellings;
- 5.10.4 Provision of a financial review mechanism to enable additional funds to be applied to affordable housing, should returns allow;
- 5.10.5 10% of all tenure types of residential to be wheelchair accessible or easily adaptable for wheelchair use;
- 5.10.6 Implementation of landscaping works to the route of the former Grand Surrey Canal including connecting the Site with land to the north of Oxestalls Road via a suitably designed link under the Oxestalls Road bridge and provision, maintenance and management of other routes and public open space within the Site;
- 5.10.7 Provision, management and maintenance of communal private residential amenity areas to be maintained and managed in accordance with a plan submitted to and approved by the Council;
- 5.10.8 Contributions towards the improvement of local bus services and towards public transport infrastructure enhancements including bus stops within the vicinity of the Site;
- 5.10.9 Contribution towards the cost of consultation and implementation of a Controlled Parking Zone in the vicinity of the Site;
- 5.10.10 Preparation of a site wide Travel Plan for residential and non-residential uses to be submitted and approved by the Council;
- 5.10.11 Provision of car club parking spaces;
- 5.10.12 Restriction on parking permit applications (including mechanism to secure implementation) and submission, approval and implementation of a parking management plan to restrict on-street parking (except Blue Badge holders);
- 5.10.13 Implementation of works to the public highway and adjacent public realm;
- 5.10.14 Contributions towards air quality monitoring and mitigation measures;
- 5.10.15 Implementation of a local labour and business scheme on Site to be agreed with the Council;
- 5.10.16 Contribution towards construction and operational employment and training;

- 5.10.17 Implementation of telecommunications reception monitoring and provision for mitigation works;
- 5.10.18 Preparation of a Public Art Strategy for submission to and approval by the Council;
- 5.10.19 To continue to seek to acquire the remaining land by agreement with the relevant owners and occupiers.

5.11 As explained above, the Site is divided into 6 development plots which will be implemented in a series of Phases. The 2016 Permission provides detailed approval for Plot 1, Plot 2 and Plot 3; and outline approval for Plot 4, Plot 5 and Plot 6.

5.12 The Scheme and the land interests to be acquired in respect of each Plot are described below. The Plots are shown on the Plots Plan within **Appendix G (Plots Plan)**.

#### **Plot 1**

5.13 Located to the south eastern corner of the Site and fronting on to Dragoon Road and Grove Street, Plot 1 will provide 765m<sup>2</sup> (GIA) of non-residential floorspace made up of A1/A2/A3/A4/A5/D1/B1 Use Classes, together with 219 residential units in 3 blocks.

5.14 The 3 blocks (Blocks A, B and C) are all connected by the podium level and share the communal amenity space provided on the podium. The podium is also shared with residents of Plot 3 who have direct access to this space. Block A faces onto Dragoon Road and Block B onto Victoria Road. Both are 7 storeys (26.2m AOD) high. Both will have flat roofs which will mainly be covered by green roofs, with photo-voltaic panels also included on Block A.

5.15 Block C is the focal block of Plot 1. It is also the tallest building within the Scheme and will be the most prominent building on the Site with a maximum height of 24 storeys (81.4m AOD).

5.16 The ground floor of Blocks of B and C will be occupied by commercial uses and servicing facilities for the Blocks as well as car and cycle parking for residents. Block A has 3 residential units at ground floor all of which face on to Dragoon Road with amenity terraces to the front of the units.

5.17 The Scheme as a whole has been designed without reference to land ownership. Delivery of Plot 1 is inextricably linked with Plot 3, sharing a podium area that provides amenity space for residents of both Plots as well as ground level parking to serve the new residential units in these Plots. Construction of Plot 1 in its totality requires land not currently in the Developer's control.

5.18 Plot 1 is within the freehold ownership of the Developer. Note the comments below, however, as to how the development of this Plot is inextricably linked to Plot 3.

#### **Plot 2**

- 5.19 Situated north of Plot 1 and south of Plot 6, Plot 2 is centrally located with the Scheme facing on to Grove Street to the east and on to the canal path to the west. The Plot will provide a total of 203 residential units.
- 5.20 Plot 2 is a residential plot with the exception of the energy centre located on the north-western corner of the Plot on the corner of the east-west route (referred to as New Baltic Street) and the north-south route of the former Grand Surrey Canal. The Plot also contains The Victoria which is to be retained and refurbished for use in the short terms for community/uses/incubation and start-ups for small businesses prior to its reinstatement to pub use in the longer term.
- 5.21 Plot 2 comprises 6 blocks, ranging from 3 to 12 storeys with a maximum height of 43.8m AOD. Along Grove Street, at the corner of the proposed New Baltic Street is the The Victoria which is to be retained. At 3 storeys, it is one of the lower blocks, although it retains many of its ornate features. Sitting alongside The Victoria is a 4 storey block which increases to 10 storeys, a height that is maintained until the corner with Victoria Street. Facing on to Victoria Street, the block decreases back to 7 storeys and then a non-adjointing block of 7 storeys turns the corner to front on to the canal path adjacent to which is a block of 12 storeys. Back on to New Baltic Street there is a break in the building form before a building of 3 storeys is situated around the corner from The Victoria to complete the block.
- 5.22 Along the canal path there are 2 blocks with shallow pitched roof appearance referencing older warehouse buildings. All blocks in Plot 2 (except The Victoria) will have flat roofs, with photo-voltaic panels installed on the pitched roofs and green and brown roofs installed on all other blocks except the 3 storey building and The Victoria.
- 5.23 Plot 2 is within the freehold ownership of the Developer.

### **Plot 3**

- 5.24 Facing Evelyn Street to the west and Dragoon Road to the south, Plot 3 is located to the south western corner of the Site and adjoins Plot 1 to the east. It is the only Plot not in a podium formation. Consisting of 2 linear blocks, a corner block and a stand-alone 'Y' shaped building, Plot 3 provides a visual reference to the line of the former Grand Surrey Canal with the linear and corner blocks representing the turning of the canal along its historic route.
- 5.25 Plot 3 provides a greater mix of commercial and residential buildings with a total of 3,919m<sup>2</sup> of commercial space and 153 residential units.
- 5.26 Block 3 is the only block that does not include ground floor residential accommodation and has a significantly greater amount of commercial floorspace than Plots 1 and 2. Plot 3 also contains a dedicated commercial building in the form of a 'Y'. This building provides 4 floors of commercial space situated in an area of public realm referred to as 'The Yard', which will provide space which can be utilised by the commercial units facing on to it, as well as

providing space for residents and local businesses to congregate. It is within The Yard that a piece of public art will be situated, with the intention that the art would reference the industrial past of the Site.

- 5.27 Along with the 'Y' building, the linear blocks in Plot 3 will also have commercial units at ground floor, with residential accommodation above. At 4 storeys the 'Y' building will be of the lowest scale in the Plot, with the other blocks at 7, 10 and 11 storeys in height. Whilst of a lower scale than the other blocks, the 'Y' building is distinct and is considered to provide a presence on the Plot by its unique massing, design and use of materials.
- 5.28 The two higher blocks within Plot 3, of 10 and 11 storeys will utilise the shallow pitched roof appearance used throughout the Scheme. The 7 storey block will have a flat roof, which provides communal amenity space for the residential units in the block. The 'Y' building will also have a flat roof, but without any living roof installed or use taking place on it.
- 5.29 Plot 3 is within the freehold ownership of the Developer. The interests still to be acquired comprise the leasehold interests of Spaces Personal Storage Limited (identified by reference number 3 within the Order Schedule) and Safestore Limited (also identified by reference number 3 within the Order Schedule). There is also an additional piece of land (Plot 4 on the CPO Plan) which is within the ownership of the Council. This Plot is required for landscaping and enhancement of the public realm. Terms have been agreed for the transfer of this plot from the Council to the Developer.
- 5.30 The delivery of all 6 residential buildings within Plots 1 and 3 on the Plots Plan (Appendix 4) is inextricably linked. Whilst Buildings 1B and 1C do not physically encroach onto the Safestore land, they do rely on the shared landscaped podium and ground level parking serving Plots 1 and 3 which requires land within the Safestore leases. The remaining buildings in Plot 3 cannot physically be delivered with Safestore in situ, and construction of the commercial 'Y' building on Plot 3 would be severely and unacceptably compromised. Land surrounding the 'Y' building, including land within Plot 3, will also provide open space and complementary uses. Without the Safestore land, at grade connections through to Dragoon Road will not be possible from within the Yard and it will not function or 'feel' as envisaged on completion of the Scheme, with pedestrian routes passing through it and ground floor non-residential uses alongside.

