

Committee	PLANNING COMMITTEE (C)	
Report Title	86-92 Bell Green SE26	
Ward	Bellingham	
Contributors	Geoff Whittington	
Class	PART 1	11 September 2018

Reg. Nos. DC/17/102792

Application dated 27 July 2017

Applicant IMA Projects Two Limited

Proposal Demolition of the existing building and the construction of a part 6/ part 7/ part 8-storey mixed use development comprising 23 self-contained residential units, and 59sqm (GIA) commercial ground floor space (Use Class A1 (Retail), A2 (Financial and Professional Services) & B1 (Business), 5 car parking spaces, 40 cycle parking spaces, refuse stores, and private residential balconies and communal amenity area at 86-92 Bell Green SE26.

Applicant's Plan Nos. New / revised plans & information received:
1535-50 V12; 1535-51 V12 Received 26 June 2018;
1535-11 V13; 1535-17 V13; 1535-18 V13; 1535-22 V13; 1535-23 V13; Air Quality Assessment Received 29 August 2018.

Background Papers (1) Case File LE/214/46/TP
(2) Local Development Framework Documents
(3) The London Plan (2016 as amended)
(4) The NPPF (2018)

Designation Area of Archaeological Priority
PTAL 3
Flood Risk Zone 3
Air Quality Management Area

1.0 Background

- 1.2 An application was submitted to the Council on 27 July 2017 proposing the demolition of the existing building at 86-92 Bell Green, and the construction of a part 6/ part 7/ part 8-storey mixed use development providing 23 self-contained, and a ground floor commercial unit including either A1 (Retail), A2 (Financial and Professional services) and B1 (Business) use.
- 1.3 The application was presented to Members on 2 August 2018 with a recommendation to grant permission, however the case was deferred to allow for the submission of further information relating to air quality, viability and design matters.

2.0 Planning Considerations

- 2.1 The main issues to be considered in respect of this deferral report are:

- a) Air quality
- b) Design;
- c) Financial Viability.

Air Quality

- 2.2 The NPPF states that the planning system should contribute to and enhance the natural and local environment by preventing both new and existing development from contributing to or being put at unacceptable risk from, or being adversely affected by unacceptable levels of soil, air, water, noise pollution or land instability.
- 2.3 DM Policy 23 states that the Council will require all major developments that have the potential to impact upon air quality will be required to submit an Air Quality Management Assessment. The application site falls within a designated Air Quality Management Area, one of six in the Borough.
- 2.4 The original submission included an air quality assessment, which concluded that the implementation of appropriate measures and good practice during the demolition and construction phases would mitigate potential harm from dust.
- 2.5 The Council's Environmental Health officers had previously reviewed the document, and confirmed they were satisfied with the conclusions reached, with appropriate measures to be ensured by a planning condition.
- 2.6 However, an objection was raised by Cllr Curran during the Committee meeting, who has since provided information relating to a report and supporting evidence from a resident in Crystal Palace regarding air quality in Sydenham. The evidence includes;
 - Air quality monitoring Pods including operational details;
 - Summary of National Air Quality Standards and Objectives;
 - Localised Air Quality modelling around Haseltine Primary School;
 - Air pollution levels in the surrounding areas.
- 2.7 The resident refers to Bell Green experiencing a 'steady increase' in vehicle traffic, which is serving to worsen the already high air pollution levels. It also states that the A212 at Bell Green has a 2017 manual count of 35,168 AADF (annual average daily flows), which is taken as an average over a full year of the number of vehicles passing through a point in the road network each day. The Bell Green average equates to the highest level in more than '17 years'.
- 2.8 The resident states that 'given the increasing level of 2017 traffic, the lack of automatic air monitoring at Bell Green, is in itself a concern', and concludes that 'the lack of automatic air pollution monitoring in this part of South London with known congestion and air pollution 'hot spots' is placing this community at greater health disadvantage.'
- 2.9 This information received did not include an assessment of the impact of the proposed development upon these levels. As stated above, the site does lie within an identified Air Quality management Area, and as such the Council are aware that there are Air Quality issues to address.
- 2.9 Though it is important to highlight that the data received does not form part of the official recorded / monitored data, validated and verified, and upon which officers, and thus planning decisions can reasonably be made rely, the Council's Environmental Health officers have (in this instance only) reviewed the report, and advise they are not aware of the installation of any monitoring pod equipment within the Bell Green area.
- 2.11 The only recognised equipment is a diffusion tube that forms part of a diffusion tube network, which in 2017 according to the London Borough of Lewisham Nitrogen Dioxide

