

The Wharves, Oxestalls Road, Deptford

in the London Borough of Lewisham

planning application no. DC/15/92295

Strategic planning application stage II referral

Town & Country Planning Act 1990 (as amended); Greater London Authority Acts 1999 and 2007; Town & Country Planning (Mayor of London) Order 2008.

The proposal

The comprehensive redevelopment of land bounded by Oxestalls Road, Grove Street, Dragoon Road and Evelyn Street SE8, but excluding Scott House, 185 Grove Street (formerly known as Diploma Works) seeking outline planning permission (Phases 1-3) for the demolition of existing buildings on the site, excluding former Public House on Grove Street to facilitate the phased redevelopment of the site to provide up to 10,413 square meters (GEA) non-residential floorspace comprising Use Classes A1- A5, B1, D1 and D2 and an energy centre and up to 1132 residential units in buildings ranging from 3 to 24 storeys in height, together with car and cycle parking, associated highway infrastructure, public realm works and provision of open space and detailed planning permission (Phase 1) for up to 562 residential units and up to 5,692 square metres (GEA) of non-residential floorspace comprising Use Classes A1- A5, B1, D1 and D2 in buildings ranging from 3 to 24 storeys in height, together with car and cycle parking, associated highway infrastructure, energy centre, public realm works and provision of open space.

The applicant

The applicant is **Lend Lease Deptford Ltd**, and the architect is **HOK**.

Strategic issues

The residential-led mixed use development within the Deptford Creek/Greenwich Riverside Opportunity Area is in accordance with strategic objectives. Outstanding strategic planning concerns relating to **land use, housing, urban design, sustainable development** and **transport** have been satisfactorily addressed.

The Council's decision

In this instance Lewisham Council has resolved to grant conditional planning permission subject to the completion of a satisfactory S106 legal agreement.

Recommendation

That Lewisham Council be advised that the Mayor is content for it to determine the case itself, subject to any action that the Secretary of State may take, and does not therefore wish to direct refusal or direct that he is to be the local planning authority.

Context

1 On 24 June 2015 the Mayor of London received documents from Lewisham Council notifying him of a planning application of potential strategic importance to develop the above site for the above uses. This was referred to the Mayor under Categories 1A, 1B and 1C of the Schedule to the Order 2008:

1A: "Development which comprises or includes the provision of more than 10 houses, flats or houses and flats"

1B: "Development (other than development which only comprises the provision of houses, flats or houses and flats) which comprises or includes the erection of a building or buildings... (C) outside Central London and with a total floorspace of more than 15,000 square metres"

1C: "Development which comprises or includes the erection of a building of one or more of the following descriptions... (c) the building is more than 30 metres high and is outside the City of London ".

2 On 29 July 2015 the Mayor considered planning report D&P/2232b/01, and subsequently advised the Council that while the application is generally acceptable in strategic planning terms the application did not comply with the London Plan, for the reasons set out in paragraph 65 of that report; but that the possible remedies set out in that paragraph could address the deficiencies.

3 A copy of the above-mentioned report is attached. The essentials of the case with regard to the proposal, the site, case history, strategic planning issues and relevant policies and guidance are as set out therein, unless otherwise stated in this report.

4 Since then further information on land-use, housing, energy and transport has been provided by the applicant and the Council in response to the Mayor's concerns (see below). On 29 October 2015 the Council resolved to grant conditional planning permission subject to the completion of a satisfactory Section 106 legal agreement, and on 29 January 2016 it advised the Mayor of this decision.

5 Under the provisions of Article 5 of the Town & Country Planning (Mayor of London) Order 2008 the Mayor may allow the draft decision to proceed unchanged, direct the Council under Article 6 to refuse the application or issue a direction to the Council under Article 7 that he is to act as the Local Planning Authority for the purposes of determining the application and any connected application. The Mayor has until 12 February 2016 to notify the Council of his decision and to issue any direction.

6 The environmental information for the purposes of the Town and Country Planning (Environmental Impact Assessment) Regulations 2011 has been taken into account in the consideration of this case.

7 The decision on this case, and the reasons will be made available on the GLA's website www.london.gov.uk.

Update

8 At the consultation stage Lewisham Council was advised that while the application is generally acceptable in strategic planning terms the application did not comply with the London Plan, for the reasons set out in paragraph 65 of that report; but that the possible remedies set out

in that paragraph could address these deficiencies, which related to land-use, housing, urban design, sustainable development and transport. Addressing each of the points raised, the following is noted:

Land-use

9 The proposed development would provide a total of 9,629sq.m (GIA) of commercial floorspace (Use Classes A1, A3, A4, A5, B1, D1, D2), of which 6,103sq.m (GIA) would be dedicated B1 floorspace. In terms of B1 use, this would amount to at least 4.3% of the built floorspace (provided as dedicated B1 space in Plots 3 and 6) and potentially more if other non-residential floorspace permitted for B1 use was used for this purpose. At consultation stage it was noted that the quantum of B Class floorspace proposed was not compliant with local policy. Specifically Policy SSA4 of the 'Lewisham Core Strategy 2011' (the Core Strategy), which relates to the site, requires a comprehensive approach to redevelopment that delivers, amongst other priorities, at least 20% of the built floorspace on the site for a mix of B1(c), B2 and B8.