#### **Plot 4**

- 5.31 Plot 4 is located on the western side of the Site fronting Evelyn Street, with New Baltic Street to the north and Victoria Street to the south and the canal path to the east. Plot 4 will be a perimeter plot with a central podium providing approximately 19,400m<sup>2</sup> (**GIA**) of residential floorspace and approximately 500m<sup>2</sup> of mixed commercial floorspace in blocks with a maximum height of 30.05m AOD with blocks of 6 and 7 storeys. The building line along Evelyn Street will be set back to provide a wider pedestrian route along this edge of the Site.

5.32 Plot 4 is within the freehold ownership of the Developer.

#### **Plot 5**

5.33 Situated in the north west corner of the Site fronting onto Evelyn Street and Oxestalls Road with Plot 4 to the south and Plot 6 to the east, Plot 5 will contain the second highest building within the Scheme with a maximum height of 71.40m AOD and surrounding blocks of 7 and 12 storeys. Plot 5 will provide approximately 32,400m<sup>2</sup> of residential floorspace and approximately 600m<sup>2</sup> (GIA) of mixed commercial floorspace.

5.34 A significant proportion of Plot 5 is within the freehold ownership of the Developer. Part of the land owned by the Developer is subject to a lease in favour of Veolia ES (UK) Limited, but this is due to expire in October 2017 when the Developer will secure vacant possession. Veolia's leasehold interest is not therefore included within the Order.

5.35 The principal land interests still to be acquired in Plot 5 comprise those identified by reference number 7 within the Order Schedule. The freehold interest in this property is owned by Shell UK Limited. Shell UK Limited also have a leasehold interest in the property for a term expiring in November 2019. The adjoining land referenced as Plot 9 within the Order Schedule is unregistered and comprises former public highway. This land is required for the Plot 5 footprint for both buildings and landscaping. It is likely that this land is also owned by Shell by virtue of the presumption that on a stopping up, the half width in a highway reverts to the landowners on either side. The presumption is rebuttable, however, and so ownership cannot be confirmed.

5.36 Other land interests within Plot 5 of the Scheme are also required either because parts of buildings will be constructed upon those areas or they are required for landscaping. These are the plots identified by reference numbers 10, 11, 12, 13, 14 15 and (part of) 16 within the Order Schedule.

5.37 Plots 11 and 13 within the Order Schedule are in the registered ownership of the Council. Plot 10 is unregistered but is likely to be owned by the Council due to the presumption that ownership of the half width of a highway reverts to adjoining owners following the stopping up of a highway. Again, this cannot be confirmed, however. Plot 12 is believed to be owned by the Developer for similar reasons. Plots 14 and 16 are registered to the Greater London Council (**GLC**) and ownership is understood to have devolved to the Council through statutory vesting following abolition of the GLC. Plot 15 is unregistered but is understood to be covered by the same vesting order relating to plots 14 and 16 and thus to be owned by the Council. The Council and the Developer have agreed terms for the disposal to the Developer of the plots owned by the Council.

## **Plot 6**

- 5.38 Plot 6 sits at the north eastern corner of the Site on the corner of Oxestalls Road and Grove Street and wraps around Diploma Works (which is located outside of the Site). Plot 6, like Plot 3 in the detailed part of the Scheme, provides the majority of the commercial floorspace in the outline part of the Scheme with approximately 3400m<sup>2</sup> of B1 floorspace in blocks to a maximum height of 29.10m with blocks of 4, 5 and 7 storeys. The Plot will also provide approximately 7,700m<sup>2</sup> (GIA) of residential floorspace.
- 5.39 Plot 6 is within the freehold ownership of the Developer, save for the plots identified by reference numbers 17, 18 and 19 within the Order Schedule. These plots are required for permanent landscaping/public access as part of the Scheme. Plot 17 is registered to the GLC but understood to have devolved to the Council through statutory vesting following abolition of the GLC. The freehold interest in Plot 18 is registered to the Council. Plot 19 remains unregistered, but is likely to be owned by the Developer due to the presumption of reversion of the half width of the road to the adjoining owner following the stopping up of a highway, although the presumption is rebuttable and ownership cannot be confirmed.

### **Additional/unknown Interests**

- 5.40 Various rights and covenants or other interests which affect the Order Land are set out in Table 2 of the Order Schedule. The Developer has confirmed that it does not consider any of the rights/covenants affecting the land it already owns or the land to be acquired will impede the Scheme.
- 5.41 Title investigations have been undertaken to identify registered land interests. Physical inspections of the Site have been conducted where possible to ascertain other interests in the land. Engagement has taken place with any known interest holders. On this basis, and on the basis that the Developer and its contractors have been occupying various parts of the Site since the Developer first acquired an interest in the Site in August 2014, it is considered that the Order Schedule covers all reasonably discoverable interests in the Site. As is often the case with large comprehensive schemes, however, whilst all due diligence has been employed to review the title and ascertain the nature and extent of the interests in the land, there remains a residual concern that some new interest might subsequently come to light that no one could have been aware of. In accordance with common practice and to ensure certainty, it is proposed to include in the Order all the land within the Site, but to exclude from acquisition any interest already owned by the Council or the Developer.

## 6. DELIVERY

- 6.1 This section of the Statement of Reasons provides an overview of Scheme viability, as well as the Developer's funding and delivery strategy for the Scheme. Further information is contained in the Funding and Delivery Statement attached in **Appendix H**.
- 6.2 CPO Guidance makes clear that if a CPO is to be confirmed, there must be a compelling case in the public interest and the purpose for which the CPO is made must justify interfering with the human rights of those affected. If the acquiring authority is unable to show how the CPO land is to be used and that the necessary resources are likely to be available to achieve the purpose of acquisition within a reasonable timescale, it is unlikely to be able to show the acquisition is justified in the public interest. When preparing its justification, the acquiring authority further needs to show the scheme is unlikely to be blocked by any physical or legal impediments to implementation. The acquiring authority is also required to provide substantive information regarding sources of funding, including as to how potential shortfalls may be met if funding has not yet been finalised.
- 6.3 The Site is one of five strategic sites identified within, and considered key to, the delivery of the Council's Core Strategy. The Core Strategy sets out the ambition to transform the physical environment and achieve place-making objectives by delivering a comprehensive range of regeneration outcomes in the Borough. Since acquiring its interest in the Site, the Developer has acquired further interests by private treaty and has secured the 2016 Permission and submitted the Section 96A application for revisions to the 2016 permission. It has also carried out demolition and remediation works within parts of the Site. In doing so the Developer has incurred substantial expenditure on land acquisition, design and planning and on consultants'/advisors'/contractors' costs. This demonstrates a strong commitment to the Scheme has demonstrated a clear and serious intention to bring it forward.
- 6.4 The Council however still needs to be satisfied that, if it proceeds with a CPO to assemble the remaining interests, the necessary resources are likely to be in place to achieve the purpose of the acquisition within a reasonable timescale. For this reason, it needs to be satisfied the scheme is viable, deliverable and fundable.

### **Viability**

- 6.5 GVA have been appointed to advise the Council on matters of viability. In this regard, GVA have reported on the key assumptions on values and costs which form part of the Developer's own cash flow modelling and projections for the Scheme. The Council has also appointed PriceWaterhouseCoopers LLP (PwC) to provide financial due diligence, as to the financial viability of the scheme and whether it is capable of being funded. Both PwC and GVA have been provided with the cash flow model upon which the Developer has modelled the Scheme.

- 6.6 Having reviewed the cashflow model, PwC have advised that the Scheme nets a positive cashflow and is therefore financially viable. Their report notes that the Scheme is reliant on the sales in Plot 5 towards the end of the development in order to generate a profit. This is considered to provide a significant incentive on the Developer to complete the Scheme.
- 6.7 GVA have reported that they consider the Scheme to be both viable and deliverable, further commenting that the Scheme sits within an area of residential led development in Deptford where market sentiment is positive. The Developer is currently reporting sales rates of approximately one unit per week, which although slower than comparable schemes which came forward pre-“Brexit”, compares favourably with nearby schemes coming forward in the same timeframes. In their report, GVA have provided a commentary on all of the key assumptions underpinning the Developer's cash flow modelling and state that "Whilst there are some key points of difference underlying the Developer's assumptions we consider that the Scheme will still be viable and deliverable." Coupled with the PwC view that the Scheme is financially viable, The Council considers that should the Developer not complete the Scheme, it is likely that another developer would consider this an attractive scheme.
- 6.8 GVA also report that the key development assumptions forming part of the Developer's own cash flows are reasonable and supported by market benchmarks, particularly in respect of nearby comparable developments. In particular:
- Profit on both costs and value demonstrate acceptable returns to a commercial developer initiating a complex development such as the Scheme;
  - The build cost estimates are supported by benchmarks;
  - Sales values on a unit basis are considered reasonable, although GVA are of the opinion that the Developer's assumptions in terms of sales values for private residential units are lower than what could, and is being, achieved.

