

Planning Committee

Tuesday 6 July 2021

6.30 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1
2QH

Supplemental Agenda

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Date:

Item No: 6.1 , 6.2	Classification: Open	Date: 6 th July 2021	Meeting Name: Planning Committee
Report title:		Addendum report Late observations and further information	
Ward(s) or groups affected:		St Giles, Camberwell Green, Faraday, North Walworth, St George's	
From:		Director of Planning and Growth	

FINAL report issued on

PURPOSE

1. To advise members of observations, consultation responses and further information received in respect of the following planning applications on the main agenda. These were received after the preparation of the report and the matters raised may not therefore have been taken in to account in reaching the recommendation stated.

RECOMMENDATION

2. That members note and consider the late observations, consultation responses and information received in respect of each item in reaching their decision.

FACTORS FOR CONSIDERATION

3. Late observations, additional information and revisions have been received in respect of the following planning applications on the main agenda:

Item 6.1 21-23 Parkhouse Street, London, SE5 7TQ

Ecological Enhancement

4. The original report identified at paragraph 179 that this development would contribute towards a strategic habitat bank to be created in Burgess Park. A potential project has now been identified and costs calculated. The applicant has agreed to a proportion of the total cost including maintenance and management. Consequently a sum of £16,038 would be secured in the s106 legal agreement.

Carbon Offset Fund

5. In paragraph 250 of the committee report it is stated that a contribution of £96,140 would be required towards the carbon offset fund (1012 tonnes shortfall x £95). Since the publication of the report it has become apparent this is incorrect. There is a need to offset 453.53 tonnes not 1020 and therefore the correct calculation should be 454.53 tonnes shortfall x £95 = £43,180



11. The documents referred to above are available to view in full on the Councils website.

Item 6.2 Shopping Centre Elephant and Castle, 26, 28, 30 and 32 New Kent Road, Arches 6 and 7 Elephant Road and London College of Communications sites, London SE1

Update to paragraph 46 of the officer report

12. The applicant has submitted additional schedules showing the following residential amendments as set out below.

Plot E2, Tower 1

- Level 7 – replace 2 x 2-bed duplex units with 23 x 3 bedroom duplex units;
- Level 7 - replace 1 x 3-bed with 2-bed unit;
- Levels ~~7-8~~-27 replace 21 x 1-bed units with 2-bed units;
- ~~Level 18 – replace a 2-bed unit with a 1-bed unit;~~
- Level 18 –replace a 2-bed unit with a plant room;
- Level 21 - replace a plantroom with a 1-bed unit;
- Level 21 - replace 2x 1-bed units with a 3-bed unit;
- Level 22 - replace 2x 1-bed units with a 3-bed unit;
- Level 29-33 - replace 5 x 3-bed unit with 5 x 2-bed units;
- Level 29-33 - 5 x additional 1-bed units.

13. All of the reconfigured units underlined above would comply with the minimum floorspace requirements in the Residential Design Standards SPD, including for storage space. The proposed unit mix, wheelchair housing, private amenity space,

communal amenity space, play space and aspect all remain as set out in the officer report.

Correction to paragraph 49 of the officer report:

14. The area for 'sui generis (LUL)' within the land use table should be 9,049sqm.

Correction to paragraph 128 of the officer report:

15. The proposed amendments seek to reduce the amount of leisure floorspace in plot E3E2, and to provide additional leisure space in plot E4E3 at basement levels B1 and B2. This would result in an overall increase of 411sqm of leisure floorspace which is welcomed. The consented leisure space in plot E3E2 was anticipated as being used as a cinema, with up to 8 screens and circa 1,000 seats.

Environmental impact assessment (EIA) background information

16. Paragraph 148 of the officer report refers to appendix 2 which is a copy of the EIA section of the officer report for the original permission (16/AP/4458). The appendix is missing from the report and is therefore attached to this addendum as appendix 5. It sets out the environmental impacts of the original permission and is for background information. The environmental impacts of the current s73 application which Members are being asked to consider are set out in full in the officer report, including at paragraphs 148-157.

Further representations

17. Two further representations have been received from the 35% campaign objecting to the application on the following grounds:

The viability information does not include the cash figure for developer profit which is required by the Development Viability SPD (table 1, paragraph 23). The information that an 11% IRR has been adopted for the appraisal will mean very little to anyone who is not a development professional, and defeats the purpose of the SPD (para 24, 25) which is to make the key viability assumptions transparent. Request that the cash figure for Developer Profit is published before determination.