10 At consultation stage GLA officers acknowledged that the proposed commercial floorspace offer was likely to be acceptable. The proposal is supported by a commercial strategy which confirms that there is market support for the applicant's strategy to provide flexible office space that can be adapted to meet changing needs of business from SME space to larger more established companies. It is also supported by a viability assessment (which was not supplied to GLA officers at consultation stage) that confirmed the proposal represented the critical quantum of non-residential floorspace when balancing the other uses proposed on site in order to ensure the deliverability of the scheme. GLA officers requested that the Council confirm that this had been reviewed and that the reduction in commercial space and the provision of B1 space over other commercial uses is therefore justified, in this case.

11 The Council considers that the absence of B2 and B8 uses from the application proposal is appropriate given the potential impact of such uses on adjoining residential properties. The financial appraisal of the scheme undertaken for the Council by consultants Urban Delivery highlights that given the costs of providing the space and the rents and yields achievable on the B1 floorspace (as well as other non-residential uses) this space provides a limited contribution to the overall gross development value of the scheme. The consequence of this is that the provision of this B1 space is cross-subsidised in part by the residential content of the development. In the circumstances, increasing the commercial floorspace would have a negative impact on scheme viability. Given that the scheme is already a high-density development, increasing commercial space whilst maintaining the number of housing units is not considered appropriate on this site. The alternative of replacing residential with commercial space would have a disproportionate and negative impact on scheme viability. In the circumstances, and taken with the other aspects of the proposed development the Council considers that the proposed amount of commercial floorspace is acceptable in this case. GLA officers accept the Council's conclusions regarding the type and amount of commercial space.

12 At the consultation stage it was requested that, given the scale of the development and in light of the threat to cultural spaces and low cost creative workspace in the Deptford area, the proposed uses on site should be developed and detailed in line with a cultural strategy and that the strategy be secured by condition. The strategy should address all areas of the development, including public realm and meanwhile uses on the site, and the character of the area, with a focus on providing affordable workspace. Council officers state that they do not consider a cultural strategy necessary, in part due to the site being historically more industrial in nature. Officers also reference new employment opportunities on the site and the opening up of the canal path link to provide a link to the history of the area and assist in fostering a more integrated community. GLA officers note that the draft Section 106 legal agreement includes a Commercial Units Marketing

Strategy and a Public Arts Strategy and contribution. In light of the above a cultural strategy is not considered necessary and there are no outstanding issues on this aspect of the scheme.

13 At consultation stage further details were requested on the other uses that remain on site and where they will be relocated to. The applicant provided an update on their engagement with existing operators, which includes a self-storage facility, a petrol filling station, a waste management vehicle depot, and a car wash/ off-licence. While the relocation intentions of the existing operators is not known at this stage, the proposed development has the potential to increase employment on the site and is supported by a package of measures to provide and improve training, employment and business contract opportunities, which will be secured under the Local Labour and Business Strategy within the Section 106 legal agreement. As such no further information is required.

Housing

14 At consultation stage it was noted that the level of affordable housing initially proposed at 21% was below target levels. This initial proposal was subject to viability and subsequently lowered to 13.5% following submission of the applicant's financial viability assessment. The Council appointed Urban Delivery to advise on viability issues who undertook an appraisal of the development to assess the overall viability and level of affordable housing that can be provided. A copy of Urban Delivery's report has been provided to GLA officers. In summary it advises that, when taken with CIL contributions and other site specific obligations, 16.7% is the maximum amount of affordable housing at this time. The offer is also in line with the overall amount of affordable housing (189 units) secured in the extant scheme.

15 Given the scale and phasing of the scheme it was noted at consultation stage that it was likely a review mechanism would be required. Urban Delivery advised the Council that this would be appropriate and a suitable mechanism has been included in the Section 106 agreement to secure funding for additional affordable housing should values increase to a level where this would be financially viable. This is welcomed.

16 At consultation stage it was noted that the proposed tenure split of 32% affordable rent and 68% shared ownership was not in accordance with London Plan Policy 3.11. The Council has confirmed that given the existing high concentrations of social rented housing in the area and scheme viability the proposed tenure mix is considered acceptable. This is accepted.

17 Overall, it is concluded that the affordable housing solution in this instance optimises overall provision and represents an appropriate tenure mix. There are no outstanding issues in relation to affordable housing.

Urban Design

18 The design of the proposals were supported at consultation stage, however, it was noted that the final appearance of the development would be heavily impacted by the final choice of materials and detailing. The Council have reserved details of materials by condition and all reserved matters applications shall include a statement to demonstrate compliance with parameters, plans and principles set out in the Development Specification, the Parameter Plans and the Design Codes. This addresses the points raised.

Sustainable Development

19 At the consultation stage further information was requested in relation to overheating modelling and mitigation. The applicant has stated that a dynamic overheating assessment has been commissioned for the detailed design, this is welcomed. It is recommended that a condition is

included that requires the above considerations to be taken into account and the CIBSE TM52 criteria to be met for all spaces modelled.