### **Funding & Delivery**

- 6.9 The Developer has provided a Funding Statement detailing how it intends to bring the Scheme forward and the structure and funding relationships between the various companies and vehicles involved. A copy of the Funding Statement (redacted to remove reference to commercially sensitive information) is attached at **Appendix 7**. The Scheme will be delivered directly by the Developer (a Special Purpose Vehicle and a subsidiary of Lend Lease Europe Holdings Ltd (**LLEH**)). The ultimate parent company is Lendlease Corporation Ltd, but the SPV (and therefore the Scheme) will be funded through LLEH.
- 6.10 Lendlease Corporation Limited is listed on the Australian Stock Exchange and has over 50 years' experience in developments across Australia, Asia, Europe and the Americas. The Lendlease Group is currently delivering regeneration projects in London, including Elephant Park in Southwark – a £1.5bn programme across 28 acres; and The International Quarter in

Stratford – a £2.1bn joint venture with London & Continental Railways. As at 30 June 2016, Lendlease Corporation Limited had A\$4.2 billion of bank facilities, exclusive of cash and cash equivalents of A\$1 billion, of which A\$2.3 billion was unused. As at 30 June 2016, LLEH had £300m of unused bank credit facilities. PwC have advised the Council that LLEH has access to both Group and external loan facilities, suggesting adequate funding is available to Lendlease's European developments from this entity.

- 6.11 On 20 May 2016 S&P Global Ratings assigned a BBB long term issue rating to the Lendlease Group's issuance of USD 400m whilst on 30- November 2016, the ratings agency Moody's has confirmed the "Baa3" long term credit rating to the Lendlease Group, with a stable outlook.
- 6.12 Under the proposed strategy for delivery of the Scheme, the Developer will maintain responsibility for the delivery of the entire scheme. The delivery risk will therefore sit with the Developer as the entity that is acquiring the land interest and progressing the Scheme. At the same time, the structure allows them to retain 100% overall control to ensure that a comprehensive scheme and high quality shared spaces/public realm can be delivered. This mirrors the Lendlease Group's approach to other large regeneration schemes being successfully delivered in London, including Elephant & Castle. LLEH will, however, be providing a parent company guarantee in relation to the costs of the compulsory purchase process, including compensation, and so in this regard, LLEH will be sharing the risk regarding delivery.
- 6.13 PwC have reviewed the audited accounts of the Developer (that is to say, Lendlease Deptford Limited, the SPV) as at 30 June 2016 and as is often the case at this stage of development the SPV is not established with sufficient resources to deliver the scheme utilising its own funds. The Developer has confirmed that the funding for the project would be provided by the Group through LLEH, and therefore the Group is ultimately responsible for funding the financial requirements of the Developer and thus assumes the risks in connection with the Scheme.
- 6.14 As the Developer SPV is reliant on funding from the Group, PwC undertook a high level review of the accounts from 2014 through to 2016 for both LLEH and the ultimate parent company. The conclusions were that LLEH has access to both Group and external loan facilities and therefore that adequate funding is likely to be available to the Group's European developments from this entity. PwC further note that as at 31 December 2016, the Group was in a positive equity position and over 60% of the equity was retained earnings showing the Group's commitment to reinvesting in new and on-going developments.
- 6.15 As has already been explained, planning permission has been granted for the Scheme. The only impediment to its delivery therefore is completion of the land assembly. As has also been explained, the Site is divided into 6 development plots which will be implemented in a

series of Phases. The planned sequencing of the Scheme is as follows (subject to stable market conditions):

Plot	Indicative start on site piling works)	Indicative PC
2	Qrt 2 2017	Qrt 3 2019
1	Qrt 3 2017	Qrt 2 2020
3	Qrt 4 2017	Qrt 1 2020
4	Qrt 1 2018	Qrt 3 2020
5	Qrt 4 2018	Qrt 1 2022
6	Qrt 1 2019	Qrt 1 2021

- 6.16 Dependent on the acquisition of the remaining interests, the first buildings (Plot2) are expected to be completed by the end of 2019. The delivery dates provided align to the financial model provided and set out in the Developer's preferred construction programme. The dates also highlight the length of the construction programme for each Plot. The Developer is, however, unable to start the Plots 4 to 6 until reserved a matters approval has been obtained, but in any event, as is stated elsewhere in this Statement of Reasons, the Developer is not prepared to start any part of the Scheme until all outstanding interests have been secured.
- 6.17 The Board Minutes of November 2015 demonstrate commitment of funds to enable progression of site wide activities and completion of Plot 2 within the Scheme shown on **Appendix G**. The Minutes reference that circa 74% of the required funding has been approved and PwC note that as at 31 December 2016, circa 30% of the necessary funds had already been drawn down. The approval for the delivery of future plots and phases will be subject to the same process followed for Plot 2. That is, European Investment Committee approval will be granted for the drawdown of funds for each plot as and when required.
- 6.18 PwC note, however, that funding for the Scheme is dependent on a number of factors, specifically achieving a minimum level of pre-sales and financial return and that whilst the Group's resources appear adequate, they have many on-going developments and their needs for funding could compete with the Scheme's capital requirements. Mitigation of these risks has been provided in part through a letter of support from the Chief Executive Officer (dated 30 November 2016), the Board minutes of 24 February 2014 and 11 November 2015), a revolving Inter-Company Loan Facility dated 1 July 2014 and a strong track record of delivery which evidences that multi-development management is the Lendlease Group's day

by day activity. PwC also comment that "hurdle rates are discretionary and can be flexed through board approval" providing flexibility for further funding to be provided to the Scheme regardless of whether all pre-determined hurdles have been achieved.

- 6.19 The Council, PwC and GVA have been provided with the details of the commercial criteria which apply to the funding arrangements and are satisfied they are reasonable and materially in line with those expected in the market. Marketing of Phase 2 was launched earlier this year and is achieving an absorption rate of one unit per week. GVA have advised the Council that this compares favourably with nearby developments launched at a similar time.
- 6.20 The position regarding delivery is further augmented by the Section 106 obligations secured through the Section 106 Agreement in connection with the 2016 Permission. The Section 106 Agreement and conditions on the 2016 Permission together control the implementation of the Scheme to ensure the comprehensive development of the Site and in a manner that delivers the land use, access and environmental improvement objectives set out in the Core Strategy.
- 6.21 As a result, the Council is satisfied that the funding is available within a reasonable timescale. Substantial funds are available for the delivery of the Scheme now with circa 74% of the funding being approved and circa 30% of the funding already drawn down, and future draw-down being pursuant to conditions that are considered reasonable and likely to be met. There is in addition a degree of flexibility in relation to the timing of future funding depending on Board approval.
- 6.22 To ensure the comprehensive development of the Site, the Section 106 Agreement includes a series of triggers to prevent piecemeal development and/or the selective development of the Site, as well as ensuring the delivery of a mixed-use and mixed-tenure development. The combined effect of the provisions in the Section 106 agreement is that:
- 6.22.1 in respect of Plots 3, 4, 5 no works on any part of each Plot can commence until all remaining interests in that Plot have been acquired;
  - 6.22.2 in respect of Plot 1, no occupation of any part of Plot 1 can occur until all remaining interests in Plot 3 have been acquired; 50% of dwellings (including 44 affordable homes) and 50% of the non-residential floorspace in Plot 3 has been provided;
  - 6.22.3 in respect of Plot 4, no occupation of more than 70% of dwellings in Plot 4 until, across the site as a whole, 69 affordable dwellings have been provided and a minimum amount of B1 space has been completed;
  - 6.22.4 in respect of Plot 5, no occupation of more than 70% of dwellings in Plot 5 until, across the site as a whole, 100 affordable dwellings have been provided and a minimum amount of B1 space has been completed.