Officer response - The point in relation to the way in which developer's profit is expressed is addressed at paragraph 89 of the officer report. The development has been valued on an internal rate of return (IRR) basis reflecting the target return for a large scale mixed use development that would be delivered over a relatively long timescale. This is different to the conventional build to sell model which assumes a developer will sell ('realise') their asset, and receive a capital sum for it. Build for rent housing is assumed to be held as a long term asset, and therefore the return is calculated on a different basis. An internal rate of return (IRR) target figure of 11% was agreed as the baseline for viability Review 1 and Review 2 under the existing permissions, and has been carried forward to the current s73 application. A profit figure has been included in the FVA for the s73 application, and is given in the Financial Viability Appraisal (FVA) appendix as £175,590,633. However, this figure is

not absolute assumed profit, but has to incorporate the financing costs for the period of the development.

The use of IRR is recognised in the Council's Development Viability SPD, specifically in Appendix 2 which relates to Financial Viability appraisal inputs. Under developer profit it states that 'The council will take Internal Rate of Return (IRR) into account if requested by the applicant, provided the development programme and timings of costs and values are fully justified. The cross-referencing exercise to market site comparables will give a good indication of the profit levels assumed in the market for schemes being built out supported by institutional funding'. Given the scale, complexity, timescales and PRS proposal IRR is considered to be appropriate in this instance and does not conflict with the SPD.

Request for clarification of the GLA grant funding situation. In 2016 this was reported as £11.24m and secured in principal. It is now reported that £9,198,750 has been 'provisionally allocated' and, according to the FVA, this is for the west site only. A further £9,200,000 has been 'assumed' for the east site, but 'not yet secured'. It therefore seems that there is no grant funding actually in place for either the affordable housing on the west site or the affordable housing on the east site, which would include all the social rented housing on the scheme. Would be grateful if you would clarify the situation for each of the sites.

Officer response - The position in respect of GLA grant funding is set out at paragraphs 214 and 215 of the officer report. There is no confirmed grant funding in place for either the east site or the west site. The applicant is in advanced negotiations with the GLA regarding grant funding to deliver the consented east site affordable units. In the officer report this is assumed to be £9,198,750, with there being the potential for grant funding of £433,000 for the additional affordable units sought under this current s73 application, but this is not confirmed or secured.

The FVA includes a sum of £9,585,000 grant funding for the east site, the sum being slightly different and slightly lower than that in the officer report because it pre-dates some recent discussions. No application has been made for grant funding on the west site because it would need to be applied for closer to the point at which the units would be built, and this is some 5 years away. However, the FVA does include an assumed £9,280,000 grant for the west site. The grant for the west site is not included in the officers report because it is not yet agreed, even in principle, by the GLA because their funding programme has not been set out that far into the future. However, the developer is committing to deliver the affordable housing regardless, including the 116 social rented units which have already been consented on the west site. If the negotiations with the GLA do not succeed and no grant funding is secured, the affordable units would be delivered in any event and would be secured through the s106 agreement. The consented social rented units would be delivered on the west site, not on the east site as stated in the objection.

Question what the 'Other Development Costs' of £15,158,000 might be (Avison Young appraisal (pg 43). AY advise that this was in the existing consent and will have a neutral effect, but it is nonetheless a significant amount, almost as much as the purported GLA grants. The officer report also notes that viability appraisals are sensitive to marginal changes. For these reasons it should be further explained.

Officer response – The ‘other development costs’ included in the appraisal relate to Rights of Light compensation (east and west sites) and land interests which needed to be acquired by the applicant before the east site buildings could be vacated and demolished; this includes freeholds and leasehold interests. Some of this has now been spent however, and it appears in both the appraisal for the original permission and that for the current s73 application, and the effect is neutral.

Question what would happen to any GLA grant in the event of Southwark, or a registered provider, having to build the social rented housing, should the applicant exercise the option not to deliver them itself, under the terms of the s106 agreement? Question whether any grant would be automatically transferred to Southwark or a registered provider.

Officer response - This relates to the 116 social rented units which already have consent by virtue of the existing permissions, and not the s73 application Members are now being asked to consider. However, the GLA has advised that protection clauses would be included in the grant funding agreement.

Question whether the applicant can reaffirm that they will deliver the social rented housing, even if no GLA grant is secured, which was a commitment given to secure the current consent.

Officer response – The affordable housing proposed under this s73 application is not contingent on GLA grant funding being obtained. If no grant funding is secured, the affordable units would be provided in any event and would be secured through an s106 agreement. The applicant’s agent has confirmed this in writing, and is the same as for the existing permissions.