Diffusion Tube Survey (2017), comprised of 37 NO₂ diffusion tubes at 35 locations across the Borough. The diffusion tubes were exposed for periods of between 4 and 5 weeks in accordance with the UK NO₂ Survey Timetable, and the results of the survey provides the Council monitoring data for use in the Local Air Quality Review and Assessment (LAQM) process.

2.12 Data for diffusion tube measurements for 2017 has been published, which may be viewed at the following link: <https://www.lewisham.gov.uk/myservices/environment/air-pollution/Pages/air-quality-monitoring.aspx>

2.13 Historic data for this location up to 2017 is shown in the below table, where it is can be seen that whilst the recent figure of 43.3µg/m³ exceeds the EU limit of 40µg/m³, the figure has declined since 2014.

63 Bell Green	Local Bias Adjusted µg/m ³	National Bias Adjusted µg/m ³
2013	41.7	53.4
2014	47	55
2015	48	45
2016	44	49
2017	43.3	42

2.14 The diffusion is considered to be a reliable tool in capturing air pollution data, and is as useful as an 'automatic' form of air monitoring referred to by the resident in para.7.8. Subsequently, Environmental Health officers do not formally recognise the independent findings of the resident, neither is evidence upon which the Council can attached any significant weight. As noted above, it further does not represent an analysis of the impact of the proposed development and is therefore not of any significant relevance to the consideration of this application.

2.15 The applicant has nonetheless, in order to provide further comfort to the Council, submitted an amended air quality assessment, which includes reference to:

- 2017 Diffusion Tube Monitoring Results for London Borough of Lewisham (Published April 2018);
- 2017 Department for Transport traffic data;
- Mayor of London's Air Quality Audit Programme, Haseltine Primary School, London Borough of Lewisham (Published May 2018); and
- The new NPPF (Published July 2018).

2.16 The report identifies four proposed units to the east elevation on floors 1-4, which would require mitigation measures due to results marginally predicted to exceed the National Air Quality Objective (AQO) of 40µg/m³ on the first and second floors. This would be achieved by 'ventilation sourced from the clean (below 38µg/m³) elevations and heights.'. This will be secured by condition.

- 2.17 The report demonstrates that all other units are predicted to lie within acceptable levels and would not require any form of mitigation. The proposal is therefore found to be acceptable.

Design

'Pinch point' on Bell Green Footpath

- 2.18 A concern that was raised at Committee regards the close proximity of the south-eastern corner of the building to the existing footpath, appearing as a pinch point.
- 2.19 In response, the applicant has amended the plans to reposition the residential entrance back from the footpath by a further 1.3 metres to provide additional space to the frontage. The upper floors would remain as originally planned as a similar set-back would serve to reduce the private amenity areas.
- 2.20 The applicant has stated that 'the proposed scheme would be set back from the existing building footprint and increases the footway width insofar as is within the gift of the applicant. These amendments maintain upper level private amenity space and the design quality of the proposal whilst providing for increased area to the front of the residents entrance.
- 2.21 'As previously advised, the width of the footway to the south-east corner of the site is determined by a low rise brown brick wall bounding the adjoining NHS land to the south, which forms the back edge of the footway. That wall extends up to the south-east corner of the application site but is not within the application site, therefore, is beyond the control of the applicant. The proposed development would not lead to any sufficient increase in pedestrian use of the footway to create any additional congestion at this point.'
- 2.22 Officers are satisfied that the amendment addresses the concern raised, and consider that the proposed 3.9 metre set-back of the residential entrance from the carriageway would assist in improving the sense of spaciousness to that area. This represents a very significant proportionate increase in actual footway width forward at this point. It is important to acknowledge however that the siting of the existing brick wall directly to the south of the site does contribute to the narrow 1.4 metre width of the footpath at that point, and as it lies beyond the curtilage of the application site, there would be no change to this aspect should permission be granted.