- 6.23 An alternative option of developing Plot 1 in association with Plot 6 (instead of Plot 3) is allowed for in the Section 106 Agreement. However, this does not:
- 6.23.1 remove the obligations in respect of the control of Plots 4 and 5 before development can commence in those Plots; or
  - 6.23.2 remove the requirements in respect of the delivery of affordable homes or business space across the Site.
- 6.24 Further, as referred to in paragraph 6.6 above, PwC note that the Scheme only becomes cash positive upon delivery of Plot 5 towards the end of the Scheme, providing commercial incentives to complete the Scheme in its entirety. The Developer has confirmed that this is the case, noting that the phased nature of the development means there is considerable early investment into the Scheme, which is needed to be offset against the delivery of the future phases. As the Scheme only becomes cash flow positive towards upon delivery of Plot 5, the Developer therefore relies on the later phases of the Scheme to meet its required returns. The Developer states that this, with the significant investment into the Scheme already, gives rise to an implicit incentive to continue to deliver the comprehensive Scheme.
- 6.25 The Council considers that in light of the above, the Scheme is fundable and deliverable. Evidence has been presented as to the sources and timing of funds that show that all the necessary funds are likely to be available to deliver the Scheme within a reasonable time scale if the CPO is confirmed. The viability of the scheme has also been addressed. Officers further consider that these factors, together with the significant investment by the Developer to-date and the other incentives for delivery of the comprehensive Scheme are such that if the CPO is confirmed, the Council can be confident the Scheme will be delivered on a reasonable timescale.
- 6.26 It is the Council's opinion, however, that the comprehensive redevelopment and attendant public benefits are unlikely to be achieved within a reasonable timescale, if at all, unless completion of the land assembly process is secured by the use of CPO powers.

**Could the Order purpose be achieved by other means?**

- 6.27 The Council has had regard to the requirements of the CPO Guidance generally and Section 1 or Tier 2 in particular with regard to Section 226 Orders. This includes whether the purpose of acquisition fits in with the adopted planning framework; the extent to which the purpose will contribute to the achievement of the stated well-being objectives; that the necessary resources, including funding, are likely to be available to achieve the Order's purpose within a reasonable timescale; that the scheme is unlikely to be blocked by any other physical and legal impediments; and whether the purposes for which the land is to be acquired might be achieved by other means, including the appropriateness of any alternative proposals put

forward by the owners of the land others, or examining alternative locations for the purpose for which the land is being acquired.

- 6.28 The Site is allocated as a strategic site within the Council's Core Strategy. A key requirement of the Core Strategy is that the Site is brought forward for comprehensive development in accordance with a Masterplan. The purpose for which land and rights are proposed to be acquired is to enable comprehensive redevelopment of the Order Land in accordance with the adopted planning policy framework. Planning Permission has been granted for comprehensive redevelopment in accordance with those policies.
- 6.29 Given that it owns or controls the majority of the interests in the Site, the Developer is the obvious party to bring forward the Scheme. The Scheme already has the benefit of planning permission. It will secure the comprehensive redevelopment of the Site, and compulsory acquisition of the outstanding land interests is required in order to secure its delivery.
- 6.30 The Scheme will be implemented on a phased basis. The planning permission sets out the intended phasing of the Scheme. Phase 1 benefits from full planning permission and comprises Plots 1, 2 and 3, commencing with Plot 2. Phase 2 comprises Plot 4 and Phase 3 Plots 5 and 6, with permission granted in outline for these Plots. The Section 106 Agreement that forms part of the planning permission includes an alternative phasing option whereby Plot 6 could be developed ahead of Plot 3. However this is scenario is still dependent on the Developer having full control of the Site.
- 6.31 There are no alternative proposals for the regeneration of the Site and no other parties who have demonstrated that they are in a position to deliver the Scheme other than the Developer. The Developer has made clear that it will not commence development until it has full control of the Site. Unless the Order is confirmed, therefore, there is a very significant risk that development of the Site would not proceed at all and thus the regeneration objectives for the Site and surrounding area would not be realised.
- 6.32 The Site is unique in terms of size, scale and location of development. The Site is almost assembled, ready for implementation. It is obvious that the planning objectives for it could not be achieved anywhere else in the Borough.

## 7. CONSULTATION

7.1 The Council has undertaken a series of consultation exercises in respect of the regeneration and planning policies applicable to the Site and surrounding area. In turn the Developer has carried out consultation in respect of the specific Scheme proposals and there has been statutory consultation on the planning application. Consultation was also undertaken by a previous owner of the Site on a previous scheme and the Council undertook statutory consultation on the previous planning application for comprehensive redevelopment of the Site which was granted planning permission in March 2012 (DC/09/73189).

7.2 There has thus been extensive consultation over a number of years both in respect of the policies and principles underpinning the Scheme through to detailed proposals for the comprehensive redevelopment of the Site.

7.3 Extensive consultation was undertaken by the Developer throughout the pre-application consultation process for the Scheme and meetings took place with a wide range of local groups and relevant stakeholders up until the planning application was submitted in May 2015 which led to the 2016 Permission.

7.4 Specific consultation activities included:

### 7.4.1 Newsletters

- (A) Over 6,600 newsletters offering information about the Scheme, upcoming events and informing people of how to get involved were distributed locally, ahead of the main public exhibitions.

### 7.4.2 Posters, flyers and advertisements

- (A) Prior to all events, posters and flyers were distributed to shops and local centres. At the launch of the consultation, an advert was also placed in the Deptford and New Cross South London Press.

### 7.4.3 Website

[www.thewharvesdeptford.com](http://www.thewharvesdeptford.com)

- (A) The project website was launched in early August 2014. It was regularly updated throughout the consultation process with details of how to get involved, consultation information and a means to leave feedback.

<http://www.homesbylendlease.co.uk/deptford>

- (B) A new website was launched by the Developer in 2016 to coincide with the grant of planning permission for the Scheme.

#### 7.4.4 **One-to one meetings with local groups**

- (A) Co-O Pepys
- (B) Deptford Park Primary School
- (C) Evelyn Ward, Councillor Milne
- (D) Lewisham Indochinese Community Centre
- (E) Riverside Youth Club

#### 7.4.5 **Group sessions**

- (A) Riverside - Young Peoples Session
- (B) FORVIL (Federation of Refugees from Vietnam in Lewisham)

#### 7.4.6 **Local events**

- (A) Evelyn Assembly information stand
- (B) Deptford Park Primary – after school exhibition

#### 7.4.7 **Community reference group**

- (A) The group is made up of local representatives, organisations and interested individuals; its role is to check the consultation, discuss key issues in more depth, raise awareness of the project and help identify where there is opportunity for continued involvement beyond the planning application.

#### 7.4.8 **Public exhibitions**

Public drop-in exhibitions discussed the future of the Site and the Scheme and aimed to inform and gather local knowledge and ideas through specific feedback forms and discussions.

- (A) 2014 Exhibition 1: Saturday 13 September 2014, 10.00am - 4.00pm, Riverside Youth Centre
- (B) 2014 Exhibition 2: Thursday 18 September 2014, 11.00am - 6.00pm, 2000 Community Action Centre
- (C) 2015 Exhibition 1 (with MADCAP fun & games): Saturday 7 March 2015, 10.00am - 4.00pm, Riverside Youth Centre
- (D) 2015 Exhibition 2: Tuesday 10 March 2015, 3.00pm - 8.00pm, 2000 Community Action Centre
- (E) 2015 Exhibition 3: Thursday 12 March 2015, 3.00pm - 8.00pm, 2000 Community Action Centre

#### 7.4.9 Exchange & explore events

- (A) The 'Exchange & Explore' events were an opportunity to provide more information and discuss some of the key areas of local interest in more depth. These events were comprised of both workshop sessions and going 'out and about' to see the Scheme in the context of the local area and visiting nearby community facilities and workspaces.

#### 7.4.10 Group sessions

- (A) Alongside the exhibitions, group sessions were held to discuss the Scheme in more depth.

7.5 The planning application was publicised and consulted upon in accordance with the requirements of the *Town and Country Planning (Development Management Procedure) Order 2015*. In addition, the application was advertised and consulted upon in accordance with the requirements of the Town and Country Planning (Environmental Impact Assessment) Regulations 2011. The required external consultations were undertaken and internal consultations were also carried out with relevant departments at the Council.

7.6 The planning application was advertised in the local paper, with site notices also being displayed and letters sent to approximately 5000 local residents and businesses. The application and associated documents were also posted on the Council's website in the usual way where they remain available.