Conclusion of the Director of Planning and Growth

18. Having had regard to the additional information and representations received, officers of the view that planning permission should be granted.

REASON FOR URGENCY

19. Applications are required by statute to be considered as speedily as possible. The applications on this agenda have been publicised as being on the agenda for consideration at this meeting of the Planning Committee and applicants and objectors have been invited to attend the meeting to make their views known. Deferral would delay the processing of the applications and would inconvenience all those who attend the meeting.

REASON FOR LATENESS

20. The new information, comments reported and corrections to the main reports and recommendations have been noted and/or received since the committee agenda was printed. They all relate to items on the agenda and members should be aware of the comments made.

Item 6.2 Shopping Centre Elephant and Castle, 26, 28, 30 and 32 New Kent Road, Arches 6 and 7 Elephant Road and London College of Communications sites, London SE1

Appendix 5

EIA section of the committee report for permission 16/AP/4458 (the original **permission**) – **background information**

Environmental impact assessment

21. Applications where an Environmental Impact Assessment (EIA) is required will either be mandatory or discretionary depending on whether they constitute Schedule 1 (mandatory) or Schedule 2 (discretionary) development in the Town and Country Planning (Environmental Impact Assessment) Regulations 2011 (as amended). In this case the proposed development falls under Schedule 2, Category 10b 'urban development project' of the EIA Regulations where the threshold for these projects is development including one hectare or more of urban development which is not dwelling house development, development including more than 150 dwellings, and development where the overall area of the development exceeds 5 hectares. The development would provide more than 1 hectare of development which is not dwelling house development, and would provide more than 150 dwellings. Notwithstanding this, an EIA is only required if it is likely to generate significant environmental effects having regard to the criteria set out in Schedule 3 of the Regulations, which include:

the characteristics of the development;
the environmental sensitivity of the location; and
the characteristics of the potential impact.

22. Prior to the submission of the application the applicant requested a formal 'Scoping Opinion' under Regulation 13 of the EIA Regulations, to ascertain what information the Local Planning Authority considered should be included within the Environmental Statement (ES) (application reference 15/AP/4122).
23. Regulation 3 of the EIA Regulations precludes the granting of planning permission unless the council has first taken the 'environmental information' into consideration. The 'environmental information' means the ES including any further information, together with any representations made by consultation bodies and any other person about the environmental effects of the development.
24. The ES must assess the likely environmental impacts at each stage of the development programme, and consider impacts arising from the demolition and construction phases as well as the impacts arising from the completed and operational development.
25. It is not necessarily the case that planning permission should be refused if a development has the potential to have significant adverse impacts; it has to be

decided whether any of the identified adverse impacts are capable of being mitigated, or at least reduced to a level where the impact would not be so significant or adverse as to warrant a refusal of planning permission.

26. It is noted that the EIA regulations were amended this year. However, the amendments came into force on 16th May this year, and for planning applications accompanied by an ES which were submitted before this date, the 2011 Regulations continue to apply.
27. The submitted ES comprises the Main Text and Figures, Technical Appendices, Townscape, Visual and Built Heritage Assessment, and a Non-Technical Summary. It details the results of the EIA and provides a detailed verification of the potential beneficial and adverse environmental impacts in relation to the proposed development, including the following areas of impact (in the order that they appear in the ES):

Socio Economics
 Transportation
 Noise and Vibration
 Air Quality
 Ground Conditions and Contamination
 Water Resources and Flood Risk
 Archaeology
 Wind
 Daylight, Sunlight and Overshadowing
 Cumulative Effects
 Townscape, Visual and Built Heritage Assessment (ES Volume 3)

28. In assessing the likely environmental effects of a scheme, the ES must identify the existing (baseline) environmental conditions prevailing at the site, and the likely environmental impacts (including magnitude, duration, and significance) taking account of potential sensitive receptors. It further identifies measures to mitigate any adverse impacts, and a summary of potential positive and negative residual effects remaining after mitigation measures included in the ES in order to assess their significance and acceptability.
29. The impacts of the proposed development are expressed as:
 - Adverse – detrimental or negative; and
 - Beneficial – advantageous or positive.

In terms of the significance of the effects, the ES describes these as:

- Moderate or substantial effects are deemed to be 'significant';
- Minor effects are considered to be 'significant', although they may be matter of local concern; and
- Insignificant effects are considered to be 'not significant' and not a matter of local concern.