Building Line / set back / massing

- 2.23 Discussion also occurred at Committee in regard to the overall appropriateness of the proposed building mass, with reference made to the more significant set back and provision of open space between the larger built forms to the north east. Officers have previously set out that they consider the height, massing and position of the proposed built form to be appropriate. The cited local example is not in itself considered to be a very useful example to establish a pattern for the site development here to follow, given that it is itself not characteristic of the greater part of the local townscape, and fails to provide a well defined and active street frontage.
- 2.24 The proposed development is therefore considered to be acceptable in this regard, and represents an appropriate response to the specific context of the application site.

Viability

- 2.25 The National Planning Policy Framework states that local planning authorities should, through their evidence base, objectively assess the needs of the housing market to ensure that affordable housing is delivered. Core Strategy Objective 2 refers to the overall housing delivery targets published at the adoption of the Core Strategy. Those

targets for the overall delivery of housing have subsequently been increased, and further upward revisions are anticipated. Core Strategy Policy 1 has been adopted following the evidence base of the Lewisham and South-East London Strategic Housing Market Assessment (SHMA). This policy has been adopted in line with London Plan policies 3.8-3.13 and the NPPF.

- 2.26 With respect to affordable housing, CS Policy 1 outlines that the Council will seek the maximum provision of affordable housing with a strategic target of 50% affordable housing from all sources. The Development Management Local Plan summarises this goal in the following way (para 2.43)

“CSP1 requires housing development on qualifying sites (10 or more dwellings) to provide as much affordable housing as is financially viable”

- 2.27 To ensure a mixed tenure and promote mixed and balanced communities, the affordable housing component is to be provided as 70% social rented and 30% intermediate housing. This is also recognised in DM Policy 7.

- 2.28 The provision of affordable housing however is subject to a financial viability assessment to ensure meeting this policy does not make development unviable. The London Plan at paragraph 3.73 confirms that

“The Mayor wishes to encourage, not restrain, overall residential development. Boroughs should take a reasonable and flexible approach to securing affordable housing on a site by site basis”.

A proposal is not contrary to Policy where it is shown to be providing the maximum reasonable amount of affordable housing that can viably be delivered. In this case, the applicant has proposed no affordable housing or off-site payment, which was supported in viability assessment studies completed by the applicant’s consultants, Sheridan Development Management Limited (SDML).

- 2.29 The financial information was assessed by independent consultants UrbanDelivery to provide assistance and advice to the Council on the matter of viability. In their report, they challenged the applicant’s viability assumptions, including site value, profit return and professional fees, yet nonetheless concluded that the scheme would be unable to provide any on-site affordable units or an in-lieu payment. This is based in part upon a developer profit of 17.5% on Gross Development Value – in most cases developers would typically target a 20% profit, however a 17-20% developer profit on GDV for residential development is an accepted level of return at the current time, which can be a minimum requirement of some lenders to ensure there is sufficient margin to cover potential cost over-runs or falls in sales values, while ensuring the lender has recourse to recover its debts.

- 2.30 The Mayoral CIL and LB Lewisham CIL charges also form part of UrbanDelivery’s appraisal. At £35 and £70 per sqm respectively, this would equate to £184,809. This is in addition to demolition costs; and agreed highways works/ CPZ, and children’s playspace s106 financial contributions.

- 2.31 Members were advised at the previous Committee meeting that officers had reviewed the viability and ensured that UrbanDelivery had robustly supported their conclusions during the process. The outcome was that their independent and robust examination of the applicants’ viability justification in regard to nil affordable housing delivery was accepted by officers.