7.7 The following local societies and groups were consulted:

- (A) Pepys Community Forum
- (B) Riverside Youth Centre
- (C) Deptford Park Primary School
- (D) Lewisham People Before Profit
- (E) Canada Water Consultative Forum

7.8 The following statutory agencies and organisations were consulted:

- (A) **Government Office for London**
- (B) Greater London Authority
- (C) Environment Agency
- (D) Natural England
- (E) Historic England
- (F) Historic England – Archaeology
- (G) London Cycling Network

- (H) Transport for London
- (I) Lewisham Primary Care Trust
- (J) London Wildlife Trust
- (K) Met Police Crime Prevention Unit
- (L) National Grid
- (M) Thames Water
- (N) Health and Safety Executive
- (O) Fire Prevention Group
- (P) London Buses
- (Q) London Wildlife Trust
- (R) London Fire & Emergency Planning Authority
- (S) London Borough of Southwark

7.8 The Council did not receive 10 or more objections to the application and therefore the requirement to hold a public meeting was not triggered under the Council's adopted Statement of Community Involvement. However, given the significance of the development a drop-in session was held on Tuesday 28th July 2015 providing those who had commented on the application the opportunity to review the latest plans and discuss the scheme with the case officer and applicant. The meeting was attended by 6 people. No further written comments were received by the Council.

## 8. ATTEMPTS TO ACQUIRE BY AGREEMENT

- 8.1 The Developer has been seeking to acquire third party interests by agreement since it first acquired an interest in the Site in 2014. To date, the Developer has engaged in extensive correspondence, and sought to engage, with landowners regarding the acquisition of interests, directly and through its former agents GL Hearn and currently appointed agents Montagu Evans. Correspondence has included emails, telephone calls, agents' meetings and, in some instances, principals' meetings.
- 8.2 GVA have been appointed by the Council to review and advise on the negotiations conducted by the Developer and whether the offers made to landowners are fair and reasonable and as to whether the Developer has made all reasonable endeavours to acquire the remaining interests by negotiation. GVA are also appointed to act, where appropriate, as the Council's representative to negotiate settlements with landowners and others with an interest in the Order Land.
- 8.3 The Developer now owns approximately 95% of the Site's freehold and approximately 60% of the Site's leasehold. The latter will, however, increase substantially in October 2017 when the Veolia lease expires, resulting in the Developer controlling approximately 85 % of the Site's leasehold interests. It is anticipated that in due course, the leasehold and freehold interests acquired by the Developer will merge.
- 8.4 Section 5 of this Statement of Reasons identifies the interests which are required in order to complete land assembly to bring forward the Scheme in its entirety. These interests comprise both freehold and leasehold interests. As explained in Section 5 it is also proposed to include in the Order the land already owned by the Council and the Developer to ensure that any unknown interests which may emerge are secured.
- 8.5 The third party interests in the Site which are included in the Order are as follows:
- 8.5.1 Safestore Limited and Spaces Personal Storage Limited leasehold interests in units 16 and 17 Dragoon Road (Plot 3 within the Order Schedule);
  - 8.5.2 Shell UK Limited freehold and leasehold interest in 101 and 111 Evelyn Street (Plot 7) and adjoining former highway (Plot 9);
  - 8.5.3 London Power Networks plc interest in the site of an electricity substation located on the south side of Oxestalls Road (Plot 15).
- 8.6 The Developer has provided the Council with details of the extent of and current position on negotiations with landowners, together with copies of material correspondence. These negotiations have been undertaken by both the Developer and their advisers, Montagu Evans. The Council and GVA have examined the material provided and are satisfied that the Developer has used reasonable endeavours over a substantial period to acquire the

outstanding interests by negotiation. It is continuing and will continue to try and move those negotiations forward with the support of the Council.

- 8.7 The Council has also written to the landowners encouraging them to negotiate with the Developer and offering to engage with them and to provide formal valuations if they are unable or unwilling to reach agreement with the Developer. Further correspondence and communication has taken place between the Council, Safestore and the Developer, detailed later in this Section. The Developer continues to engage and treat with all the remaining landowners.

#### **Shell UK Limited and Safestore**

- 8.8 The largest remaining interests by area yet to be acquired are those vested in Shell UK and Safestore.

#### **Shell**

- 8.9 Shell UK Limited (**Shell**) owns the freehold interest of Plot 7 within the Order Schedule which comprises a petrol filling station and ancillary shop at 101 and 111 Evelyn Street. Pursuant to what is understood to be an intercompany arrangement, Shell also holds a leasehold interest in this property which expires in November 2019. The adjoining land shown as Plot 9 on the draft CPO Map is unregistered and is former public highway. It is likely that this land is also owned by Shell by virtue of the presumption that on a stopping up, the half width in a highway reverts to the landowners on either side.

- 8.10 Petrol filling stations are generally categorised as properties which are 'trade-related property' and are often bought and sold having regard to their trading potential. Values are based upon the turnover of the individual station multiplied by an industry standard profit margin and any valuation/offer needs to be informed by the trading figures of the station. Discussions between the Developer and Shell have been ongoing since the Developer first acquired an interest in the Site in 2014. A formal offer was made to Shell in 2014, but was rejected. Negotiations have been hampered by Shell's reluctance to make trading figures available to the Developer and a wish to remain Shell to remain on Site for as long as possible. It is understood that recent discussions have been more productive and the Developer's continuing efforts to reach agreement. The Council will assist where appropriate.

#### **Safestore**

- 8.11 The Developer is the freeholder of Plot 3 within the Order Schedule. Plot 3 is leased to Personal Storage Limited and Safestore Limited (these are related companies and are collectively referred to as **Safestore**). Spaces Personal Storage have a head lease and Safestore an under-lease, both expiring in March 2027. The leases are protected within the

provisions of the Landlord & Tenant Act 1954. The premises are operated as a self-storage facility.

8.12 The Developer has been in discussions with Safestore since 2014 and has been exploring a number of different options to facilitate an agreement. Safestore have set out their key requirements in the negotiations. In order of preference, these are:

- Relocation on-site within the new development;
- Relocation off site – within a short geographical radius with main road frontage;
- Extinguishment of the business with compensation – this being the least preferable option for Safestore.

Safestore has further specified a requirement of 50,000 sq ft of self-storage space in respect of any on or off-site facility, preferably all on ground floor, together with continuity of trade to allow them to retain existing customers.

8.13 The Developer has explored the potential to incorporate Safestore into the Scheme. This resulted in two proposals being put forward to Safestore - 10,000 sq ft within the podium of a building in Plot 5 (in Phase 3) or 36,000 sq ft over five floors in the commercial building in Plot 6. Both options were rejected by Safestore as being unfeasible and uneconomic, due to neither meeting any of their requirements as set out above.

8.14 Safestore requested that the Developer revisit its proposals, in particular the feasibility of accommodating Safestore at ground and basement levels within Plot 5, and proposed a design to the Developer. This has been rejected by the Developer on the basis of design/technical, commercial and planning reasons.

8.15 The Council has also engaged with Safestore, both individually and with the Developer to help try and facilitate agreement between the parties. The Council has also given Safestore details of its own landholdings in the immediate area as possible relocation sites, but mainly due to size, none of these were deemed to meet Safestore's requirements. At meetings and in correspondence, the planning and technical issues and risks associated with re-designing a self-storage facility into the Scheme have been raised with Safestore. The principal issues are:

- Use – A 50,000 sq ft B8 self-storage facility would occupy almost half the floorspace allocated to non-residential uses (and equivalent to three-quarters of the dedicated B1 space) within the Scheme. This would have significant implications for the mix of uses on the site as well as the potential employment opportunities given the much lower employment levels associated with B8 floorspace compared in particular to B1 office space as well as with the other non-residential uses approved on the site. The Council would be highly unlikely to support the inclusion of B8 use at the expense of the mix of other uses permitted.

- Design – all business space in the development needs to be designed to allow flexibility between uses. A self-storage unit is not easily convertible to another commercial use, if designed to the usual self-storage specification. Further, it would need to be demonstrated that the design and operation of the facility would complement and not harm the amenity of residents.
- Floor Levels and Basement – planning policy supports active ground floor uses such as retail and small-scale business space over inactive uses and the Council is unlikely to support changes that reduce active frontages on the Site. The Scheme does not include basements anywhere in the development due to the significant cost of excavating and constructing a basement level, including dealing with site contamination issues. In addition, there are flood risk and feasibility implications associated with the Site's location close to the River Thames.
- Highways and Access – any self-storage facility would need to operate (with reference to vehicle movements) in a way that does not harm the amenities of other occupiers on site;
- Cost and s106 Implications – the Council is unlikely to support changes or amendments to the scheme which either result in the loss of other uses, or negatively impact the delivery of affordable housing.