30. Local effect means affecting neighbouring receptors and wider effects are considered on a district (borough) and regional (Greater London) level. Effects on other parts of the country or England as a whole are considered as national level, and abroad is considered as 'international' level.
31. Additional environmental information or 'Further Information' was received during the course of the application and in accordance with Regulation 22 of the EIA Regulations all statutory consultees and neighbours have been re-consulted in writing, site notices have been displayed and an advertisement has been displayed in the local press. The assessment of the ES and Further Information and the conclusions reached regarding the environmental effects of the proposed development as well as mitigation measures (where required), are set out in the relevant section of this report, although cumulative impacts are considered below.

Alternatives

32. Schedule 4 of the EIA Regulations sets out the information that is required for an ES, which includes an outline of the main alternatives considered. The ES considers two alternative options which are the 'no development' alternative and 'alternative designs'.

The 'no development' alternative

33. This option would leave the site as it currently exists. This was not considered to be a preferable option by the applicant and the ES advises that without redevelopment, the site would be likely to remain under-used and would result in a number of missed opportunities for the site and the wider opportunity area including:
34. Continued deterioration of the existing buildings on-site and the site environment over time;
 - No creation of a new and vibrant mixed-use neighbourhood on the site;
 - No provision of new homes including affordable housing on the site;
 - No job creation as a result of the provision of additional commercial floorspace;
35. No improvement to the public realm and pedestrian accessibility and no provision of open space on the site;
 - No improvement in the provision of cultural and entertainment facilities; and
 - No improvement in public transport accessibility.
36. In light of this the 'No development' scenario has been discounted by the applicant. Whilst it is noted that the existing shopping centre could be refurbished which some neighbouring residents have suggested, it is unlikely that this would have been able to address issues such as the need to improve access to the Northern Line station, to provide strong retail frontages to the surrounding streets, and a significant quantum of residential accommodation.

Alternative designs

37. The ES advises that a number of alternative designs were considered as a response to key site constraints, together with responses to formal consultation with key stakeholders including with the council and the GLA. The initial proposals only included the east site which was purchased by the applicant in 2013, and the west site was incorporated mid 2015. Design changes made to the east site before the planning application was submitted include changes to the location of the Northern Line ticket hall which was initially shown in a more central position and relocation of the proposed cinema from plot E3 to E2 to reduce overshadowing of The Court.
38. A number of servicing options were considered including servicing via the existing ramp to the basement, through the basement of Elephant One, from Walworth Road, and the current proposal. The ES advises that the current servicing proposal was selected because it would be contained within the envelope of the new LCC building and would not compromise the public realm. On the west site changes included the extension of Pastor Street to the north, and provision of the cultural venue.

Alternative sites

39. The ES does not advise whether any alternative sites have been considered. Officers note however, that the east site is a development site in the saved Southwark Plan and the Elephant and Castle SPD, and both sites are within the central activities zone, the opportunity area and the SPD central character area. The SPD advises that within the central character area development provides the opportunity of improving its appeal as a shopping area, and given the prominent location of the east site above a tube station and which contains an existing shopping centre, it is considered to be the most appropriate in the area for attracting national comparison retailers. Moreover, the SPD identifies the east site as a potential location for tall buildings.
40. Officers concur that there are a number of problems with the east site including poor connections with the wider area and poor quality public realm. Refurbishment of the existing site including the shopping centre would not address these concerns or deliver the wider vision for the opportunity area. The proposal would contribute significantly towards meeting the targets for new homes and jobs in the area. As such, it is considered that the ES is satisfactory in demonstrating that alternative options have been considered, and that the applicant has adequately addressed this aspect of the EIA Regulations.

Cumulative developments

41. Chapter 16 of the ES considers the likely cumulative impacts of the development during the demolition and construction and completed and operational phases of the development. Two types of impacts have been considered; type 1 is the combination of individual effects from the proposed development on a particular receptor, such as noise, dust and visual impact, and type 2 is the combination of effects from the proposed development and other developments in the surrounding area which when

considered in isolation could be insignificant, but when considered together could result in a significant cumulative effect.