- 2.32 However, Members remained unclear with regard to the methodology and conclusion that the scheme could not deliver affordable housing or an in-lieu payment. At the time of writing this report, the UrbanDelivery consultant had agreed

to attend the Committee meeting to explain to Members how his conclusions were reached, and the extent of analysis undertaken.

2.33 This viability assessment has been undertaken in accordance with Lewisham's Supplementary Planning Document (SPD) on Planning Obligations (2015) and accordingly the site value adopted is based on Existing Use Value Plus in respect to its current use as a mixed use retail and residential block.

2.34 In response to Members debate at the Committee, the applicant has stated:

'Whilst there are differences in approach on individual elements between the applicant's appraisal and that undertaken by UrbanDelivery on behalf of the Council, the conclusion is ultimately the same albeit that the deficit against benchmark is slightly higher in the SDML appraisal. The attached appraisal comparison highlights the differences in the appraisal inputs and outputs. It is noteworthy, for example, there are larger s106 and CIL; marketing & sales and purchasing costs; and SDLT/land agent & legal fees built into UrbanDelivery's appraisal which offset the difference in professional opinion with regard to sales prices, construction costs, finance and rent values.'

2.35 It is appropriate that an early and late stage viability review is undertaken to assess whether an off-site affordable housing contribution should be incurred by the developer in the future where it is determined that the financial position of the scheme has improved.

2.36 This accords with the Greater London Authority's Affordable Housing and Viability SPG (2017), which seeks to maximise affordable housing delivery in the longer term and acknowledges the potential for significant changes in values in the housing market, therefore the use of review mechanisms are supported.

2.37 An early review may be triggered if an agreed level of progress on implementing the permission has not been reached after two years of the permission being granted.

2.38 Following this, a late review would be applied once 75 per cent of homes are sold. The SPG advises that the benefit of this approach is that the review can be based on values achieved and costs incurred. The review takes place prior to sale of the whole development to ensure that the review and any additional contribution arising from this are enforceable. The review mechanisms would be secured in the S106.

3.0 Conclusion

3.1 The application has been considered in the light of the relevant policies set out in the development plan and other material considerations including representations from third parties that have been discussed in the 2 August 2018 Committee report, which is attached as an appendix.

3.2 Following a further assessment of the proposal and submission of additional information, officers maintain their position to support the scheme.

3.3 The proposal would provide a part 6/ part 7/ part 8-storey mixed use commercial and residential development that officers consider to be acceptable in its siting, height and design, and would be an appropriate addition to the townscape. The proposed repositioning of the residential entrance fronting Bell Green is acceptable.

3.4 The provision of no affordable units or in-lieu payment has been rigorously tested by an independent viability consultant on behalf of the local planning authority, who agrees with the conclusions of the applicant. The S106 would secure an 'early review' assessment of any changes in the housing market should no development commence on-site within 2 years of the decision date, with a further review undertaken once 75% of homes are sold.

- 3.5 In regard to air pollution, the further information that has been submitted by the Crystal Palace resident, notwithstanding that it does not constitute information which the Council is able to give any material weight to or rely upon, nor does it purport to assess the impact of the proposed development in any case, has in this instance only been reviewed by Environmental Health, who do not formally recognise his method of acquiring data by air quality monitoring Pods.
- 3.6 Officers have reviewed the update validated data and reports provided by the applicant, and had reference to its own data, and can raise no objection toward the proposal on air quality grounds.
- 3.7 For these reasons, it is recommended the redevelopment of the site is granted permission.

4.0 RECOMMENDATION

- 4.1 Upon the completion of a satisfactory Section 106, in relation to the matters set out in the original Committee report, authorise the Head of Planning to Grant Permission subject to the conditions as set out within the original committee report, updated only to make reference to the update Air Quality Assessment, the partial set back of the building as shown on updated plans, and the delivery of ventilation in the manner described in paragraph 2.16 above.