8.16 In early 2016, the Developer instructed a firm of independent property agents (Strettons) to conduct a land search in the Deptford area, based on Safestore's requirements set out above. Further searches were also undertaken by the Developer's commercial agent – Union Street Partners. These searches identified three potential opportunities, of which only one – 1-5 Blackhorse Road – had the potential to meet Safestore's requirements. Whilst Safestore raised a number of concerns as to its suitability, it nevertheless agreed to submit a joint offer with the Developer to the landowner. The landowner rejected the offer. More recently, Safestore have significantly reduced the amount they are willing to contribute to the offer, making a higher financial offer for the site unviable from the Developer's perspective. Whilst the parties are continuing to engage, as things stand 1-5 Backhorse Road is not a viable relocation option.

8.17 Safestore and the Developer also pursued the opportunity at Trophy House on Evelyn Street in close proximity to the Site, but this was ultimately unsuccessful, and is now being built out for self-storage use by another operator.

8.18 Throughout this time, the Developer has also continued to submit offers for Safestore's leasehold interests. The valuation of these offers reflects the level of company-wide net operating profit, as advised by Safestore, the 10-year unexpired term and, the level of rental outgoings payable in accordance with the terms of the lease. The Developer has also offered to pay Safestore a premium for early surrender of the lease and vacant possession. All offers

submitted have been rejected by Safestore, both on the basis that they do not want to negotiate extinguishment of the business but a relocation, and also in their opinion that the figures submitted by the Developer do not represent the value of the business. The Developer has requested on numerous occasions that Safestore provide official trading figures for the facility. Although this has been provided verbally (as noted above), Safestore have to-date declined to provide this information in writing.

- 8.19 CPO Guidance provides that there should be constructive engagement with claimants regarding relocation issues, including offering advice and assistance about the availability of relocation properties where appropriate. Whilst there is no express obligation to explore whether substantive changes could be made to a scheme to accommodate an existing occupier, in the present case, the Council considers that the Developer has made reasonable efforts to establish whether a replacement Safestore facility could feasibly be incorporated into the Scheme. Due to the scale and nature of Safestore's operation and their requirement to continue trading without interruption, this does not appear to be achievable.
- 8.20 The Council also considers that reasonable efforts have been made with regard to off-site provision and to reach a negotiated settlement.

#### **Other Interests**

- 8.21 Veolia ES (UK) Limited has a leasehold interest in units A, B, C and D in New Baltic Wharf, Oxestalls Road (Plot 8). The Developer and Veolia have agreed the surrender of the leasehold interest and compensation being paid in accordance with the Landlord and Tenant Act 1954. The Developer will take possession of the land when the lease expires in October 2017.
- 8.22 London Power Networks plc has an interest in the site of an electricity substation located on the south side of Oxestalls Road (Plot 15). The substation is redundant and is going to be decommissioned. The Developer has been in contact with London Power Networks and it is expected that agreement will be reached as a 'project' cost in delivering the Scheme. The interest is, however, included in the Order to ensure the land is secured for the Scheme.
- 8.23 GVA have advised the Council and the Council agreed that the Developer have made all reasonable steps to acquire the remaining interests by negotiation and that the offers made by the Developer are fair and represent market value.

## 9. THE CASE FOR COMPULSORY PURCHASE

- 9.1 As explained in section 2 of this Statement of Reasons, the Order Land is located toward the northern boundary of the London Borough of Lewisham approximately 350m south west of the River Thames.
- 9.2 The Site comprises a mix of predominantly commercial and industrial buildings of no unified form of design. The Site is currently under-utilised and the majority of buildings are vacant and, given their age and deteriorating condition, are considered to have little, if any, potential for re-use, with the exception of the Victoria public house, which will be restored and retained.
- 9.3 The Index of Multiple Deprivation which looks at a range of indicators covering income, employment, health, education, training, skills, living conditions and access to services saw Lewisham ranked as the 48th most deprived local authority area in England with some neighbourhoods in Lewisham ranked in the 10% most deprived areas in England . The Site, and its immediate neighbourhood are ranked in the 20% most deprived.
- 9.4 The area within which the Order Land is located suffers from serious physical, social and economic deprivation. Lewisham is particularly deprived in terms of the “barriers to housing and services” element of the deprivation index but crime, employment, health, income and living environment are also local challenges. A large proportion of households live in overcrowded homes: Evelyn and neighbouring New Cross wards have the highest rates of overcrowding in Lewisham.
- 9.5 In response, the Core Strategy seeks to promote social inclusion and strengthen the quality of life and well-being for new and existing residents of the Borough by addressing deprivation and health inequalities in Evelyn and other more deprived parts of the Borough, creating safer and stronger communities by reducing crime and fear of crime through innovative design and land use policies, as well as providing physical, social and green infrastructure including high quality health and education facilities that are accessible.
- 9.6 As outlined in section 4 of this Statement of Reasons, the policy framework applicable to the Order Land includes the London Plan, the Core Strategy and the NPPF.
- 9.7 The NPPF provides a presumption in favour of sustainable development where, economic, social and environmental gains should be sought jointly and simultaneously through the planning system. Paragraph 49 of the NPPF specifically states that ‘housing applications should be considered in the context of the presumption in favour of sustainable development’. Planning should operate to encourage and not act as an impediment to sustainable growth. Good design is indivisible from good planning and should contribute positively to making places better for people.
- 9.8 The Site falls within the South East London Sub-Region, where policy seeks to encourage new development that underpins the sub-region's dynamism and potential, and delivers the

priority for delivering regeneration and transport improvements and links from the capital and the Thames Gateway. The London Plan encourages the Council to accommodate substantial growth for London's economy and population, whilst optimising the development of Opportunity Areas and ensuring that housing provision is supported by social and community infrastructure. The Site is located within/adjacent to Opportunity Areas 9 (Deptford Creek /Greenwich Riverside) and 20 (Lewisham, Catford and New Cross).

- 9.9 The Spatial Strategy within the Core Strategy identifies four Regeneration and Growth Areas where the majority of the Borough's new housing, retail and employment uses will be focused. The Regeneration and Growth Areas will provide key regeneration and development opportunities and provide a clear basis and focus for new homes and jobs which contribute to local regeneration, thus addressing deprivation and improving social inclusion. Deptford, Deptford Creekside and New Cross/New Cross Gate is one of the four Regeneration and Growth Areas where the scale of change will be most pronounced in this part of the Borough and has the potential for long term physical and socio-economic benefits. It is considered to be a prime location for delivering a substantial portion of the identified housing need and required employment floorspace within the Borough and is proposed to accommodate 2,300 new homes by 2016 and a further 8,325 new homes by 2026.
- 9.10 Spatial Policy 2 within the Core Strategy identifies five strategic sites which are to act as a catalyst for regeneration of the area. The Site is one of such strategic sites. Strategic Site Allocation 4 (**SSA4**) within the Core Strategy identifies the Site for comprehensive mixed use development and sets out specific requirements for a comprehensive phased approach to redevelopment.
- 9.11 The purpose for which the Order Land is required is considered to meet the objectives of the London Plan, Core Strategy and the NPPF and fits within the adopted/applicable planning framework for the area within which the Order Land and the Site are situated. The 2016 Planning Permission was granted against this background. The 2017 Amendments do not impact on this policy context.
- 9.12 The Order Land is required to facilitate the comprehensive delivery of the Scheme which in turn is considered to deliver a number of significant social, economic and environmental benefits. These are described in detail in section 3 of this Statement of Reasons.
- 9.13 The Developer, with the Council's assistance, has used and continues to use all reasonable efforts to acquire all interests on the Site. However, it has become apparent to the Council that it will not be possible to acquire all of the interests required for the Scheme by agreement so as to enable the Scheme to be delivered within a reasonable timescale. The use of compulsory powers is therefore required in order to acquire all the land and rights needed for the Scheme. Efforts to acquire interests by agreement will continue notwithstanding the making of the Order.