42. The ES concludes that during demolition and construction a combination of effects from noise, vibration and dust, together with visual and traffic effects arising from the proposed development could be experienced. There are a number of other schemes in the surrounding area and so similar construction work on the other sites combined with the proposed development would be likely to result in temporary local adverse impacts through increased traffic and noise. It is acknowledged that these impacts may not necessarily be short term given the anticipated construction period, although they would be minimised as far as possible through demolition and construction management plans.
43. Regarding cumulative impacts arising from the completed development, the ES predicts that these would generally be minimal, with a number of notable exceptions. There would be beneficial cumulative impacts in relation to job creation, the delivery of additional housing, and reductions in surface water run-off. Moderate to substantial long-term adverse impacts would be experienced by a number of neighbouring properties in relation to daylight and sunlight, together with overshadowing of a green space to the south of Albert Barnes House which is on the northern side of New Kent Road, although this would primarily be due to the consented development on the Heygate Estate.
44. The overall conclusion of the ES is that for the majority of environmental impacts, the residual effects of the proposed development (demolition, construction, and operational phases) following mitigation would be insignificant. However, there are likely to be some adverse minor effects, particularly during the demolition and construction phases and traffic related long-term effects from the completed development. The impacts have been categorised as follows:

Adverse residual effects of minor significance of varying duration:

A loss of existing retail and leisure floorspace during demolition and construction (temporary);

45. New access roads from the site would lead to increased traffic flows arising from demolition and construction related traffic onto and off the site (temporary); As a result of the increased population on the site there would be increased operational development traffic flows on the surrounding local highway network from the completed development (long-term);
46. There would be a local increase in disturbance of pedestrian and cycle routes during the demolition and construction with effects of minor significance (temporary);
47. There would be a minor effect on public transport users as a result of the demolition and construction phases causing temporary effects to local routes (temporary);
48. As a result of construction and demolition, under a worst-case scenario there would be moderate, temporary increases in noise at adjacent sensitive receptors at Oswin Street and Metropolitan Tabernacle (temporary);

Temporary minor increases in vibration would be experienced, at worst, by sensitive receptors on Oswin Street and the Metropolitan Tabernacle as a result of construction and demolition activities (temporary);

49. A number of properties within close proximity to the site (Oswin Street and 1-84 Hayles building) would have reduced daylight and sunlight (effects ranging in significance between Insignificant to substantial, long-term);
50. There would be a long-term minor increase in transient overshadowing as a result of the Development;
51. The completed development would result in varying reduction in sun hours on ground (0 to 40%+) in the local area due to the increase in massing (effects ranging in significance from insignificant to substantial, long-term);
52. There would be a minor to moderate effect for the majority of viewpoints from the Development;
53. The new façades would reduce solar glare from the development with the effects ranging in significance between insignificant to substantial).

Long-term beneficial effects of varying significance:

54. The development would result in the provision of an additional 979 housing units including 'build for rent' and 36% affordable housing overall;
55. Improved population and labour market would provide a long-term benefit at both district and local level (effects ranging in significance between moderate to substantial beneficial);
56. There would be an estimated overall net gain in the number of full-time equivalent jobs supported by the proposed development;
57. The development could generate additional household expenditure as a result of jobs created in association with the site, enhancing the local economy, and supporting further direct and indirect employment;
58. Increased sustainable travel as a result of the implementation of the sustainable travel patterns commitment. This would include improved pedestrian permeability and increased site wide cycle facilities and public realm improvements;
59. There would be reduced ground contamination and leaching into shallow groundwater from the site, which would have a long-term minor beneficial effect; The completed development would decrease pluvial (rainfall) and surface water flood risk owing to a surface water drainage strategy, the result of which would be long-term beneficial and of minor significance; Wind conditions in thoroughfares across the site would be improved (effects ranging in significance from Insignificant to minor beneficial). Conditions surrounding building entrances would be acceptable (effects ranging from minor adverse to minor beneficial); conditions would remain acceptable for cyclists and wind conditions

would improve at bus stops (effects ranging in significance between Insignificant to minor beneficial).

Temporary, short to medium term beneficial effects:

The creation of 1,230 construction jobs over the approximate 10-year construction period.

Officers have taken into account the information in the ES, together with consultation responses received following public consultation on the application.

The applicant has reviewed the ES in light of the amendments made to the proposal and officers consider that the changes to the proposal would not give rise to any new, additional or different likely significant effects from those already identified within the ES including cumulative effects.

60. It is recognised that there would be adverse impacts upon neighbouring properties in relation to daylight and sunlight. Officers also consider that there would be a major, albeit beneficial, impact on the setting of the Elliott's Row Conservation Area, and minor adverse impacts in relation to wind microclimate (although mitigation could be secured by way of condition). These adverse impacts must therefore be weighed in the balance with all of the other benefits and disbenefits arising from the application, and Members are referred to the conclusion to this report which draws these issues together.

Background Papers	Held At	Contact
Individual files	Chief Executive's Department 160 Tooley Street London SE1 2QH	Planning enquiries telephone: 020 7525 5403