20 At the consultation stage further details was requested in relation to district heating options including further correspondence related possible connection with the SELCHP. The applicant has stated that the information provided in the energy statement is the latest correspondence. The applicant has also stated that the intention is to engage further with SELCHP regarding a potential connection. Given the scale of the development and the potential network extension of SELCHP connection should be prioritised. The draft decision notice includes a condition requiring details of the CHP future proofed for connection with a district network. This is welcomed and no further information is required.

Transport for London's comments

21 At consultation stage Transport for London (TfL) sought a contribution towards enhanced bus services. The draft s106 states that £620,000 will be paid to the council towards Bus Improvement Measures and £56,000 for Bus Infrastructure. TfL welcome this contribution on commencement of the development, so works can be undertaken and implemented prior to occupation on site.

22 TfL's request at consultation stage for land to be safeguarded for a cycle hire docking station has been agreed and secured through a s106 agreement. It has also been agreed that 20% of parking will be for electric vehicles which now complies with the London Plan.

23 On the basis of the above comments, TfL is satisfied that the application scheme could be considered to be in general accordance with the transport policies of the London Plan.

Response to consultation

24 The Council advertised the application in the local newspaper as an EIA application, with site notices also being displayed and letters sent to approximately 5000 local residents and businesses. Further consultation was carried out on receipt of scheme amendments and further environmental information. In response to consultation a total of 8 letters of objection and 1 letter of support were received. Objection raised issues relating to transport and traffic, social infrastructure, contamination and pollution, impact upon amenity, design, affordable housing, policy and other issues.

25 In relation to the objections and points raised, these have been addressed in the Council report and strategic matters about design, affordable housing, transport and density in particular have been addressed in this report and the initial Stage 1 consultation.

26 In terms of statutory consultees Greater London Archaeological Advisory Service have recommended conditions related to site investigation and archaeological mitigation. Historic England has confirmed that they do not wish to offer any comments. The Environment Agency raises no objections but recommends conditions related to flood risk and ground conditions. Thames Water raises no objections but recommend conditions related to site drainage, water supply and the Thames Tideway Tunnel. London Metropolitan Police raise no objection but recommend a condition related to Secure by Design certification. The requested conditions have been secured.

Article 7: Direction that the Mayor is to be the local planning authority

27 Under Article 7 of the Order the Mayor could take over this application provided the policy tests set out in that Article are met. In this instance the Council has resolved to grant permission

with conditions and a planning obligation, which satisfactorily addresses the matters raised at stage I, therefore there is no sound planning reason for the Mayor to take over this application.

Legal considerations

28 Under the arrangements set out in Article 5 of the Town and Country Planning (Mayor of London) Order 2008 the Mayor has the power under Article 6 to direct the local planning authority to refuse permission for a planning application referred to him under Article 4 of the Order. He also has the power to issue a direction under Article 7 that he is to act as the local planning authority for the purpose of determining the application and any connected application. The Mayor may also leave the decision to the local authority. In directing refusal the Mayor must have regard to the matters set out in Article 6(2) of the Order, including the principal purposes of the Greater London Authority, the effect on health and sustainable development, national policies and international obligations, regional planning guidance, and the use of the River Thames. The Mayor may direct refusal if he considers that to grant permission would be contrary to good strategic planning in Greater London. If he decides to direct refusal, the Mayor must set out his reasons, and the local planning authority must issue these with the refusal notice. If the Mayor decides to direct that he is to be the local planning authority, he must have regard to the matters set out in Article 7(3) and set out his reasons in the direction.

Financial considerations

29 Should the Mayor direct refusal, he would be the principal party at any subsequent appeal hearing or public inquiry. Government Planning Practice Guidance emphasises that parties usually pay their own expenses arising from an appeal.

30 Following an inquiry caused by a direction to refuse, costs may be awarded against the Mayor if he has either directed refusal unreasonably; handled a referral from a planning authority unreasonably; or behaved unreasonably during the appeal. A major factor in deciding whether the Mayor has acted unreasonably will be the extent to which he has taken account of established planning policy.

31 Should the Mayor take over the application he would be responsible for holding a representation hearing and negotiating any planning obligation. He would also be responsible for determining any reserved matters applications (unless he directs the council to do so) and determining any approval of details (unless the council agrees to do so).

Conclusion

32 The principle of the residential-led mixed use development of the site is supported in accordance with strategic policy. The issues raised at consultation stage regarding land use, housing, urban design, sustainable development and transport have been satisfactorily addressed. As such, the application is now acceptable in strategic planning terms and there are no sound reasons for the Mayor to intervene in this particular case.

for further information, contact GLA Planning Unit (Development & Projects Team):

Colin Wilson, Senior Manager – Development & Projects

020 7983 4783 email colin.wilson@london.gov.uk

Justin Carr, Strategic Planning Manager (Development Decisions)

020 7983 4895 email justin.carr@london.gov.uk

Russell Smith, Case Officer

020 7983 4782 email russell.smith1@london.gov.uk