- 9.14 Section 6 of this Statement of Reasons addresses the question of delivery of the Scheme and the likelihood of it coming forward within a reasonable timescale. For the reasons given in Section 6, the Council has concluded that the development would be viable, has a clear and achievable delivery strategy and that the necessary resources, including funding, will be available to achieve the purpose of the Order within a reasonable timescale.
- 9.15 As is explained in this Statement of Reasons, the developer will not proceed with the Scheme unless it has full control of the entire Site. The Safestore land straddles Plots 1 and 3 and the Shell land occupies part of Plot 5. Plot 1 provides 218 dwellings and 765m<sup>2</sup> of commercial space and Plot 3 provides 153 dwellings and 3,959m<sup>2</sup> of commercial space. Together these Plots will deliver 33% of the total residential units in the Scheme including 47% of the affordable homes. Plots 1 and 3 also provide 49% of the total commercial floorspace within the Scheme. Plot 5 provides around 30,500 square metres of residential floorspace and up to around 635 square metres of flexible commercial floorspace. This represents around 27% of the residential floorspace and 7% of the commercial space in the development.
- 9.16 Unless the Developer has full control of the whole Site, the Scheme will not proceed. Thus, unless the Shell interests are acquired, the comprehensive Scheme cannot be delivered. In respect of the Safestore land, the leasehold interests expire in October 2027 at which date (assuming successful opposition to the grant of new leases) the land would revert to the Developer. Accordingly, the Developer would obtain full control of this land. If, however, the Shell land is acquired but not the Safestore land then commencement of the development would be delayed by 9-10 years until the Safestore's leases expire. Even assuming that comprehensive development remains deliverable in 10 years' time, there would be a twelve year plus delay in completing such development and in achieving the economic, social and housing benefits that the Scheme delivers.
- 9.17 Accordingly, all of the land not currently under the Developer's control is required if delivery of the comprehensive Scheme is to be secured. This will enable:
- the comprehensive development of the Site;
  - the timely development of the Site;
  - the delivery of the land use requirements for the Site;
  - the delivery of the masterplan vision for the Site.
- 9.18 As set out in Section 10 of this Statement of Reasons, the Council has had full regard to the Human Rights implications of pursuing the Order and taken into account the economic wellbeing of the locality in terms of regeneration, housing need, sustainable communities and environmental improvements and has carefully considered the balance to be struck between individual rights and the wider public interest. In this instance, the Council considers that the Order is required in the public interest and is consistent with the ECHR and 1998

Act in that the public purpose of securing the Order Land for the Scheme and concomitant economic, social and environmental benefits are of sufficient weight to override the interference with human rights that the Order necessarily involves, and that compulsory acquisition is necessary to achieve that purpose. It is also considered that the Order is proportionate having regard to the lack of alternative means of securing the redevelopment of the Order Land and the associated regeneration of the area.

- 9.19 The Council has further given consideration to the Equalities Act implications of the Scheme and has concluded that the Scheme would not have an impact on person with protected characteristics/protected groups.
- 9.20 In all the circumstances, the Council considers there is a compelling case in the public interest for compulsory acquisition of the outstanding interests in the Site.

DRAFT

## 10. HUMAN RIGHTS

- 10.1 The European Convention on Human Rights (“the Convention”) was incorporated into domestic law in England and Wales by the Human Rights Act 1998 (“the 1998 Act”). The 1998 Act prevents public authorities from acting in a way which is incompatible with rights protected by the Convention.
- 10.2 The CPO Guidance advises that “a compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which the compulsory purchase order is made justify interfering with the human rights of those with an interest in the land affected. Particular consideration should be given to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights, and in the case of a dwelling, Article 8 of the Convention”. There are no longer any residential occupiers within the Site and Article 8 is not considered to be engaged in this case.
- 10.3 Article 6 of the Convention is also relevant regarding entitlement to a fair and public hearing by an independent and impartial tribunal. As regards Article 6 rights the Scheme has been publicised and consultation has taken place with parties potentially affected by the Order. All those parties whose interests are identified and included in the Order will be notified and have the right to make objections or other representations to the Secretary of State for Communities and Local Government and to be heard at a public inquiry or by means of written representations. The statutory process and right for affected parties to pursue remedies in the High Court where appropriate, are compliant with Article 6.
- 10.4 Article 1 of Protocol 1 provides that every natural or legal person is entitled to the peaceful enjoyment of his possessions. The right is qualified to the effect that no one is to be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law. Further, the right does not in any way impair the right of a state to enforce such laws as it deems necessary to control the use of property in accordance with the general interest.
- 10.5 In determining the level of permissible interference, the courts have held that any interference must achieve a fair balance between the general interests of the community and the protection of the rights of individuals – there must be reasonable proportionality between the means employed and the aim pursued. The availability of statutory compensation to affected persons is relevant in assessing whether a fair balance has been struck. Case law in a compulsory purchase context has determined that there is no requirement to set out in any formulaic way the extent to which individual human rights are interfered with, and that the necessary human rights balancing exercise is encompassed by the test of a compelling case in the public interest.

10.6 If the Order is made and confirmed, this will result in the taking of property and the rights of Shell, Safestore and London Power Networks will be interfered with. Compensation will then be payable in accordance with the law, including compensation for property on the basis of the market value of the interest acquired, together with disturbance and , statutory loss payments. The nature of the properties/occupations involved is set out elsewhere in this Statement of Reasons. The Council has carefully considered the balance to be struck between individual rights and the wider public interest and have also had regard to whether there are any alternative means of securing the redevelopment of the Order Land and the associated regeneration of the area. Officers have concluded the interference with the rights of Shell, Safestore and London Power Networks is proportionate when weighed against the significant benefits which will be delivered by the Scheme for the Borough and the wider community as set out in this Report and the draft SoR.

## 11. EQUALITIES CONSIDERATIONS

- 11.1 The Equality Act 2010 (**the 2010 Act**) consolidated all previous equality legislation in England, Scotland and Wales. The 2010 Act also includes a new public sector equality duty (the equality duty or the duty), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The duty 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. The CPO Guidance re-iterates that acquiring authorities must have regard to the effect of any differential impacts on groups with protected characteristics.
- 11.2 In summary, a public authority in the exercise of its functions must 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 those who do not.
- 11.3 Displacement of existing occupiers of industrial units and commercial activity on the Site through acquisition compulsorily or by agreement may lead to relevant equalities impacts where/if business occupiers have protected characteristics and are required to move off-site. However, a large part of the Site is now vacant. As indicated elsewhere in this Report, those remaining on the Site comprise Shell and Safestore (the latter being a reference to both Spaces Personal Storage Limited and Safestore Personal Storage Limited which are related companies) which provides generic storage services. Shell is a multinational business and this was a service station location. Veolia (due to vacate the Site in October) is a multinational business providing environmental and waste services.
- 11.4 The Developer has appointed Quod to appraise those elements of the development where protected groups or protected characteristics may be affected – or have the potential to be affected – by the Scheme, including both positive and negative effects. Quod have reported that there is no reason to believe that any of the businesses affected by the Order are owned by, or provide specific services to, people with ‘protected characteristics’, or that differential impacts might occur. Overall, Quod consider that the Scheme would not have a negative impact on protected groups or characteristics. The Council agrees.
- 11.5 The Scheme has been planned and designed to provide an inclusive environment. The delivery of homes, employment space, public realm and neighbourhood facilities will have beneficial effects on the local community of existing and new residents, employees and

visitors, including those with protected characteristics and significant benefits are likely to be provided to protected groups through the creation of jobs that meet a range of skill profiles and flexibility needs and new homes including affordable homes.

- 11.6 The Developer has - and will continue to - engage with both tenants and land owners to inform them of the proposed time frame of development and the likely timescales for the relevant phase that their units fall within to ensure that they can manage their business and property matters and the Council will continue to liaise with the Developer and provide support and assistance to occupiers as appropriate.

12. **ENQUIRIES**

- 12.1 Information about the Scheme and the Order is available on the Council's website at:

- 12.2 Further information about the Scheme is also available at  
<http://www.thewharvesdeptford.com>

- 12.3 The Order documents can be inspected during normal office hours at:

**APPENDIX A**

**CPO MAP**

DRAFT

**APPENDIX B**

**LOCATION MAP**

DRAFT

**APPENDIX C**

**CPO ORDER SCHEDULE**

DRAFT

**APPENDIX D**

**REGENERATION STATEMENT AND EQUALITIES IMPACT ASSESSMENT**

DRAFT

**APPENDIX E**

**PLANNING POLICIES**

DRAFT

DRAFT

### London Plan (March 2016)

In March 2016 the London Plan (Consolidated with Alterations since 2011) was adopted. The policies of relevance to the Site and Scheme are:

- Policy 1.1 Delivering the strategic vision and objectives for London
- Policy 2.3 Growth areas and coordination corridors
- Policy 2.13 Opportunity areas and intensification areas
- Policy 2.14 Areas for regeneration
- Policy 2.18 Green infrastructure: the multi-functional network of green and open spaces
- Policy 3.1 Ensuring equal life chances for all
- Policy 3.2 Improving health and addressing health inequalities
- Policy 3.3 Increasing housing supply
- Policy 3.4 Optimising housing potential
- Policy 3.5 Quality and design of housing developments
- Policy 3.6 Children and young people's play and informal recreation facilities
- Policy 3.7 Large residential developments
- Policy 3.8 Housing choice
- Policy 3.9 Mixed and balanced communities
- Policy 3.11 Affordable housing targets
- Policy 3.12 Negotiating affordable housing on individual private residential and mixed use schemes
- Policy 3.14 Existing housing
- Policy 3.16 Protection and enhancement of social infrastructure
- Policy 3.17 Health and social care facilities
- Policy 3.18 Education facilities
- Policy 3.19 Sports facilities
- Policy 4.1 Developing London's economy
- Policy 4.3 Mixed use development and offices
- Policy 4.4 Managing industrial land and premises
- Policy 4.5 London's visitor infrastructure
- Policy 4.6 Support for and enhancement of arts, culture, sport and entertainment provision
- Policy 4.7 Retail and town centre development
- Policy 4.8 Supporting a successful and diverse retail sector and related facilities and services
- Policy 4.9 Small shops
- Policy 4.12 Improving opportunities for all
- Policy 5.1 Climate change mitigation
- Policy 5.2 Minimising carbon dioxide emissions
- Policy 5.3 Sustainable design and construction
- Policy 5.4 Retrofitting
- Policy 5.4 Electricity and Gas Supply
- Policy 5.5 Decentralised energy networks

Policy 5.6 Decentralised energy in development proposals

Policy 5.7 Renewable energy

Policy 5.8 Innovative energy technologies

Policy 5.9 Overheating and cooling

Policy 5.10 Urban greening

Policy 5.11 Green roofs and development site environs

Policy 5.12 Flood risk management

Policy 5.13 Sustainable drainage

Policy 5.14 Water quality and wastewater Infrastructure

Policy 5.15 Water use and supplies

Policy 5.16 Waste net self-sufficiency

Policy 5.17 Waste capacity

Policy 5.18 Construction, excavation and demolition waste

Policy 5.21 Contaminated land

Policy 6.1 Strategic approach

Policy 6.2 Providing public transport capacity and safeguarding land for transport

Policy 6.3 Assessing effects of development on transport capacity

Policy 6.4 Enhancing London's transport connectivity

Policy 6.7 Better streets and surface transport

Policy 6.9 Cycling

Policy 6.10 Walking

Policy 6.11 Smoothing traffic flow and tackling congestion

Policy 6.12 Road network capacity

Policy 6.13 Parking

Policy 7.1 Lifetime neighbourhoods

Policy 7.2 An inclusive environment

Policy 7.3 Designing out crime

Policy 7.4 Local character

Policy 7.5 Public realm

Policy 7.6 Architecture

Policy 7.7 Location and design of tall and large buildings

Policy 7.8 Heritage assets and archaeology

Policy 7.10 World Heritage Sites

Policy 7.11 London View Management Framework

Policy 7.13 Safety, security and resilience to emergency

Policy 7.14 Improving air quality

Policy 7.15 Reducing and managing noise, improving and enhancing the acoustic environment and promoting appropriate soundscapes

Policy 7.18 Protecting open space and addressing deficiency

Policy 7.19 Biodiversity and access to nature

Policy 8.1 Implementation

Policy 8.2 Planning obligations

Policy 8.3 Community infrastructure levy

#### London Plan Supplementary Planning Guidance (SPG)

The Mayor of London's SPG's/SPD's of relevance to the Site and Scheme are:

Accessible London: Achieving an Inclusive Environment (2014)

Sustainable Design and Construction (2014)

Housing (2012)

Land for Industry and Transport (2012)

Shaping Neighbourhoods: Play and Informal Recreation (2012)

London View Management Framework (2012)

East London Green Grid Framework (2008)

Planning for Equality and Diversity in London (2007)

#### London Plan Best Practice Guidance

The London Plan Best Practice Guidance's of relevance to the Site and Scheme are:

Wheelchair Accessible Housing (2007)

Health Issues in Planning (2007)

Managing the Night Time Economy (2007)

Control of dust and emissions from construction and demolition (2006)

Development Plan Policies for Biodiversity (2005)

#### Lewisham Core Strategy

The Core Strategy was adopted by the Council at its meeting on 29 June 2011. The Core Strategy, together with the Site Allocations, the Lewisham Town Centre Local Plan, the Development Management Local Plan and the London Plan is the Borough's statutory development plan. Strategic objectives, spatial policies and cross cutting policies of relevance to the Site and Scheme are:

Spatial Policy 1 Lewisham Spatial Strategy

Spatial Policy 2 Regeneration and Growth Areas

Core Strategy Policy 1 Housing provision, mix and affordability

Core Strategy Policy 3 Strategic Industrial Locations and Local Employment Locations

Core Strategy Policy 4 Mixed Use Employment Locations

Core Strategy Policy 5 Other employment locations

Core Strategy Policy 6 Retail hierarchy and location of retail development

Core Strategy Policy 7 Climate change and adapting to the effects

Core Strategy Policy 8 Sustainable design and construction and energy efficiency

Core Strategy Policy 9 Improving local air quality  
Core Strategy Policy 10 Managing and reducing the risk of flooding  
Core Strategy Policy 12 Open space and environmental assets  
Core Strategy Policy 13 Addressing Lewisham's waste management requirements  
Core Strategy Policy 14 Sustainable movement and transport  
Core Strategy Policy 15 High quality design for Lewisham  
Core Strategy Policy 17 The protected vistas, the London panorama and local views, landmarks and panoramas  
Core Strategy Policy 18 The location and design of tall buildings  
Core Strategy Policy 19 Provision and maintenance of community and recreational facilities  
Core Strategy Policy 20 Delivering educational achievements, healthcare provision and promoting healthy lifestyles  
Core Strategy Policy 21 Planning obligations  
Strategic Site Allocation 1 Requirements for strategic site allocations  
Strategic Site Allocation 4 Oxestalls Road

#### Development Management Local Plan

The Development Management Local Plan was adopted by the Council at its meeting on 26 November 2014. Policies of relevance to the Site and Scheme are:

DM Policy 1 Presumption in favour of sustainable development  
DM Policy 2 Prevention of loss of existing housing  
DM Policy 7 Affordable rented housing  
DM Policy 9 Mixed use employment locations  
DM Policy 10 Local Employment Locations (LEL)  
DM Policy 11 Other employment locations  
DM Policy 17 Restaurants and cafés (A3 uses) and drinking establishments (A4 uses)  
DM Policy 18 Hot food take-away shops (A5 uses)  
DM Policy 19 Shopfronts, signs and hoardings  
DM Policy 20 Public houses  
DM Policy 22 Sustainable design and construction  
DM Policy 23 Air quality  
DM Policy 24 Biodiversity, living roofs and artificial playing pitches  
DM Policy 25 Landscaping and trees  
DM Policy 26 Noise and vibration  
DM Policy 27 Lighting  
DM Policy 28 Contaminated land  
DM Policy 29 Car parking  
DM Policy 30 Urban design and local character  
DM Policy 31 Alterations/extensions to existing buildings

DM Policy 32 Housing design, layout and space standards

DM Policy 33 Development on infill sites, backland sites, back gardens and amenity areas

DM Policy 35 Public realm

DM Policy 37 Non designated heritage assets including locally listed buildings, areas of special local character and areas of archaeological interest

DM Policy 40 Public conveniences

DM Policy 41 Innovative community facility provision

DM Policy 42 Nurseries and childcare

DM Policy 43 Art, culture and entertainment facilities

Residential Standards Supplementary Planning Document (August 2006)

Guidance and standards relating to design, sustainable development, renewable energy, flood risk, sustainable drainage, dwelling mix, density, layout, neighbour amenity, the amenities of the future occupants of developments, safety and security, refuse, affordable housing, self-containment, noise and room positioning, room and dwelling sizes, storage, recycling facilities and bin storage, noise insulation, parking, cycle parking and storage, gardens and amenity space, landscaping, play space, Lifetime Homes and accessibility, and materials.

Planning Obligations Supplementary Planning Document (February 2015)

Guidance and standards relating to the provision of affordable housing within the Borough and provides detailed guidance on the likely type and quantum of financial obligations necessary to mitigate the impacts of different types of development.

**APPENDIX F**

**SCHEME LAYOUT (ILLUSTRATIVE)**

DRAFT

**APPENDIX G**

**PHASING AND PLOTS PLAN**

DRAFT

**APPENDIX H**

**FUNDING AND DELIVERY STATEMENT**

DRAFT